



March 18, 2024

Sheryl A. Pratt, CPA**

Michael J. Campo, CPA, MACCY

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

** Also licensed in Vermont

Dear Members of the School Board and Superintendent:

We have audited the financial statements of the Raymond School District as of and for the year ended June 30, 2023, and have issued our report thereon dated March 15, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 20, 2023, 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 20, 2023.

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 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 engagement team developed an audit approach that specifically addresses these significant risks:

- Management override of controls; and
- 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 subscription based services by adopting Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, in the fiscal year 2023. 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 as follows:

Management's estimates of the capital asset useful lives are 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 they are reasonable in relation to the basic financial statements taken as a whole and in relation to the governmental activities opinion unit.

Management's estimates of the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense 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, and pension expense in determining that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the governmental activities opinion unit.

Management's estimates of the other postemployment benefit (OPEB) liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense are based on future events, such as employment, mortality, and healthcare cost trends, as well as estimates of the value of reported amounts. We evaluated the key factors and assumptions used to develop the OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense in determining that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the governmental activities opinion unit.

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.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. A list of these adjustments for the general, food service, and grants funds is attached to this letter. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

Disagreements With Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Raymond School District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances That Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. No such circumstances have arisen.

Representations Requested From Management

We have requested certain written representations from management, which are included in the representation letter dated March 15, 2024.

Management's Consultations With Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Key Audit Matters

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

Other Significant 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 entity, 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 (repeat comment)

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.

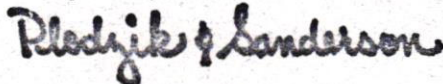
GASB Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*, issued in June 2022, will be effective for the School District with its fiscal year ended June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements 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, 2025. 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.

Restriction of Use

This report is intended solely for the information and use of the members of the School Board, Superintendent, 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:

All Funds Adjusting Journal Entries



Client: **1141 - Raymond School District**
 Engagement: **2023 - Raymond School District**
 Period Ending: **6/30/2023**
 Trial Balance: **001.0000 - Government Fund Trial Balance**
 Workpaper: **910.0031 - All Funds Adjusting Journal Entries**
 Fund Level: **Fund**
 Index: **10, 21, 22**

Account	Description	Debit	Credit
Fund: 10 General Fund			
Adjusting Journal Entries JE # 2			
AUDIT ONLY: To record client requested entry related to an entry made after the TB was already received.			
10 -00-0000-00-000-200421-	ACCOUNTS PAYABLE	37,269.00	
10 -00-0000-00-000-200471-	NH RETIREMENT WITHHELD	534,759.00	
10 -00-0000-00-000-100101-	CASH-CHECKING		37,269.00
10 -00-0000-00-000-100101-	CASH-CHECKING		534,759.00
Total		572,028.00	572,028.00
Adjusting Journal Entries JE # 3			
CLIENT ENTRY: To reclassify nonspendable fund balance to unassigned for prior year prepaid expense.			
10 -00-0000-00-000-300745-	NONSPENDABLE FUND BALANCE	50,500.00	
10 -00-0000-00-000-300770-	UNASSIGNED FUND BALANCE		50,500.00
Total		50,500.00	50,500.00
Adjusting Journal Entries JE # 4			
CLIENT ENTRY: To adjust retained fund balance to actual.			
10 -00-0000-00-000-300756-	RETAINED FUND BALANCE	10,183.00	
10 -00-0000-00-000-300770-	UNASSIGNED FUND BALANCE		10,183.00
Total		10,183.00	10,183.00
Adjusting Journal Entries JE # 5			
AUDIT ONLY - To record food service receivable in the food service fund and remove from the general fund.			
10 -00-0000-00-000-100101-	CASH-CHECKING	30,833.00	
10 -00-0000-00-000-100135-	Due from food service fund	4,958.00	
10 -00-0000-00-000-100140-	INTERGOVT RECEIVABLES		35,791.00
Total		35,791.00	35,791.00
Adjusting Journal Entries JE # 6			
AUDIT ONLY: To reclassify intergovernmental payables from accounts payable for reporting purposes.			
10 -00-0000-00-000-200421-	ACCOUNTS PAYABLE	534,759.00	
10 -00-0000-00-000-200471-	NH RETIREMENT WITHHELD		534,759.00
Total		534,759.00	534,759.00
Adjusting Journal Entries JE # 7			
AUDIT ONLY - To reclass intergovernmental receivables from GF accounts receivable.			
10 -00-0000-00-000-100140-	INTERGOVT RECEIVABLES	9,080.00	
10 -00-0000-00-000-100153-	ACCOUNTS RECEIVABLE		9,080.00
Total		9,080.00	9,080.00

Adjusting Journal Entries JE # 9

AUDIT ONLY: To record interfund for transfer to trust fund not recorded by client for WA#8.

10-5251-031-500930	TRANSFER TO CAPITAL RESERV	400,000.00	
10 -00-0000-00-000-200430-	Interfund Payable		400,000.00
Total		400,000.00	400,000.00

Adjusting Journal Entries JE # 16

CLIENT ENTRY: To increase the Food Service Fund Transfer as a result of the supply chain deferral.

10 -52-5221-00-031-500930-	TRANSFER TO FOOD SERV	8,995.00	
10 -00-0000-00-000-100135-	Due from food service fund		8,995.00
Total		8,995.00	8,995.00

Adjusting Journal Entries JE # 17

CLIENT ENTRY: To adjust general fund interfund payable to reflect remaining interfund owed by the trustees from FY 2022. To then also wipe out immaterial interfund to so that interfun ds agree.

10 -00-0000-00-000-200430-	Interfund Payable	8,441.00	
10 -26-2600-10-032-500430-	ES MAINT DEPT REPAIRS	4,753.00	
10 -00-0000-00-000-100133-	Due From Capital Project		13,194.00
Total		13,194.00	13,194.00

Fund: 10	Adjusting Journal Entries	1,634,530.00	1,634,530.00
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Fund: 10	Total All Journal Entries	1,634,530.00	1,634,530.00
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Fund: 21 Food Service Fund

Adjusting Journal Entries JE # 1

AUDIT ONLY - To record commodities in the food service fund per summary and testing at 511.5300.

21-3190-000-500630	USDA Commodity expense	46,457.00	
21 -01-0000-00-000-404565-	COMMODITIES REVENUE		46,457.00
Total		46,457.00	46,457.00

Adjusting Journal Entries JE # 2

AUDIT ONLY: To record client requested entry related to an entry made after the TB was already received.

21 -00-0000-00-000-100101-	FOOD CASH-CHECKING	18,821.00	
21 -01-0000-00-000-400611-	ADULT LUNCHES		580.00
21 -01-0000-00-000-400612-	ADULT BREAKFASTS		13.00
21 -01-0000-00-000-401611-	ES DAILY LUNCH SALES		5,369.00
21 -01-0000-00-000-401612-	ES DAILY BREAKFAST SALES		1,215.00
21 -01-0000-00-000-401620-	VENDING SALES		3,091.00
21 -01-0000-00-000-402611-	MS DAILY LUNCH SALES		5,878.00
21 -01-0000-00-000-402612-	MS DAILY BREAKFAST SALES		597.00
21 -01-0000-00-000-403611-	HS DAILY LUNCH SALES		1,750.00
21 -01-0000-00-000-403612-	HS DAILY BREAKFAST SALES		328.00
Total		18,821.00	18,821.00

Adjusting Journal Entries JE # 5

AUDIT ONLY - To record food service receivable in the food service fund and remove from the general fund.

21 -00-0000-00-000-100140-	INTERGOVT RECEIVABLES	35,791.00	
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21 -00-0000-00-000-100101-	FOOD CASH-CHECKING		35,791.00
Total		<u>35,791.00</u>	<u>35,791.00</u>
Adjusting Journal Entries JE # 8			
CLIENT ENTRY: To defer unspent portion of Supply Chain money to FY24.			
21 -01-0000-00-000-404560-	CHILD NUTRITION AID-FEDERAL	27,816.00	
21 -00-0000-00-000-200481-	Deferred Revenue - Supply Chain Money		27,816.00
Total		<u>27,816.00</u>	<u>27,816.00</u>
Adjusting Journal Entries JE # 16			
CLIENT ENTRY: To increase the Food Service Fund Transfer as a result of the supply chain deferral.			
21 -00-0000-00-000-500010-	DUE TO/DUE FROM	8,995.00	
21 -01-0000-00-000-405210-	XFER FROM GENERAL		8,995.00
Total		<u>8,995.00</u>	<u>8,995.00</u>
Adjusting Journal Entries JE # 24			
AUDIT ONLY: To net down interfunds for reporting.			
21 -00-0000-00-000-100101-	FOOD CASH-CHECKING	4,958.00	
21 -00-0000-00-000-500010-	DUE TO/DUE FROM		4,958.00
Total		<u>4,958.00</u>	<u>4,958.00</u>
Fund: 21	Adjusting Journal Entries	<u>142,838.00</u>	<u>142,838.00</u>
Fund: 21	Total All Journal Entries	<u>142,838.00</u>	<u>142,838.00</u>
All Funds	All Journal Entries	<u>1,777,368.00</u>	<u>1,777,368.00</u>