



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

March 13, 2024

Governing Board
Show Low Unified School District
500 W. Old Linden Rd.
Show Low, AZ 85901

Dear Members of the Board:

We previously notified you that Show Low Unified School District (District) had not complied with the *Uniform System of Financial Records for Arizona School Districts* (USFR) based on our review of the District's fiscal year 2020 financial audit reports and the USFR Compliance Questionnaire (Questionnaire) prepared by an independent certified public accounting firm. We subsequently received and reviewed the District's FYs 2021 and 2022 audit reports and Questionnaires, which also indicated the District had not made substantial progress in correcting its deficiencies.

We have since reviewed the District's FY 2024 records and procedures as of December 2023. Based on our review of all available information, including the number and significance of the District's outstanding deficiencies, the District is no longer in noncompliance with the USFR. However, as noted in our March 5 and March 12, 2024, emails, and discussion with District management, the District continues to have some outstanding deficiencies, including 12 items that have not been corrected, 5 items that have been partially corrected, and 1 additional deficiency.

Please be advised the District must act to correct the outstanding deficiencies, and its future audit reports must reflect that these deficiencies have been corrected. The areas containing the most significant deficiencies are Student Attendance Reporting and Credit Cards, risking the accuracy of data reported to the Arizona Department of Education that determines the District's funding and leaving District monies susceptible to theft, loss, and misuse.

Thank you for the assistance and cooperation that your administrators and staff provided during our review. If you have questions concerning this matter, please call Megan Smith, Accountability Services Division Manager, or me at (602) 977-2796.

Sincerely,

Meghan L. Hieger

Meghan L. Hieger, CPA
Director, Accountability Services Division

Governing Board

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cc: Mr. Kevin St. John, Superintendent

Ms. Karin Smith, Consulting Business Manager

Show Low Unified School District

The Honorable Jalyn Gerlich, Navajo County School Superintendent

Members of the State Board of Education

Arizona State Board of Education

Mr. Art Harding, Chief Operations Officer

Ms. Nicole von Prisk, Deputy Associate Superintendent, Grants Management

Arizona Department of Education