

Office of the Secretary of State

Leslie Cummings, Ph.D.
Acting Secretary of State



Audits Division

Kip R. Memmott, MA, CGAP, CRMA
Director

255 Capitol St. NE, Suite 500
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(503) 986-2255

March 13, 2019

Board of Directors
Tillamook County School District No. 56
PO Box 28
Rockaway Beach, Oregon 97136

When significant deficiencies, material weaknesses or other recommendations for improvements have been reported by auditors in a separate letter to management or in a report issued in accordance with Government Auditing Standards, the governing body of the municipality is required to file a corrective action plan with the Secretary of State within 30 days of delivery the report by the independent auditor (ORS 297.466).

The Summary of Revenues and Expenditures filed for Tillamook County School District No. 56's 2018 annual filing noted that one or more deficiencies were communicated to the municipality. However, we have not received a copy of the corrective action plan as adopted by the governing body.

Please file a copy of the 2018 corrective action plan with our office as soon as possible. We appreciate your efforts in fulfilling the reporting requirements of Municipal Audit Law. If you have any questions or concerns, please call me at (503) 986-2255.

Sincerely,
OREGON AUDITS DIVISION

A handwritten signature in blue ink, appearing to read "Amy Dale", is written over the printed name.

Amy Dale, CPA
Audit Manager



NEAH-KAH-NIE SCHOOL DISTRICT NO. 56
P.O. Box 28
Rockaway Beach, OR 97136

To Board of Directors
NEAH-KAH-NIE SCHOOL DISTRICT NO. 56

In planning and performing our audit of the basic financial statements of NEAH-KAH-NIE SCHOOL DISTRICT NO. 56 as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered NEAH-KAH-NIE SCHOOL DISTRICT NO. 56's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of NEAH-KAH-NIE SCHOOL DISTRICT NO. 56's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the entity's internal control to be significant deficiencies:

The District should prescribe what activities are accounted for through the Student Activities fund. These activities should involve student management and decision making regarding the use of funds and this should be reflected through student approvals, with the supervision of a faculty advisor or member. Expenses should be supported with proper documentation. Other expenses which may not involve student activities or require decisions by student groups, should be accounted for through other district funds.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Boldt Carlisle & Smith

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
December 3, 2018