

**RAYMOND G. PREUSSER, CPA, P.C.**

Certified Public Accountants

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Hancock Central School District  
Attn: Terrance Dougherty  
67 Education Lane  
Hancock, NY 13783

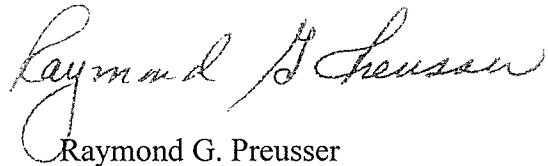
Dear Mr. Dougherty:

Enclosed please find the annual Management Representation Letters.

Please sign and date as of October 1, 2018 and return them to our office.

We have enclosed a copy for your records. Any questions, please don't hesitate to contact us.

Sincerely,



Raymond G. Preusser

ADMINISTRATION  
Terrance P. Dougherty,  
Superintendent  
Lori A. Asquith, PK-12 Principal  
Amber K. Dennis, Director of Pupil/  
Personnel Services

## HANCOCK CENTRAL SCHOOL DISTRICT

67 EDUCATION LANE  
HANCOCK, NEW YORK 13783-1190  
(607) 637-2511

BOARD OF EDUCATION  
Terry Whitt, President  
Rebecca L. Smith, Vice-President  
Gene W. Homer  
Todd Jacobs  
Monika Noble  
Lothar Holbert, Wayne Highlands Rep.  
Aimee Skiff, District Treasurer

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The Wildcat Pledge: We nurture and empower each learner's unlimited capacity to become a responsible citizen with a promising future.  
Our Vision: Striving for excellence as an innovative, advanced and reflective school community.

Raymond G. Preusser, CPA, P.C.  
PO Box 538  
Claverack, NY 12513

This representation letter is provided in connection with your audit(s) of the financial statements of Hancock Central School District, which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of October 1, 2018, the following representations made to you during your audit.

### Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 27, 2018 including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Hancock Central School District is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of Board of Education or summaries of actions of recent meetings for which minutes have not yet been prepared.

- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the school district and involves:
  - a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the school district's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the school district's related parties and all the related party relationships and transactions of which we are aware.

**Government-specific**

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have a process to track the status of auditing findings and recommendations.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 22) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 23) The Hancock Central School District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

- 24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 26) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 27) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 28) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 29) As part of your audit, you assisted with the preparation of the financial statements, related notes and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.
- 30) The Hancock Central School District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 31) The Hancock Central School District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

- 32) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 33) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
- 34) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 35) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 36) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 37) Provisions for uncollectable receivables have been properly identified and recorded.
- 38) Expenses have been appropriately classified in or allocated to functions and programs in the Statement of Activities, and allocations have been made on a reasonable basis.
- 39) Revenues are appropriately classified in the Statement of Activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 40) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 41) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 42) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 43) We have appropriately disclosed the Hancock Central School District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available and have determined that net positions were properly recognized under the policy.
- 44) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

- 45) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 46) With respect to the supplementary information on which an in-relation-to opinion is issued:
  - a) We acknowledge our responsibility for presenting the other supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the other supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the other supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 47) With respect to federal award programs:
  - a) We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
  - b) We have identified and disclosed to you all of our government programs and related activities subject to Uniform Guidance, and have included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

- c) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurements and presentation of the SEFA.
- d) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on each major program.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.
- j) We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications



received from the end of the period covered by the compliance audit to the date of the auditor's report.

- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR Part 200, subpart E, and *Cost Principles for State, Local, and Tribal Governments*, and OMB's *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no known such instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have charged costs to federal awards in accordance with applicable cost principles.

- u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
  - v) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by Uniform Guidance.
- 48) If tax exempt bonds have been issued by the District, they have retained their tax exempt status.
- 49) We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances. We are unable to determine the possibility of a withdrawal liability in a multi-employer plan.
- 50) Form ST-3, which we provided to you, is the same one which the District has filed, or will file.
- 51) We have complied with No. 436 budget caps, as well as all other applicable laws and regulations in adopting, approving and amending budgets, to the extent applicable to the District.
- 52) We have not engaged your firm to provide non-audit services for the District, nor to make management decisions or perform management functions, which might impair your independence under GAO Government Auditing Standards.

In furtherance of preserving your firm's independence under those standards, management reviews, approves, and is responsible for the outcome of discussions we have with your firm in areas such as internal controls, implementing audit recommendations, technical issues, staff training, tax matters and similar items.

Management has approved the District's chart of accounts, trial balance, and any adjusting, correcting and closing entries for the year ended June 30, 2018 that were used to prepare draft financial statements, and has provided the information used to draft notes to the financial statements. With regard to preparing draft financial statements that are based on management's chart of accounts and trial balance and any adjusting, correcting and closing entries that have been approved by management, and preparing draft notes to the financial statements based on information determined and approved by management, and any other services provided by your firm that are determined to be non-audit services, the District has concluded that those services do not impair your firm's independence with respect to the District, and that:

- a) The non-audit services do not involve performing management functions or making management decisions.

- b) Your firm has not audited its own work or provided non-audit services in situations where the non-audit services are significant or material to the subject matter of audits.
  - c) The District is responsible for the substantives outcomes of the work and, therefore, is in a position in fact and appearance to make an informed judgment on the results of non-audit services.
  - d) The District has designated a management level individual to be responsible and accountable for overseeing non-audit services.
  - e) The District has established and monitored the performance of the non-audit services to ensure that it meets management objectives.
  - f) The District has made all decisions that involve management functions related to non-audit services and accepts full responsibility for such decisions.
  - g) The District has evaluated the adequacy of the services performed and any findings that result.
- 53) We have evaluated and classified any subsequent events as recognized or unrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ADMINISTRATION  
Terrance P. Dougherty,  
Superintendent  
Lori A. Asquith, PK-12 Principal  
Amber K. Dennis, Director of Pupil/  
Personnel Services

## HANCOCK CENTRAL SCHOOL DISTRICT

67 EDUCATION LANE  
HANCOCK, NEW YORK 13783-1190  
(607) 637-2511

BOARD OF EDUCATION  
Terry Whitt, President  
Rebecca L. Smith, Vice-President  
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Aimee Skiff, District Treasurer

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Our Vision: Striving for excellence as an innovative, advanced and reflective school community.

Raymond G. Preusser, CPA, P.C.

PO Box 538

Claverack, NY 12513

We are providing this letter in connection with your audit of the financial statements of the Hancock Central School District's Extraclassroom Activity Fund as of June 30, 2018 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the Hancock Central School District's Extraclassroom Activity Fund and the statement of cash receipts and disbursements in conformity with the cash basis of accounting. We confirm that we are responsible for the fair presentation in the financial statements of cash and fund balances resulting from cash transactions and the statement of cash receipts and disbursements in conformity with the cash basis of accounting. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of October 1, 2018, the following representations were made to you during your audit.

- 1) The financial statements referred to above are fairly presented in conformity with the cash basis of accounting and include all the funds of the Extraclassroom Activity Fund required by the cash basis of accounting.
- 2) We have made available to you all—
  - a) Financial records and related data.
  - b) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

- 3) There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
- 4) There have been no instances of-
  - a) Fraud involving management or employees who have significant roles in internal control.
  - b) Fraud involving others that could have a material effect on the financial statements.
- 5) The Hancock Central School District has no plans or intentions that may materially affect the carrying value or classification of assets or equity.
- 6) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified, disclosed to you, all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.
- 7) There are no—
  - a) Violations or possible violations of laws, and regulations, terms of contractual agreements, and tax or debt limits whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
- 8) The Hancock Central School District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 9) The Hancock Central School District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_