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January 31, 2019

Governing Board
Tanque Verde Unified School District No. 13
2300 N. Tanque Verde Loop Rd.
Tucson, AZ 85749

Dear Members of the Board:

In June 2018, we notified you that the District had not complied with the *Uniform System of Financial Records* (USFR) based on our review of the District's fiscal year 2017 financial audit reports and the USFR Compliance Questionnaire prepared by an independent certified public accounting firm.

We recently completed a status review as of December 12, 2018, to determine if the District had made improvements to substantially comply with the USFR. Based on our review of the District's records and procedures, and interviews with district personnel, we determined that the District is marginally compliant with the USFR.

To continue to satisfactorily comply with the USFR in future years, district management must act to correct the existing deficiencies. The areas containing the most serious deficiencies and their associated risks are:

Area	Associated Risk
Expenditures and Credit Cards: Credit card user agreements and fuel card receipts were not always maintained, and no reconciliation was made between receipts, usage logs, and fuel card statements.	Increases the chance of unauthorized purchases being approved and paid.
Cash and Bank Accounts: The District did not always use its miscellaneous receipts clearing account as prescribed by statute. In addition, the District's student activities and book store bank accounts were not always reconciled or reconciliations did not have evidence of review.	Leaves district and student monies susceptible to loss, theft, and misuse.

All remaining deficiencies have been discussed with district management.

We express our appreciation to the District for its cooperation and assistance throughout our review. If you have questions concerning this matter, please contact Megan Smith, Accounting Services Manager, at (602) 553-0333 or msmith@azauditor.gov.

Sincerely,

Laura J.P. Miller, CPA
Accounting Services Director

cc: Dr. Scott Hagerman, Superintendent
Mr. Adam Hamm, Business Manager
Tanque Verde Unified School District No. 13
The Honorable Dustin Williams, Pima County School Superintendent
Ms. Shari Zara, Deputy Superintendent Operations
Ms. Sarah Hendrix, Deputy Associate Superintendent, Grants Management
Arizona Department of Education