



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

October 7, 2009

The Honorable Tom Horne
Superintendent of Public Instruction
Arizona Department of Education
Executive Officer
Arizona State Board of Education
1535 West Jefferson Street
Phoenix, AZ 85007

Subject: Continental Elementary School District No. 39

Dear Mr. Horne:

We issued a compliance review report on January 27, 2009, informing Continental Elementary School District No. 39 that it had not complied with the *Uniform System of Financial Records* (USFR) because of significant deficiencies in the District's internal controls noted in its audit reports and USFR Compliance Questionnaire for the year ended June 30, 2007. The District was given 90 days to implement the recommendations in our report.

On September 28, 2009, the District represented to us that it had not made adequate progress correcting the deficiencies cited in our report and those cited in the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2008. Based solely on the District's representations, we have determined the District has not complied with the USFR as of that date.

In view of the circumstance described above, we request that the Arizona State Board of Education take appropriate action as prescribed by Arizona Revised Statutes §15-272.

The Honorable Tom Horne

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If you have questions concerning this matter, please call Magdalene Haggerty, Accounting Services Director, or me at (602) 553-0333.

Sincerely,

Debra K. Davenport
Auditor General

DKD/MH/ms

cc: Governing Board

Mr. James Nelson, Superintendent

Ms. Rosalind Wrice, Business Manager

Continental Elementary School District No. 39

The Honorable Linda Arzoumanian, Pima County School Superintendent

Mr. Vince Yanez, Executive Director

Arizona State Board of Education

Ms. Vicki G. Salazar, Associate Superintendent for Business and Finance

Arizona Department of Education