

November 13, 2019

To the School Board
Sullivan, New Hampshire School District

In planning and performing our audit of the governmental activities and each major fund of the Sullivan, New Hampshire School District for the year ended June 30, 2019, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comment and suggestion regarding this matter. We previously reported on the District's internal control structure in our report dated November 13, 2019. This letter does not affect that report or our report on the basic financial statements dated November 13, 2019.

We have already discussed this comment and suggestion with various District personnel, and we will be pleased to discuss it in further detail at your convenience, to perform additional study of this matter, or to assist you in implementing the recommendation.

The purpose of this letter is to provide constructive and meaningful recommendations to you.

Sincerely,

Vachon Clukay & Company PC

Vachon Clukay & Company PC

GRANT REPORTING

Observation

During our audit of the District's federal grant activity, we noted the District does not file grant reimbursement claims in a timely manner. While we noted eligible costs exceeded the grant award amount, the District did not maintain documentation for individual charges to support the reimbursement claim.

Implication

Failure to file reimbursement claims with the State of New Hampshire Department of Education in a timely manner increases the risk expenditures which are eligible for reimbursement will not be requested prior to the grant being closed. The District may not be in compliance with the code of federal regulations, which requires charges to grants be adequately documented and as a result could lose grant funding.

Recommendation

We recommend District personnel responsible for requesting reimbursement file the claims in a more timely manner. Additionally, we recommend when a reimbursement claim is filed with the State of New Hampshire Department of Education the claim be supported by invoices the District paid during the period being reported.