



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

September 12, 2014

The Honorable John Huppenthal
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 Mr. Huppenthal:

In our July 25, 2013, letter to you, we requested that the Arizona State Board of Education (Board) take action on Baboquivari Unified School District No. 40 as a result of the District's continued noncompliance with the *Uniform System of Financial Records for Arizona School Districts* (USFR). At the time we informed you that the District had not submitted its audit reports and USFR Compliance Questionnaires for the years ended June 30, 2011 and 2012. Additionally, we indicated that based on our review of the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2010, we determined that the District had not complied with the USFR in regard to internal controls. The District was given 90 days to correct its internal control deficiencies.

We subsequently received and reviewed the District's audit reports and USFR Compliance Questionnaires for the years ended June 30, 2011, 2012, and 2013, none of which indicated that the District had made improvements to allow it 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.

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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, Business Manager
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. Stacey Morley, Executive Director of Policy Development and Government Relations
Arizona Department of Education