

# Lawrence County School District **MISSISSIPPI**

## **COMPLIANCE REPORT**

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Special Reports

For the year ended June 30, 2019

**SHAD WHITE**

**State Auditor**

**Stephanie C. Palmertree, CPA, CGMA**

Director, *Financial and Compliance Audit Division*

**Derrick Garner, CPA, CFE**

Director, *Compliance Audit Division*





**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**SHAD WHITE**  
**STATE AUDITOR**

July 22, 2020

**Limited Internal Control and Compliance Review Management Report**

Lawrence County School District  
346 Thomas E. Jolly Drive  
Monticello, Mississippi 39654

Dear Members of the Lawrence County School Board:

Enclosed for your review are the internal control and compliance findings for the Lawrence County School District for Fiscal Year 2019. In these findings, the Office of the State Auditor (OSA) recommends the Lawrence County School District:

1. Strengthen Internal Controls over Banking Transactions and Bank Reconciliations;
2. Strengthen Internal Controls over Athletic/Activity Fund Receipts;
3. Ensure Compliance with State Laws over Expenditures;
4. Ensure Compliance with State Laws over Reemployment of Retired Public Employees;
5. Ensure Compliance with State Laws over Annual Reconciliation of Public Funds;
6. Ensure Compliance with State Laws over Background Checks;
7. Ensure Compliance with State Laws over Depositories;
8. Ensure Compliance with State Laws over Sixteenth Section Taxes, Lease Payments, and Appraisals;
9. Ensure Compliance with State Laws over Forestry Escrow Funds;
10. Ensure Compliance with State Laws over Sixteenth Section Shared Townships;
11. Ensure Compliance with State Laws over Sixteenth Section Educable Child List; and
12. Ensure Compliance with State Laws over Surety Bonds.

Please review the recommendations and submit an implementation plan by July 3, 2020. The enclosed findings contain more information about our recommendations.

During future engagements, we may review the findings in this management report to ensure procedures have been initiated to address these findings.

This report is intended solely for the information and use of management, the Superintendent and the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

I hope you find our recommendations enable the Lawrence County School District to carry out its mission more efficiently. If you have any questions or need more information, please contact me.

Sincerely,

A handwritten signature in black ink, reading "Stephanie C. Palmertree". The signature is written in a cursive, flowing style.

STEPHANIE C. PALMERTREE, CPA, CGMA  
Director, Financial and Compliance Audit  
Office of the State Auditor

The Office of the State Auditor has completed its limited internal control and compliance review of the Lawrence County School District for the year ended June 30, 2019. The Office of the State Auditor staff members participating in this engagement included Derrick Garner, CPA; Travis Mitchell, CPA; Charlotte L. Duckworth; Staci Cothran, CPA; and Ashley McPherson.

Our procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been met. Also, our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be weaknesses. In accordance with *Section 7-7-211, Mississippi Code Annotated (1972)*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

*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 *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control 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.

We identified certain deficiencies in internal controls over financial reporting that we consider to be *material weakness* in internal control and certain deficiencies in internal control that we consider to be *significant deficiency* in internal control. These matters are noted under the headings **MATERIAL WEAKNESS** and **SIGNIFICANT DEFICIENCY**.

In addition, while performing our review, we noted certain instances of noncompliance with laws and regulations that require the attention of management. These matters are noted under the heading **INSTANCES OF NONCOMPLIANCE WITH STATE LAW**. OSA also made some recommendation for management consideration that are not a violation of state law.

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## **MATERIAL WEAKNESS**

**Finding 1:** The School District Should Strengthen Internal Controls Over Bank Reconciliations.

**Internal Control Deficiency:** Management is responsible for ensuring that the assets of the District are safeguarded and transactions are properly documented in the District's financial records. A critical aspect of internal controls is reconciling the bank accounts by adding outstanding deposits and subtracting outstanding checks to the balance per bank statement to reconcile to the amount of cash that is listed on the general ledger of the District to what is recorded at the bank. The reconciliation process enables the Business Office to make adjusting journal entries to correct any mistakes or unrecorded items in the District's financial records.

*The Mississippi State Board of Education Policy Manual, Chapter 71, Rule 71.3, Required Monthly Reports to be Furnished to Local School Board* states, "... Presentation of reconciled bank statements should be made at the next regular board meeting after the bank statements are reconciled to the district's general ledger cash balances in a timely and accurate manner."

**Finding Detail:** During the testing of bank reconciliations, we noted the bank statement for Child Nutrition (2110) was not reconciled to the cash balance in the general ledger. The bank reconciliation indicated adjustments in the amount of **\$112,410.80**, which had not been recorded in the District's general ledger prior to presentation to the Board on August 20, 2019.

Failure to record all transactions in the general ledger and properly reconcile bank statements could result in the misstatement of the District's financial statements, errors, or fraud occurring without being detected

in a timely manner.

**Recommendation:** The School District should implement policies and procedures to ensure all transactions are properly recorded in the general ledger and all variances from the book balances are accounted for in a timely manner.

**Repeat Finding:** No.

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### **SIGNIFICANT DEFICIENCY**

**Finding 2:** The School District Should Strengthen Internal Controls over Receipts and Deposits for Activity/Athletic Events.

**Internal Control Deficiency:** *Board Policy DK (Student Activities Fund Management)*, states, "A person remitting activity funds to the principal for deposit will be given the original receipt, the second copy will be attached to the transmittal report to the central office, and the third copy will be kept in the book and on permanent file in the principal's office. All of these pre-numbered receipts must be accounted for... All funds collected within the school must be deposited daily..."

Management is responsible for ensuring that all revenue is correctly earned, recorded, and deposited in order to safeguard the assets of the school district. This deficiency occurred due to inadequate controls related to the collection and deposit of receipts.

**Finding Detail:** During our testing of one hundred eighty-four (184) athletic/activity fund revenue, we noted the following weaknesses in the internal controls:

- Four (4) instances in which the last ticket sold was not attached to School Event Receipt Forms.
- Eleven (11) instances in which deposits were less than the number of tickets sold totaling \$98.
- Six (6) instances in which deposits were in excess of tickets sales totaling \$271.
- Five (5) instances in which receipts were not submitted to the Central Office totaling \$14,832.
- Eighteen (18) instances in which no transmittal forms were submitted by the high school.
- Twenty (20) instances in which the deposits totaling \$12,425 were made as many as seven (7) to thirty-one (31) days late.
- Eighty-four (84) instances in which the amount and/or date was written in ink on the carbon copies of eighty-four (84) receipts totaling \$14,058.
- One (1) instance in which the receipt was recorded on the transmittal report at a different amount.
- Three (3) instances in which the deposit dates were prior to the receipt date totaling \$140.
- Five (5) instances in which receipts totaling \$825 were corrected with white-out.
- Fourteen (14) instances in which receipts were written out of chronological order totaling \$922.

Inadequate controls related to athletic/activity fund revenue collection, proper receipting, and depositing could result in a loss of assets and improper revenue recognition.

**Recommendation:** The School District should strengthen controls and enforce policies and procedures to ensure receipts from all athletic/activity fund revenue collections are safeguarded, properly recognized, recorded, and deposited in a timely manner.

**Repeat Finding:** No.

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### **INSTANCES OF NONCOMPLIANCE WITH STATE LAW.**

**Finding 3:** The School District Should Ensure Compliance with State Laws Over Expenditures.

**Applicable Law:** *Section 37-61-19, Mississippi Code Annotated (1972)*, states, “It shall be the duty of the superintendents of school and the school board of all school districts to limit the expenditure of school funds during the fiscal year to the resources available. It shall be unlawful for any school district to budget expenditures from a fund in excess of the resources available within the fund.”

**Finding Detail:** During our review of the 2018 amended budget for the Lawrence County School District, we noted the At-Risk Fund and the State Opioid Response Grant Fund expenditures exceeded resources available from their budgeted amounts totaling **\$80,893**. Additionally, the Sixteenth Section Interest, School Recognition Program, Extended School Year, and the Unemployment Compensation Funds were unbudgeted for the fiscal year in the amount of **\$46,029**.

Failure for the District to ensure there are available resources for all expenditures could result in deficit fund balances.

**Recommendation:** We recommend that the Board Members and the Superintendent should comply with *Mississippi Code Section 37-61-19* by ensuring all funds have available resources before expenditures are approved.

**Repeat Finding:** No.

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**Finding 4:** The School District Should Ensure Compliance with State Laws over Reemployment of Retired Public Employees.

**Applicable Law:** Concerning the reemployment of retirees from the Public Employees’ Retirement System of Mississippi (PERS), *Section 25-11-127(4), Mississippi Code Annotated (1972)*, states, “Notice shall be given in writing to the executive director, setting forth the facts upon which the employment is being made, and the notice shall be given within five (5) days from the date of employment and also from the date of termination of the employment.”

*PERS Board Regulation 34, Section 105*, states, “To lawfully employ a PERS service retiree under *Section 103*, the employer must notify PERS in writing of the terms of the eligible employment within five (5) days from the date of employment and also from the date of termination on a form prescribed by the Board. Failure by the employer to timely notify PERS may result in the assessment of a \$300 penalty per occurrence payable by the employer.”

**Finding Detail:** During the testing of retired and rehired employees, we noted the following noncompliance regarding the completion and filing of PERS Forms 4B:

- Twenty (20) of twenty-five (25) forms were not filed within five (5) days of the rehire date;
- Eight (8) forms for which the retiree’s retirement date was not documented; and
- Five (5) forms for which the filing date was not documented.

Failure to file the 4Bs as required by PERS and comply with *25-11-127(4)* could result in overpayment of a retiree and the School District being assessed penalties by PERS.

**Recommendation:** Lawrence County School District should strengthen controls to ensure compliance with state laws by properly completing the required Form 4Bs and submitting the forms to PERS within five (5) days from the date of reemployment.

**Repeat Finding:** No.

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**Finding 5:** The School District Should Ensure Compliance with State Laws over the Annual Reconciliation of Public Funds.

**Applicable Law:** *Section 27-105-5(6)(b), Mississippi Code Annotated (1972)*, requires that not later than thirty (30) days following the fiscal year end, a public depositor shall notify the State Treasurer of its official name, address, federal tax number, and provide a listing of all accounts that it had with qualified public depositories, including the deposit balance in those accounts, as of its fiscal year end.

**Finding Detail:** During the review of the District's Public Depositor Annual Report, we noted the report was not submitted to the State Treasurer's Office within thirty (30) days of the fiscal year end. The District submitted the annual report on August 15, 2018, which was sixteen (16) days late.

Failure to submit the report in a timely manner could result in the State Treasurer's Office having inaccurate records and the District's deposits being under-collateralized.

**Recommendation:** Management should develop control procedures to ensure the Public Depositor Annual Report is submitted to the State Treasurer's Office within thirty (30) days of fiscal year-end, as required by law.

**Repeat Finding:** No.

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**Finding 6:** The School District Should Ensure Compliance with State Laws Over the Approval of Depositories.

**Applicable Law:** *Section 37-7-333, Mississippi Code Annotated (1972)*, requires all public funds to be placed in the depository or depositories selected by the School Board in the same manner as provided in *Section 27-105-305, Mississippi Code Annotated (1972)* for the selection of county depositories. *Section 37-7-333, Mississippi Code Annotated (1972)*, also requires the bids of the financial institutions keeping school funds be effective on July 1<sup>st</sup> of each year. Further, School Boards are allowed to advertise and accept bids for depositories, not less than once every three (3) years, when the School Board determines that it can obtain a more favorable rate of interest and less administrative processing.

**Finding Detail:** During our review of the depository bids, we noted the Board approved First Bank as its depository on May 5, 2017; however, as of June 30, 2018, the District's Regular Checking Account (\$5,149,466) was on deposit with State Bank & Trust. Furthermore, all funds from the District's Regular Checking account were not moved into the approved depository until May 2019.

Failure to ensure all District funds are deposited with an approved depository could result in the misappropriation of public funds and under-collateralization of the District's funds.

**Recommendation:** The School Board, Superintendent, and management should ensure compliance with *Section 37-7-333, Mississippi Code Annotated (1972)*, by verifying that all District funds are deposited with a depository approved by the School Board.

**Repeat Finding:** Yes.

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**Finding 7:** The School District Should Ensure Compliance with State Laws Over Background Checks.

**Applicable Law(s):** *Section 37-9-17, Mississippi Code Annotated (1972)*, states that “current criminal records background checks and current child abuse registry checks are obtained, and that such criminal record information and registry checks are on file for any new hires applying for employment as a licensed or non-licensed employee at a school and not previously employed in such school under the purview of the State Board of Education or at such local school district prior to July 1, 2000.” Ultimately, the criminal records information and registry must be kept on file for any and all new hires.

**Finding Detail:** During our testing of twenty (20) certified employees, we noted the District did not have a background check on file for one (1) employee.

Failure to obtain background checks for employees could result in the wrongful hire of an individual.

**Recommendation:** The Superintendent and management should obtain and maintain on file a current criminal background check for all new hires as required by law.

**Repeat Finding:** No.

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**Finding 8:** The School District Should Ensure Compliance with State Laws Over Sixteenth Section Appraisals, Tax Payments, and Lease Payments.

**Applicable Law(s):** *Section 29-3-57, Mississippi Code Annotated (1972)*, states, “Upon a sixty (60) day default in payment of any rentals according to the terms of such lease, the lease shall be declared terminated unless the Board of Education finds extenuating circumstances were present, and the Board shall inaugurate the proper legal proceedings to terminate such lease.”

*Section 29-3-71, Mississippi Code Annotated (1972)*, states, “Sixteenth section lands reserved for the use of schools, or lands reserved or granted in lieu of or as a substitute for the sixteenth sections, shall be liable, after the same shall have been leased, to be taxed as other lands are taxed during the continuance of the lease, but in case of sale thereof for taxes, only the title of the lessee or his heirs or assigns shall pass by the sale.” In addition, the standard lease agreement used by the district between the lessee and lessor states, “Lessee shall pay all taxes levied, if any, on said property on time to prevent default.”

*Mississippi Code Section 29-3-65*, states, “One (1) year prior to the date, when any such lands, not subject to competitive bid procedures, shall become available for lease, the Board of Education shall appoint a competent appraiser to appraise the land and report to the Board his recommendation for the fair market rental amount. The Board shall then determine whether the same be a reasonable amount, and shall grant the lease pursuant to *Section 29-3-63*.”

**Finding Detail:** During our review of twenty (20) sixteenth section land leases, the following instances of noncompliance were noted:

- No payments had been received on three (3) leases in two (2) years totaling **\$7,742.50**; however, the leases were not cancelled.
- An appraisal was not obtained prior to entering a new lease agreement for any of the 20 leases tested.
- Taxes were not current on four (4) leases, which are estimated at **\$2,409.21**, and the lease agreements were not terminated.
- Taxes for one (1) lease was paid two hundred and two (202) days after the February 1 due date; however, the lease was not terminated.

Failure to terminate lease agreements due to the non-payment of property taxes and rental payments, and



to appoint a component appraiser resulted in the District's non-compliance with state laws and regulations.

**Recommendation:** The School Board, Superintendent, and management should ensure lease payments are made within sixty (60) days of the due date, taxes are current, and an appraisal is obtained one (1) year prior to the rental of sixteenth section land, as required by laws and regulations.

**Repeat Finding:** No.

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**Finding 9:** The District Should Ensure Compliance with State Laws Over Forestry Escrow Funds.

**Applicable Law(s):** *Section 29-3-47, Mississippi Code Annotated (1972)*, states, "For its service the state forestry commission shall be entitled to receive its actual expenses incurred in the discharge of the duties herein imposed. In order to provide funds with which to pay for the general supervision and sale of forest products, fifteen percent (15%) of all receipts from the sales of forest products shall be placed by the board in a forestry escrow fund and reserved to pay for work performed by the state forestry commission. Such payments shall be equal to the actual expenses incurred by the commission as substantiated by itemized bill presented to the board."

**Finding Detail:** During our review of timber sales, we noted timber sales totaling \$167,898; however, fifteen percent (15%) of the proceeds, \$25,185, were not recorded or deposited in the Forestry Escrow Fund.

Failure to properly record the fifteen percent (15%) of timber sales in the Forestry Escrow Fund could result in the misappropriation of funds reserved for forestry improvements.

**Recommendation:** The School Board, Superintendent, and management should ensure fifteen percent (15%) of all timber sales are deposited and recorded in the Forestry Escrow Fund, as required by law.

**Repeat Finding:** No.

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**Finding 10:** The District Should Ensure Compliance with State Laws over Sixteenth Section Shared Townships.

**Applicable Law(s):** *Section 29-3-119, Mississippi Code Annotated (1972)*, states, "The school district having jurisdiction and control of the sixteenth section or lieu lands in the township (the "custodial school district") shall pay to each other school district lying wholly or partly in the township which is entitled to a part of the township funds the district's pro rata share of the available township funds, as determined from the lists of children prepared pursuant to *Section 29-3-121, Mississippi Code Annotated (1972)*, promptly after collecting such funds."

**Finding Detail:** During our testing of sixteenth section revenue, we noted there was no revenue from sixteenth sections shared with neighboring school districts, as required by *Section 29-3-119, Mississippi Code Annotated (1972)*.

Failure to properly share sixteenth section revenue as the custodial school district could result in the misappropriation of public funds.

**Recommendation:** We recommend that the District strengthen controls to ensure all revenues are promptly shared appropriate Districts in accordance with *Section 29-3-119, Mississippi Code Annotated (1972)*.

**Repeat Finding:** No.

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**Finding 11:** The School District Should Ensure Compliance with State Laws Over Sixteenth Section Educable Child Lists.

**Applicable Law(s):** *Section 29-3-121, Mississippi Code Annotated (1972)*, states, “It shall be the duty of the superintendent of each school district to make or cause to be made annual lists of the children enrolled in the schools of such district and who reside in such district, which lists shall be based upon the end of the first month enrollment required to be reported to the State Department of Education for the then current school year. The lists shall be made separately as to the townships in which such children reside. Such lists shall be filed with the superintendent of the custodial school district on or before December 31 of each year, and the lists shall be used in making the division of the available funds of each township during the ensuing calendar year as provided by *Section 29-3-119, Mississippi Code Annotated (1972)*.”

**Finding Detail:** During our review of the educable child lists for Lawrence County School District, we noted the District prepared its Educable Child Lists in December 2018 as required; however, a list was not submitted to Jefferson Davis County School District. Failure to file the educable child lists with the custodial school district could result in forfeiting funds that the District would otherwise be entitled to.

**Recommendation:** The Superintendent and Management should implement controls, policies and procedures to ensure the Educable Child Lists are prepared and filed with all appropriate districts by December 31 each year as required by *Section 29-3-121, Mississippi Code Annotated (1972)*.

**Repeat Finding:** No.

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**Finding 12:** The School District Should Ensure Compliance with State Laws Over Surety Bonds.

**Applicable Law(s):** *Section 25-1-15(2), Mississippi Code Annotated (1972)* states, “A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee.”

*Section 37-6-15, Mississippi Code Annotated (1972)* states, “Before entering upon the discharge of the duties of his office, each member of the school board shall give a surety bond in the penal sum of Fifty Thousand Dollars (\$50,000), with sufficient surety, to be payable conditioned and approved in the manner provided by law. The school board may execute a blanket bond for each school district official and employee (including school business managers and any other employee who receipts and/or disburses school district funds) in the penalty of Fifty Thousand Dollars (\$50,000), unless a different penalty is prescribed by statute, to be payable, conditioned and approved in the manner provided by law. The premium on said bond shall be paid out of the school district maintenance fund.”

*Section 37-9-27, Mississippi Code Annotated (1972)* states, “The superintendent of any school district, before entering upon the duties of his office, shall furnish a good and sufficient surety bond in the penal sum of One Hundred Dollars (\$100,000.00), with sufficient surety.”

**Finding Detail:** As a result of procedures performed, we noted the following exceptions with the District’s surety bonds:

- One of the Board Member’s bond is a continuation certificates and;
- The Superintendent’s bond is a continuation certificates.

A “Continuations Certificate” is a document that extends the life of the original surety bond. A “Continuations Certificate” only covers the current bonding period rather than both the current and previous

periods. Failure to have a bond in place for a specific term of office could limit the amount available for recovery if a loss occurred over multiple terms. Additionally, failure to comply with state statute, b being correctly and sufficiently bonded, could result in the loss of public funds.

**Recommendation:** The Board should ensure that new bonds are secured every four (4) years concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee as statutorily required.

**Repeat Finding:** No.

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**Additional Recommendations by the Office of the State Auditor**

1. OSA recommends that School Board consider obtaining surety bonds for its Purchase Agent. As noted in during our test work, the Purchase Agent is covered under a "Continuation Certificate". A "Continuation Certificate" is a document that extends the life of the original surety bond. A "Continuation Certificate" only covers the current bonding period rather than both the current and previous periods. Failure to have a bond in place for a specific term of employment could limit the amount available for recovery if a loss occurred over multiple terms.

**End of Report**

## CORRECTIVE ACTION PLAN

July 31, 2020

As required by 2 CFR 200.511 (a), the Lawrence County School District has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Questioned Costs for the year ended June 30, 2019.

### Finding 2019-001

#### Corrective Action Plan

- a. Contact person responsible for corrective action – *Business Manager*
- b. Description of correction action to be taken – *Prepare reconciliation within 30 days of bank statement*
- c. Anticipated completion date of corrective action – *July 31, 2020*

### Finding 2019-002

#### Corrective Action Plan

- d. Contact person responsible for corrective action – *Business Manager*
- e. Description of correction action to be taken – *Training of all athletic personnel on the proper completion of form and timely processing of all forms and deposits.*
- f. Anticipated completion date of corrective action – *July 31, 2020.*

### Finding 2019-003

#### Corrective Action Plan

- a. Contact person responsible for corrective action – *Business Manager*
- b. Description of correction action to be taken – *The District will ensure that expenditure of school funds during the fiscal year are limited to the resources available.*
- c. Anticipated completion date of corrective action – *Entries were reversed July 31, 2020*

### Finding 2019-004

#### Corrective Action Plan

- a. Contact person responsible for corrective action – *Business Manager*

- b. Description of correction action to be taken -**The payroll clerk will have PERS Form B document available for employee to sign when completing benefits packet. He or she will ensure retiree's retirement date and the filing date is documented The District will review onboarding packet and insure that PERS Form is signed and mailed within five days of rehire.**
- c. Anticipated completion date of corrective action – **July 31, 2020**

Finding 2019-005

Corrective Action Plan

- a. Contact person responsible for corrective action – *Business Manager*
- b. Description of correction action to be taken -***The District will contact all Financial Depositors to ensure District's Public Depositor Annual Report is received in a timely manner. The District will submit report to the State Treasurer's Office within 30 days of Fiscal Year End.***
- c. Anticipated completion date of corrective action– **July 31, 2020**

Finding 2019-006

Corrective Action Plan

- a. Contact person responsible for corrective action – *Business Manager*
- b. Description of correction action to be taken -**After the District has advertised and bids for depositories are completed, Business Manager will ensure that all funds for all accounts are moved and effective on July 1<sup>st</sup> of the year.**
- c. Anticipated completion date of corrective action– **July 31, 2020**

Finding 2019-007

Corrective Action Plan

- a. Contact person responsible for corrective action – *Business Manager*
- b. Description of correction action to be taken- **Once the District has approved recommendation for personnel, Human Resource Director will reach out to candidate to come in for a background check to ensure that current criminal records, background checks, and current child abuse registry checks are obtained, and that such criminal record information and registry checks are on file for any new hires applying for employment.**
- c. Anticipated completion date of corrective action– **July 31, 2020**

Finding 2019-008

Corrective Action Plan

- a. Contact person responsible for corrective action – *Business Manager*
- b. Description of correction action to be taken- **The District will ensure that all lease payments are made in a timely manner. Business Manager will run monthly reports to track lease payments. For leases that are 60 days late, the District will ensure that lease termination letters for lessee is submitted.**
- c. **The District will ensure that taxes are current on all leases. If taxes are not paid within 60 days of notification letter, the District will issue a lease termination letter.**
- d. Anticipated completion date of corrective action– **July 31, 2020**



Finding 2019-009

Corrective Action Plan

- a. Contact person responsible for corrective action – *Business Manager*
- b. Description of correction action to be taken -**The District will ensure that 15% of any sale of timber will be recorded and deposited into the Forestry Escrow Fund.**
- c. Anticipated completion date of corrective action– **July 31, 2020**

Finding 2019-010

Corrective Action Plan

- a. Contact person responsible for corrective action – *Business Manager*
- b. Description of correction action to be taken -**The District will ensure that any revenue generated from shared 16<sup>th</sup> section land will be properly shared with the neighboring school districts.**
- c. Anticipated completion date of corrective action– **July 31, 2020**

Finding 2019-11

Corrective Action Plan

- a. Contact person responsible for corrective action – *Business Manager*
- b. Description of correction action to be taken -**The District will prepare its Educable Child List as required and submit the list to the appropriate neighboring school district.**
- c. Anticipated completion date of corrective action– **July 31, 2020**

Finding 2019-12

Corrective Action Plan

- a. Contact person responsible for corrective action – *Business Manager*
- b. Description of correction action to be taken- **The district will ensure that all surety bonds are signed accordingly.**
- c. Anticipated completion date of corrective action– **July 31, 2020**

Sincerely,



Dr. Titus M. Hines  
Superintendent of Education