



State of New Hampshire Department of Revenue Administration

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September 16, 2015

School Board
Sullivan School District
452 Centre Street
Sullivan, NH 03445-9999

Re: Disallow Use of Fund Balance

Dear Governing Body:

The Municipal Bureau is required by RSA 21-J:35 to review estimated revenues, voted appropriations, and the manner in which appropriations were voted. This evaluation includes a determination whether these items comply with applicable state statutes. As a result of this analysis, the following issue was discovered:

Issue #1:

Warrant Article 3 proposed to raise and appropriate \$60,000 for the purpose of paying down the school building loan payment with such amount to be funded from the year-end unassigned fund balance available on July 1, 2015. At the end of the school year, June 30, 2015, the unassigned fund balance was a negative \$3,477. Therefore, a disallowance in the amount of \$60,000 is needed. An adjustment has been made to the MS-22-R and MS-24-R to reflect the total adjusted appropriation of \$1,418,443.

Pertinent Statute:

RSA 189:28-a, III, states,

"I. School boards shall publish in the next annual report, or post at the annual meeting, the general fund balance sheet from the most recently completed audited financial statements or from the most recently completed financial report filed pursuant to RSA 21-J:34, V.

II. In the case of an accumulated general fund deficit, the school board shall insert an article in the warrant recommending such action as they deem appropriate, which may include, but is not limited to, raising a sum of money for the purpose of reducing that deficit."

TDD Access: Relay NH 1-800-735-2964

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the Department.

Corrective Action:

Next year, publish the general fund balance sheet, delineating the deficit, in the annual report, and insert a warrant article recommending such action as deemed appropriate. Should that action include the raising of funds to close the deficit, sample warrant article language is as follows.

To see if the district will vote to raise \$[Amount] to reduce the FY 15 general fund deficit pursuant to RSA 189:28-a.

Please contact me at (603) 230-5096 or by e-mail at Stephanie.Derosier@dra.nh.gov with questions or further assistance.

Best regards,



Stephanie Derosier
Municipal Accounts Advisor

Enclosure: MS-22-R
MS-24-R



DRA Revised/Reviewed Appropriations Sullivan School District

In accordance with RSA 21-J:35, the department is notifying you of the following changes in the appropriations used in computing the tax rate.

Appropriations

Account Code	Purpose of Appropriation	Warrant Article #	Total Amount Actually Voted Ensuing Fiscal Year	Change Amount	DRA Revised Appropriations
Instruction					
1100-1199	Regular Programs	02	\$806,154	\$0	\$806,154
1200-1299	Special Programs	02	\$300,201	\$0	\$300,201
1300-1399	Vocational Programs	02	\$10	\$0	\$10
1400-1499	Other Programs		\$0	\$0	\$0
1500-1599	Non-Public Programs		\$0	\$0	\$0
1600-1699	Adult/Continuing Education Programs		\$0	\$0	\$0
1700-1799	Community/Junior College Education Programs		\$0	\$0	\$0
1800-1899	Community Service Programs		\$0	\$0	\$0
Support Services					
2000-2199	Student Support Services	02	\$60,000	\$0	\$60,000
2200-2299	Instructional Staff Services	02	\$10	\$0	\$10
General Administration					
0000-0000	Collective Bargaining		\$0	\$0	\$0
2310 (840)	School Board Contingency		\$0	\$0	\$0
2310-2319	Other School Board	02	\$19,500	\$0	\$19,500
Executive Administration					
2320 (310)	SAU Management Services	02	\$36,000	\$0	\$36,000
2320-2399	All Other Administration		\$0	\$0	\$0
2400-2499	School Administration Service		\$0	\$0	\$0
2500-2599	Business	02	\$200	\$0	\$200
2600-2699	Plant Operations and Maintenance		\$0	\$0	\$0
2700-2799	Student Transportation	02	\$111,000	\$0	\$111,000
2800-2999	Support Service, Central and Other	02	\$10	\$0	\$10
Non-Instructional Services					
3100	Food Service Operations		\$0	\$0	\$0
3200	Enterprise Operations		\$0	\$0	\$0
Facilities Acquisition and Construction					
4100	Site Acquisition		\$0	\$0	\$0
4200	Site Improvement		\$0	\$0	\$0

Account Code	Purpose of Appropriation	Warrant Article #	Total Amount Actually Voted Ensuing Fiscal Year	Change Amount	DRA Revised Appropriations
4300	Architectural/Engineering		\$0	\$0	\$0
4400	Educational Specification Development		\$0	\$0	\$0
4500	Building Acquisition/Construction		\$0	\$0	\$0
4600	Building Improvement Services		\$0	\$0	\$0
4900	Other Facilities Acquisition and Construction		\$0	\$0	\$0
Other Outlays					
5110	Debt Service - Principal	02,03	\$91,586	(\$60,000)	\$31,586
5120	Debt Service - Interest	02	\$3,772	\$0	\$3,772
Fund Transfers					
5220-5221	To Food Service		\$0	\$0	\$0
5222-5229	To Other Special Revenue		\$0	\$0	\$0
5230-5239	To Capital Projects		\$0	\$0	\$0
5251	To Capital Reserve Fund		\$0	\$0	\$0
5252	To Expendable Trusts/Fiduciary Funds	04	\$50,000	\$0	\$50,000
5253	To Non-Expendable Trust Funds		\$0	\$0	\$0
5254	To Agency Funds		\$0	\$0	\$0
5300-5399	Intergovernmental Agency Allocation		\$0	\$0	\$0
5310	To Charter Schools		\$0	\$0	\$0
5390	To Other Agencies		\$0	\$0	\$0
9990	Supplemental Appropriation		\$0	\$0	\$0
9992	Deficit Appropriation		\$0	\$0	\$0
Total Proposed Appropriations			\$1,478,443	(\$60,000)	\$1,418,443

DRA Notes

WA Num	Comment
03	Per MS-25 and Audit Review, the School District has been determined to be in a deficit of \$3,477. Therefore, this appropriation is being disallowed. SD 9/15/2015



Revised Estimated Revenues Adjusted
Sullivan School District
(RSA 21-J:34)

In accordance with RSA 21-J:35, the department is notifying you of the following changes in the estimated revenues used in computing the tax rate.

Revenues					
Account Code	Source of Revenue	Estimated Revenue	Change Amount	Revenue Estimates Adjusted	
Local Sources					
1300-1349	Tuition	\$0	\$0	\$0	
1400-1449	Transportation Fees	\$0	\$0	\$0	
1500-1599	Earnings on Investments	\$0	\$0	\$0	
1600-1699	Food Service Sales	\$0	\$0	\$0	
1700-1799	Student Activities	\$0	\$0	\$0	
1800-1899	Community Services Activities	\$0	\$0	\$0	
1900-1999	Other Local Sources	\$0	\$0	\$0	
State Sources					
3210	School Building Aid	\$0	\$0	\$0	
3215	Kindergarten Building Aid	\$0	\$0	\$0	
3220	Kindergarten Aid	\$0	\$0	\$0	
3230	Catastrophic Aid	\$0	\$0	\$0	
3240-3249	Vocational Aid	\$0	\$0	\$0	
3250	Adult Education	\$0	\$0	\$0	
3260	Child Nutrition	\$0	\$0	\$0	
3270	Driver Education	\$0	\$0	\$0	
3290-3299	Other State Sources	\$0	\$0	\$0	
Federal Sources					
4100-4539	Federal Program Grants	\$0	\$0	\$0	
4540	Vocational Education	\$0	\$0	\$0	
4550	Adult Education	\$0	\$0	\$0	
4560	Child Nutrition	\$0	\$0	\$0	
4570	Disabilities Programs	\$0	\$0	\$0	
4580	Medicaid Distribution	\$0	\$0	\$0	
4590-4999	Other Federal Sources (non-4810)	\$0	\$0	\$0	
4810	Federal Forest Reserve	\$0	\$0	\$0	
Other Financing Sources					
5110-5139	Sale of Bonds or Notes	\$0	\$0	\$0	
5140	Reimbursement Anticipation Notes	\$0	\$0	\$0	

Account Code	Source of Revenue	Estimated Revenue	Change Amount	Revenue Estimates Adjusted
5221	Transfers from Food Service Special Revenues Fund	\$0	\$0	\$0
5222	Transfer from Other Special Revenue Funds	\$0	\$0	\$0
5230	Transfer from Capital Project Funds	\$0	\$0	\$0
5251	Transfer from Capital Reserve Funds	\$0	\$0	\$0
5252	Transfer from Expendable Trust Funds	\$0	\$0	\$0
5253	Transfer from Non-Expendable Trust Funds	\$0	\$0	\$0
5300-5699	Other Financing Sources	\$0	\$0	\$0
9997	Supplemental Appropriation (Contra)	\$0	\$0	\$0
Subtotal of Revenues		\$0	\$0	\$0

Revised Estimated Revenues Summary	Sullivan School District		State Revised
Subtotal of Revenues	\$0	\$0	\$0
Unassigned Fund Balance on MS-25	(\$3,477)	\$0	(\$3,477)
Less Voted from Fund Balance	\$0	\$0	\$0
Less Fund Balance to Reduce Taxes	\$0	\$0	\$0
Fund Balance Retained	(\$3,477)	\$0	(\$3,477)
Total Revenues and Credits	\$0	\$0	\$0

Explanation of Adjustments

Account	Reason for Adjustment	Warrant Number
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