

August 23, 2013

To the Board of Education of
Greenville Central School District

INTERNAL CONTROL MATTERS

Dear Board Members:

We have completed our audit of the financial statements of Greenville Central School District (the "District") as of June 30, 2013, and have issued our report thereon, dated August 23, 2013.

In planning and performing our audit of the financial statements of the District for the year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The financial statements include all required communications regarding internal control. During our audit, we became aware of other matters that are not necessary to be reported in the required reports, however, we are presenting them here for your consideration.

Current Year Comments

Extraclassroom Receipts

During our audit, we noted that certain extraclassroom receipts were not supported by adequate documentation. The students and advisors should provide a reconciliation of actual and expected receipts from fundraisers.

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Extraclassroom Receipts (Continued)

The following are some suggestions:

- For events, pre-numbered tickets should be used and then reconciled to total sales.
- For the sale of items, an inventory should be kept of the items for sale and reconciled to receipts.
- For the sale of items where money is collected before the items are delivered, a list of all money collected and from whom, should be submitted with the receipt. That will make it clearer how much money was paid in the event of a refund.

Extraclassroom Disbursements and Receipts recording

During our testing of disbursement for the extraclassroom programs, it was noticed that certain receipts and disbursements that needed to be approved and paid for in the 2011-2012 year had not made it to the Central Treasurer for payment or deposit until the 2012-2013 year. In order to ensure timely recording and processing of payments, all checks requested and deposits to be made should be sent to the central treasurer as soon as they are approved by the faculty advisor and the student treasurer.

Extraclassroom Deposits

During our testing of cash deposits, we noted several instances where deposits were made without the proper approval of a student treasurer. Some were an instance where deposits were made during the summer, where there would be no student treasurer to sign and another instance during the school year. Student activities are for the benefit of the students and are learning tools for them. These responsibilities include that each deposit be counted by the student treasurer and signed off by them. We recommend that all deposits be counted and approved by a student treasurer as soon as the funds come in, so they may then be turned over to the Central Treasurer for deposit into the extraclassroom account.

Collection and retention of extraclassroom ledgers

Each student treasurer, with the help of the faculty advisor, should be keeping a ledger for their club. This ledger should account for all receipts and disbursements that are within that specific club. Periodically during the year, these ledgers should be compared to the information kept by the Central Treasurer to ensure they are correct. At years end these ledgers and all other backup should be turned over to the Central Treasurer.

We would like to acknowledge the cooperation and the professional conduct of the business office personnel and thank all the School District personnel for the courtesy received during the course of our audit. Should you have any questions regarding the matters presented, we shall be pleased to discuss them at your convenience.

Very truly yours,

BONADIO & CO., LLP