



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

October 21, 2011

Governing Board
San Carlos Unified School District No. 20
P.O. Box 207
San Carlos, AZ 85550-0207

Members of the Board:

In December 2008, 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, 2010, 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 auditors in the Schedule of Findings and Questioned Costs, management letter, and the USFR Compliance Questionnaire. These deficiencies indicate that the District's internal controls are still weak in the area of student attendance reporting. Further, the District's internal controls over capital assets and student activities cash receipts are especially weak leaving district property and student monies susceptible to loss, theft, or misuse.

Although the cited deficiencies do not cause substantial noncompliance, the District must take corrective action to continue to satisfactorily comply with the USFR and adequately safeguard district property and student activities monies.

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

Sincerely,

Debbie Davenport
Auditor General

cc: Dr. Richard Wilde, Superintendent
Ms. Sharon Nosie, Business Manager
San Carlos Unified School District No. 20