



MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

ARIZONA AUDITOR GENERAL
LINDSEY A. PERRY

JOSEPH D. MOORE
DEPUTY AUDITOR GENERAL

June 13, 2019

Governing Board
Morenci Unified School District No. 18
P.O. Box 1060
Morenci, AZ 85540

Dear Members of the Board:

We previously notified the District that it had not complied with the *Uniform System of Financial Records* (USFR) based on our review of the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2017. The District was given 90 days to correct its deficiencies. Based on assertions in the District's corrective action plan (CAP) and discussions with District management, we conducted a status review of the District in January 2019.

As a result of our status review and our review of the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2018, we determined that the District still has not complied with the USFR. The most significant deficiencies are included in the CAP template we recently provided to District management. Pursuant to Arizona Revised Statutes §15-271, District management is required to implement corrective actions within 90 days after the date of this letter.

If you have any questions, please contact Megan Smith, Accounting Services Manager, or me at asd@azauditor.gov or (602) 553-0333.

Sincerely,
Melanie M. Chesney
Deputy Auditor General and Interim Accounting Services Director

cc: Dr. David Woodall, Superintendent
Ms. Erika Aguallo, Business Manager
Morenci Unified School District No. 18
The Honorable Tom Powers, Greenlee County School Superintendent
Mr. John Carruth, Chief of Staff
Ms. Sarah Hendrix, Deputy Associate Superintendent, Grants Management
Arizona Department of Education