



November 7, 2023

Members of the Board of Education  
Grayson County School District  
Leitchfield, Kentucky

Kentucky State Committee for School District Audits  
Frankfort, Kentucky

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 the Grayson County School District (District) as of and for the year ended June 30, 2023, 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 auditing procedures that are appropriate in the circumstances 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.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses, and matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions regarding these matters. This letter does not affect our report dated November 7, 2023, on the financial statements of the District.

**2023 MANAGEMENT COMMENTS**

Findings noted were as follows:

ACTIVITY FUNDS (SCHOOL LEVEL):

Findings noted and frequency of occurrence are follows:

Deposits:

- Form F-SA-6 did not have student signatures:  
Grayson County High School (3)
- The deposit slip was not initialed by two individuals:  
Clarkson Elementary School (2)
- A receipt form was not completed:  
Clarkson Elementary School (1)
- Pre-numbered receipt forms are not being utilized:  
Clarkson Elementary School (1)

Transfers:

- The transfer made did not agree to form F-SA-10:  
Clarkson Elementary School (1)

www.rineyhancock.com - info@rineyhancock.com

2900 Veach Road, Suite 2 - Owensboro, Kentucky 42303 - 270-926-4540 - Fax: 270-926-1494

400 Bente West Court - Evansville, Indiana 47715 - 812-423-0300 - Fax: 812-423-6282

*A member of Allinial Global - An association of legally independent firms*

**2023 MANAGEMENT COMMENTS, Continued**

ACTIVITY FUNDS (SCHOOL LEVEL), CONTINUED:

Recommendation:

We recommend that Activity Fund bookkeepers be reminded of the importance of adhering to the "Red Book" and performing generally accepted practices which enhance internal control for the District.

District Response to 2023 Management Comments:

See the electronically submitted Management Letter Comments Spreadsheet for detailed responses.

**2022 MANAGEMENT COMMENTS**

TAX REVENUES:

Finding:

Utilities tax revenues accruals were not recorded in the proper period. This resulted in an overstatement of current year utilities tax revenue. This error was immaterial to the General Fund, and therefore, was not corrected in the audited financial statements. This is a repeat comment.

Follow up:

Tax revenues were recorded in the proper period for fiscal year 2023.

FOOD SERVICE FUND

Finding:

Grant funds that were unspent at year end were not recorded as unearned revenue. An adjustment was made to correct the balance at fiscal year end.

Follow up:

Grants funds were recorded in the proper period for fiscal year 2023.

DEBT SERVICE FUND

Finding:

In prior years, discounts on bonds which had been refunded were not removed and netted with the deferred charges on refunding at the time of defeasance. This is a repeat comment.

Follow up:

All debt related entries were properly recorded in fiscal year 2023.

**2022 MANAGEMENT COMMENTS, Continued**

LEASOR REVENUE

Finding:

A written agreement could not be located for a year-to-year lease of farm land.

Follow up:

A written agreement was executed during fiscal year 2023.

ACTIVITY FUNDS (SCHOOL LEVEL):

Findings noted and frequency of occurrence are follows:

Ticket Sales:

The number of tickets sold on the ticket sales report was understated by one based on the reconciliation of beginning and ending ticket numbers documented:

Grayson County Middle School (2)

Follow up and resolution:

The District regularly communicates with bookkeepers, and also holds quarterly meetings to remind them of the importance of following Redbook procedures. Additionally, month end financial statements are reviewed at Central Office.

We will review the status of these comments during our next audit engagement. We have already discussed the comments and suggestions with 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.

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

*Riney Hancock CPAs PSC*