

LBA Financial Audit Report Summary:

Board of Tax and Land Appeals Financial And Compliance Audit Report For The Fiscal Year Ended June 30, 2008

Reporting Entity And Scope

The reporting entity of this audit and audit report is the New Hampshire Board of Tax and Land Appeals. The scope of this audit and audit report includes the financial activity of the Board of Tax and Land Appeals reported in the State's General and Agency Funds for the fiscal year ended June 30, 2008. Unless otherwise indicated, reference to the Board or auditee refers to the Board of Tax and Land Appeals.

Organization

The Board of Tax and Land Appeals is established in RSA 71-B:1. The Board is composed of four members who "shall be learned and experienced in questions of taxation or of real estate valuation and appraisal or of both." In accordance with RSA 71-B:2 the members of the Board are appointed by the New Hampshire Supreme Court and commissioned by the Governor for a five year term.

RSA 71-B:14 provides the Board shall have upon its staff two review appraisers who shall be competent to review the value of property for tax and eminent domain purposes and such clerical and technical staff as may be necessary within the limits of appropriations.

At June 30, 2008, in addition to the four Board members, there were seven fulltime-classified employees at the Board of Tax and Land Appeals.

Responsibilities

RSA 71-B:5 establishes the duties of the Board to have the power and authority to hear and determine:

- All matters involving questions of taxation properly brought before it. In determining matters before it, the Board may institute its own investigation, or hold hearings, or take other actions.
- Appeals by municipalities relating to the equalized valuation of property as determined by the Commissioner of Revenue Administration. The Board's decision on such appeal is final pending a decision by the New Hampshire Supreme Court.
- All matters relating to the condemnation of property for public uses and the assessment of damages therefore as provided in RSA 498-A.

- All matters relating to orders for reassessment properly brought pursuant to RSA 71-B:16

Funding

The financial activity of the Board of Tax and Land Appeals is accounted for in the General and Agency Funds of the State of New Hampshire. A summary of the Board's General Fund revenues and expenditures for the fiscal year ended June 30, 2008 is shown in the following schedule.

Summary Of Revenues And Expenditures For The Fiscal Year Ended June 30, 2008		General Fund
Total Revenues		\$ 280,444
Total Expenditures		<u>992,722</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures		<u>(712,278)</u>
Other Financing Sources (Uses)		
Net General Fund		712,278
Total Other Financing Sources (Uses)		712,278
Excess (Deficiency) Of Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses		<u>\$ -0-</u>

The auditor's report on the Board of Tax and Land Appeal's financial statements was qualified, as the governmental fund financial statement does not constitute a complete financial presentation of the Board in the governmental fund.

The audit report includes the auditor's report on internal control over financial reporting and on compliance and other matters. The following is a list of the comments in the report.

Internal Control Comments

Significant Deficiencies

- Communications With State Central Service Agencies Should Be Improved
- Banking Activity Should Be Reviewed With State Treasury And Documented
- Bank Account Reconciliation Procedures Must Be Improved
- Policies And Procedures Should Address Outstanding Checks

- Procedures For Determining Costs To Administer Eminent Domain Proceedings Should Be Formalized
- Accountability Over Revenue And Receipts Should Be Established Upon Receipt
- Inefficient And Redundant Procedures Should Be Discontinued

Compliance Comments

- Inconsistency In Statutes Should Be Resolved
- Biennial Report Should Be Filed
- Procedure Should Be Established To Remind Board Of Statement Of Financial Interests Filing Requirement