



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

September 23, 2014

Governing Board
Prescott Unified School District No. 1
146 South Granite Street
Prescott, AZ 86303-4786

Members of the Board:

We have reviewed the District's audit reports and Uniform System of Financial Records (USFR) Compliance Questionnaire for the year ended June 30, 2013, prepared by Heinfeld, Meech & Co., P.C., to determine whether the District substantially complied with the USFR. Additionally, our Office issued a 24-month followup on our performance audit of the District dated June 11, 2014.

As a result of our review and our performance audit, we noted significant deficiencies in internal controls that indicate the District had not complied with the USFR. The specific details of all deficiencies noted in our review have been provided to management for correction. District management should implement corrective action for each deficiency within 90 days after the date of this letter.

During the 90-day period, the District may request a meeting to discuss corrective action with our Office and the Arizona Department of Education by calling Megan Smith, Accounting Services Manager, or me at (602) 553-0333.

After the 90-day period, my staff will schedule an on-site review of the District's internal controls to determine whether the District has attained substantial compliance with the USFR. Our review will cover the deficiencies communicated to management as well as any other internal control deficiencies we are aware of at the time of our review.

Sincerely,

Laura J.P. Miller, CPA
Accounting Services Director

cc: David Smucker, Superintendent
Kevin Dickerson, Chief Financial Officer
Prescott Unified School District No. 1
Stacey Morley, Executive Director of Policy Development and Government Relations
Arizona Department of Education