



DEBRA K. DAVENPORT, CPA  
AUDITOR GENERAL

STATE OF ARIZONA  
OFFICE OF THE  
AUDITOR GENERAL

MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

June 22, 2012

Governing Board  
Bagdad Unified School District No. 20  
P.O. Box 427  
Bagdad, AZ 86321-0427

Members of the Board:

In February 2011, we notified you that the District had not complied with the *Uniform System of Financial Records* (USFR).

We have since received and reviewed the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2011, to determine whether the District was in compliance with the USFR as of that date. Based solely on our review of these documents, the District has complied with the USFR.

However, we noted that the District still had numerous internal control deficiencies cited by its auditor in the Schedule of Findings and Responses and the USFR Compliance Questionnaire. These deficiencies indicate that the District's internal controls are still especially weak over procurement, limiting the fair and open competition among vendors that helps ensure the District receives the best possible value for the public money it spends.

Although the cited deficiencies do not cause substantial noncompliance, the District must take corrective action to continue to satisfactorily comply with the USFR and ensure compliance with the School District Procurement Rules (*Arizona Administrative Code R7-2-1001 et seq*).

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

Sincerely,

Debbie Davenport  
Auditor General

cc: Mr. Jeff St. Clair, Superintendent  
Mr. Lee Metheny, Business Manager  
Bagdad Unified School District No. 20  
The Honorable Tim Carter, Yavapai County School Superintendent  
Ms. Stacey Morley, Executive Director of Policy Development and Government Relations  
Arizona Department of Education