



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

May 24, 2010

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: Clifton Unified School District No. 3

Dear Mr. Horne:

In our July 2008 letter to you, we requested that the Arizona State Board of Education (Board) take action on Clifton Unified School District No. 3 because the District had not complied with the Uniform System of Financial Records (USFR).

The District appeared before the Board on January 26, 2009, for determination of noncompliance with the USFR for failing to correct deficiencies and to have state funds withheld pursuant to Arizona Revised Statute §15-272(B). The Board tabled the matter without withholding state funds until my Office performed another status review. In February 2009, the Board notified my Office that the District had requested such a review. However, after my staff discussed with the District the action taken to correct its deficiencies, the District notified the Board that they were not ready for a review.

Further, on April 1, 2010, we received and have subsequently reviewed the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2009, prepared by Heinfeld, Meech & Co., P.C. Based on our review, we determined that the District still has not complied with the USFR.

As a result, my Office will not perform another status review until the District notifies the Board that it has substantially corrected its internal control deficiencies included in its audit reports and USFR Compliance Questionnaire for the year ended June 30, 2009, and the Board requests that we perform another status review. At that time, we will contact the District to discuss in detail what action it has taken to correct its deficiencies and whether another status review is warranted.

The Honorable Tom Horne

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

Sincerely,

Debbie Davenport
Auditor General

cc: Governing Board
Dr. Terry Bentley, Superintendent
Clifton Unified School District No. 3
The Honorable Tom Powers, Greenlee 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