



MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

ARIZONA AUDITOR GENERAL
LINDSEY A. PERRY

JOSEPH D. MOORE
DEPUTY AUDITOR GENERAL

December 28, 2018

The Honorable Diane Douglas
Superintendent of Public Instruction
Arizona Department of Education
Executive Officer
Arizona State Board of Education
1535 W. Jefferson St.
Phoenix, AZ 85007

Subject: Murphy Elementary School District No. 21

Dear Ms. Douglas:

We previously notified Murphy Elementary School District No. 21 that it had not complied with the *Uniform System of Financial Records* (USFR) based on our review of the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2017. The District was given 90 days to correct its deficiencies.

In September 2018, the District provided a corrective action plan for our review. We provided the District feedback on its plan and the District updated responses and took additional corrective action. Based on assertions in the District's most recent corrective action plan submitted to our Office on December 3, 2018, and discussions with district management, we determined that the District still had not made adequate progress in correcting the deficiencies to allow it to substantially comply with the USFR. Therefore, we request that the Arizona State Board of Education take appropriate action as prescribed by Arizona Revised Statutes §15-272.

If you have questions concerning this matter, please call Laura Miller, Accounting Services Director, or Megan Smith, Accounting Services Manager, at (602) 553-0333.

Sincerely,

Lindsey Perry, CPA, CFE
Auditor General

cc: Governing Board
Dr. Dennis Goodwin, Superintendent
Mr. James Serbin, Director of Operations
Murphy Elementary School District No. 21
Mr. Peter Davis, Receiver for Murphy Elementary School District No. 21
Ms. Alison Wise, Senior Associate
Simon Consulting, LLC
The Honorable Steve Watson, Maricopa County School Superintendent
Ms. Alicia Williams, Executive Director
Arizona State Board of Education
Ms. Shari Zara, Deputy Superintendent Operations
Ms. Sarah Hendrix, Deputy Associate Superintendent, Grants Management
Arizona Department of Education