

Virginia M. Barry, Ph.D.
Commissioner of Education
Tel. 603-271-3144



Paul Leather
Deputy Commissioner of Education
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STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
101 Pleasant Street
Concord, N.H. 03301
FAX 603-271-1953
Citizens Services Line 1-800-339-9900

December 17, 2012

Mr. Thomas McGuire
Superintendent of SAU #77
77 Woodsville Road
P.O. Box 130
Monroe, N.H. 03771-0130

Dear Superintendent McGuire:

We have received the 2012 Annual Financial Statements and Independent Auditor's Report for SAU #77, the Monroe School District.

Upon review of those documents, we find some areas of concern. They are as follows:

- Within your Food Service Fund, there were expenditures in excess of revenues in the amount of \$35,236.00. This figure represents a marked increase over the fiscal year 2011 total of \$11,035.00.
- We concur with recommendations made by your Independent Auditors regarding your overall budget. An additional contingency fund to cover such items as unexpected special education costs should be considered by your School Board prior to adopting the District's final budget.
- In addition, regarding payroll records for District personnel, according to federal OMB-87 guidelines, all time spent by individuals working and being paid from grant funds must be supported either by semi-annual certification forms, or by the use of timesheets. Those forms must include all pertinent information and be signed by both the employee and their supervisor.
- Lastly, procedures and policies should be drafted by the District's School Board related to the use of credit cards by school personnel.

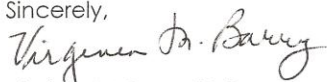
The link to our Federal Funds Handbook which contains information on timesheet requirements, as well as our Internal Control guide is as follows:

http://www.education.nh.gov/documents/fed_funds_handbk.pdf

Please provide us with a Corrective Action Plan detailing your strategy for both the time sheet issue as well as policies and procedures for credit card use. That documentation should be sent to: Nancy L. Heath, Audit Manager, N.H. Department of Education, 101 Pleasant Street, Concord, N.H. 03301 by January 17, 2013.

Thank you for your continuing cooperation.

Sincerely,



Virginia M. Barry, Ph.D.
Commissioner of Education

Cc: Dr. Judith Fillion, Director, Division of Program Support
NLH/kjf
CAP-2012