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To the Honorable School Committee
Whitman-Hanson Regional School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Whitman-Hanson Regional School District as of and for the year ended June 30, 2017, and have issued our report thereon dated December 19, 2017. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Whitman-Hanson Regional School District are described in Note 1 to the financial statements.

As described in Note 1, the Whitman-Hanson Regional School District implemented GASB Statement No.'s 74, 77, 78, 80, and 82; of which GASB 74 impacted the financial statements with certain disclosures and required supplementary information included for the District's other post employment benefits liability. The application of existing policies was not changed during fiscal year 2017.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the pension items are based on a certified actuarial valuation, which contains multiple assumptions regarding mortality, retirement, etc.. We evaluated the key factors and assumptions used to develop the pension items in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the Net OPEB Obligation is based on a certified actuarial valuation, which contains multiple assumptions regarding mortality, retirement, healthcare cost trends, discount rates, etc. We evaluated the key factors and assumptions used to develop the Net OPEB Obligation in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the depreciation expense is based on the estimated useful lives of capital assets, which are based on history and industry standards. We evaluated the key factors and assumptions used to develop the depreciation expense in determining that it is reasonable in relation to the financial statements as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

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

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

The attached schedule summarizes all adjustments that were required to convert the District's cash basis trial balance to a financial statement presented in accordance with governmental GAAP. Management has accepted responsibility for such adjustments in its management representation 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 auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated December 19, 2017.

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 entity’s financial statements or a determination of the type of auditors’ 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.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated December 19, 2017.

Our auditors' opinion, the audited financial statements, and the notes to the financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

This communication is intended solely for the information and use of the School Committee and management of the Whitman-Hanson Regional School District and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
December 19, 2017

**Whitman Hanson Regional School District
Financial Statement Adjustments - FY 17 Audit**

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
Client Journal Entry #1 posted after trial balance			
3001-00-000-0000-0-0000-00-00-1040	CASH	2,086.35	
3002-10-000-0000-0-0000-00-00-5970-	INTERFUND TRANSFERS OUT	2,086.35	
3001-10-000-0000-0-0000-00-00-4970-	INTERFUND TRANSFERS IN		2,086.35
3002-00-000-0000-0-0000-00-00-1040	CASH		2,086.35
Total		<u>4,172.70</u>	<u>4,172.70</u>
Adjusting Journal Entries JE # 2			
Client Journal Entry #2 posted after trial balance			
9950-00-000-0000-0-0000-00-00-2901-	HIGH SCHOOL BOND 2027	620,000.00	
9950-00-000-0000-0-0000-00-00-1996-	AMTS PROV FOR PMT OF BONDS		620,000.00
Total		<u>620,000.00</u>	<u>620,000.00</u>
Adjusting Journal Entries JE # 3			
Client Journal Entry #3 posted after trial balance			
6009-08-000-0000-0-0000-00-00-4910-	BOND PROCEEDS	504,000.00	
6010-00-000-0000-0-0000-00-00-1040-	POOLED CASH	504,000.00	
6009-00-000-0000-0-0000-00-00-1040-	POOLED CASH		504,000.00
6010-00-000-0000-0-0000-00-00-2720-	BAN PAYABLE TECH		504,000.00
Total		<u>1,008,000.00</u>	<u>1,008,000.00</u>
Adjusting Journal Entries JE # 101			
To reclassify transaction posted to fund balance for GAAP reporting			
0001-00-000-0000-0-0000-00-00-2200-	PAYROLL DEDUCTION	35,210.00	
0001-00-000-0000-0-0000-00-00-3590	FUND BALANCE (E&D)		35,210.00
Total		<u>35,210.00</u>	<u>35,210.00</u>
Adjusting Journal Entries JE # 102			
To reclass use of free cash recorded as a transfer; for GAAP, this is not a transfer			
0001-10-000-0000-0-0000-00-40-4975-	TRANSFER FROM UNRESERVED SURPL	950,000.00	
0001-00-000-0000-0-0000-00-00-3590	FUND BALANCE (E&D)		950,000.00
Total		<u>950,000.00</u>	<u>950,000.00</u>
Total Adjusting Journal Entries		<u>2,617,382.70</u>	<u>2,617,382.70</u>

**Whitman Hanson Regional School District
Financial Statement Adjustments - FY 17 Audit**

Account	Description	Debit	Credit
Reclassifying Journal Entries			
Reclassifying Journal Entries JE # 300			
To reverse PY grant receivables			
2140-00-000-2016-0-0000-09-40-4580-	FEDERAL REVENUE PASS THRU STAT	10,513.00	
2240-10-000-2016-0-0000-09-40-4580-	FY 16 GRANT 240 REVENUE	20,023.00	
2305-00-000-20CO-0-0000-09-00-4580-	FEDERAL REVENUE PASS THRU STAT	39,131.00	
2140-00-000-0000-0-0000-00-00-3590	FB UNRESERVED		10,513.00
2240-00-000-0000-0-0000-00-00-3590	FB UNRESERVED		20,023.00
2305-00-000-0000-0-0000-00-00-3590	FB UNRESERVED		39,131.00
Total		<u>69,667.00</u>	<u>69,667.00</u>
Reclassifying Journal Entries JE # 301			
To reclass BAN payment transferred to technology fund			
0001-10-000-0000-0-0000-00-00-5900-	TRANSFER OUT	129,500.00	
0001-10-103-0000-5-8200-05-52-5801	DW-BUS-FIN-DEBT PRINCIPAL		129,500.00
Total		<u>129,500.00</u>	<u>129,500.00</u>
Reclassifying Journal Entries JE # 302			
To record a GAAP allowance for uncollectible Full Day Kindergarten accounts receivable			
4521-00-000-0000-0-0000-00-00-2620-	DEFERRED REVENUE - FDK	28,512.00	
4521-00-000-0000-0-0000-00-00-1320-	FDK TUITION RECEIVABLE		28,512.00
Total		<u>28,512.00</u>	<u>28,512.00</u>

**Whitman Hanson Regional School District
Financial Statement Adjustments - FY 17 Audit**

Account	Description	Debit	Credit
Reclassifying Journal Entries JE # 303			
To reclass warrants payable from cash			
0001-00-000-0000-0-0000-00-00-1040	CASH	172,000.97	
2245-00-000-0000-0-0000-00-00-1040-	CASH	2.59	
2647-00-000-0000-0-0000-00-00-1040	CASH	346.85	
4502-00-000-0000-0-0000-00-00-1040	CASH	1,842.00	
4504-00-000-0000-0-0000-00-00-1040	CASH	412.53	
4512-00-000-0000-0-0000-00-00-1040	CASH	160.50	
4520-00-000-0000-0-0000-00-00-1040	CASH	607.72	
4562-00-000-0000-0-0000-00-00-1040	CASH	20.72	
4566-00-000-0000-0-0000-00-00-1040	CASH	211.95	
4569-00-000-0000-0-0000-00-00-1040	CASH	449.00	
4595-00-000-0000-0-0000-00-00-1040-	CASH	235.00	
0001-00-000-0000-0-0000-00-00-2010	ACCOUN TS PAYABLE		172,000.97
2245-00-000-0000-0-0000-00-00-2010-	ACCOUN TS PAYABLE		2.59
2647-00-000-0000-0-0000-00-00-2010	ACCOUN TS PAYABLE		346.85
4502-00-000-0000-0-0000-00-00-2010	ACCOUN TS PAYABLE		1,842.00
4504-00-000-0000-0-0000-00-00-2010	ACCOUN TS PAYABLE		412.53
4512-00-000-0000-0-0000-00-00-2010	ACCOUN TS PAYABLE		160.50
4520-00-000-0000-0-0000-00-00-2010	ACCOUN TS PAYABLE		607.72
4562-00-000-0000-0-0000-00-00-2010	ACCOUN TS PAYABLE		20.72
4566-00-000-0000-0-0000-00-00-2010	ACCOUN TS PAYABLE		211.95
4569-00-000-0000-0-0000-00-00-2010	ACCOUN TS PAYABLE		449.00
4595-00-000-0000-0-0000-00-00-2010-	ACCOUN TS PAYABLE		235.00
Total		176,289.83	176,289.83
Reclassifying Journal Entries JE # 304			
To record retainage payable			
6004-07-000-0000-0-0000-05-50-5000	HANSON CAPITAL REPAIRS BUDGET	2,768.38	
6008-10-000-0000-7-7200-05-00-5703-	WHITMAN CAPITAL IMPROVEMENTS	3,931.47	
6004-00-000-0000-0-0000-00-00-2010	ACCOUN TS PAYABLE		2,768.38
6008-10-000-0000-0-0000-00-00-2010-	ACCOUN TS PAYABLE		3,931.47
Total		6,699.85	6,699.85
Reclassifying Journal Entries JE # 306			
To record GAAP gross-up of MTRS on-behlaf payments as of June 30, 2017.			
0001-00-000-0000-0-0000-00-00-5000-	MTRS ON-BEHALF PAYMENTS	7,980,127.00	
0001-00-000-0000-0-0000-00-00-4000-	MTRS ON-BEHALF RECEIPTS		7,980,127.00
Total		7,980,127.00	7,980,127.00

**Whitman Hanson Regional School District
Financial Statement Adjustments - FY 17 Audit**

Account	Description	Debit	Credit
Reclassifying Journal Entries JE # 307			
To record benefit payments in OPEB trust for GAAP reporting			
8100-00-000-0000-0-0000-00-00-5630-	BENEFIT PAYMENTS	2,518,177.00	
8100-00-000-0000-0-0000-00-00-4830-	CONTRIBUTIONS/DONATIONS		2,518,177.00
Total		<u>2,518,177.00</u>	<u>2,518,177.00</u>
Reclassifying Journal Entries JE # 308			
To record GAAP accrual of 4th quarter investment earnings on PCOT investment			
8100-00-000-0000-0-0000-00-00-1190-	LONG TERM INVESTMENTS	618.00	
8100-00-000-0000-0-0000-00-00-4820-	INTEREST INCOME		618.00
Total		<u>618.00</u>	<u>618.00</u>
Total Reclassifying Journal Entries		<u>10,909,590.68</u>	<u>10,909,590.68</u>
GASB Entries			
GASB Entries JE # 400			
To record Net OPEB obligation as of June 30, 2017			
9950-00-000-0000-0-0000-00-00-3590-	FUND BALANCE	22,243,255.00	
9950-00-000-0000-0-0000-00-00-5010	General Administration	148,222.00	
9950-00-000-0000-0-0000-00-00-5020	Instructional Services	3,427,211.00	
9950-00-000-0000-0-0000-00-00-5030	Other School Services	157,346.00	
9950-00-000-0000-0-0000-00-00-5040	Operations and Maintenance	77,614.00	
9950-00-000-0000-0-0000-00-00-2950-	NOPEBO		26,053,648.00
Total		<u>26,053,648.00</u>	<u>26,053,648.00</u>

**Whitman Hanson Regional School District
Financial Statement Adjustments - FY 17 Audit**

Account	Description	Debit	Credit
GASB Entries JE # 401			
To record fixed assets as of June 30, 2017			
9800-00-000-0000-0-0000-00-00-1700-	LAND AND IMPROVEMENTS	154,570.00	
9800-00-000-0000-0-0000-00-00-1720-	BUILDING AND IMPROVEMENTS	102,152,557.00	
9800-00-000-0000-0-0000-00-00-1730-	MACHINERY AND EQUIPMENT	6,014,379.00	
9800-00-000-0000-0-0000-00-00-1740-	VEHICLES	434,566.00	
9800-00-000-0000-0-0000-00-00-1750-	LIBRARY AND TEXTBOOKS	3,752,155.00	
9800-00-000-0000-0-0000-00-00-1760-	SOFTWARE	2,054,408.00	
9800-00-000-0000-1-0000-00-00-5150-	DEPRECIATION EXPENSE - ADMINISTRATIO	39,773.00	
9800-00-000-0000-2-0000-00-00-5250-	DEPRECIATION EXPENSE - INSTRUCTIONAL	2,789,200.00	
9800-00-000-0000-3-0000-00-00-5350-	DEPRECIATION EXPENSE - OTHER SCHOOL	2,627.00	
9800-00-000-0000-5-0000-00-00-5450-	DEPRECIATION EXPENSE - OPERATIONS AN	72,205.00	
9800-00-000-0000-0-0000-00-00-1721-	BUILDING AND IMPROVEMENTS - ACCUMULA		40,563,144.00
9800-00-000-0000-0-0000-00-00-1731-	MACHINERY AND EQUIPMENT - ACCUMULATE		4,675,749.00
9800-00-000-0000-0-0000-00-00-1741-	VEHICLES - ACCUMULATED DEPRECIATION		346,461.00
9800-00-000-0000-0-0000-00-00-1751-	LIBRARY AND TEXTBOOKS - ACCUMULATED		3,108,976.00
9800-00-000-0000-0-0000-00-00-1761-	SOFTWARE - ACCUMULATED DEPRECIATION		1,958,232.00
9800-00-000-0000-0-0000-00-00-3590-	FUND BALANCE		66,474,410.00
9800-00-000-0000-7-0000-00-00-5703-	ADDITIONS OFFSET - ACQUISITIONS, IMP		339,468.00
Total		<u><u>117,466,440.00</u></u>	<u><u>117,466,440.00</u></u>
GASB Entries JE # 402			
To record accrued interest at June 30, 2017			
0001-00-000-0000-0-0000-00-00-3590	FUND BALANCE (E&D)	102,798.00	
0001-00-000-0000-0-0000-00-00-2100	ACCRUED INTEREST LIABILITY		94,350.00
0001-10-103-0000-5-8200-05-52-5802	DW-BUS-FIN-DEBT INTEREST		8,448.00
Total		<u><u>102,798.00</u></u>	<u><u>102,798.00</u></u>
GASB Entries JE # 403			
To record long-term debt at June 30, 2017			
9950-00-000-0000-0-0000-00-00-2901-	HIGH SCHOOL BOND 2027	615,000.00	
9950-00-000-0000-0-0000-00-00-3590-	FUND BALANCE	6,635,000.00	
9950-00-000-0000-0-0000-00-00-1996-	AMTS PROV FOR PMT OF BONDS		6,015,000.00
9950-00-000-0000-0-0000-00-00-2900-	BONDS PAYABLE - CURRENT		615,000.00
9950-00-000-0000-0-0000-00-00-5511-	DEBT PRINCIPAL		620,000.00
Total		<u><u>7,250,000.00</u></u>	<u><u>7,250,000.00</u></u>

**Whitman Hanson Regional School District
Financial Statement Adjustments - FY 17 Audit**

Account	Description	Debit	Credit
GASB Entries JE # 404			
To record compensated absences at June 30, 2017			
9950-00-000-0000-0-0000-00-00-3590-	FUND BALANCE	1,296,982.00	
9950-00-000-0000-0-0000-00-00-5010	General Administration	114,057.00	
9950-00-000-0000-0-0000-00-00-2850	COMP ABS - NONCURRENT		1,269,935.00
9950-00-000-0000-0-0000-00-00-2855	COMP ABS - CURRENT		141,104.00
Total		<u>1,411,039.00</u>	<u>1,411,039.00</u>
GASB Entries JE # 405			
To record net pension liability at June 30, 2017			
0001-00-000-0000-0-0000-00-00-1999-	Deferred Outflows of Resources Related to Pension	1,292,892.00	
0001-00-000-0000-0-0000-00-00-2999-	Net Pension Liability	614,578.00	
0001-00-000-0000-0-0000-00-00-3502-	DESIGNATED FOR RETIREMENT	9,769,964.00	
0001-10-307-0000-5-5100-05-52-5661	DW-INS EMPBEN-RETIREMENT	1,197,837.00	
0001-00-000-0000-0-0000-00-00-1999-	Deferred Outflows of Resources Related to Pension		21,997.00
0001-00-000-0000-0-0000-00-00-2599-	Deferred Inflows of Resources Related to Pensions		84,094.00
0001-00-000-0000-0-0000-00-00-2599-	Deferred Inflows of Resources Related to Pensions		714,868.00
0001-00-000-0000-0-0000-00-00-2999-	Net Pension Liability		10,978,762.00
0001-10-307-0000-5-5100-05-52-5661	DW-INS EMPBEN-RETIREMENT		1,075,550.00
Total		<u>12,875,271.00</u>	<u>12,875,271.00</u>
GASB Entries JE # 406			
To record revenue on a full accrual balance at June 30, 2017			
4520-00-000-0000-0-0000-17-40-4340	P-K REVENUE	1,907.00	
4521-00-000-0000-0-0000-00-00-2620-	DEFERRED REVENUE - FDK	7,128.00	
4520-00-000-0000-0-0000-00-00-2610-	DEFERRED REVENUE - PRE-K		648.00
4520-00-000-0000-0-0000-00-00-3590	FB UNRESERVED		1,259.00
4521-00-000-0000-0-0000-00-00-3590	FB UNRESERVED		4,966.00
4521-00-000-0000-0-0000-17-40-4340	FDK TUITION		2,162.00
Total		<u>9,035.00</u>	<u>9,035.00</u>
GASB Entries JE # 407			
To record amortization of bond premium			
9950-00-000-0000-0-0000-00-00-3590-	FUND BALANCE	342,500.00	
6009-08-000-0000-0-0000-00-00-4920-	BAN PREMIUMS		31,137.00
9950-00-000-0000-0-0000-00-00-2900-	BONDS PAYABLE - CURRENT		31,137.00
9950-00-000-0000-0-0000-00-00-2901-	HIGH SCHOOL BOND 2027		280,226.00
Total		<u>342,500.00</u>	<u>342,500.00</u>

**Whitman Hanson Regional School District
Financial Statement Adjustments - FY 17 Audit**

Account	Description	Debit	Credit
GASB Entries JE # 408			
To record GAAP allocation of employee benefits to functional expenditures			
0001-01-206-0000-2-2305-01-51-5100	IH-ELEM-TEACHER - SAL	14,053,471.00	
0001-01-304-0000-3-3520-05-51-5100	IH-COCURR ACT-SAL	645,206.00	
0001-10-101-0000-1-1110-05-51-5200	DW-SCHOOL COMMITTEE-CLER SAL	607,793.00	
0001-10-401-0000-4-4110-05-51-5320	DW-FACILITIES-OVERTIME	318,260.00	
0001-10-307-0000-5-5200-05-52-5662	DW-EMPLOYEE HEALTH INSURANCE		15,624,730.00
Total		<u>15,624,730.00</u>	<u>15,624,730.00</u>
GASB Entries JE # 409			
To reclassify capital expenses not offset as fixed asset additions for GAAP purposes.			
0001-08-209-0000-4-4230-05-52-5430	HS-EQUIP-MAINTENANCE	47,685.00	
0001-10-222-0000-0-7350-01-10-5702-	DW-TECH-REPLACEMENT EQUIP		47,685.00
Total		<u>47,685.00</u>	<u>47,685.00</u>
	Total GASB Entries	<u>181,183,146.00</u>	<u>181,183,146.00</u>
	Total All Journal Entries	<u>194,710,119.38</u>	<u>194,710,119.38</u>