



ARIZONA AUDITOR GENERAL

Lindsey A. Perry, Auditor General

September 29, 2026

Sent via email

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

Subject: Pearce Elementary School District—Not in Compliance with the USFR

Dear Members of the Arizona State Board of Education:

In accordance with Arizona Revised Statutes (A.R.S.) §15-271, we are notifying you that Pearce Elementary School District (District) has not made adequate progress in correcting its deficiencies and remains in noncompliance 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. As required, we are providing you with a list of the District's most significant USFR compliance deficiencies.

By way of background, in May 2026, we notified the District that it had not complied with the USFR based on our review of its fiscal year (FY) 2025 financial audit reports and USFR Compliance Questionnaire (Questionnaire). The District had 90 days to correct its deficiencies, but it did not do so. In August 2026, the District submitted a corrective action plan (CAP) describing actions it had taken to correct its deficiencies, and we discussed the CAP with District management. However, based on assertions in the District's CAP and discussions with District management, we determined that the District has not made sufficient progress in correcting its deficiencies to warrant a status review by my Office.

We will continue to assist the District as it works to correct its internal control deficiencies. For example, we will schedule periodic meetings with District management to discuss the District's implemented and planned corrective actions. When the District can demonstrate that it has corrected its deficiencies, it should notify my Office and we 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. Additionally, the District's FY 2026 financial audit reports and Questionnaire are due by March 31, 2027. Once those reports are submitted, we will also review them and provide an update on the District's compliance status to you and the District.

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

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

cc: Governing Board
Scott Lindsey, Superintendent
Connie Ayres, Business Manager
Pearce Elementary School District
The Honorable Jacqui Clay, Cochise 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