



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

June 25, 2010

Governing Board
Union Elementary School District No. 62
3834 South 91st Avenue
Tolleson, AZ 85353-9394

Members of the Board:

In our September 2006 status review report we notified you that the District had not complied with the *Uniform System of Financial Records (USFR)*.

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 areas of journal entries and cash receipts leaving district and student monies susceptible to theft, loss, 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.

In June 2007, the Arizona State Board of Education placed the District in receivership pursuant to Laws 2007, Chapter 238, §§1 and 2, and Arizona Revised Statutes (A.R.S.) §15-103. The purpose of our review of the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2009, was not to determine whether the District is financially solvent in accordance with A.R.S. §15-103(J). Accordingly, we do not express an opinion on the District's financial solvency.

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

Sincerely,

Debbie Davenport
Auditor General

cc: Dr. Patricia Gillespie, Superintendent
Ms. Norma Pacheco, Executive Director of Business Services
Union Elementary School District No. 62