



MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

ARIZONA AUDITOR GENERAL  
LINDSEY A. PERRY

JOSEPH D. MOORE  
DEPUTY AUDITOR GENERAL

November 2, 2018

The Honorable Diane Douglas  
Superintendent of Public Instruction  
Arizona Department of Education  
Executive Officer  
Arizona State Board of Education  
1535 W. Jefferson St.  
Phoenix, AZ 85007

**Subject: Toltec School District No. 22**

Dear Ms. Douglas:

In December 2017, we updated you that Toltec School District No. 22 remained in continued noncompliance with the *Uniform System of Financial Records* (USFR). In accordance with Arizona Revised Statutes §15-272(B), the State Board of Education is currently withholding 3 percent of the District's state aid.

Most recently, we received and reviewed the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2017, which indicated that the District has still not made improvements to substantially comply with the USFR. We provided the District with the details of the most significant deficiencies noted in these reports.

Once the District has operated under the new procedures for 2 to 3 months and verified the results, the District should notify the Board that they believe they substantially comply with the USFR. My Office will schedule a status review upon the Board's request.

If you have questions concerning this matter, please call Laura Miller, Accounting Services Director, or Megan Smith, Accounting Services Manager, at (602) 553-0333.

Sincerely,  
Lindsey Perry, CPA, CFE  
Auditor General

cc: Governing Board  
Ms. Denise Rogers, Superintendent  
Ms. Aracely Soto, Business Manager  
Toltec School District No. 22  
The Honorable Jill Broussard, Pinal County School Superintendent  
Ms. Alicia Williams, Executive Director  
Arizona State Board of Education  
Ms. Shari Zara, Deputy Superintendent Operations  
Ms. Sarah Hendrix, Deputy Associate Superintendent, Grants Management  
Arizona Department of Education