



OFFICE OF INSPECTOR GENERAL

Washington, D.C. 20554

June 24, 2014

Show Low Unified School District
Kevin Brackney, Superintendent
381 W. Old Linden Road
Show Low, Arizona 85901

Dear Mr. Brackney,

This letter transmits Moss Adams, LLP's performance audit of Show Low Unified School District (Show Low USD), Beneficiary number 143130, and Universal Service Administrative Company (USAC)'s comments. Federal Communications Commission (FCC) Office of Inspector General contracted this audit consistent with its authority under The Inspector General Act of 1978, as amended, including but not limited to sections 2(1) and 4(a)(1). It is not intended as a substitute for any agency regulatory compliance review or regulatory compliance audit. The audit included Fiscal Year 2009 disbursements for the Schools and Libraries Program. The audit was to determine (1) Show Low USD's compliance with the applicable 47 C.F.R. § 54.500 to 54.523, et. Seq.; orders issued under Section 225 of the Communications Act of 1934, as amended and (2) to determine if the Schools and Libraries Program can be made more effective and efficient.

The audit concluded that the District was not fully in compliance with FCC rules, orders and administrative requirements. The audit noted four findings that were related to record retention, discount rate calculation and reimbursement matters. The attached report incorporates your responses. FCC and Universal Service Administrative Company (USAC) reviewed the final audit report and FCC forwarded comments from USAC which are attached to this letter. USAC agreed with the findings and recommendations in the final audit report. For Finding 3, USAC added an action to require the service provider to implement a reconciliation process to ensure the correct amount is invoiced to USAC and the applicant. USAC calculated the recovery amount as \$1,103.42 instead of the \$1000 recommended by the auditors due to the use of the recalculated discount amount recommended in Finding 2. Moss Adams is wholly responsible for the audit, the attached report dated March 31, 2014, and the conclusions expressed in the report.

We thank your staff for the assistance that was extended to our auditors during this audit. If you have any questions, please contact Darrell Riegel, Acting Assistant Inspector General for Audits, at (202) 418-0949 or Beth Engelmann, Director, USF Program Audits, at (202) 418-1448.


David Hunt
Inspector General

Attachments: I. Moss Adams Final Audit Report dated March 31, 2014
II. USAC Comments Final Audit Report

cc Moss Adams, LLP