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June 12, 2023

To the Members of the School Board
Raymond School District
43 Harriman Hill Road
Raymond, NH 03077

Dear Members of the School Board:

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Raymond School District for the year ended June 30, 2022, and have issued our report thereon dated June 8, 2023. Professional standards require that we communicate to you the following information related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 10, 2022, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Raymond School District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you in our engagement letter dated June 10, 2022.

Compliance With All Ethics Requirements Regarding Independence

The engagement team, others in our Firm, as appropriate and our Firm, have complied with all relevant ethical requirements regarding independence.

We follow the AICPA Ethics Standard Rule 201 and in conjunction with the Firm's Quality Control Document, we annually review with all engagement staff potential conflicts and obtain an independence certification. In addition, we inquire on each engagement about potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

PLODZIK & SANDERSON, P.A.
Certified Public Accountants

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Significant Risks Identified

We have identified the following significant risks through our risk assessment procedures. These risks are identified universally in New Hampshire governmental entity audits performed by our Firm. As a result of these risks the engagements team has developed an audit approach that specifically addresses these significant risks.

- Management override of controls;
- Improper revenue recognition

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Raymond School District is included in Note 1 to the financial statements. As described in Note 2-C to the financial statements, the Raymond School District changed accounting principles to change the way the School District reports leases, by adopting Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, in the fiscal year 2022. There is no cumulative effect of the accounting change as of the beginning of the year is reported. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the capital asset useful lives is based on historical information and industry guidance. We evaluated the key factors and assumptions used to develop the capital asset useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability, deferred outflows and inflows of resources related to pensions are based on assumptions of future events, such as employment, mortality and estimates of value of reported amounts. We evaluated the key factors and assumptions used to develop the net pension liability, deferred outflows and inflows of resources related to pensions in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other postemployment benefit liability, deferred outflows and inflows of resources are based on the assumption of future events, such as employment, mortality, and healthcare cost trend, as well as estimates of the value of reported amounts. We evaluated key factors and assumptions used to develop the other postemployment benefits liability, deferred outflows and inflows of resources related to the other postemployment benefits in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Significant Unusual Transactions

There are no significant or unusual transactions identified during our audit.



Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial and communicate them to the appropriate level of management. Adjustments proposed and approved were primarily of a routine nature and a list of these adjustments for the general fund is attached to this letter.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 8, 2023.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Raymond School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Key Audit Matters

We have determined that there are no key audit matters to communicate.

Other Audit Matters, Findings, or Issues

In the normal course of our professional association with the Raymond School District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the School District, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Raymond School District's auditors.

Deputy Treasurer (repeat comment)

It was identified that the School District does not have a Deputy Treasurer. It is considered a best practice to have a Deputy Treasurer to perform the tasks and duties of the Treasurer in the event the Treasurer is unavailable or unable. We recommend the School District appoint a Deputy Treasurer in accordance with RSA 197:24-a, *Deputy Treasurer*.

Stale Dated Checks

We noted the bank reconciliation for the School District's operating account contains a number of stale dated checks (older than six months). Stale dated checks may not be honored by a bank when presented for deposit by the vendor. We recommend the School District follow up with vendors on stale dated checks, when possible, to determine if the issued check should be cancelled and reissued. If not possible, the School District should follow the State's procedures for unclaimed property.



Other Matters

Implementation of New GASB Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements.

GASB Statement No. 91, *Conduit Debt Obligations*, issued in May 2019, will be effective for the School District with its fiscal year ending June 30, 2023. This Statement will provide a single method of reporting conduit debt obligations and eliminate differences in practice.

GASB Statement No. 92, *Omnibus 2020*, issued in January 2020, will be effective for the School District with its fiscal year ended June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued in March 2020, will be effective for the School District with its fiscal year ended June 30, 2023. The objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued in May 2020, will be effective for the School District with its fiscal year ended June 30, 2023. The objectives of this Statement are to provide guidance on accounting and financial reporting for subscription-based information technology arrangements for government end users.

GASB Statement No. 99, *Omnibus 2021*, issued in April 2022, will be effective for the School District with its fiscal year ended June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*, issued in June 2022, will be effective for the School District with its fiscal year ended June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences*, issued in June 2022, will be effective for the School District with its fiscal year ended June 30, 2024. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

We applied certain limited procedures to the following, which is/are required supplementary information (RSI) that supplements the basic financial statements:

- Management's Discussion and Analysis,
- Schedule of the School District's Proportionate Share of Net Pension Liability,
- Schedule of School District Contributions – Pensions, Schedule of the School District's Proportionate Share of the Net Other Postemployment Benefits Liability,
- Schedule of School District Contributions – Other Postemployment Benefits,
- Schedule of Changes in the School District's Total Other Postemployment Benefits Liability and Related Ratios, and
- Notes to the Required Supplementary Information



Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund schedules, and the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the members of the School Board and management of the Raymond School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully,



PLODZIK & SANDERSON
Professional Association
Concord, New Hampshire

Attachment:

General Fund Journal Entries



Client: **1141 - Raymond School District**
 Engagement: **2022 - Raymond School District**
 Period Ending: **6/30/2022**
 Trial Balance: **001.0000 - Government Fund Trial Balance**
 Workpaper: **910.0031 - General Fund Journal Entries**
 Fund Level: **Fund**
 Index: **10**

Account	Description	Debit	Credit
Fund: 10	General Fund		
Adjusting Journal Entries JE # 3			
[AUDIT ONLY] To record food service receivable in the food service fund and remove from the			
10 -00-0000-00-000-100101-	CASH-CHECKING	23,469.00	
10 -00-0000-00-000-100135-	Due from food service fund	171,379.00	
10 -00-0000-00-000-100140-	INTERGOVT RECEIVABLES		194,848.00
Total		194,848.00	194,848.00
Adjusting Journal Entries JE # 5			
To adjust committed fund balance to actual per 400.4300			
10 -00-0000-00-000-300770-	UNASSIGNED FUND BALANCE	325,000.00	
10 -00-0000-00-000-300755-	COMMITTED FUND BALANCE		325,000.00
Total		325,000.00	325,000.00
Adjusting Journal Entries JE # 9			
To record change in unassigned fund balance retained per 400.4500			
10 -00-0000-00-000-300770-	UNASSIGNED FUND BALANCE	9,992.00	
10 -00-0000-00-000-300756-	RETAINED FUND BALANCE		9,992.00
Total		9,992.00	9,992.00
Adjusting Journal Entries JE # 18			
To reclassify nonspendable portion of fund balance attributable to prepaid expenses at year-end per			
10 -00-0000-00-000-300770-	UNASSIGNED FUND BALANCE	50,500.00	
10 -00-0000-00-000-300745-	NONSPENDABLE FUND BALANCE		50,500.00
Total		50,500.00	50,500.00
Adjusting Journal Entries JE # 19			
To adjust encumbrances per breakdown at 400.4400			
10 -00-0000-00-000-300753-	RESERVE FOR ASSIGNED FUND BAL	276.00	
10 -00-0000-00-000-300770-	UNASSIGNED FUND BALANCE		276.00
Total		276.00	276.00
Fund: 10	Adjusting Journal Entries	580,616.00	580,616.00
Fund: 10	Total All Journal Entries	580,616.00	580,616.00
All Funds	All Journal Entries	580,616.00	580,616.00