



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

October 5, 2015

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

Subject: Baboquivari Unified School District No. 40

Dear Ms. Douglas:

In September 2014, we updated your predecessor that Baboquivari Unified School District No. 40 remained in continued noncompliance with the *Uniform System of Financial Records* (USFR). In accordance with Arizona Revised Statutes §15-272(B), the State Board of Education is currently withholding 6% of the District's state aid.

Most recently, we received and reviewed the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2014, which indicated that the District has still not made improvements to substantially comply with the USFR.

My Office will not perform a status review until the District notifies the Board that it has substantially corrected its internal control deficiencies and the Board requests that we perform a status review. At that time, we will contact the District to discuss in detail what action it has taken to correct its internal control deficiencies and whether a status review is warranted.

If you have questions concerning this matter, please call Laura Miller, Accounting Services Director, or Cris Cable, Accounting Services Manager, at (602) 553-0333.

Sincerely,

Debbie Davenport
Auditor General

cc: Governing Board
Dr. Edna Morris, Superintendent
Ms. Clementina Carlyle, Chief Financial Officer
Baboquivari Unified School District No. 40
The Honorable Linda Arzoumanian, Pima County School Superintendent
Ms. Christine Thompson, Executive Director
Arizona State Board of Education
Ms. Shari Zara, Deputy Superintendent Operations
Ms. Christy Ellison, Deputy Associate Superintendent, Grants Management
Arizona Department of Education