



DEBRA K. DAVENPORT, CPA  
AUDITOR GENERAL

STATE OF ARIZONA  
OFFICE OF THE  
AUDITOR GENERAL

WILLIAM THOMSON  
DEPUTY AUDITOR GENERAL

June 5, 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: Safford Unified School District No. 1**

Dear Mr. Horne:

We issued a compliance review report in December 2007 informing Safford Unified School District No. 1 that it had not complied with the *Uniform System of Financial Records (USFR)*. Recommendations to correct the deficiencies were described in our report. The District was given 90 days to implement the recommendations in our report.

We subsequently performed a status review of the District's internal controls as of January 9, 2009. Our review covered the deficiencies we had previously communicated to management and deficiencies included in the District's June 30, 2007, audit reports and USFR Compliance Questionnaire. The purpose of our status review was to determine whether the District was in substantial compliance with the USFR as of the date of our review. Our review consisted primarily of inquiries and selective testing of accounting records and control procedures. The review was more limited in scope than would be necessary to express an opinion on the District's internal controls. Accordingly, we do not express an opinion on its internal controls or ensure that all deficiencies were disclosed.

Based on the number and nature of the deficiencies noted in our status review and our review of the District's June 30, 2008, audit reports and USFR Compliance Questionnaire, which we received subsequent to the completion of our test work, we determined that Safford Unified School District No. 1 still has not complied with the USFR. Therefore, we request that the Arizona State Board of Education take appropriate action as prescribed by Arizona Revised Statutes §15-272. The District's deficiencies and our recommendations are described in the enclosed status review report issued June 2, 2009, notifying the District of its continued noncompliance.

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/lm

Enclosure

cc/enc: Governing Board

Dr. Mark R. Tregaskes, Superintendent

Safford Unified School District No. 1

The Honorable Donna McGaughey, Graham 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