



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

October 8, 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: Union Elementary School District No. 62

Dear Mr. Horne:

In June 2007, the Arizona State Board of Education placed Union Elementary School District No. 62 in receivership pursuant to Arizona Revised Statutes (A.R.S.) §15-103. In August 2010, we were notified that the District requested my Office to determine whether the District has been financially solvent for at least 1 year, a statutory condition required for removal from receivership.

We have performed a review pursuant to A.R.S. §15-103(J)(1) to determine whether the District was financially solvent for the year ended June 30, 2009, the most recent year for which audit reports are available. Our review consisted primarily of inquiries of district management, the State Board-appointed receiver, and the Maricopa County School Superintendent's and Treasurer's offices. We also reviewed the District's audit reports for the year ended June 30, 2009, which we received on March 31, 2010, and performed such additional procedures we considered necessary. Based on our review, none of the circumstances listed in A.R.S. §15-103(B), any one of which establishes a basis for the State Board to find the District insolvent, occurred at the District for the year ended June 30, 2009. Therefore, it appears that the District has been financially solvent for 1 fiscal year based on the criteria detailed in A.R.S. §15-103(B).

In addition, pursuant to A.R.S. §15-103(J)(2), we performed a review to determine whether the District's financial records complied with the *Uniform System of Financial Records* (USFR) and generally accepted accounting principles. Based on our review of the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2009, the District has complied with the USFR and generally accepted accounting principles.

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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. Patricia Gillespie, Superintendent

Union Elementary School District No. 62

Mr. Robert Bacon, Receiver for Union Elementary School District No. 62

Simon Consulting, LLC

The Honorable Don Covey, Maricopa 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