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**Greenlee County School Superintendent**  
**c/o Blue Elementary School District #22**  
**PO Box 1595**  
**Clifton, Arizona 85533**

May 31, 2024

Lindsey Perry  
Office of the Auditor General  
2910 N. 44<sup>th</sup> St, Suite 410  
Phoenix, Az 85018

Dear Ms. Perry,

Blue Elementary School District #22 has received and reviewed the FY 2023 Performance Audit Report. Upon review of this report, the district agrees with all findings and recommendations.

The district is in the process of implementing the recommendations provided and will work to improve the processes and procedures moving forward.

We would like to express our appreciation to the audit team for their professionalism and courtesy throughout this process. Given our School's unique situation and size, they provided us with valuable information and were a pleasure to work with.

If you have any questions, please feel free to contact our office at any time.

Sincerely,

A handwritten signature in black ink that reads 'Bryan Boling'. The signature is written in a cursive, flowing style.

Bryan Boling,  
Superintendent

**Finding 1:** District lacked procedures for certain business office activities, resulting in it being underfunded by over \$31,000 and inaccurately reporting its spending in fiscal year 2023.

**Recommendation 1:** The district should create written policies and procedures for District accounting and finance-related responsibilities that include requirements for:

- a. Annually reviewing ADE's most recent transportation guidance, and accurately reporting to ADE all route miles traveled and riders transported, including those that are contracted, for State funding purposes.

District Response: The finding of the Auditor General is agreed to, and the audit recommendation will be implemented.

Response explanation: The District will ensure that this will be included in its District Policies and Procedures.

- b. Reviewing the impact of reporting contracted miles and riders on its transportation State aid amount when preparing the district's annual budget and, when necessary, updating its tax levy calculations for transportation funding if a local levy for that purpose is not necessary.

District Response: The finding of the Auditor General is agreed to, and the audit recommendation will be implemented.

Response explanation: The District will ensure that this will be included in its District Policies and Procedures.

- c. Ensuring staff responsible for classifying expenditures review the Uniform Chart of Accounts for school districts at least annually and at any time it is revised or updated and implement its guidance to accurately account for and report the districts spending throughout the year.

District Response: The finding of the Auditor General is agreed to, and the audit recommendation will be implemented.

Response explanation: The District will ensure that this will be included in its District Policies and Procedures.

**Recommendation 2:** The district should immediately work with ADE to correct its transportation funding reporting for the previous 3 fiscal years to account for its contracted miles and riders to ensure it receives the correct level of State aid funding.

District Response: The finding of the Auditor General is agreed to, and the audit recommendation will be implemented.

Response explanation: The District has reached out to the Arizona Department of Education School finance for assistance in correcting the transportation funding and direction as to how to receive the reimbursement each year moving forward.

**Finding 2:** District did not have a formal agreement with GCSSO to provide business office services, increasing the risk of disrupted District operations.

**Recommendation 3:** If the District continues to rely on GCSSO to perform business office functions on its behalf, the district should enter into a formal, written agreement with GCSSO for the services it provides to the district that complies with A.R.S. §11-952 and clearly documents the agreement's duration and purpose and the roles, responsibilities, and expectations for both parties to the agreement.

District Response: The finding of the Auditor General is agreed to, and the audit recommendation will be implemented.

Response explanation: Greenlee County School Superintendent will be in contact with the Greenlee County Attorney to have an IGA drafted and presented to the district.