

August 2007

Dear Members of the Board and Management:

In light of our efforts to keep you informed of changes in auditing and accounting standards in a most timely manner, we are taking this opportunity to let you know that we will not be able to promise that you can have your audit report in time for printing deadlines to be included in the annual Town Report beginning in 2008. The reason is because of another Statement on Auditing Standards, which says that among other things, the audit report must not be dated until all pieces of the financial statements are completed. These would include the completion and our review of the management's discussion and analysis; the single audits and all compliance testing, where applicable; the completion and review of all workpapers; the receipt and review of all attorney's letters, bank confirmations and your certification of responsibility and review of the financial statements. We do not see how this can all be done prior to the Town Meeting deadline in most instances.

For many of you, this will not be a major change, but there are some of you that have been given the audit opinion to print in the Town Report when the audit has been completed, but the financial statements have not been all written up or reviewed. This will no longer be possible.

Another issue involves the confirmations and various letters that we require to complete the audit. We began last year asking that you return all bank confirmations to us for mailing to the banks. This is still not being done by some of our clients. In order to control the confirmations and know which ones we are missing, we must mail them to the banks from our office. We also must have them for all bank accounts, (treasurer's, library's, trustees', student activities funds, etc.) As far as attorneys' and management representation letters, these must carry through and be dated when the audit is substantially complete. We have stopped sending you information to request attorney's letters as part of the preliminary packets; and we will be giving these at the conclusion of fieldwork, or in many cases, at some later date. If the letters are done too early, you will have to get an addendum to cover the subsequent period which could be more costly if the attorneys bill for each response.

As always, thank you for your understanding and attention to these matters, and should you have any questions, please do not hesitate to contact us.

Sincerely yours,

*Plodzik & Sanderson*

**PLODZIK & SANDERSON**  
*Professional Association / Accountants & Auditors*

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**FREMONT SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2007**

	Other					Total Governmental Funds
	General	Food Service	Grants	Expendable Trust	Governmental Fund (Permanent)	
<b>ASSETS</b>						
Cash and cash equivalents	\$ (13,063)	\$ 31,667	\$ -	\$ -	\$ -	\$ 18,604
Investments	3,729	-	-	-	-	3,729
Receivables:						
Accounts	173,690	-	-	-	-	173,690
Intergovernmental	-	2,084	48,993	62,350	11,714	125,141
Interfund receivable	48,993	5,536	-	-	-	54,529
Prepaid items	101	-	-	-	-	101
Total assets	<u>\$ 213,450</u>	<u>\$ 39,287</u>	<u>\$ 48,993</u>	<u>\$ 62,350</u>	<u>\$ 11,714</u>	<u>\$ 375,794</u>

**LIABILITIES AND FUND BALANCES**

Liabilities:						
Accounts payable	\$ 50,856	\$ 33,470	\$ -	\$ -	\$ -	\$ 84,326
Accrued salaries and benefits	2,905	-	-	-	-	2,905
Interfund payable	5,536	-	48,993	-	-	54,529
Deferred revenue	-	6,405	-	-	-	6,405
Total liabilities	<u>59,297</u>	<u>39,875</u>	<u>48,993</u>	<u>-</u>	<u>-</u>	<u>148,165</u>

Fund balances:

Reserved for special purposes	-	-	-	-	11,714	11,714
Unreserved, undesignated, reported in:						
General fund	154,153	-	-	-	-	154,153
Special revenue funds	-	(588)	-	62,350	-	61,762
Total fund balances	<u>154,153</u>	<u>(588)</u>	<u>-</u>	<u>62,350</u>	<u>11,714</u>	<u>227,629</u>
Total liabilities and fund balances	<u>\$ 213,450</u>	<u>\$ 39,287</u>	<u>\$ 48,993</u>	<u>\$ 62,350</u>	<u>\$ 11,714</u>	<u>\$ 375,794</u>