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AUDITOR GENERAL

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AUDITOR GENERAL

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DEPUTY AUDITOR GENERAL

August 13, 2024

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

**Subject: Naco Elementary School District—No longer in Noncompliance with Audit Reporting Requirements**

Dear Members of the State Board:

In our July 23, 2024, letter to you, we requested that the Arizona State Board of Education (State Board) take action on Naco Elementary School District because the District had not submitted its audit reports, and the *Uniform System of Financial Records Compliance Questionnaire* (Questionnaire) for the year ended June 30, 2023. Although late, we have now received the District's fiscal year (FY) 2023 reports and Questionnaire. Therefore, the District has met the report submission requirements for that year.

As mentioned in our July letter, the District has been in noncompliance with the USFR since December 2022, based on our review of the significant deficiencies cited in the District's audit reports and Questionnaires for years ended June 30, 2021 and 2022. The District submitted a corrective action plan in December 2023, which indicated it had made enough progress in correcting its FY 2022 audit deficiencies, and our Office began a status review in February 2024 to determine whether the District is no longer in noncompliance with the USFR.

Now that we have received the District's required reports and Questionnaire, we will begin our review of the FY 2023 reports along with our April 2024 status review results to assess whether the District has complied with the USFR and will notify the District and the State Board of our determination.

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  
Mr. Rusty Taylor, Superintendent  
Ms. Kristen King, Business Manager  
Naco Elementary School District  
The Honorable Jacqui Clay, Cochise County Schools 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