



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

December 27, 2023

Governing Board
Fountain Hills Unified School District
16000 E. Palisades Blvd.
Fountain Hills, AZ 85268

Dear Members of the Board:

We previously notified you that Fountain Hills Unified School District (District) had not complied with the *Uniform System of Financial Records for Arizona School Districts* (USFR) based on our review of the District's fiscal year 2022 financial audit reports and the USFR Compliance Questionnaire prepared by an independent certified public accounting firm.

We have since reviewed the District's records and procedures as of October 2023. Based on our review of all available information, including the number and significance of the District's outstanding deficiencies, the District is no longer in noncompliance with the USFR. However, as noted in our December 7, 2023, email and discussion with District management, the District continues to have some outstanding deficiencies, including 15 items that have not been corrected; 10 items that have been partially corrected; and 1 new additional deficiency.

Please be advised the District must act to correct the outstanding deficiencies and its future audit reports must reflect that these deficiencies have been corrected. The areas containing the most significant deficiencies are Cash and Revenues and Information Technology, leaving District and student monies susceptible to loss, theft, and misuse and risking the accuracy, reliability, and security of District data.

Thank you for the assistance and cooperation that your administrators and staff provided during our review. If you have questions concerning this matter, please call Megan Smith, Accountability Services Division Manager, or me at (602) 977-2796.

Sincerely,

Meghan L. Hieger

Meghan L. Hieger, CPA
Director, Accountability Services Division

cc: Dr. Cain Jagodzinski, Superintendent
Ms. Alicia Mena, Director of Finance
Fountain Hills Unified School District
The Honorable Steve Watson, Maricopa County School Superintendent
Members of the State Board of Education
Arizona State Board of Education
Mr. Art Harding, Chief Operations Officer
Ms. Nicole von Prisk, Deputy Associate Superintendent, Grants Management
Arizona Department of Education