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January 5. 2015

Mr. Timothy Ryan
Superintendent
Cherry Valley-Springfield CSD
Route 54
Cherry Valley, NY 13320

Dear Mr. Ryan:

We are pleased to confirm our understanding of the services we are to provide the Cherry Valley-Springfield Central School District (District) for the year ending June 30, 2015. We will perform internal audit services for the District as follows:

> We will perform a risk assessment of the District's business operations for the year ending June 30, 2015. Our risk assessment will be in accordance with U.S. Generally Accepted Auditing Standards, applicable standards contained in Government Auditing Standards issued by the Comptroller General of the United States, and will meet the District's obligations under New York Education Law §2116-b. Our risk assessment will include identification of the District's audit areas together with its policies and procedures, and the internal controls currently in effect. Our risk assessment will include but not be limited to, a review of financial policies and procedures and the testing and evaluation of the District's internal controls.
>
> We will document the results of our assessment in a formal report. The report will analyze significant risk assessment findings, recommend changes for strengthening controls and reducing identified risks, and specify timeframes for implementation of such recommendations. We will perform as we are engaged in subsequent years, annual reviews and updates of this risk assessment and monitoring and reporting on compliance with agreed-upon recommendations. The results of our assessment and our report are intended for internal use only and should not be used for any other purposes.

The results of this assessment will be discussed and reviewed with the Audit Committee so as to arrive at a consensus as to the higher risk areas that should be subject to internal audit procedures, i.e. testing. We will perform annual testing and evaluation of one or more areas of the District's internal controls, taking into account risk, control weaknesses, size, and complexity of operations. We will suggest ways in which the District might improve its risk management system regarding financial reporting and management controls including the internal controls currently in effect, as well as those that might otherwise be required or recommended.

The Firm will provide additional copies of any reports on request of the District or make available print ready copy for District reproduction. As a component of the agreement, the Firm will make its staff available for ongoing consultation on improvements in District operations related to procedures performed by the Firm.

The purpose of this engagement is to assist the Audit Committee and Board of Education in improving the process by which the District monitors and manages its risk. It is the Firm's responsibility to carry out the procedures specified, but not to determine the sufficiency of the procedures or to apply other procedures that might be applied in other types of professional engagements, such as audits. However, it is ultimately the District's responsibility to assess the adequacy of its risk management system and utilize any of our suggestions. Management is responsible for management decisions and functions. The Board is to oversee risk assessment and internal audit services we provide. The Board is responsible for evaluating adequacy and results of those services and accepting responsibility for such services. Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

Our fee of $2,500 for the risk assessment (Phase I) for the year ending June 30, 2015 and report thereon is based upon anticipated services to be rendered at our standard billing rates.

Our fee to perform the required additional internal audit function (Phase II) or detail testing of requested areas by the Audit Committee after the risk assessment will be based on actual time spent at our hourly rates plus travel expenses. Our standard hourly rates are as follows:

Partner	$150
Manager	$100
Staff	$ 75

Our invoices are payable on presentation. If for any reason we are unable to complete our engagement, we will not issue a report as a result of this engagement.

We appreciate the opportunity to be of service to the Cherry Valley-Springfield Central School District and believe this letter accurately summarizes the significant terms of our engagement.

If you have any questions, please feel free to contact us.

If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

RAYMOND G. PREUSSER, CPA, PC

Raymond G. Preusser

Raymond G. Preusser

RGP:llr

Enclosure

Raymond G. Preusser, CPA, PC:

This letter correctly sets forth the understanding of the Cherry Valley-Springfield Central School District.

COPY

Signature	Title	Date