

November 18, 2009

To the Board of Education  
New Richmond Exempted Village School District

In accordance with *Government Auditing Standards* applicable to financial audits, we have audited the financial statements of New Richmond Exempted Village School District (the School District) as of and for the year ended June 30, 2009, and have issued our report thereon dated November 18, 2009.

*Government Auditing Standards* also require that we describe the scope of our testing of internal control over financial reporting and compliance with laws and regulations, contracts and grant agreements and report any irregularities, illegal acts, other material noncompliance and significant deficiencies in the internal controls. We have issued a report dated November 18, 2009 on internal control over financial reporting and on compliance and other matters required by *Government Auditing Standards* as of and for the year ended June 30, 2009.

*Office of Management and Budget Circular A-133* requires that we report all material, and certain immaterial, instances of noncompliance, and to report on internal control related to major programs. We have issued a report dated November 18, 2009 on compliance and on the internal controls required by *Office of Management and Budget Circular A-133* as of and for the year ended June 30, 2009.

We are submitting for your consideration the following comments on the School District's internal controls. These comments reflect matters that, while in our opinion do not represent significant deficiencies, we believe represent matters for which improvements in internal controls or operational efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing the recommendations suggested below. However, these comments reflect our continuing desire to assist the School District. If you have any questions or concerns regarding these comments, please do not hesitate to contact us.

## **Internal Controls**

### Federal Schedule

In accordance with the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, management is responsible for identifying all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity. During our testing, we noted the School District's schedule of expenditure of federal awards was not complete as a portion of one nonmajor program was omitted (donated commodities) and program expenditures were not accurate. The commodities were subsequently added to the schedule and program expenditures corrected. We recommend the School District review fiscal year activity to ensure that all federal programs have been accounted for accurately on the schedule.

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### Sales Project Requisition Forms

During our review of procedures and controls related to student fundraisers, we reviewed two fundraising projects and noted that the Sales Project Requisition form was not fully completed by School District personnel upon completion of one of the fundraisers as required by School District policy. We recommend the School District review all Student Fundraiser Sales Project Requisition forms at the completion of each fundraiser to ensure that all forms have been properly completed and adhere to School District policy.

### Segregation of Duties

Currently, the Athletic Director reconciles the tickets sold at a sporting event, makes the cash deposit to the bank and prepares the pay-in to the Treasurer's office. While this may be due to limited personnel resources, it represents a lack of proper segregation of duties. In order to improve internal control, we recommend that one individual should be responsible for the reconciliation of ticket sales with another individual preparing the bank deposit and recording of receipts.

This report is intended solely for the information and use of the Board of Education and management and is not intended to be and should not be used by anyone other than these specified parties.

*Clark, Schaefer, Hachett & Co.*