

Governmental Unit:

Financial Statement Date:

Opinion Unit(s):

Workpaper Reference:

Completed by:

Date:

CONDITION:

In the review of the Town's Revised Estimated Revenues report (MS434R), it was noted that there were budgeted revenues recorded and in the review of the revenue recorded in the general fund, these amounts were not posted, resulting in large budget to actual variances. Upon further review with the client and additional work performed during the audit, it was noted that the revenues recorded in the budget ultimately resulted in not enough money raised through taxation.  
It was noted that the \$85,773 for the Emergency Management Program Grant and \$10,515 for the Public Assistance Grant were accepted at a public hearing as unanticipated funds. This allows the Town to increase their appropriations. However, the \$95,800 was already included in the MS434, which impacted the total revenue budget and taxation. It was also noted that \$45,280 was budgeted in 2018 for solar array revenue, however this revenue was previously recorded in the 2017 Capital Project Fund.

CRITERIA  
Required for  
Yellow Book  
Audit:

N/A

CAUSE OF CONDITON:

The cause of condition may be due to the timing of the budget preparation versus the timing of the revenues received. Cause may be also due to oversight.

EFFECT OF CONDITION:

The effect of the condition is an incorrect amount of property taxes raised. The amount of taxes depends on the budgeted appropriations less expected revenues to be received, and the current year revenue amount inappropriately included prior year revenue and grant activity.

RECOMMENDATION:

We recommend that the Town reviews the estimated revenues and appropriations for all funds, considering known events for the upcoming year and taking into account prior year activity and trends. We recommend that the impact on the property taxes is evaluated for accuracy.

CLIENT RESPONSE

Indicate name and title of person discussed with and date:

OTHER INFORMATION:

INITIAL EVALUATION AS TO TYPE OF POINT:

- |                        |                          |   |                                     |
|------------------------|--------------------------|---|-------------------------------------|
| Significant Deficiency | <input type="checkbox"/> | Control Deficiency                          | <input type="checkbox"/>            |
| Material Weakness      | <input type="checkbox"/> | Deficiency related to Federal Award Program | <input type="checkbox"/>            |
|                        |                          | Other Matter                                | <input checked="" type="checkbox"/> |

Point approved for communication?  Yes  No (Indicate why not)

Report Reference No:

By: Monique Hopkins

Date: 1/2/20

I hereby acknowledge that the above recommendations have been discussed with Vachon Clukay & Company PC

Client Signature:

Job Title/Position:

Town Administrator

Date:

1/29/2020

Governmental Unit:

Financial Statement Date:

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CONDITION:

CRITERIA  
Required for  
Yellow Book  
Audit:

CAUSE OF CONDITON:

EFFECT OF CONDITION:

RECOMMENDATION:

VCC recommends that the Town make at least weekly deposits of funds and adhere to the State RSA 41:29. Per RSA 41:29, the treasurer shall ensure that all monies remitted shall be deposited at least on a weekly basis, or daily whenever funds remitted from all departments collectively total \$1,500 or more.

CLIENT RESPONSE

Indicate name and title of person discussed with and date:

OTHER INFORMATION:

INITIAL EVALUATION AS TO TYPE OF POINT:

- |                        |                          |   |                                     |
|------------------------|--------------------------|---|-------------------------------------|
| Significant Deficiency | <input type="checkbox"/> | Control Deficiency                          | <input type="checkbox"/>            |
| Material Weakness      | <input type="checkbox"/> | Deficiency related to Federal Award Program | <input type="checkbox"/>            |
|                        |                          | Other Matter                                | <input checked="" type="checkbox"/> |

Point approved for communication?  Yes  No (Indicate why not)

Report Reference No:

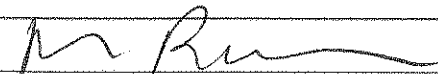
MP-3

By: Monique Hopkins

Date: January 7, 2020

I hereby acknowledge that the above recommendations have been discussed with Vachon Clukay & Company PC

Client Signature:



Job Title/Position:

Town Administrator

Date:

1/29/2020

Governmental Unit:

Financial Statement Date:

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CONDITION:

During the annual Town audited VCC obtained reports from the Trustees of Trust Funds to use for reporting Permanent, Capital Reserve, Expendable Trusts, and Private Purpose Funds. Upon receipt of the forms, we noted that the amounts captured did not reconcile to the cash and investment statements as of year end. We also noted errors in the data input, noting calculation errors and differences in beginning balances. It was also noted that the MS-9 and MS-10 Forms reporting the Trust Funds were required to be submitted by 3/1/2019 and were not submitted until 10/24/2019.

CRITERIA  
Required for  
Yellow Book  
Audit:

N/A

CAUSE OF CONDITON:

The cause of condition may be due to turnover in Trustee officials.

EFFECT OF CONDITION:

The effect of the condition is increased risk in reporting. Without an accurate balance of Trust Funds there is increased risk that balances held for the Town are over or under reported. Without a process to reconcile, there is risk for errors to go unnoticed. Furthermore, the Town is not in compliance with the deadline for reporting established by the State of NH, Department of Revenues.

RECOMMENDATION:

We recommend that the Town Trustees compile the financial information of the various Trust Funds on a consistent basis. We recommend that the activity is reconciled monthly to the cash and investment statements and reconciled against General Fund reimbursements. We also suggest that the information is submitted to the State of New Hampshire accurately and in a timely manner.

CLIENT RESPONSE

Indicate name and title of person discussed with and date:

OTHER INFORMATION:

VCC also notes that the lack of Trust Fund Records during audit fieldwork provided a significant time delay.

INITIAL EVALUATION AS TO TYPE OF POINT:

- |                        |                          |   |                                     |
|------------------------|--------------------------|---|-------------------------------------|
| Significant Deficiency | <input type="checkbox"/> | Control Deficiency                          | <input type="checkbox"/>            |
| Material Weakness      | <input type="checkbox"/> | Deficiency related to Federal Award Program | <input type="checkbox"/>            |
|                        |                          | Other Matter                                | <input checked="" type="checkbox"/> |

Point approved for communication?  Yes  No (Indicate why not)

Report Reference No:

By: Monique Hopkins

Date: 1/7/20

I hereby acknowledge that the above recommendations have been discussed with Vachon Clukay & Company PC

Client Signature:

Job Title/Position:

Town Administrator

Date:

1/29/2020