

NH Department of Revenue Administration
Municipal & Property Division
P.O. Box 487, Concord, NH 03302-0487
(603) 230-5090

REPORT OF LOCALLY ELECTED AUDITOR(S)

RSA 41:31-d

Municipality: Groton, NH Audit Fiscal Year: 2017
Type of Municipality (Town, School or Village District): Town
Mailing Address: 754 North Groton Road
Groton, NH 03241
Phone #: 603-744-4190 Fax #: 603-744-3382 E-Mail: Selectmen@grotonnh.org
Contact: Sarah Smith Phone #: _____ E-Mail: _____

Under RSA 41:31-c I, all municipalities shall annually, or more often as necessary, conduct an audit of the accounts of any officer or agent handling funds of the municipality. Elected auditors conducting such audits shall follow audit procedures outlined in NH Code of Administrative Rules, REV 1904 and REV 1907.

This form shall be used by the locally elected auditor to conduct and report the audit required under RSA 41:31-c and 41:31-d.

In the boxes, indicate date the sections of the form were completed.

2/28/19	Part 1. Financial Records
2/28/19	Part 2. Treasurer
2/28/19	Part 3. Tax Collector
	Part 4. Trustees
	Part 5. Town Clerk
	Part 6. Library

Locally Elected Auditor or Board of Locally Elected Auditors - Please Sign in Ink.

Under penalties of perjury, I declare that I have completed this form and to the best of my belief the information is true, correct and complete.

Date: 2/28/19

Otto H Jespersen Otto H Jespersen

FOR DRA USE ONLY

INSTRUCTIONS FOR FORM MS-60
Report of Locally Elected Auditor(s)
RSA 41:31-a to 41:31-d

This report is to be completed annually by a locally elected auditor(s) of all municipalities that have not hired an auditor under RSA 21-J:19 or conducted an audit required by another law, regulation, or contract.

Cover

At the top of the page: Enter town, school or village district name, type of municipality, address, phone and fax number, and email address. Indicate the fiscal year period for which this audit is being completed. Indicate in the boxes the date the sections of the form were completed. The locally elected auditor(s) date and sign in ink where indicated.

Parts 1 through 6

There are six parts to this report. Each of the six parts consists of three sections: general questions; testing; and summary and recommendations. Upon completion of the first two sections of each applicable part, the summary and recommendation section must be dated and signed.

Part 1. General Ledger - The locally elected auditor(s), even in those municipalities granted a waiver on form MS-60W shall complete all sections of this part.

Part 2. Treasurer - The locally elected auditor(s), even in those municipalities granted a waiver on form MS-60W shall complete all sections of this part.

Part 3. Tax Collector - The locally elected auditor(s) shall complete the three sections of this part if the municipality has a tax collector.

Part 4. Trustees - The locally elected auditor(s) shall complete the three sections of this part if the municipality has a trustee or board of trustees of trust funds.

Part 5. Town Clerk - The locally elected auditor(s) shall complete the three sections of this part if the municipality has a town or city clerk.

Part 6. Library - The locally elected auditor(s) shall complete the three sections of this part if the municipality has a library.

Filing the Report

Upon completion of the applicable sections, submit the report to the governing body. The governing body has 10 days to accept the report and any applicable adjustments before they submit it to the Department. If they have not accepted the report within that time frame, they must also submit a letter to the Commissioner explaining why they did not accept the report; or, they may request an extension of time for filing the report with the Department.

The report shall also be made available to the public and the cover page and summary and recommendations sections for each applicable part must be published in the next annual report following the fiscal year in which the audit was completed.

Please refer to our "Handbook for Locally Elected Auditors" for further guidance and information. The handbook is available by calling the Department at (603) 230-5090 and is also available on our web site.

INSTRUCTIONS FOR FORM MS-60 (continued)
Report of Locally Elected Auditor(s)
RSA 41:31-a- 41:31-d

GLOSSARY OF TERMS

Please refer to the Definitions in the Appendix A of "Handbook for Locally Elected Auditors".

APPLICABLE FORMS REFERENCED (filed with Department of Revenue Administration)

MS-5, MS-25, MS-35 Financial Reports for town, school, village district, respectively - Due April 1 for calendar year, or September 1 for optional fiscal year.

MS-9 and MS-10 Trustee of Trust Fund Reports - Filed by the Trustee(s) of Trust Funds. Due March 1 for calendar year, or September 1 for optional fiscal year.

MS-60A Auditor Option and Schedule - Filed by governing body to indicate which type of audit will be conducted. Due 10 days after close of the fiscal year.

MS-60W Audit Waiver Request - Filed by governing body of municipality with a population under 750 to request a waiver of the annual audit requirement and propose alternative procedures. At a minimum, Parts 1 and 2 of the MS-60 will be completed. The form is due 45 days prior to the close of the fiscal year in which the request for the waiver is made.

MS-61 Tax Collector's Report - Filed by Tax Collector(s). Due March 1 for calendar year, or September 1 for optional fiscal year.

Refer to the Definitions in the Appendix A of "Handbook for Locally Elected Auditors" for more information.

APPLICABLE RSAs (in part)

RSA 21-J:19 II (in part) A written or printed report of every completed audit shall be made to the proper local officials including a summary of the findings and recommendations of the auditors and a copy of such summary shall be published in the next annual report following the fiscal year in which the audit was completed.

RSA 31:25 (in part) The trustees shall formally adopt an investment policy for all investments made by them or by their agents for any trust funds in their custody in conformance with the provisions of applicable statutes. Such investment policy shall be reviewed and confirmed at least annually. A copy of the investment policy shall be filed with the attorney general.

RSA 41:25 II. Town clerks shall deposit all fees received with the town treasurer or in a municipal account controlled by the town treasurer at least monthly, or as directed by the selectmen, for the use of the town. In the event that any portion of the town clerk's compensation consists of statutory fees, the clerk shall submit an invoice for the amount of those fees to the treasurer, who shall pay out that amount to the clerk, notwithstanding RSA 32.

RSA 41:9, VII. The selectmen shall annually review and adopt an investment policy for the investment of public funds in conformance with applicable statutes and shall advise the treasurer of such policies.

RSA 41:29, IV. Whenever the town treasurer has in custody an excess of funds which are not immediately needed for the purpose of expenditure, the town treasurer shall invest the same in accordance with the investment policy adopted by the selectmen under RSA 41:9, VII.....

RSA 41:29, VI. The treasurer may delegate deposit, investment, recordkeeping, or reconciliation functions to other town officials or employees provided such delegation is in writing and includes written procedures acceptable to the selectmen, or in the case of a town operating under RSA 37, to the town manager, and is agreeable to all parties involved. However any such delegation shall only be made to a town official or employee bonded in accordance with RSA 41:6 and rules adopted by the commissioner of revenue administration under RSA 541-A. Such delegation shall not eliminate the responsibility of the treasurer to comply with all statutory duties required by law.

41:31-a Purpose. Financial audits play a fundamentally vital role in helping to preserve the integrity of the public finance functions and by maintaining citizens' confidence in their elected leaders. Properly performed audits provide independent assurance that financial information presented is reliable.

41:31-b Choice; Election. Any municipality that has not hired an auditor under RSA 21-J:19 shall, at the annual meeting, under an article in the warrant, choose one or more auditors. The terms of office shall be staggered so that after the year of adoption one auditor shall be chosen for a term of office for the same number of years as there are auditors on the board, provided however that in the year of adoption the members of the board shall be chosen for varying terms so that the term of one member shall expire in the next succeeding year, the term of the second member, the next year, and so on for the number of years as there are members of the board. The auditor or board of auditors shall perform the duties under RSA 41:31-c and RSA 41:31-d. If a municipality has adopted an official ballot for the election of its officers, the election of an auditor or board of auditors shall not take place until the annual meeting following the meeting at which the provisions of this section are adopted.

41:31-c Duties I. All municipalities shall annually, or more often as necessary, conduct an audit of the accounts of any officer or agent handling funds of the municipality. Elected auditors conducting such audits shall follow audit procedures in rules adopted by the commissioner pursuant to RSA 541-A.

II. Any municipality, or any political subdivision exclusively within a municipality, with a population of fewer than 750 as of the most recent federal census, provided a financial statement audit is not required by another law, regulation, or contract, may, not less than 45 days before the end of the fiscal year, petition the commissioner to waive the annual audit requirement for that fiscal year and provide an alternative plan for reviewing the municipality's financial accounts. If the commissioner approves the scope of services as proposed by the municipality, such services shall be completed by either the locally elected auditor or a CPA. If the commissioner does not approve or no alternative procedures or scope of services is provided by the municipality, then the commissioner shall determine the appropriate scope of services.

41:31-d Reports I. A complete report of any audit or procedure conducted under RSA 41:31-c shall, upon completion, be made available to the public in accordance with RSA 21-J:19.

II. Unless otherwise required by law, within 10 days of the acceptance by the governing body of any completed audit, a complete copy of the audit and any accompanying management letter shall be submitted to the commissioner by the governing body. If the governing body has not accepted the audit and any applicable adjustments within 45 days of its receipt, the audit as received or adjusted and any accompanying management letter shall be submitted to the commissioner by the governing body with an explanation for non-acceptance. The governing body may, for good cause, petition the commissioner for an extension of time for submittal.

RSA 80:76, II-a. In addition to the circumstances described in paragraph II, the governing body of the municipality may refuse to accept a tax deed on behalf of the municipality, and may so notify the collector, whenever in its judgment acceptance and ownership of the real estate would subject the municipality to undesirable obligations or liability risks, including obligations under real estate covenants or obligations to tenants, or for any other reason would be contrary to the public interest. Such a decision shall not be made solely for the private benefit of a taxpayer.

Part 1. General Ledger/Financial Records/ MS-5, MS-25, MS-35**Questions**

- 1 Who maintains the (general ledger) financial records?

Darlene Andrews / Treasurer
Name/position

- 2 What software system is used for the general ledger?

(ex. Quickbooks; Excel; Peachtree; BMSI, etc.)

Excel

- 3 Who has access (posting capability) to either the general ledger or the general ledger software? (attach list if necessary)

Darlene Andrews
Name

Treasurer
Title

Name

Title

Name

Title

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
4 Do debits equal credits in the general ledger trial balance?	<u>X</u>	_____	_____
5 Are balances from the general ledger used to prepare the MS-5, MS-25, or MS-35 report?	<u>X</u>	_____	_____
6 Are the following activities maintained as separate funds in the general ledger (if applicable)?			
General Fund	<u>X</u>	_____	_____
Water activity	_____	_____	<u>X</u>
Sewer activity	_____	_____	<u>X</u>
Library activity	_____	<u>X</u>	_____
Trustees of trust funds	_____	<u>X</u>	_____
School grants	_____	_____	<u>X</u>
School lunch	_____	_____	<u>X</u>
Revolving Funds (identify: _____)	_____	_____	<u>X</u>
Other (identify: _____)	_____	_____	<u>X</u>
Other (identify: _____)	_____	_____	<u>X</u>
Other (identify: _____)	_____	_____	<u>X</u>
Other (identify: _____)	_____	_____	<u>X</u>

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
7 Does the cash balance in the general ledger match the Treasurer's reconciled bank balances?	<u>X</u>	_____	_____
How often are they reconciled?			
_____ <u>X</u> Monthly			
_____ Quarterly			
_____ Annually			
8 Is a copy of the Treasurer's monthly bank reconciliation reports provided to the bookkeeper?	_____	_____	<u>X</u>
9 Does the person who maintains the general ledger also:			
Sign (authorize) checks?	<u>X</u>	_____	_____
Control unused check stock?	_____	<u>X</u>	_____
Prepare bank reconciliations?	<u>X</u>	_____	_____
Handle incoming receipts?	_____	<u>X</u>	_____
10 Does the general ledger track receivable balances for:			
Property taxes?	<u>X</u>	_____	_____
Unredeemed taxes?	_____	<u>X</u>	_____
Water?	_____	_____	<u>X</u>
Sewer?	_____	_____	<u>X</u>
Other (identify): _____	_____	_____	<u>X</u>
11 Does the general ledger track accounts payable?	<u>X</u>	_____	_____
12 Are general ledger receivable balances reconciled to the Tax Collector's detail receivable lists (if applicable)?	<u>X</u>	_____	_____
	_____	_____	<u>X</u>
How often?			
_____ Monthly			
_____ Quarterly			
_____ Annually			
13 Does the general ledger system provide budget versus actual expenditure reports?	_____	<u>X</u>	_____
If yes, to whom are the budget versus actual reports distributed?			

How often? _____			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
14 Are general ledger adjusting journal entries made?	<u>X</u>	_____	_____
If yes, are they approved by anyone other than the preparer?	<u>X</u>	_____	_____
Name and title of person who approves:	<u>Board of Selectmen</u>		
15 Are computer back-ups of the general ledger performed?	<u>X</u>	_____	_____
How often?			
<u>X</u> Daily			
_____ Weekly			
_____ Monthly			
16 Are computer back-ups stored off site?	<u>X</u>	_____	_____
If yes, where?	<u>Cloud / Online with Carbonite</u>		

Part 1. General Ledger/ MS-5, MS-25, MS-35 Testing

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
<u>MS-5, MS-25, or MS-35 Financial Report</u>			
1 Do the following balances on the year end MS-5, MS-25, or MS-35 report match the general ledger?			
General fund revenues	_____	_____	_____
General fund expenditures	_____	_____	_____
General fund balance sheet	_____	_____	_____
Other funds revenues	_____	_____	_____
Other funds expenditures	_____	_____	_____
Other funds balance sheet	_____	_____	_____

If no, explain problems/discrepancies encountered:

General Ledger (and Subsidiary Ledgers)

- 2 Do the year end general ledger cash and investment balances match the Treasurer's bank reconciliations? _____

If no, explain problems/discrepancies encountered:

- 3 Do the following year end general ledger receivable balances match the Tax Collector's year end annual MS-61 report (towns only)?

Property taxes	_____	_____	_____
Unredeemed taxes	_____	_____	_____
Water	_____	_____	_____
Sewer	_____	_____	_____
Other (describe: _____)	_____	_____	_____

If no, explain problems/discrepancies encountered:

General Ledger is Cash Accounting Method, MS-61 uses
Accrual Method

Comments on procedures or areas of weakness:

Recommendations:

General ledger section completed by:

Date: 2/28/19

Otto H Jespersen

Part 2. Treasurer/Cash

<u>Questions</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>
1 Does the Treasurer maintain a cash book to track all receipt and disbursement activity for all cash accounts?	<u>X</u>	___	___
If no, explain: _____ _____ _____			
2 Does the Treasurer's cash book document the remittances from departments and deposits to the bank?	<u>X</u>	___	___
If no, explain: _____ _____ _____			
3 Does the Treasurer's cash book document vendor/payroll disbursement manifests (check run) numbers and amounts?	<u>X</u>	___	___
If no, explain: _____ _____ _____			
4 Do month-end cash book balances match actual bank reconciliation balances?	<u>X</u>	___	___
If no, explain: _____ _____ _____			
5 Are monthly bank statements as of the last day of the month?	<u>X</u>	___	___
6 Are bank reconciliations prepared each month, within a month of the statement date, for each cash account?	<u>X</u>	___	___
If no, explain: _____ _____ _____			
7 Who prepares bank reconciliations?			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <u>Darlene Andrews</u> Name </div> <div style="width: 45%;"> <u>Treasurer</u> Title </div> </div>			
8 Are monthly bank reconciliations documented, signed, and retained?	<u>X</u>	___	___

Yes	No	N/A
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- 9 Are monthly bank reconciliations reviewed and signed off by anyone in addition to the preparer?

<u>X</u>	_____	_____
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If yes, by whom?

<u>Darlene Andrews</u>	<u>Treasurer</u>
Name	Title

- 10 Is a copy of the monthly bank reconciliation report provided to the bookkeeper?

_____	_____	<u>X</u>
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- 11 Who is authorized to transfer money between or out of the municipality's bank accounts?

<u>Darlene Andrews</u>	<u>Treasurer</u>
Name	Title

_____	_____
Name	Title

_____	_____
Name	Title

- 12 Who has the authority to sign (authorize) checks?

<u>Darlene Andrews</u>	<u>Treasurer</u>
Name	Title

<u>Board of Selectmen</u>	_____
Name	Title

_____	_____
Name	Title

- 13 Do any signature stamps exist?

_____	<u>X</u>	_____
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If yes, are they stored in a secure location?

_____	_____	<u>X</u>
-------	-------	----------

Are there procedures in place for its use?

_____	_____	<u>X</u>
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- 14 Is a check signing machine used?

_____	<u>X</u>	_____
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If yes, is it locked and the key stored in a secure location?

_____	_____	<u>X</u>
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Who has access to the signature stamp or machine? n/a

- 15 Is a log maintained to track the chronological sequence of all check numbers issued and voided?

<u>X</u>	_____	_____
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- 16 Who is responsible for making bank deposits? Is there a delegation of authority for each (RSA 41:29, VI)?

<u>Darlene Andrews</u>	<u>Treasurer</u>
Name	Title

<u>Ruth Millette</u>	<u>Town Clerk</u>
Name	Title

<u>Ann Joyce</u>	<u>Assistant Clerk</u>
Name	Title

- | | <u>Yes</u> | <u>No</u> | <u>N/A</u> |
|--|------------|-----------|------------|
| 17 Are undeposited receipts held in a secure location? | <u>X</u> | ___ | ___ |
| 18 Does the Treasurer reconcile total annual Tax Collector receipt remittances (turnovers) to the Tax Collector's records?
(if applicable) | ___ | ___ | <u>X</u> |
| Is that documented? | ___ | ___ | <u>X</u> |
| 19 Does the Treasurer reconcile total annual Town Clerk receipt remittances (turnovers) to the Town Clerk's records?
(towns only) | ___ | ___ | ___ |
| Is that documented? | ___ | ___ | <u>X</u> |
| 20 Does the Treasurer reconcile total annual governing body receipt remittances (turnovers) to their records? | ___ | ___ | <u>X</u> |
| Is that documented? | ___ | ___ | ___ |
| 21 Has the municipality adopted (and annually updated) an investment policy in accordance with RSA 41:9, VII? | ___ | <u>X</u> | ___ |
| 22 Document other non-general fund cash accounts maintained by the Treasurer (e.g., conservation commission, police revolving, celebration accounts, etc.) | ___ | ___ | ___ |

Account Name	Who authorizes payments?
<u>Conservation Commission</u>	<u>Treasurer</u>
<u>Police Revolving Fund</u>	<u>Treasurer</u>
<u>Old Home Day Fund</u>	<u>Treasurer</u>

Reported in general fund?

Part 2. Treasurer/Cash Testing**Yes No N/A****Year End Bank Reconciliations**

Obtain year-end documented bank reconciliations and test the following:

- 1 Do "balances per bank" match actual bank statement balances? X
 - 2 Do "deposits in transit" appear on the following month's bank statement? X
- If no, explain: _____
- _____
- 3 Were "deposits in transit" posted as receipts in the year-end general ledger cash accounts? X
 - 4 Do "outstanding checks" match a detail list of actual outstanding checks? X
 - 5 Is the last outstanding check posted as a disbursement in the year-end general ledger cash account? X
 - 6 Are other reconciling items appropriately documented? X

Explain other reconciling items: _____

Cash Book

- 7 Do year-end balances in the cash book match the actual bank statement reconciliations? X
- 8 Trace two vendor and two payroll disbursement entries in cash book to actual "orders" (manifests) signed by the majority of the governing body (e.g., Board of Selectmen, Village Commissioners, School Board)

	Date of Order	Order Number	Amount	Traced to Approved Order (Manifest)?
Vendor	<u>4/4/17</u>	<u>19730</u>	\$ <u>181.17</u>	<u>Y</u>
Vendor	<u>4/11/17</u>	<u>19758</u>	\$ <u>470.00</u>	<u>Y</u>
Payroll	<u>6/6/17</u>	<u>19927</u>	\$ <u>833.16</u>	<u>Y</u>
Payroll	<u>8/8/17</u>	<u>2012</u>	\$ <u>468.11</u>	<u>Y</u>

- 9 Trace three deposit entries in cash book to actual bank statement deposits and to corresponding departmental remittances.

Date of Deposit	Amount	Traced to Actual Bank Statement deposit?
7/7/17	\$ 2124.30	Y
6/12/17	\$ 11786.82	Y
5/3/17	\$ 5157.40	Y
	\$	

Other Bank Accounts

- 10 For "other non-general fund" cash accounts (see question 22 on page 3), select three months of bank statements.

Do all year end general ledger cash balances match corresponding bank reconciliations?

Yes No N/A

X

Select a random sample of five disbursements from the general ledger and trace to supporting vendor invoices.

Date	Check Number	Vendor	Amount
4/4/17	19717	Avitar	537.19
4/11/17	19750	K + R Toilet	155.00
4/18/17	19777	Pemi-Baker Solid Waste	601.39
4/25/17	19795	Madden Auto Service	80.00
4/25/17	19799	Spectrum Business	79.99

Observations - Part 2. Treasurer

Comments on procedures or areas of weakness:

Recommendations:

Treasurer section completed by:

Date: 2/28/19

Otto H. Jespersen

Part 3. Tax Collector (if applicable)

<u>Questions</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>
1 What software system is used to track receivables? (ex. Quickbooks; Excel; Peachtree; BMSI, etc.) <u>Avitar</u>			
2 Were reports from the receivable software system used to prepare the Tax Collector's MS-61 Report?	<u>X</u>	___	___
If yes, were these reports retained?	<u>X</u>	___	___
3 Document frequency of cash outs (close out, receipt proof) and deposits:			
___ Daily			
<u>X</u> Weekly			
___ Monthly			
<u>X</u> Other (describe) <u>Month End</u>			
4 Are cash out proofs documented on a form and signed by the preparer?	<u>X</u>	___	___
If no, explain: _____			
5 Is the cash out form reviewed/approved by anyone else?	<u>X</u>	___	___
If yes, who? <u>Darlene Andrews</u>			
6 Are receipts remitted to the Town Treasurer at least weekly?	<u>X</u>	___	___
If no, explain: _____			
7 Are computer backups of the tax receivable system performed?	<u>X</u>	___	___
If yes, how often?			
<u>✓</u> Daily			
___ Weekly			
___ Monthly			
Are the backups stored off site?	<u>X</u>	___	___
8 Is there a deputy? Name of Deputy? <u>Steve Ann Joyce</u>			

9 How often is the Tax Collector's MS-61 Report prepared?

☐ Monthly
☐ Quarterly
☒ Annually

10 Who has posting capability to the Tax Collector's receivable system?

Ruth Millette
Name

Town Clerk
Title

Ann Joyce
Name

Assistant Clerk
Title

Name

Title

11 Does the Tax Collector maintain any bank accounts?

Yes No N/A
 X

12 Does the Tax Collector have a "signed deed waiver" for properties that have not been statutorily deeded to the municipality in a timely manner?

X

Part 3. Tax Collector Testing (if applicable)**Tax Collector's Report (MS-61)****Yes No N/A**

- 1 Were the following items that were reported on the Tax Collector's MS-61 Report tested?:

A Beginning uncollected receivable balances proven to the prior year MS-61 report ending receivable balances?

X

B Tax commitments proven to actual warrants approved by the governing board (e.g., Board of Selectmen) for each type of tax on the MS-61 report (e.g., property taxes, yield taxes, water/sewer)?

X

C Abatements proven to list of actual abatements issued?

X

D Remittances (collections) proven to general ledger receipt records?

X

E Conversion to lien amounts proven to list of actual liens taken?

X

F Does the "liens executed during fiscal year" amount reported on page 3 of the MS-61 agree with the "conversion to lien" and interest and cost amount reported on page 2 of the MS-61.

X

G Ending uncollected receivable balances proven to actual list of receivable accounts?

X

H Have all prior year uncollected property taxes receivable been lienied?

X

If no, why? _____

I Do total debits on page 1 of the MS-61 agree with total credits on page 2 of the MS-61?

 Cash Out Records

- 2 Select a sample day to test the Tax Collector's cash out/deposit records:

7/12/17
Date Selected

8140.69
Deposit Amount

- A Does the above selected remittance form document include the following?:

Date?

X

Breakdown of receipts by type and levy year?

X

Breakdown of currency and checks?

X

A total of the receipts?

X

Signature of preparer?

X

Signature of reviewer?

X

Yes No N/A

- B For the day selected, is there a batch of duplicate tax stubs or cash register tape to prove the:

Breakdown of receipts by type and levy year?

X — —

Breakdown of currency and checks?

X — —

Total receipts?

X — —

- C For the day selected, is the total receipt amount/deposit in agreement with an actual deposit reported on a bank statement?

X — —

- D For the day selected, is the total receipt amount/deposit in agreement with a "day sheet" (list of receipts by customer) to prove customer accounts were posted/credited properly?

X — —

Abatements

- 3 From the list of actual abatements issued, select three abatements for testing:

<u>4/18/17</u>	<u>Paul and Mary Canelas</u>	<u>41.95</u>
Date	Taxpayer	Amount
<u>4/18/17</u>	<u>Shirley Dexter</u>	<u>154.44</u>
Date	Taxpayer	Amount
<u>5/2/17</u>	<u>Maass Properties</u>	<u>513.48</u>
Date	Taxpayer	Amount

Is there an actual abatement form signed by a majority of the Board of Selectmen or assessors for each abatement?

X — —

Were any abatements on the list issued to known related parties (e.g., members of the Board of Selectmen, town employees, relatives)?

— X —

If yes, _____

Tax Collector Cash Account

- 4 If the Tax Collector maintains a checking account, obtain bank statements for three random months:

Months selected: No Checking Accounts

Were all disbursements made during these three months payable to the Town?

— — X

Were remittances to the Town made timely?

— — X

Were bank statements reconciled to cashbook balances?

— — X

Observations - Part 3. Tax Collector

Comments on procedures or areas of weakness:

Recommendations:

Tax collector section completed by: Date: 2/28/19
Otto H. Jespersen

Part 4. Trustees of Trust Funds Testing**MS-9 Report****Yes No N/A**

- 1 Do beginning balances reported match the prior year MS-9 end of year balances?

If no, explain problems/discrepancies encountered:

- 2 Do "new funds created" for established trust funds (e.g., capital reserve, expendable trust funds) match expenditures/ transfers reported in the current year general fund general ledger?

If no, explain:

- 3 Do "withdrawals" from established trust funds (e.g., capital reserve, expendable trust funds) match revenues/transfers reported in the current year general fund general ledger?

If no, explain:

- 4 Do interest/investment income amounts appear reasonable?

If no, explain:

MS-10 Report

- | | <u>Yes</u> | <u>No</u> | <u>N/A</u> |
|---|-------------------|------------------|-------------------|
| 5 Do the "Grand Total of Principal and Income at End of Year" balances on the MS-10 match the "end of year balances" on the MS-9? | _____ | _____ | _____ |

If no, explain:

- | | | | |
|--|-------|-------|-------|
| 6 Were "end of year fair value" balances of the MS-10 proven to bank statements and/or investment portfolio reports? | _____ | _____ | _____ |
|--|-------|-------|-------|

If no, explain:

Observations - Part 4. Trustees

Comments on procedures or areas of weakness:

Recommendations:

Trustees section completed by: Date: _____

Part 5. Town Clerk (if applicable)

<u>Questions</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>
1 Does the Town Clerk maintain a cashbook to record receipts?	_____	_____	_____
2 Does the cashbook include the following information:			
• Date of receipt	_____	_____	_____
• Type of receipt	_____	_____	_____
• Customer name	_____	_____	_____
• Permit number	_____	_____	_____
• Amount received	_____	_____	_____
• Breakdown of currency or check	_____	_____	_____
• Subtotals whenever deposits are made	_____	_____	_____
3 Are paid motor vehicle permits filed alphabetically by name?	_____	_____	_____
4 Does the Town Clerk maintain a checking account?	_____	_____	_____
– If yes, are bank statements as of the last day of the month?	_____	_____	_____
– If yes, is the checking account reconciled to the cashbook monthly?	_____	_____	_____
5 Are receipts remitted to the Treasurer at least weekly?	_____	_____	_____
6 Are invoices presented to the Treasurer for reimbursement of allowable clerk fees? (RSA 41:25)	_____	_____	_____

Part 5. Town Clerk Testing (if applicable)

- 1 Compare total annual receipts per the Town Clerk's cashbook with the Town's general fund general ledger revenue records for the following:

	<u>Per Clerk Cashbook</u>	<u>Per Town General Ledger</u>	<u>Variance</u>
Motor Vehicle Permits	_____	_____	_____
Boat registrations	_____	_____	_____
Dog licenses	_____	_____	_____
Marriage licenses	_____	_____	_____
Other (describe) _____	_____	_____	_____
Other (describe) _____	_____	_____	_____
Other (describe) _____	_____	_____	_____

If variances exist, explain cause:

- 2 Select a deposit reported in the Town Clerk's cash book:

	<u>Date Selected</u>	<u>Amount</u>			
	_____	_____	<u>Yes</u>	<u>No</u>	<u>N/A</u>
A Does the date and amount match an actual bank statement deposit?			_____	_____	_____
B Does the breakdown of cash and checks as reported in the cashbook match the actual bank deposit ticket?			_____	_____	_____
C Do the entries in the cashbook for the date selected actually total (foot) the amount of the above deposit?			_____	_____	_____
D Select five entries in the cashbook for the above deposit and trace to the actual file of paid permits. Does all the information in the cashbook agree with the actual paid permits?			_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
3 Randomly select five paid permits from the file of paid permits and trace to corresponding entries in the cash book. Does all the information in the cashbook agree with the actual paid permits?	___	___	___
4 Obtain bank statements (if applicable) for three random months:			
Months selected: _____			
Were all disbursements made during these three months payable to the Town or the State?	___	___	___
Were remittances to the Town/State made timely?	___	___	___
Were bank statements reconciled to cashbook balances?	___	___	___

Observations - Part 5. Town Clerk

Comments on procedures or areas of weakness:

Recommendations:

Town Clerk section completed by: Date: _____

Part 6. Library (if applicable)

<u>Questions</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>												
1 Summarize all bank accounts controlled by the Library:															
<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: center;"><u>Name of Bank</u></th> <th style="text-align: center;"><u>Type of Account</u> (checking, savings, etc.)</th> <th style="text-align: center;"><u>Year-End</u> <u>Reconciled</u> <u>Balance</u></th> </tr> </thead> <tbody> <tr><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td><td>_____</td></tr> </tbody> </table>	<u>Name of Bank</u>	<u>Type of Account</u> (checking, savings, etc.)	<u>Year-End</u> <u>Reconciled</u> <u>Balance</u>	_____	_____	_____	_____	_____	_____	_____	_____	_____			
<u>Name of Bank</u>	<u>Type of Account</u> (checking, savings, etc.)	<u>Year-End</u> <u>Reconciled</u> <u>Balance</u>													
_____	_____	_____													
_____	_____	_____													
_____	_____	_____													
2 Do monthly bank statements end the last day of each month?	_____	_____	_____												
If yes, are bank statements reconciled to the library's general ledger records monthly?	_____	_____	_____												
3 Is a general ledger other than the bookkeeping records maintained to track all receipt and disbursement activity for all library bank accounts?	_____	_____	_____												
If yes, who maintains the general ledger?	_____														
	Name/position _____														
4 Who reconciles the bank accounts?	_____														
	Name/position _____														
5 Who is authorized to sign checks?	_____														
	Name/position _____														
6 Who approves invoices for disbursement (Name/position)?	_____														
7 Document sources of library revenues/receipts (ex. fines, copier revenue):	_____														

8 Document how year-end trust funds are invested:															
Checking account	Number of actual <u>bank accounts</u>														
Passbook accounts	_____														
Certification of deposit	_____														
Other (describe: _____)	_____														
Other (describe: _____)	_____														

Part 6. Library Testing (if applicable)

- | | <u>Yes</u> | <u>No</u> | <u>N/A</u> |
|---|------------|-----------|------------|
| 1 Do the amounts reported as expended/transferred by the Town to the Library match the Library's receipt/revenue records? | ___ | ___ | ___ |

Per Town General Ledger Expenditure or <u>Transfer</u>	Per Library General Ledger Receipt or <u>Revenue</u>	<u>Variance</u>
_____	_____	_____

If variances exist, explain reason:

- | | | | |
|---|-----|-----|-----|
| 2 Do all year end Library general ledger cash balances match corresponding bank reconciliations? | ___ | ___ | ___ |
| 3 Select a random sample of five disbursements from the Library general ledger and trace to supporting vendor invoices. | | | |

<u>Date</u>	<u>Check Number</u>	<u>Vendor</u>	<u>Amount</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Were all of the above traceable and in agreement with the actual vendor invoices?

___ ___ ___

If no, explain:

- | | | | |
|--|-----|-----|-----|
| 4 Do other disbursements reported in the library general ledger appear to be for library purposes? | ___ | ___ | ___ |
|--|-----|-----|-----|

Observations - Part 6. Library

Comments on procedures or areas of weakness:

Recommendations:

Library section completed by: Date: _____
