



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

September 30, 2011

Governing Board
Toltec Elementary School District No. 22
3315 North Toltec Road
Eloy, AZ 85131-9680

Members of the Board:

In January 2010, we notified you that the District had not complied with the *Uniform System of Financial Records* (USFR) based on our review of the District's audit reports, USFR Compliance Questionnaire and the 6-month follow-up on our performance audit.

We have since received and reviewed the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2010, to determine whether the District was in compliance with the USFR as of that date. Based solely on our review of these documents and the 24-month follow-up on our performance audit, the District has complied with the USFR.

However, we noted that the District still had numerous internal control deficiencies cited by its auditors in the Schedule of Findings and Questioned Costs and the USFR Compliance Questionnaire. These deficiencies indicate that the District's internal controls are still weak over expenditures. In addition, the District had not established a delayed payroll system or adequately tracked prorated wages paid to hourly employees to help ensure that employees are paid only amounts earned.

Although the cited deficiencies do not cause substantial noncompliance, the District must take corrective action to continue to satisfactorily comply with the USFR.

If you have questions concerning the deficiencies or how to correct them, please call Laura Miller, Accounting Services Director, or Jerry Strom, Accounting Services Manager, at (602) 553-0333.

Sincerely,

Debbie Davenport
Auditor General

cc: Dr. Bryan McCleney, Superintendent
Ms. Eileen Crumbaker, Director of Business Services
Toltec Elementary School District No. 22
The Honorable Orlenda F. Roberts, Pinal County School Superintendent
Ms. Stacey Morley, Executive Director of Policy Development and Government Relations
Arizona Department of Education