

**Sullivan School District**  
**Summary of the Financial Audit 2024-2025 Year**

1/27/2026

The purpose of a financial audit is to provide independent assurance that public funds are managed responsibly, accurately reported, and used in compliance with the law. The audit identifies risks, prevents fraud, and assesses financial controls based upon generally accepted accounting principles.

The Independent Auditor's Report and related documents from Vachon Clukay & Company for the year ending June 30, 2025 were received on December 3, 2025. The audit findings were presented to the Sullivan School Board at their meeting on December 10, 2025 and January 14, 2026.

Summary of the Independent Auditor's Report

The following narrative summarizes the Independent Auditor's Report for the year ending June 30, 2025. The full report is posted on the school district website.

- Financial Statements

Vachon Clukay "audited the accompanying financial statements of the governmental activities and each major fund of the Sullivan, New Hampshire School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Sullivan, New Hampshire School District's basic financial statements as listed in the table of contents. In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Sullivan, New Hampshire School District, as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America."

- Governance Letter

Vachon Clukay "audited the financial statements of the governmental activities and each major fund of the Sullivan, New Hampshire School District for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We encountered no significant difficulties in dealing with management in performing and completing our audit. 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 Letter

Vachon Clukay performed "our audit of the financial statements of the governmental activities and each major fund of the Sullivan, New Hampshire School District for the year ended June 30, 2025. During our audit we became aware of matters which represent opportunities for strengthening internal control and operating efficiencies. During our audit over the District's grant reimbursement claims filed with the State of New Hampshire Department of Education, we selected a reimbursement to test the transactions claimed for compliance with the grant

requirements. In testing compliance, we noted the grant claim filed during the current fiscal year included expenditures from the prior fiscal year. In addition, the claim for the period September 2024 was not filed with the State of New Hampshire Department of Education until August 2025. Failure to file grant claims in a timely manner and within the fiscal year which the expenditures are applicable to increases the risk the District's financial records may be misstated. In addition, without making timely claims there is an increased risk expenditures which are eligible for reimbursement will not be requested prior to the grant being closed. We recommend the District file the grant reimbursement claims within the month the expenditures are incurred. In addition, the District should perform a year-end review of its claims to ensure that all expenditures incurred and eligible for reimbursement are claimed with the final fiscal year claim."

- Report on Internal Control

Vachon Clukay stated "a deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified."

#### Audit Summary and Recommendations

1. Financial statements fairly present the financial position of the governmental activities and each major fund of the Sullivan School District, as of June 30, 2025 in accordance with accounting principles generally accepted in the United States of America.
2. No significant disagreements or difficulties were encountered by the auditors in dealing with management in performing and completing the audit.
3. The district should complete a year-end review of all grant reimbursement claims to ensure that all expenditures incurred and eligible for reimbursement are claimed with the final fiscal year claim.
4. No deficiencies in internal controls considered to be material weaknesses were identified during the audit.

#### School Board Action

The superintendent recommends a review of the multi-year IDEA grant to strengthen internal controls based on the auditor's findings and recommendations made in the management letter. The administration wants to maintain the objective to maximize reimbursement for qualified special education expenses within the multi-year IDEA grant while addressing the auditor's findings. This summary was reviewed by the Sullivan School Board on January 14, 2026, for consideration for inclusion in the School District Annual Report.

Prepared by Kim Caron, Superintendent

EXHIBITC  
**SULLIVAN, NEW HAMPSHIRE SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
 Jm1e 30, 2025

	General <u>Fund</u>	Total Governmental <u>Funds</u>
ASSETS		
Cash and cash equivalents	\$ 401,750	\$ 401,750
Due from other governments	367,835	367,835
Total Assets	<u>769,585</u>	<u>769,585</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total Deferred Outflows of Resources		
Total Assets and Deferred Outflows of Resources	<u>\$ 769,585</u>	<u>\$ 769,585</u>
LIABILITIES		
Accounts payable	\$ 31,941	\$ 31,941
Total Liabilities	<u>31,941</u>	<u>31,941</u>
DEFERRED INFLOWS OF RESOURCES		
Total Deferred Inflows of Resources		
FUND BALANCE		
Committed for:		
Expendable trust	378,622	378,622
Unassigned	359,022	359,022
Total Fund Balance	<u>737,644</u>	<u>737,644</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 769,585</u>	<u>\$ 769,585</u>

*See accompanying notes to the basic financial statements*