



24-25 CORRECTIVE ACTION PLAN

Finding and Recommendation – Accounts Payable and Encumbrances

Our auditors noted that the District did not appropriately capture all accounts payable balances within the capital projects fund at year-end. Additionally, certain disbursements made in current year were not appropriately applied to prior year accounts payable balances in multiple funds. Lastly, it was noted that certain encumbrance balances were not appropriately recorded as of year-end in multiple funds. As a result, audit adjustments were proposed and recorded by management to properly reflect the District's accounts payable and encumbrance balances at year-end.

It is recommended that the District develop and implement formalized procedures to ensure that all accounts payable and encumbrance balances are identified, documented, and recorded in the appropriate accounting period

Corrective Action – The District will develop and implement formalized procedures and a purchasing manual to ensure that there is a formalized process with accounting reconciliation done monthly. The procedures will include the responsibility of business office as well as the employees using the purchasing system.

Person Responsible – Assistant Superintendent for Finance & Operations, District Treasurer

Expected Completion Date – June 2026

Finding and Recommendation – Year-End Closing

Our auditors noted that several year-end closing procedures were not completed in a timely manner. These procedures included, but were not limited to, the preparation of closing entries, trial balances, supporting schedules, and reconciliations. It is recommended that the District evaluate and refine its year-end closing procedures to ensure they are performed on a timelier basis and with complete and accurate supporting information. The auditors acknowledge that the District had staff turnover that contributed to challenges during the current year and the District will be implementing enhanced procedures around the year-end close going forward.

Corrective Action – The District will perform monthly trial balance reconciliations along with supporting schedules. There will be detailed explanations accompanying the entries.

Person Responsible – District Treasurer, Junior Accountant

Expected Completion Date – November 2025



Finding and Recommendation – Capital Assets Additions Review

Our auditors noted that capital outlay expenditure codes were not reviewed with an appropriate level of precision to ensure all additions were reported accurately to the outside appraisal company. It is recommended that the District perform a reconciliation between the capital outlay expenditure codes and the capital asset additions captured by the outside appraisal company to ensure that all capitalizable items are captured. It is also recommended the District monitor construction-in-progress and completed capital projects to ensure they are reported to the outside appraisal company throughout the year. The auditors acknowledge that the District has made the necessary edits to the appraisal report for the purposes of appropriate financial statement presentation at year-end.

Corrective Action – The District is working with our appraisal company to ensure that all capital project outlays are recorded correctly. The District has been meeting with the Architects, Fiscal Advisors, and Construction Management company to capture all expenses in accordance with the SED project number. The District will record and track all capitalizable items.

Person Responsible – Assistant Superintendent for Finance & Operations, District Treasurer

Expected Completion Date – Ongoing until project completion, expected 2027

Finding and Recommendation – Journal Entries

Our auditors noted that the District does not consistently retain documentation, evidencing the independent review and approval of journal entries by someone other than the preparer. It is recommended that the District implement and enforce procedures requiring all journal entries to be independently reviewed and formally approved and documented by an individual other than the preparer.

Corrective Action – The District will have the Treasurer review the Junior Accountant's journal entries for accuracy.

Person Responsible – Assistant Superintendent for Finance & Operations, District Treasurer, Junior Accountant

Expected Completion Date – Ongoing, June 2026



Finding and Recommendation – Outstanding Checks

Our auditors noted the presence of significant outstanding check balances that had remained uncleared for more than one year within the miscellaneous special revenue fund bank reconciliations. We recommend that the District establish procedures to regularly review the outstanding check list as part of the reconciliation process and promptly investigate checks that remain uncleared for extended periods of time.

Corrective Action – The District will create a process to review outstanding checks quarterly and investigate uncleared checks.

Person Responsible – Assistant Superintendent for Finance & Operations, District Treasurer

Expected Completion Date – Ongoing, Beginning November 2025