

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 Audit Fiscal Year: 2020  
 Type of Municipality (Town, School or Village District): TOWN  
 Mailing Address: 754 North Groton Road  
GROTON NH 03241  
 Phone #: 603 744 9190 Fax #: 603 744 3382 E-Mail: selectmen@grotonnh.org  
 Contact: SARA Smith Phone #: 603 744 9190 E-Mail: see Above

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.

<input checked="" type="checkbox"/>	Part 1. Financial Records
<input checked="" type="checkbox"/>	Part 2. Treasurer
<input type="checkbox"/>	Part 3. Tax Collector
<input type="checkbox"/>	Part 4. Trustees
<input type="checkbox"/>	Part 5. Town Clerk
<input type="checkbox"/>	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: *Ann Joyce* 6/14/21

FOR DRA USE ONLY

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

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

Pam Hamel 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)

Pam Hamel  
Name

Debra Lindsey  
Name

\_\_\_\_\_  
Name

treasurer  
Title

deputy treasurer  
Title

\_\_\_\_\_  
Title

- 4 Do debits equal credits in the general ledger trial balance?

Yes	No	N/A
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 5 Are balances from the general ledger used to prepare the MS-5, MS-25, or MS-35 report?

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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- 6 Are the following activities maintained as separate funds in the general ledger (if applicable)?

General Fund	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Water activity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sewer activity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Library activity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Trustees of trust funds	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
School grants	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
School lunch	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Revolving Funds (identify: <u>Parks + Recreation Revolving Fund</u> )	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (identify: <u>Public Deposit Investment Pool</u> )	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (identify: <u>Groton Conservation Fund</u> )	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (identify: <u>Police Department Revolving Fund</u> )	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (identify: <u>Groton Yield Tax Account</u> )	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Old Home Day Account Fund</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	<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>✓</u>	<u>      </u>	<u>      </u>
How often are they reconciled?			
<u>✓</u> Monthly			
<u>      </u> Quarterly			
<u>      </u> Annually			
8 Is a copy of the Treasurer's monthly bank reconciliation reports provided to the bookkeeper?	<u>✓</u>	<u>      </u>	<u>      </u>
9 Does the person who maintains the general ledger also:			
Sign (authorize) checks?	<u>✓</u>	<u>      </u>	<u>      </u>
Control unused check stock?	<u>      </u>	<u>✓</u>	<u>      </u>
Prepare bank reconciliations?	<u>✓</u>	<u>      </u>	<u>      </u>
Handle incoming receipts?	<u>      </u>	<u>✓</u>	<u>      </u>
10 Does the general ledger track receivable balances for:			
Property taxes?	<u>✓</u>	<u>      </u>	<u>      </u>
Unredeemed taxes?	<u>      </u>	<u>✓</u>	<u>      </u>
Water?	<u>      </u>	<u>      </u>	<u>✓</u>
Sewer?	<u>      </u>	<u>      </u>	<u>✓</u>
Other (identify): _____	<u>      </u>	<u>      </u>	<u>      </u>
11 Does the general ledger track accounts payable?	<u>✓</u>	<u>      </u>	<u>      </u>
12 Are general ledger receivable balances reconciled to the Tax Collector's detail receivable lists (if applicable)?	<u>✓</u>	<u>      </u>	<u>      </u>
How often?			
<u>✓</u> Monthly			
<u>      </u> Quarterly			
<u>      </u> Annually			
13 Does the general ledger system provide budget versus actual expenditure reports?	<u>✓</u>	<u>      </u>	<u>      </u>
If yes, to whom are the budget versus actual reports distributed?			
<u>Select Board</u>			
How often?			
<u>every 1st &amp; 3rd Tuesday of the month</u>			

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

**Part 1. General Ledger/ MS-5, MS-25, MS-35 Testing****MS-5, MS-25, or MS-35 Financial Report****Yes      No      N/A**

- 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:

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**General Ledger (and Subsidiary Ledgers)**

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

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If no, explain problems/discrepancies encountered:

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- 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 the ACCRUAL method.*

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Comments on procedures or areas of weakness:

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Recommendations:

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General ledger section completed by:

Date: 6/9/21

Ann Joyce

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Yes      No      N/A

✓

✓

✓

☒ ☐ ☐

                                                              

✓

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

✓		
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If yes, by whom?

Board of Selectmen

Name

Title

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

✓		
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- 11 Who is authorized to transfer money between or out of the municipality's bank accounts?

Pam Hamel

Name

treasurer

Title

Debra Lindsey

Name

deputy treasurer

Title

Gina Rescigno

Name

trustee of the trust fund

Title

Michelle Lacroix

Name

trustee of the trust fund

Title

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

Pam Hamel

Name

treasurer

Title

Debra Lindsey

Name

deputy treasurer

Title

Board of Selectmen -

Name

John Rescigno, Tony Albert & Ron Madani

Title

- 13 Do any signature stamps exist?

	✓	
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If yes, are they stored in a secure location?

		✓
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Are there procedures in place for its use?

		✓
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- 14 Is a check signing machine used?

		✓
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If yes, is it locked and the key stored in a secure location?

		✓
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Who has access to the signature stamp or machine?

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

✓		
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- 16 Who is responsible for making bank deposits? Is there a delegation of authority for each (RSA 41:29, VI)?

Pam Hamel

Name

treasurer

Title

Debra Lindsey

Name

deputy treasurer

Title

Ruth Millett

Name

tax collector / town clerk

Title

Joanna Peel

deputy tax collector / deputy town clerk

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

Account Name	Who authorizes payments?	Reported in general fund?
<u>Groton Conservation Fund</u>	<u>treasurer + deputy treasurer</u>	<input type="checkbox"/>
<u>PARK + Recreation Revolving Fund</u>	<u>treasurer/deputy treasurer</u>	<input checked="" type="checkbox"/>
<u>Old Home DAY Fund</u>	<u>treasurer/deputy treasurer</u>	<input type="checkbox"/>
<u>Police Department Revolving Fund</u>	<u>treasurer/deputy treasurer</u>	<input type="checkbox"/>
<u>GROTON Yield TAX Account</u>	<u>treasurer/deputy treasurer</u>	<input type="checkbox"/>

**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?

✓                  

- 2 Do "deposits in transit" appear on the following month's bank statement?

                  ✓

If no, explain: \_\_\_\_\_  
\_\_\_\_\_

- 3 Were "deposits in transit" posted as receipts in the year-end general ledger cash accounts?

                  ✓

- 4 Do "outstanding checks" match a detail list of actual outstanding checks?

✓                  

- 5 Is the last outstanding check posted as a disbursement in the year-end general ledger cash account?

✓                  

- 6 Are other reconciling items appropriately documented?

✓                  

Explain other reconciling items: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Cash Book**

- 7 Do year-end balances in the cash book match the actual bank statement reconciliations?

✓                  

- 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>CASELLA</u>	<u>24184</u>	\$ <u>1796.78</u>	<u>✓</u>
Vendor	<u>GORDON COURSEY</u>	<u>24185</u>	\$ <u>672.73</u>	<u>✓</u>
Payroll	<u>FREDRICK BROOKS</u>	<u>24175</u>	\$ <u>132.24</u>	<u>✓</u>
Payroll	<u>RICHARD CROSS</u>	<u>24176</u>	\$ <u>332.76</u>	<u>✓</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?
#60	12-10-21	\$ 77,463.87	✓
#32	12-21-21	\$ 156,906.72	✓
#54	12-31-21	\$ 5,526.22	✓
		\$	

### 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

✓

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

Date	Check Number	Vendor	Amount
12-30-21	24267	Mitchell Municipal	293.00
12-15-21	24187	K + R Portable Toilet	155.00
12-8-21	24172	Health Trust	4,910.46
12-8-21	24167	TLC Services	3,500.00
12-1-21	24143	Kirk Fenoff + Son	38,000.00

**Observations - Part 2. Treasurer**

Comments on procedures or areas of weakness:

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Recommendations:

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Treasurer section completed by:

Date:

Ann Joyce

6/13/21

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