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AUDITOR GENERAL

ARIZONA  
AUDITOR GENERAL

MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

August 11, 2020

Arizona State Board of Education  
1700 W. Jefferson St.  
Executive Tower Suite #300  
Phoenix, AZ 85007

**Subject: Murphy Elementary School District – Not in Compliance with the USFR Based on Subsequent Audit Reports**

Dear Members of the Board:

In accordance with Arizona Revised Statutes §15-272(B), on January 28, 2019, the State Board of Education held a hearing regarding Murphy Elementary School District's noncompliance with the *Uniform System of Financial Records* (USFR) and did not take action to withhold State aid monies as allowed by statute. In July 2019, we notified Superintendent of Public Instruction, Kathy Hoffman, and State Board staff that based on review of the District's subsequent audit reports and USFR Compliance Questionnaire for the year ended June 30, 2018, the District had not complied with the USFR.

Most recently, we received and reviewed the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2019, which indicated that the District has still not made improvements to allow it to no longer be in noncompliance with the USFR. We provided the District with the details of the most significant deficiencies noted in these reports. Once the District has implemented corrective actions and believes it is no longer in noncompliance with the USFR, the District should request a status review, which my Office will perform.

If you have questions concerning this matter, please call Melanie Chesney, Director, or Megan Smith, Manager, within our Accountability Services Division at (602) 553-0333.

Sincerely,  
Lindsey Perry, CPA, CFE  
Auditor General

cc: Governing Board  
Dr. Dennis Goodwin, Superintendent  
Mr. James Serbin, Business Manager  
Murphy Elementary School District  
Mr. Peter Davis, Receiver for Murphy Elementary School District  
Mr. Keith Kenny, Director  
Simon Consulting, LLC  
The Honorable Steve Watson, Maricopa County School Superintendent  
Ms. Alicia Williams, Executive Director  
Mr. Catcher Baden, Deputy Director  
Arizona State Board of Education  
Mr. Claudio Coria, Chief of Staff  
Ms. Sarah Hendrix, Deputy Associate Superintendent, Grants Management  
Arizona Department of Education