



SCHOOL DISTRICT

Preparing children for an ever changing world

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Corrective Action Plan for June 30, 2024 Audit Findings

Identified deficiencies per audit:

Deficit Fund Equity

At June 30, 2024, the Federal Projects Fund, a major fund, and the Food Service Fund, a nonmajor fund, had deficit fund balances of \$181,162 and \$1,703, respectively, which is in noncompliance with Oregon Revised Statutes. We recommend the District eliminate these deficits as soon as possible, in order to mitigate future reoccurrences.

Noncompliance with Public Contracts and Purchasing Regulations

During our audit, we noted that the District did not retain and document the appropriate bids and/or quotes, as required by public contracts and purchasing regulations. We recommend that the District follow all requirements related to public contracts and purchasing moving forward, including the solicitation and retention of adequate bids and/or quotes for all applicable capital purchases, in order to mitigate future reoccurrences

Corrective Action Plan:

Deficit Fund Equity

A planned \$150,000 transfer in to the Federal Projects Fund and a \$182,500 transfer in to the Food Service Fund is the adopted 2024-25 that will eliminate deficit fund balances and bring the district in compliance with Oregon Revised Statutes. The Business Manager will be reviewing the fund balances more than monthly to seek board action if further transfers are necessary.

Noncompliance with Public Contracts and Purchasing Regulations

The auditors requested bid copies for several specific projects to test for compliance of public contracts and purchasing regulations. During this process, only 2 of three bids could be located timely for an identified project. In the future, the Business Manager will be copied on all bids gathered by administrators for capital projects and a project file will be maintained.

Approved by the Neah-Kah-Nie School Board this _____ day of January, 2025.

School Board Chair

Superintendent