



**STEPHENS
& LAWSON**

Certified Public Accountants

Communication of Significant Deficiencies and Material Weaknesses

To Board of Education
and management of The West Point Independent School District

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of West Point Independent School District as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered West Point Independent School District'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 West Point Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the West Point Independent School District's internal control.

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 material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies 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 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 consider the following deficiencies in West Point Independent School District's internal control to be material weaknesses:

See Finding 2012-01

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. By definition, the item noted above is also a significant deficiency in West Point Independent School District's internal system.

This communication is intended solely for the information and use of management the board of education, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Stephens & Lawson CPAs

Louisville, Kentucky

November 1, 2012



November 1, 2011

To the Board of Education
West Point Independent School District

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of West Point Independent School District for the year ended June 30, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards and, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 1, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by West Point Independent School District are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during June 30, 2012. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the West Points Independent School District's financial statements (were):

Management's estimate of the depreciable useful life of its assets. We evaluated the key factors and assumptions used to develop the depreciable useful life of various assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. These adjustments accompany this correspondence. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 1, 2012.

Management Consultations with Other Independent Accountants

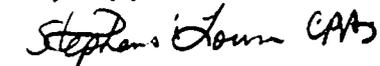
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

Very truly yours,



Stephens & Lawson CPAs



**STEPHENS
& LAWSON**
Certified Public Accountants

November 1, 2012

To the Treasurer
and Superintendent
of West Point Independent School District

In planning and performing our audit of the financial statements of West Point Independent School District as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered West Point Independent School District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the association's internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters and management's responses to those findings. A separate report dated November 1, 2012 contains our report on significant deficiencies or material weaknesses in West Point Independent School District's internal control. This letter does not affect our report dated November 1, 2012 on the financial statements of West Point Independent School District.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various West Point Independent School District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

Stephens & Lawson CPAs

MEMORANDUM

The following is a list of our comments and findings during the course of the audit for the fiscal year ending June 30, 2012:

1. Insurance is over million short of standard set by the state due to insuring at appraised replacement value.
This is a repeat finding.
2. The District needs to start budgeting on-behalf payments (usually around 125-140,000)
This is a repeat finding.
3. The District needs to start budgeting transfers to Fund 2 (usually less than \$2,000)
This is a repeat finding.
4. Bank reconciliations through June 2012 were not in good order. (This has been corrected at this point.)
5. Failures to comply with either Department of Education or Kentucky Revised Statutes that did not rise to the level of audit significance were noted in the following areas.
 - A. The designation of the district depository was not formally renewed for the current period.
 - B. The Annual Financial Statement for the 2010-2011 fiscal year was not published in the newspaper.

Management Responses:

1. This shortfall in coverage has been approved by KDE.
2. The District will endeavor to correct this situation for future years.
3. The District will endeavor to correct this situation for future years.
4. This situation has been corrected.
5. The District will endeavor to correct this situation for future years.