

**Additional Offices:**

Nashua, NH  
Manchester, NH  
Greenfield, MA  
Ellsworth, ME

To the School Committee  
Nashoba Regional School District

We have audited the financial statements of Nashoba Regional School District as of and for the year ended June 30, 2018, and have issued our report thereon dated March 22, 2019. 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, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity 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 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.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team and others in our Firm have complied with all relevant ethical requirements regarding independence. Safeguards that have been applied to eliminate threats to independence or reduce them to an acceptable level include annual certification by all Firm staff of independence, or when circumstances change during the year.

## **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 District is included in the notes to the financial statements. There has been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2018. 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:

- Estimated lives and depreciation methods for depreciable assets.
- Collectability of receivables.
- Net OPEB liability.
- Net pension liability.

Management's estimates of the above are based on various criteria. We evaluated the key factors and assumptions used to develop these estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We noted no particularly sensitive disclosures affecting the District's financial statements.

### **Identified or Suspected Fraud**

We have not identified or obtained information that indicates that fraud may have occurred.

### **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**

As an added service to the District, we assisted in compiling the government-wide financial statements, including consolidating various funds into governmental activities, converting to the accrual basis of accounting, and recording all long-term assets, long-term liabilities, and net position classifications. This consolidation and conversion process was based on information from the District's accounting records.

For purposes of this communication, professional standards 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. The attached report summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

## **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 District's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in their letter dated March 22, 2019.

## **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.

## **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, 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 District's auditors.

## **Other Information in Documents Containing Audited Financial Statements**

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the District's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information (if applicable) and considered whether such information, or the manner of its presentation, was materially inconsistent with the presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the governing body and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

*Melanson Heath*

March 22, 2019

Client: **NRSD - Nashoba Regional School District**  
Engagement: **FY18 FS - Nashoba Regional School District**  
Period Ending: **6/30/2018**  
Trial Balance: **GF trial balance**  
Workpaper: **GF-035 - GF CY PAJE report**

Account	Description	W/P Ref	Debit	Credit
<b>Passed AJE</b>				
<b>Passed AJE JE # 13</b>				
To record current year affect of prior year PAJEs.				
100.3590.00.00.00	UNDESIGNATED FUND BALANCE	GF-036	71,498.34	
100.1430.40.01.02	LEGAL SERVICES			23,600.62
100.4110.20.04.04	CUSTODIAL SALARIES			47,897.72
<b>Total</b>			<b>71,498.34</b>	<b>71,498.34</b>
<b>Passed AJE JE # 14</b>				
To record legal expenses payable.				
100.1430.40.01.02	LEGAL SERVICES	610	27,089.29	
100.2020.00.00.00	ACCOUNTS PAYABLE			27,089.29
<b>Total</b>			<b>27,089.29</b>	<b>27,089.29</b>
<b>Passed AJE JE # 17</b>				
To remove unsupported encumbrances.				
100.3211.00.00.00	RESERVE FOR ENCUMBRANCES	W-010	71,452.67	
100.4220.60.04.04	SCHEDULED MAINTENANCE PROJECTS			46,500.00
100.4220.60.04.04	SCHEDULED MAINTENANCE PROJECTS			3,680.00
100.9300.40.09.07	OUT OF DISTRICT TUITION			8,641.50
100.9300.40.09.07	OUT OF DISTRICT TUITION			12,631.17
<b>Total</b>			<b>71,452.67</b>	<b>71,452.67</b>
<b>Passed AJE JE # 18</b>				
To record unrecorded accounts payable and expense.				
100.2451.60.10.08	COMPUTER HARDWARE	L-020	25,368.00	
100.2020.00.00.00	ACCOUNTS PAYABLE			25,368.00
<b>Total</b>			<b>25,368.00</b>	<b>25,368.00</b>
<b>Total Passed AJE</b>			<b>195,408.30</b>	<b>195,408.30</b>
<b>Total All Journal Entries</b>			<b>195,408.30</b>	<b>195,408.30</b>

Client: **NRSD - Nashoba Regional School District**  
Engagement: **FY18 FS - Nashoba Regional School District**  
Period Ending: **6/30/2018**  
Trial Balance: **SRF trial balance**  
Workpaper: **SRF-035 - SRF CY PAJE report**

Account	Description	W/P Ref	Debit	Credit
<b>Passed AJE</b>				
<b>Passed AJE JE # 4</b>		<b>L-020</b>		
To record unrecorded accounts payable and expense.				
250.2451.60.47.08	E-RATE EXPENSES		18,930.00	
250.9300.40.32.02	TUITIONS & TRANSP.REVOLVING-TUITIONS		13,537.35	
250.2020.00.00.00	ACCOUNTS PAYABLE			32,467.35
<b>Total</b>			<b>32,467.35</b>	<b>32,467.35</b>
	<b>Total Passed AJE</b>		<b>32,467.35</b>	<b>32,467.35</b>
	<b>Total All Journal Entries</b>		<b>32,467.35</b>	<b>32,467.35</b>