



ARIZONA AUDITOR GENERAL

Lindsey A. Perry, Auditor General

Melanie M. Chesney, Deputy Auditor General

August 14, 2025

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

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

Dear Members of the State Board:

In accordance with Arizona Revised Statutes (A.R.S.) §15-271, we are notifying you that Young Elementary School District (District) is still in noncompliance with the *Uniform System of Financial Records for Arizona School Districts* (USFR) based on our review of the District's fiscal year (FY) 2024 financial audit reports and USFR Compliance Questionnaire (Questionnaire), and our June 2025 performance audit followup report. As required, we are providing you a list of the most significant USFR deficiencies we noted in those reports.

The following summarizes our past notifications and State Board of Education (State Board) action related to the District's continued noncompliance with the USFR:

- February 2023—We notified the District that it had not complied with the USFR based on our review of the significant deficiencies cited in its FY 2021 audit reports and Questionnaire, and our December 2022 performance audit report. The District had 90 days to correct its deficiencies, but it did not do so.
- September 2023— We notified the District's Governing Board that it was still in noncompliance with the USFR based on our review of the significant deficiencies cited in its FY 2022 audit reports and Questionnaire and our December 2022 performance audit report.
- January 2024—We notified the State Board 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 its submitted October 2023 corrective action plan and discussions with District management.
- April 2024—The State Board held a hearing and 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).

- September 2024—We notified the State Board and the District that it was still in noncompliance with the USFR based on our review of the significant deficiencies cited in its FY 2023 audit reports and Questionnaire and our January 2024 performance audit followup report.

Further, we will continue to assist the District as it works to correct its internal control deficiencies. For example, we provided the District an updated corrective action plan template to document corrective actions taken to comply with the USFR, and we will schedule periodic meetings with District management to discuss the District's implemented and planned corrective actions. When the District can show it has corrected its deficiencies, my Office may 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 Chris Votroubek, Manager, within our Accountability Services Division at (602) 977-2796.

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

cc: Governing Board
Chad Knippen, Superintendent
Brittney Leopold, Business Manager
Young Elementary School District
The Honorable Roy Sandoval, Gila County School Superintendent
Sean Ross, Executive Director
Arizona State Board of Education
Art Harding, Chief Operations Officer
Nicole von Prisk, Deputy Associate Superintendent, Grants Management
Arizona Department of Education