



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

January 5, 2024

Arizona State Board of Education
1700 W. Washington St.
Executive Tower Ste. 300
Phoenix, AZ 85007

Dear Members of the State Board:

In accordance with Arizona Revised Statutes §15-271, we are notifying you that Hackberry Elementary School District (District) has not corrected its deficiencies with the *Uniform System of Financial Records for Arizona School Districts* (USFR). Accordingly, we request that the Arizona State Board of Education (State Board) take appropriate action as prescribed in A.R.S. §15-272.

In December 2020, we notified the District that it had not complied with the USFR based on our review of its fiscal year (FY) 2019 financial audit reports and USFR Compliance Questionnaire (questionnaire). In August 2023, we further notified the District that it was still in noncompliance with the USFR based on our review of its FYs 2020 and 2021 financial audit reports and FY 2021 questionnaire, and our May 2023 performance audit follow-up report. From the date of our August letter, we gave the District an additional 45 days to correct its deficiencies included in the attached list.

In October 2023, the District provided a required corrective action plan (CAP) for our review. Based on assertions in the District's CAP and discussions with the District, we determined that it has implemented some corrective actions for its deficiencies but is not ready for a status review until the remaining corrective actions are implemented and the District evaluates transactions under its new processes. Therefore, the District is still in noncompliance with the USFR. We are requiring the District to provide an updated CAP in February 2024 that shows it has implemented and evaluated the efficacy of its remaining corrective actions. If the District's updated CAP demonstrates compliance with the USFR, my Office will perform a status review. Otherwise, the District's FY 2023 financial audit reports and questionnaire are due by March 31, 2024. Once those reports are submitted, we will review them to determine if the District is no longer in noncompliance with the USFR and update the State Board.

If you have questions concerning this matter, please call Meghan Hieger, Director, or Megan Smith, Manager, within our Accountability Services Division at (602) 977-2796.

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

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cc: Governing Board

Ms. Deb Warren, Administrator

Ms. Joni Bullock, Business Manager

Hackberry Elementary School District

The Honorable Michael D. File, Mohave County School Superintendent

Mr. Sean Ross, Executive Director

Arizona State Board of Education

Mr. Art Harding, Chief Operations Officer

Ms. Nicole von Prisk, Deputy Associate Superintendent, Grants Management

Arizona Department of Education