STAFFORD COUNTY PUBLIC SCHOOLS
ACTIVITY FUNDS
REPORT TO THE SCHOOL BOARD
JANUARY 2, 2018
January 2, 2018

To the School Board
Stafford County Public Schools Activity Funds
Stafford, Virginia

We are pleased to present this report related to our audit of the summary statement of cash receipts, disbursements, net transfers and adjustments (financial statement) and our audit of compliance of the Stafford County Public Schools Activity Funds (Schools) for the year ended June 30, 2017. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Schools’ financial and compliance reporting process.

This report is intended solely for the information and use of the School Board and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the Schools.

[Signature]
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STAFFORD COUNTY PUBLIC SCHOOLS ACTIVITY FUNDS

REQUIRED COMMUNICATIONS
Year Ended June 30, 2017

Generally accepted auditing standards (AU-C 260, *The Auditor’s Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement and compliance audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and compliance reporting process.

<table>
<thead>
<tr>
<th>Area</th>
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<tbody>
<tr>
<td><strong>Our Responsibilities With Regard to the Financial Statement and Compliance Audit</strong></td>
<td>Our responsibilities under auditing standards generally accepted in the United States of America and <em>Government Auditing Standards</em>, issued by the Comptroller General of the United States, have been described to you in our arrangement letter dated June 29, 2017. Our audit of the financial statement does not relieve management or those charged with governance of their responsibilities which are also described in that letter.</td>
</tr>
<tr>
<td><strong>Overview of the Planned Scope and Timing of the Financial Statement and Compliance Audit</strong></td>
<td>We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.</td>
</tr>
<tr>
<td><strong>Accounting Policies and Practices</strong></td>
<td><strong>Preferability of Accounting Policies and Practices</strong></td>
</tr>
<tr>
<td></td>
<td>Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. Management has determined that the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, is an acceptable basis for the preparation of the financial statement. In our view, in such circumstances, management has selected the preferable accounting practice.</td>
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<tr>
<td></td>
<td><strong>Adoption of, or Change in, Accounting Policies</strong></td>
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<tr>
<td></td>
<td>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Schools. The Schools did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.</td>
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<tr>
<td>Area</td>
<td>Comments</td>
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<tr>
<td>Accounting Policies and Practices (Continued)</td>
<td>Significant or Unusual Transactions</td>
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<tr>
<td></td>
<td>We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</td>
</tr>
<tr>
<td>Audit Adjustments</td>
<td>Audit adjustments proposed by us and recorded by the Schools are shown in the attached Summary of Recorded Audit Adjustments.</td>
</tr>
<tr>
<td>Uncorrected Misstatements</td>
<td>We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.</td>
</tr>
<tr>
<td>Disagreements with Management</td>
<td>We encountered no disagreements with management over the application of significant accounting principles, the basis for management’s judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statement.</td>
</tr>
<tr>
<td>Consultations with Other Accountants</td>
<td>We are not aware of any consultations management had with other accountants about accounting or auditing matters.</td>
</tr>
<tr>
<td>Significant Issues Discussed with Management</td>
<td>No significant issues arising from the audit were discussed or were the subject of correspondence with management.</td>
</tr>
<tr>
<td>Significant Difficulties Encountered in Performing the Audit</td>
<td>We did not encounter any significant difficulties in dealing with management during the audit.</td>
</tr>
<tr>
<td>Material Weakness and Significant Deficiency in Internal Control over Financial Reporting</td>
<td>We have separately communicated the material weakness and significant deficiency in internal control over financial reporting identified during our audit of the financial statements as required by Government Auditing Standards. This communication is included within the Compliance Section of the Schools’ financial report for the year ended June 30, 2017.</td>
</tr>
<tr>
<td>Significant Written Communications Between Management and Our Firm</td>
<td>Copies of significant written communications between our firm and management of the Schools, including the representation letter provided to us by management, are attached as Exhibit A.</td>
</tr>
<tr>
<td>Description</td>
<td>Cash Balance July 1, 2016</td>
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<tr>
<td>------------------------------------------------</td>
<td>---------------------------</td>
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<tr>
<td>Colonial Forge High School</td>
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<td>To agree the general ledger to the reconciled</td>
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<tr>
<td>bank balance as of June 30, 2017</td>
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<tr>
<td>Hartwood Elementary School</td>
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<td>To agree the general ledger to the reconciled</td>
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<tr>
<td>bank balance as of June 30, 2017</td>
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<tr>
<td>Park Ridge Elementary School</td>
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<tr>
<td>To agree the general ledger to the reconciled</td>
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<tr>
<td>bank balance as of June 30, 2017</td>
<td></td>
</tr>
<tr>
<td><strong>Summary Statement of Cash Receipts, Disbursements, Net Transfers and Adjustments Effect</strong></td>
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Exhibit A – Significant Written Communication Between Management and Our Firm
Arrangement Letter
June 29, 2017

Stafford County School Board
Stafford County Public Schools
Alvin York Bandy Administrative Complex
31 Stafford Avenue
Stafford, Virginia 22554

Attention: Chris Fulmer, Interim Chief Financial Officer

The Objective and Scope of the Audit of the Financial Statement

You have requested we audit the summary statement of cash receipts and disbursements (financial statement) of the Stafford County Public Schools Activity Funds (the Schools), a fiduciary fund of the Stafford County School Board which is a component unit of the County of Stafford, Virginia, as of June 30, 2017. Also, the supplementary information presented in relation to the financial statement will be subjected to the auditing procedures applied in our audit of the basic financial statement. We understand this financial statement will be prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audit will be conducted with the objective of our expressing an opinion on the financial statement.

The Responsibilities of the Auditor

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and Government Auditing Standards issued by the Comptroller General of the United States (GAS). Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Also, an audit is not designed to detect errors or fraud that is immaterial to the financial statement. The determination of abuse is subjective; therefore, GAS does not expect us to provide reasonable assurance of detecting abuse.
In making our risk assessments, we consider internal control relevant to the Schools’ preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Schools’ internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statement that we have identified during the audit.

We will also communicate to the School Board (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statement that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

Our report on internal control will include any significant deficiencies and material weaknesses in controls of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards identified above. Our report on compliance matters will address material errors, fraud, abuse, violations of compliance obligations, and other responsibilities imposed by state and federal statutes and regulations or assumed by contracts; and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with requirements of the standards identified above.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statement in accordance with the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America;

2. To evaluate subsequent events through the date the financial statement is issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statement. Management also agrees it will not evaluate subsequent events earlier than the date of the management representation letter referred to below;

3. For the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error;

4. For establishing and maintaining effective internal control over financial reporting, and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge; and
5. To provide us with:

   a. Access to all information of which management is aware is relevant to the preparation and fair presentation of the financial statement such as records, documentation and other matters;

   b. Additional information we may request from management for the purpose of the audit; and

   c. Unrestricted access to persons within the Schools from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, when appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit, including, among other items, that:

1. Management has fulfilled its responsibilities as set out in the terms of this letter; and

2. It believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statement.

Management is responsible for identifying and ensuring the Schools comply with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Schools involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statement. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the Schools received in communications from employees, former employees, analysts, regulators, or others.

Management is responsible for the preparation of the supplementary information presented in relation to the financial statement in accordance with the basis of cash receipts and disbursements which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Management agrees to include the auditor’s report on the supplementary information in any document that contains the supplementary information and indicates that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited financial statement or, if the supplementary information will not be presented with audited financial statement, to make the audited financial statement readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor’s report thereon.

The School Board is responsible for informing us of its views about the risks of fraud within the Schools, and its knowledge of any fraud or suspected fraud affecting the Schools.
Records and Assistance

If circumstances arise relating to the condition of the Schools' records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statement because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Schools' books and records. The Schools will determine all such data, if necessary, will be so reflected. Accordingly, the Schools will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by the Schools' personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Chris Fulmer, Interim Chief Financial Officer. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

In connection with our audit, you have requested us to perform certain non-audit services necessary for the preparation of the financial statement, including drafting the financial statement. GAS independence standards require the auditor maintain independence so that opinions, findings, conclusions, judgments and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide a non-audit service to the Schools, we determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in aggregate with other non-audit services provided. A critical component of our determination is considerations of management's ability to effectively oversee the non-audit services to be performed. The Schools have agreed Chris Fulmer, Interim Chief Financial Officer, possesses suitable skill, knowledge and experience and he understands the services to be performed sufficiently to oversee them. Accordingly, management of the Schools agrees to the following:

1. The Schools have designated Chris Fulmer, Interim Chief Financial Officer, as a senior member of management who possesses suitable skill, knowledge and experience to oversee the services;

2. Chris Fulmer, Interim Chief Financial Officer, will assume all management responsibilities for subject matter and scope of the non-audit services;

3. The Schools will evaluate the adequacy and results of the services performed; and

4. The Schools accepts responsibility for the results and ultimate use of the services.

GAS further requires we establish an understanding with the Schools' management and those charged with governance of the objectives of the non-audit services, the services to be performed, the Schools' acceptance of its responsibilities, the auditor's responsibilities, and any limitations of the non-audit services. We believe this letter documents that understanding.
Other Relevant Information

PBMares, LLP may mention the Schools’ name and provide a general description of the engagement in PBMares, LLP’s client lists and marketing materials.

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

In accordance with GAS, a copy of our most recent peer review report can be located on our website at www.pbmares.com.

Fees, Costs, and Access to Workpapers

Our fees for the audit and accounting services described above are not expected to exceed $33,410. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from the Schools’ personnel.
2. Timely responses to our inquiries.
3. Timely completion and delivery of client assistance requests.
4. Timely communication of all significant accounting and financial reporting matters.
5. The assumption unexpected circumstances will not be encountered during the engagement.

If any of the aforementioned criteria are not met, then fees may increase. Fees may also increase based on the extent of accounting services and other assistance required to render a complete financial statement. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission. Amounts not paid within thirty days from the invoice date(s) will be subject to a late payment charge of 1.5% per month (18% per year).

Our professional standards require we perform certain additional procedures, on current and previous years’ engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, the Schools agree it will compensate PBMares, LLP for any additional costs incurred as a result of the Schools’ employment of a partner or professional employee of PBMares, LLP.

In the event we are requested or authorized by the Schools or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the Schools, the Schools will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.
The documentation for this engagement is the property of PBMares, LLP. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit documentation upon their request and that we shall maintain the audit documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested documentation will be provided under the supervision of PBMares, LLP audit personnel and at a location designated by our firm.

Other Terms

While there is an attorney-client privilege, there is no accountant-client privilege. Accordingly, any information that you provide to us is subject to discovery. Unless prohibited by law, we will notify you if we receive any subpoena, or other third-party request for our information and/or records concerning you. If you direct us to disclose the requested information, we will comply with the subpoena and, in the case of a third-party request, we will need you to sign a form authorizing the disclosure. If you do not direct us to disclose the requested information, we will engage counsel to protect your interest in non-disclosure. In either event, we will bill you for all of our costs associated with complying with your directions. Our bill will include, in addition to our then standard fees and charges and, by way of illustration only, our attorney’s fees, court costs, outside advisor’s costs, penalties, and fines imposed because of our non-disclosure.

We reserve the right to withdraw from this engagement without completing our services for any reason, including, but not limited to, your failure to comply with the terms of this arrangement letter, or as we determine professional standards require.

If any portion of this engagement letter is deemed invalid or unenforceable, such a finding shall not invalidate the remainder of the terms set forth in this engagement letter.

Dispute Resolution

If any dispute other than fees arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties. You and we consent to personal jurisdiction, both for mediation and/or litigation, of the Stafford County Circuit Court. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party’s identity for purposes of the award of attorneys’ fees.

The parties hereto both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. The arbitration shall take place in Stafford County, Virginia. Any award rendered by the Arbitrator pursuant to this Agreement may be filed and entered and shall be enforceable in the Superior Court of the County in which the arbitration proceeds. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury, and instead we are accepting the use of arbitration for resolution.
Stafford County Public Schools
June 29, 2017
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Reporting

We will issue a written report upon completion of our audit of the Schools’ financial statement. Our report will be addressed to the Stafford County School Board. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In addition to our report on the Schools’ financial statement, we will also issue the following types of reports:

1. Report on internal control related to the financial statement. This report will describe the scope of testing of internal control and the results of our tests of internal control; and

2. Report on compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any noncompliance that could have a material effect on the financial statement.

This letter constitutes the complete and exclusive statement of agreement between PBMares, LLP and the Schools, superseding all proposals, oral or written, and all other communications with respect to the terms of the engagement between the parties, in accordance with the audit services contract dated April 18, 2013 and amended July 24, 2013.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statement, including our respective responsibilities.

Sincerely,

PBMares, LLP

[Signature]

Betsy L. Hedrick, Partner

BLH/sae

Confirmed on behalf of the Schools:

[Signature]

[Date: 7/24/2017]
Representation Letter
This representation letter is provided in connection with your audit of the summary statement of cash receipts, disbursements, net transfers and adjustments (financial statement) and compliance report of the Stafford County Public Schools Activity Funds (Schools) for the year ended June 30, 2017 for the purpose of expressing an opinion on whether the financial statement is presented fairly, in all material respects in accordance with the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of November 1, 2017:

Financial Statement

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated June 29, 2017 for the preparation and fair presentation of the financial statement referred to above in accordance with the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. GAAP.

2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

4. Related party transactions, including those with the Stafford County School Board and the County of Stafford, Virginia, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed.

5. No events have occurred subsequent to the date of the financial statement which require adjustment or disclosure.

6. There are no:

a. Material transactions that have not been properly recorded in the accounting records underlying the financial statement.

b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statement or as a basis for recording a loss contingency.
c. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.

d. Accounting estimates included in the financial statement.

e. Direct or indirect, legal or moral obligations for any debt of any organization, public or private.

f. Guarantees, whether written or oral, under which the Schools are contingently liable.

g. Lines of credit or similar arrangements.

h. Leases and material amounts of rental obligations under long-term leases.

i. Contractual obligations for construction or purchase of real property or equipment.

j. Material concentrations known to management which are required to be disclosed.

7. We have complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.

8. We have no knowledge of any uncorrected misstatements in the financial statement.

Information Provided

9. 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 statement such as records, documentation, and other matters.

   b. Additional information you have requested from us for the purpose of the audit.

   c. Unrestricted access to persons within the Schools from whom you determined it necessary to obtain audit evidence.

10. All transactions have been recorded in the accounting records and are reflected in the financial statement.

11. We have disclosed to you the results of our assessment of risk that the financial statement may be materially misstated as a result of fraud.

12. We have no knowledge of allegations of fraud or suspected fraud affecting the Schools’ financial statement involving:

   a. Management.

   b. Employees who have significant roles in the internal control.

   c. Others where the fraud could have a material effect on the financial statement.

13. We have no knowledge of any allegations of fraud or suspected fraud affecting the Schools’ financial statement received in communications from employees, former employees, analysts, regulators, or others.
14. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations other than those disclosed to you whose effects were considered when preparing the financial statement.

15. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statement, and we have not consulted legal counsel concerning litigation or claims.

16. We have disclosed to you the identity of the Schools’ related parties and all the related-party relationships and transactions of which we are aware.

17. We have disclosed to you any significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Schools’ ability to record, process, summarize, and report financial data.

18. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

19. During the course of your audit, you may have accumulated records containing data which should be reflected in the Stafford County Public Schools Activity Funds’ books and records. All such data has been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

20. With respect to supplementary information presented in relation to the financial statement as a whole:

   a. We acknowledge our responsibility for the presentation of such information.

   b. We believe such information, including its form and content, is fairly presented in accordance with the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. GAAP.

   c. The methods of measurement or presentation have not changed from those used in the prior period.

Compliance Considerations

In connection with your audit, conducted in accordance with Government Auditing Standards, we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

21. Is responsible for the preparation and fair presentation of the financial statement in accordance with the applicable financial reporting framework.

22. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the Schools.

23. There have been no instances of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statement or other financial data significant to the audit objectives, or any other instances that warrant the attention of those charged with governance.
24. There have been no instances that have occurred or are likely to have occurred of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.

25. There have been no instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statement.

26. Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

27. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.

28. Has a process to track the status of audit findings and recommendations.

29. We have a process to track the status of audit findings and recommendations.

30. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including a statement that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

STAFFORD COUNTY PUBLIC SCHOOLS
ACTIVITY FUNDS

Chris Fulmer
Chief Financial Officer