



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

September 3, 2010

Governing Board
Snowflake Unified School District No. 5
682 School Bus Lane
Snowflake, AZ 85937

Members of the Board:

In our December 2009 compliance review report we notified you that the District had not complied with the *Uniform System of Financial Records* (USFR) for the year ended June 30, 2008.

We have since reviewed the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2009, 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 and the USFR Compliance Questionnaire. These deficiencies indicate that the District's internal controls are still especially weak in the area of cash receipts, leaving district 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 and student monies.

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

Sincerely,

Debbie Davenport
Auditor General

cc: Mr. Hollis Merrell, Superintendent
Mr. Mark Ollerton, Business Manager
Snowflake Unified School District No. 5
The Honorable Linda Morrow, Navajo County School Superintendent
Ms. Vicki G. Salazar, Associate Superintendent for Business and Finance
Arizona Department of Education