

RECEIVED APR 22 2009

Discovery Plus Academy
P.O.Box 1089
Pima, AZ 85543
Office (928)-485-2498
Fax (928)-485-2508

April 21, 2009

Arizona State Board for Charter Schools
Attn: Andrea Leder
1700 W. Washington Street, Rm 164
Phoenix, AZ 85007

Faxed: (602) 364-3089
Re: Letter Dated 4/9/09

Dear Andrea,

After reviewing our Annual Audit from 2008 we have made the following corrective actions. Before I go into our corrective actions I would like to make some information known. As of February 2008 the Business Manager was let go due to many issue in regards to the financial situations of the Charter. Shalee Davis was brought into the Charter school as the new Business Manager for Discovery Plus Academy. As of June 30, 2008 Donna Bolinger Resigned as Director of Discovery Plus Academy and Carl Watson was hired to be the new Director.

We have been working very closely to get the financial position of Discovery Plus Academy in compliance as outlined in A.R.S. 15-977 and USFRCS Memorandum No. 44. We have made adjustments to the budget to reduce spending in all areas, such as supplies, travel, and even staff cuts. We feel we will be in compliance with A.R.S. 15-977 and USFRCS Memorandum No. 44 by June 30, 2009.

Enclosed in the mailed copy of this letter is the fingerprint requirements you asked for, also a copy of the spreadsheet you requested in attached to this faxed copy of the letter.

Internal Controls

Purchasing

The Director approves all purchase requests. The Business Manager prepares the Purchase Orders and submits them after review of the budget. When the bills come in the Director reviews them and initials them for payment and then submits them to the Business Manager for

payment. The Business Manager creates the checks. The Director signs the checks. The Secretary sends out the checks.

Cash Receipts

The secretary receives all money which she creates a receipt for. The money is submitted to the Business Manager to create the deposit. The receipts are attached to the copy of the deposit. The Business Manager takes the deposits to the bank at least once a week. A copy of the Deposit receipt from the bank is attached to the copy of the deposit and receipts.

The Director reviews all bank statements and initials them before they are given to the Business Manager to be reconciled.

The Business Manager prepares a financial report on a monthly basis that is presented to the Governing Board which shows budget vs. actual. She also has the Governing Board approve all vouchers for the month. The Governing Board is also given a cash balance as of the time of the Board meeting give or take a few days.

Thank you for the opportunity to respond to your concerns regarding Discovery Plus Academy's audited financials for 2008. Please be assured that we are working very hard to make sure that Discovery Plus Academy come into compliance will all Arizona Revised Statues and USFRCS requirements.

If you have any questions please feel free to contact either one of us. Thank you again for your support.

Sincerely,



Carl Watson
Director
(928) 485-2498



Shalee M. Davis
Business Manager
(928) 792-7612