

ASHLAND PUBLIC SCHOOLS

JACKSON COUNTY SCHOOL DISTRICT #5

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Superintendent



Inspiring Learning for Life

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January 9, 2025

Oregon Secretary of State,
Audits Division
255 Capitol St. NE, Suite #500
Salem, OR 97310

Plan of Action for Jackson County School District No. 5

Jackson County School District No. 5 respectfully submits the following corrective action plan in response to deficiencies reported in our audit of fiscal year ended June 30, 2024. The audit was completed by the independent auditing firm KDP Certified Public Accountants, LLP and reported a material weakness and a significant deficiency listed below. The plan of action was adopted by the governing body at their meeting on January 9, 2025, as indicated by the signatures below.

The material weakness and significant deficiency are listed below, including the adopted plan of action and timeframe.

Financial Statement Finding – Significant Deficiency

2024-001 Financial Reporting: Audit Adjustments (repeat finding from FY2023)

Condition - Year-end account balances and their activity were not properly prepared and/or reviewed accurately.

Cause - Internal controls in place did not ensure that assets, liabilities, revenues and expenses were calculated and reported accurately.

Auditor Recommendation: We highly recommend that the District enhance internal controls by developing a year-end closing schedule which includes having a preparer and reviewer of all accounts. This control should be used to ensure that all accounts are reconciled timely and all necessary year-end calculations are completed, and that work is reviewed on a regular basis.

Plan of Action: Ashland School District will establish secondary review level for end of period journal entries and postings to financial statement accounts. After the preliminary close of the fiscal year transactions, all subsequent journal entry and reconciliation activity will be reviewed and signed off by secondary level.

Date of Implementation: Immediate and ongoing.

If there are any questions regarding this plan, please contact Scott Whitman by email at Scott.Whitman@ashland.k12.or.us or by phone at 541-482-2811.

Financial Statement Finding – Material Weakness

2024-002 Noncompliance – General Obligation Bond, Series 2019 Compliance

Condition: GO Bond Proceeds are restricted to finance capital costs to improve District schools and pay costs of bond issuance. Additionally, ORS 294.468 states that loans shall not be made from moneys credited to any fund when, under applicable constitutional provisions, the moneys are restricted to specific uses unless the purpose for which the loan is to be made is a use allowed under such constitutional provisions.

Cause: The District improperly used GO Bond proceeds to finance current operations through an interfund loan due to a temporary cash shortfall.

Auditor Recommendation: We recommend the District develop policies and procedures to maintain compliance with Bond agreements and Oregon Revised Statutes.

Plan of Action: Ashland School District will monitor cash flow needs more closely and comply with Bond agreements and Oregon Revised Statutes.

Date of Implementation: Immediately and ongoing.

If there are any questions regarding this plan, please contact Scott Whitman by email at Scott.Whitman@ashland.k12.or.us or by phone at 541-482-2811.

Federal Awards Finding – Material Weakness

**2024-003 Allowable Activities/Cost Principles (repeat finding from FY2023)
US Department of Education – AL #84.010 Title I Grants to Local Education Agencies**

Condition: The District was not in compliance with the *Uniform Guidance* as it was noted that management of the District was not preparing time and effort distribution records and could not produce source documentation to support the time and effort applied to payroll expense that was charged to Title I Grants to Local Education Agencies.

Cause: The District's internal controls to identify and document employees that require support for time and effort charged to Title I Grants to Local Education Agencies were not effective for the year ended June 30, 2024.

Auditor Recommendation: We recommend the District review their internal controls to strengthen processes and improve procedures. We recommend the District complete all required time and effort certifications in a timely manner.

Plan of Action: Ashland School District will identify administrative-level staff to oversee federal programs, including Title I, to ensure compliance with all relevant Uniform Guidance activities. District and building staff will review guidelines and documentation requirements for all federal programs to improve record keeping and to allow appropriate review of federal program activities.

Date of Implementation: Immediately and ongoing.

If there are any questions regarding this plan, please contact Scott Whitman by email at Scott.Whitman@ashland.k12.or.us or by phone at 541-482-2811.

Signature page to follow.

Rebecca Dyson, Board Chair

Signature

Joseph Hatrick, Superintendent

Signature

Scott Whitman, Director of Business Services

Signature