



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

August 20, 2024

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

Subject: Hyder Elementary School District—Still in Noncompliance with the USFR

Dear Members of the State Board:

The Hyder Elementary School District (District) has been in noncompliance with the Uniform System of Financial Records for Arizona School Districts (USFR) since July 2019 based on our review of the significant deficiencies cited in its audit reports and USFR Compliance Questionnaire (Questionnaire) for the years ended June 30, 2018 through 2022 and our January 2023 performance audit report. On September 27, 2021, the State Board of Education directed the Superintendent of Public Instruction to withhold 3 percent of the District's State Aid in accordance with Arizona Revised Statutes §15-272(B). Further, on October 4, 2023, we notified you that the District was not ready for a status review to determine if it is no longer in noncompliance with the USFR based on assertions in the District's submitted July 2023 corrective action plan and discussions with District management.

We recently received and reviewed the District's financial audit reports and Questionnaire for the year ended June 30, 2023, and issued a June 2024 performance audit follow-up report, which together indicated that the District is still in noncompliance with the USFR. As required, we are providing you a list of the most significant USFR deficiencies we noted in those reports. Further, we have provided the District an updated corrective action plan template to document corrective actions taken to comply with the USFR. In the next several weeks, we will schedule periodic meetings with District management to discuss the specific USFR requirements of each applicable deficiency area and the District's planned corrective actions. When the District can show it has corrected its deficiencies, my Office will perform a status review to determine if the District is no longer in noncompliance with the USFR and we will inform you of the results.

If you have questions concerning the District's noncompliance or our process, please call Meghan Hieger, Director, or Megan Smith, Manager, within our Accountability Services Division at (602) 977-2796.

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Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

cc: Governing Board

Ms. Deborah Stewart, Superintendent

Ms. Anitze Killman, Business Manager

Hyder Elementary School District

The Honorable Thomas Hurt, Yuma 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