



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

October 10, 2023

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

Subject: Cedar Unified School District—Request for Solvency Review

Dear Members of the State Board:

As you are aware, in April 2011, the Arizona State Board of Education (State Board) placed Cedar Unified School District (District) in receivership. In accordance with Arizona Revised Statutes §15-103, my Office must certify that a district has been financially solvent for 1 fiscal year and that the district's financial records are in compliance with the *Uniform System of Financial Records for Arizona School Districts* (USFR) and generally accepted accounting principles (GAAP) before the State Board may remove a district from receivership.

On August 17, 2023, we notified the District's Governing Board that the District was no longer in noncompliance with the USFR based on our review of its fiscal year 2022 audit reports and USFR Compliance Questionnaire, and additional FY 2023 records and procedures. On September 12, 2023, the District's appointed Receiver requested that my Office assess the District's solvency. Please be advised that we have begun our process to assess the District's financial solvency as well as its compliance with GAAP. We will notify the State Board of the results of our assessment before its December meeting.

If you have any questions, please contact Meghan Hieger, Accountability Services Director, at (602) 977-2796.

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

Arizona State Board of Education

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cc: Governing Board

Mr. Dean Slaga, Superintendent

Ms. Judy James, Business Manager

Cedar Unified School District

Mr. Keith Kenny, Receiver for Cedar Unified School District

J.S. Held, LLC

The Honorable Jalyn Gerlich, Navajo County School Superintendent

Mr. Sean Ross, Executive Director

Arizona State Board of Education