

MANAGEMENT LETTER POINTS

Pikeville Independent School District
Pikeville, Kentucky

In planning and performing our audit of the financial statements of the Pikeville Independent School District for the year ended June 30, 2015, we considered the District's internal controls in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We previously reported on the District's internal control in our report dated October 14, 2015. This letter does not affect our report dated October 14, 2015, on the financial statements of the Pikeville Independent School District. The conditions observed are as follows:

PIKEVILLE ELEMENTARY

1-15

Statement of Condition: Activity Fund account (ARI Grant) ended the fiscal year (June 30) with a deficit balance.

Recommendation for Correction: Monies can be transferred between activity fund accounts, as long as money generated by the students goes back to benefiting the students. Monies generated for a specific purpose must be spent on the intended purpose. Any monies transferred to cover deficit balances shall be reimbursed by the deficit account when funds become available. Closer monitoring of activity fund account ending balances before signing off on purchase orders will decrease the chances of accounts becoming deficit.

Management Response to the Recommendation: The district Finance Officer will re-enforce year-end procedures relating to negative account balances on June 30.

PIKEVILLE HIGH SCHOOL

No conditions.

We will review the status of these conditions during our next audit engagement. We have already discussed many of these conditions and suggestions with various District personnel, and we will be pleased to discuss these comments in further detail at your

convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

The prior year management letter conditions have been implemented and corrected. Mr. Jerry Green, Superintendent, is the person responsible for initiation of the corrective action plan for the above comments which will be implemented immediately. The corrective action plan is the management response for each condition.

We would like to thank the Finance Officer and their department for their support and assistance during our audit.

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

White & Associates, PSC

White & Associates, PSC
Richmond, Kentucky
October 14, 2015