



DEBRA K. DAVENPORT, CPA  
AUDITOR GENERAL

STATE OF ARIZONA  
OFFICE OF THE  
AUDITOR GENERAL

MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

August 1, 2012

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: Clifton Unified School District No. 3**

Dear Mr. Huppenthal:

In our July 2008 and May 2010 letters to your predecessor, 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 Statutes (A.R.S.) §15-272(B). The Board tabled the matter without withholding state funds until my Office performed another review. We subsequently received and reviewed the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2009, and determined the District still had not complied with the USFR.

In addition, we have not received the District's audit reports for the 2 years ended June 30, 2011, and USFR Compliance Questionnaire for the year ended June 30, 2011, which were due by March 31, 2012. Therefore, the District also has not complied with the USFR and state law in regard to report submission.

Consequently, we request that the Board take appropriate action as prescribed by A.R.S. §15-272 as a result of the District's continued noncompliance with the USFR.

My Office will not perform a status review until the past-due audit reports and USFR Compliance Questionnaire have been submitted to us, 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.

The Honorable John Huppenthal

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

Sincerely,

Debbie Davenport  
Auditor General

cc: Governing Board

Ms. Susan Snyder, Head Teacher

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. Stacey Morley, Executive Director of Policy Development and Government Relations

Arizona Department of Education