

STATE OF NEW HAMPSHIRE

CARROLL COUNTY



ANNUAL REPORT

YEAR ENDING DECEMBER 31, 2020

CARROLL COUNTY REPORT

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COUNTY OFFICERS

County Commissioners

Amanda Bevard (R-Wolfeboro), Chairman
Terry McCarthy (R-Conway), Vice-Chairman
David Babson (R-Ossipee), Clerk

County Attorney

Michaela Andruzzi

Sheriff

Domenic Richardi

Treasurer

Joe Costello

Register of Deeds

Lisa Scott

MVC Nursing Home Administrator

Howie Chandler

Superintendent of Corrections

Jason Henry (Resigned)
Patrick Bachelder

REPRESENTATIVES TO THE GENERAL COURT

District 1 Bartlett, Hart's Location, Jackson

Anita Burroughs (D-Bartlett)

District 2 Conway, Chatham, Eaton, Hale's Location

Tom Bucu (D-Conway)

Karen Umberger (R-Conway)

Steve Woodcock (D-Conway)

District 3 Freedom, Tamworth, Madison, Albany

Jerry Knirk (D-Freedom)

Mark McConkey (R-Freedom)

District 4 Moultonborough, Sandwich Tuftonboro

Glenn Cordelli (R-Tuftonboro)

Karel Crawford (R-Moultonborough)

District 5 Brookfield, Effingham, Ossipee, Wakefield

Lino Avellani (R-Wakefield)

Bill Nelson (R-Brookfield)

Jonathan Smith (R-Ossipee)

District 6 Wolfeboro

Brodie Deshaies (R-Wolfeboro)

John MacDonald (R-Wolfeboro)

District 7 Northern Carroll County Towns

Chris McAleer (D-Jackson)

District 8 Southern Carroll County Towns

William Marsh (R-Brookfield)

CARROLL COUNTY COMMISSIONERS' REPORT

The Carroll County Commissioners would like to start their report off with a heartfelt thank you to the employees of Carroll County as they did a tremendous job rising to the challenges that 2020 and the COVID 19 Pandemic presented.

The year of 2020 presented a number of challenges for staff and accordingly the county experienced some turnover in staff and is encouraged by the new direction of the county. In response to the pandemic emergency response personnel such as deputies, corrections officers and nursing staff received stipends to aid in maintain staffing levels.

While the Mountain View Nursing Home faced significant challenges and had to go into COVID lockdown on March 13, 2020, they found a way to keep resident spirits up creating a positive atmosphere. Other Carroll County departments also rose to the COVID challenges. Registry staff worked remotely in shifts. County Attorney's Office worked remotely providing support to victims through a time when the Court system looked drastically different and those in the buildings, grounds and water departments kept the complex running and the PPE available.

Despite the pandemic, the nursing home was able to purchase a new bus, meal tray delivery carts and install an entrance weather curtain. The maintenance department worked diligently to complete an energy project update as well as a fiber optic upgrade that the county greatly needed.

REPORT OF THE COUNTY ATTORNEY

2020 was a year like no other in recent history. During a global pandemic that made the simple task of going to work a dangerous proposition, the public servants of our office rose to the full breadth of the challenge, never missing a day of work or dropping a deadline. The Carroll County Attorney's Office found itself humbled by the self-sacrifice of its attorneys and administrative staff.

Our office implemented a pre-planned emergency strategy in March of 2020, splitting into teams and staffing the physical office every day, ensuring that the workplace was sanitized and healthy for each other and the members of law enforcement who needed to enter the building. By ensuring that the teams stayed apart, we were able to be confident that an outbreak of COVID-19 would not shut down the ability to prosecute cases, keep victims safe, and hold offenders accountable. We switched to a hybrid-remote system, keeping half the office working remotely, and half of the office responsible for staffing the physical location.

Despite the near-total shutdown of in-person court hearings, the County Attorney's Office worked with the Court to ensure that cases continued to be filed and that justice continued, bruised but unabated. In December of 2020, we held a marathon session of in-person Grand Jury proceedings, after nearly eight months of inability to do so. That month saw a record number of indictments returned. The attorneys and the staff worked long hours to ensure that all cases were prepared and ready to be presented. By statute, NH RSA 7:6 and 7:34, the County Attorney serves as the Attorney General's representative in Carroll County, for the purpose of "enforc[ing] the criminal laws of the State."

Handling criminal cases involves, in the words of Strafford County Attorney Thomas Velardi, "directing and/or reviewing criminal investigations undertaken by local and State Police; presenting evidence before the Grand Jury; reviewing and prosecuting misdemeanor cases that are appealed to the Superior Court;

researching and responding to motions filed with the Court; attending depositions of witnesses and pretrial motion hearings; preparing witnesses for deposition, hearing, or trial; presenting the State's case at trial; arguing the State's position at the sentencing hearing; and representing the State's position in various post-conviction proceedings, such as sentence review, motions for new trial, and habeas corpus petitions." The County Attorney also represents the prosecution at Parole Hearings, and receives notice of such hearings.¹

Other statutory responsibilities include including responding to untimely, suspicious, or unattended deaths and, in consultation with the State Medical Examiner, ordering that autopsies be performed where appropriate in such cases. See N.H. RSA 611 et al. For that (and other) reason(s), an Assistant County Attorney and the County Attorney are on call 24 hours a day.

§ 611-B:17 Performance of Autopsies.

I. If the supervising medical examiner, attorney general, or county attorney deems that an autopsy is necessary, he or she shall direct that one be made. The commissioner of the department of health and human services may, pursuant to RSA 126-A:5, V, request an autopsy of any individual who dies while admitted to, a resident of, or receiving care from New Hampshire hospital, Glenciff home, or any other residential facility operated by the department or a contract service provider.

II. The supervising medical examiner shall have the authority to conduct an autopsy and shall comply with any request by the attorney general, a county attorney, or the commissioner of health and human services to perform an autopsy.

§ 611-B:20. Report to County Attorney

If, upon completion of a death investigation, the medical examiner is of the opinion that the death of the person was caused or occurred in any manner described in RSA 611-B:11, the medical examiner shall file a record of the case with the county attorney or the attorney general, in accordance with rules adopted by the chief medical examiner under RSA 541-A.

Moreover, the County Attorneys are responsible for responding to petitions for annulment of convictions in both the Superior and District Courts. See NH RSA 651:5.

The Carroll County Drug Court, created in 2017 for high-risk, high-needs individuals, switched to a remote platform, and was able to continue functioning under the leadership of Deputy County Attorney Briden. The Sexual Assault Response Team, created in 2017 and co-chaired by County Attorney Michaela Andruzzi, also switched to a remote platform, and used the time during the pandemic to increase training for law enforcement, focusing on a victim-centered approach to investigating sexual assault cases.

2020 was the first year that the Carroll County Attorney's Office implemented a Domestic Violence Unit (DVU), with the support and funding provided by the Carroll County Commission and Convention. The DVU became a central and vital component of our office, helmed by Attorney John Nehrings. The pandemic and ensuing orders for limited mobility increased the expected workload of the DVU, resulting in

¹ **§ 651-A:11. Notice of [Parole] Hearings** states in part that "II. At least 15 and not more than 30 days prior to any parole hearing, the adult parole board shall send by first class mail to each chief of police and county attorney of the place where the offense occurred, where the person resided prior to conviction, or where the person intends to reside after release, a copy of the information described in paragraph I." It is not mandatory that the County Attorney's Office attends, but in certain cases it is prudent in our efforts to protect public safety.

significant number of cases involving domestic violence being prosecuted in both the District and Superior Court.

The Victim Services Unit found 2020 to be a year of unprecedented need. The Services Unit, under the direction of the County Attorney, handles responsibility for enforcing the Victim's Bill of Rights. Thus, among other things, the Victim Assistance Program assists victims and witnesses to crime deal with the criminal justice system, informs victims and witnesses about every phase of the criminal prosecution, and insures that victims have input into the disposition of the cases involving them. NH RSA 21-M:8-k "Rights of Crime Victims"

Director Heather Morgan and Associate Marjorie Owen were on call every day of the pandemic, answering questions and ensuring victims were directed to appropriate services, regardless of the time of day. Victim Services schedules and attends, with an assigned attorney, all victim and witness interviews which involve children. We partner with the Child Advocacy Center to ensure that child victims and witnesses have a safe and comfortable space to give their official interviews. Ms. Morgan and Ms. Owen also schedule and attend all victim/witness preparation with the assigned attorneys prior to any in-court testimony being taken. The dedication of these determined women is a source of tremendous pride for our office. The unit also maintains a federal grant to assist the County in providing these services.

Assistant County Attorney Keith Blair shouldered an outsized caseload of serious felony charges. True to form, Attorney Blair continued his unwavering dedication to the victims and law enforcement of Carroll County. Matthew Conley, also an Assistant County Attorney, handled the lion's share of Narcotics Distribution cases, working closely with the County Drug Task Force to ensure accountability for those individuals who sell illicit substances in Carroll County. The addition of Assistant County Attorney Palermo in 2019 proved to be an asset to Carroll County, as Attorney Palermo handles a wide array of general felony cases.

The administrative staff at the County Attorney's Office works behind the scenes, but deserves recognition for their professionalism and dedication. Senior paralegal Meghan McLaughlin handles multiple caseloads, assists the County Attorney with budgeting, and handles the scheduling and procedure attendant to Grand Jury. Both Ms. McLaughlin and paralegal Amanda Esmay assist the attorneys in preparing cases for court hearings, and ensuring that the appropriate discovery materials are provided to counsel for the accused. Our other administrative personnel handle the enormous task of answering and directing calls for all attorneys, maintaining the files and calendaring court hearings as well as other meetings and obligations for the attorneys.

Pursuant to N.H. RSA 7:38, and in keeping with her role overseeing all criminal investigations in the County, she reports the following felony and misdemeanor statistics for the entirety of Carroll County for calendar year 2020:

Sexual Assault	100
Assault	288
Intimidation	95
Burglary	48
Shoplifting	130
Theft from Bldg.	53
Theft From MV	49
False Pretenses	45
Credit Card Theft	23
Identity Theft	63
Stolen Property	61

Other Theft	185
Vandalism	224
Drug Violation	174
Bad Checks	5
Disorderly	140
DWI	243
Intoxication	75
Liquor Law Violation	87
Trespass	197
Domestic Violence	
Total Traffic Stops	9118
Citations written	1421
Defective Equipment	323
Driving after Revocation	138
Speed	2700
Stop Sign/Light	114
Unregistered	194
Other	747
Total MV Crash	1235
Fatal	6
Injury Caused	163
Building Checks	4902
Directed Patrols	7334
Calls to Dispatch	
Total Calls for Service	108074
Domestic Violence Cases in District Court	97

These statistics were prepared based upon information provided by local law enforcement and drawn from information management systems. These include cases which are still ongoing investigations, filed cases, and cases which were determined to not meet the standard for prosecution. ***Please note that the State Police numbers are not included in these statistics.***

The Carroll County Attorney's Office thanks the County Delegation and Carroll County Commissioners Terry McCarthy, Matthew Plache, and Kimberly Tessari, as well as former Commissioners Amanda Bevard, and David Babson. Their hard work and backing, coupled with support from area law enforcement and private citizens, help make Carroll County a safe and peaceful place to live and work. In particular, we wish to thank the commissioners and delegation for their scrupulous attention to the needs of the victims of crime here in Carroll County, and for their trust in our office to carry out our Constitutional duties with professionalism and determination.

The Carroll County Attorney's Office wishes to thank the members of law enforcement and emergency responders in Carroll County for their efforts and dedication to their profession. All of their hard work on behalf of the citizens of Carroll County is greatly appreciated.

Respectfully submitted,
Michaela D. Andruzzi, Carroll County Attorney

REPORT OF THE CARROLL COUNTY SHERIFF

Pursuant to RSA 30:I and RSA 104:3I-a, I hereby submit the annual report of activity conducted by the Carroll County Sheriff's Office and Carroll County Communications Center for the year 2020.

The Uniformed Division is responsible for the timely service of civil process throughout Carroll County. In all, there were 954 requests for civil process to serve, this resulted in revenue of \$43,970.48, which acts to reduce the amount of taxation required to pay for the annual budget. This division is also responsible for transports, civil and criminal arrest warrants, calls for service, motor vehicle and criminal investigations and assisting other agencies throughout the County and State. The Deputies continue to use MDT's (Mobile Data Terminals) to manage calls in the cruiser, without having to go through the communications center for all calls and it allows the Deputies to know what other calls for service are occurring within the County.

The K-9 team consists of Deputy Rowe and Charlie, a female Belgian Malinois, whom is certified in narcotic detection and tracking. There were 89 related calls for the K9 team, these calls include reviews (air sweeps) and searches for persons, articles and evidence. This team continues to be a great resource for Carroll County law enforcement agencies. Deputy Rowe and K9 Charlie would like to thank the County for its continued support.

Some of the Sheriff's Office 2020 statistics include:

Transports - Adult Prisoners- 142, Involuntary Emergency Admissions-61, Juveniles-4

Arrests – 292, this includes Capiases, Electronic Bench Warrants, Civil, Criminal, Motor Vehicle, Protective Custody and all other arrests.

Investigations – Felony Offenses -76, Misdemeanor offenses 201, Violation offenses 113

Motor Vehicle Accidents - 105

The Investigative Division is responsible for handling criminal investigations and assisting local, state, and federal agencies with investigations within the county, state and bordering states.

This division continues to support and assist agencies in a number of drug investigations around the County.

We are involved with and support the communities push to help those that are addicted and in need of assistance. We will continue to do what we can to provide outreach and inform those in need, of the available resources, to help them fight their addictions.

The Office continues to receive funding from the United States Federal Government to perform pro-active law enforcement patrols within the White Mountain National Forest system. One of the priorities during this patrol is highway safety on the Kancamagus Highway and Route 302 in Hart's Location; they also work with the campground hosts to keep peace in the campgrounds.

The Towns of Albany and Eaton have continued with agreements for the Sheriff's Office to provide directed patrols throughout the year. Each town budgets funds annually for these directed patrols at their town meeting in addition to the county tax obligation. We are able to dedicate a limited number of patrol hours in these towns throughout the year.

The Carroll County Communications Center continues to provide professional and courteous service to the public safety agencies and you, the citizens. The Communications Center is constantly evolving and integrating new technology. The Center is a significant part of Fire, Ambulance and Law Enforcement services provided throughout Carroll County. The Communication Center handles the vast majority of

E911 calls in Carroll County and dispatches for 34 agencies. In 2020, there were 90,209 Calls for Service handled by the Communications Center, they are broken down as follows: Police 62,258; Fire 5,340; Ambulance (EMS) 22,611. The Carroll County Communications Center remains as backup dispatch for the Towns of Conway, Moultonborough and Wolfeboro communication centers.

The Communications Center is continuing with the Good Morning Program for towns that do not have a direct phone into their local police department. This program is for senior citizens and disabled persons living in Carroll County. It provides reliable daily phone reassurance and the comfort and security you need to maintain your independence. It provides peace of mind for both you and those who care about you, a phone is the only thing required to access this service. You may contact your local police department or the Sheriff's Office, if you need further information.

The 2017 Communication Grant-Phase II is completed and the 2018 Grant-Phase III will be completed by August of 2021. These grants provide funding for greater communication coverage with new tower locations and with updating radio equipment within the County. In 2020, there was an installation of a new Communication tower on the County property and the previous tower moved to the Eidelweiss tower site.

In November of 2020, we welcomed Abigail Stetson to the full-time staff in the Communication Center. At the time of this report, she has completed the training program and we are pleased with her work and enthusiasm.

Thank you to all the agencies that we work with for their assistance and support throughout the year. The continued assistance and collaboration is needed to keep the citizens and law enforcement communities in Carroll County safe.

I want to thank all of the employees at the Carroll County Sheriff's Office for their continued dedication and hard work throughout the year. As we all know, this has been a very tumultuous year for everyone. It has been a year of added duty for all employees again, due to the shortage of police coverage for some of the local police departments and vacancies here at the Office.

I want to thank all Carroll County residents for your continued support of this Office; it continues to be an honor and privilege to serve as your Sheriff. I will continue to strive in serving you with commitment and professionalism, throughout the Office, no matter the circumstances.

Respectfully Submitted,
Domenic M. Richardi, Sheriff

REPORT OF THE REGISTER OF DEEDS

The year 2020 started quietly at the Registry of Deeds office, then in March COVID-19 arrived and with it, epic health challenges and economic uncertainty. Foremost in our thoughts and actions in the Registry of Deeds office was how we could maintain the Registry services for the public while protecting staff from succumbing to the COVID-19 virus. We adopted protocols to curb the spread of the virus and we are pleased to report we have been able to continuously record and provide access to land transactions throughout the year.

By June of 2020, the volume of transactions was surging with a notable number of buyers from out of state. It seems the pandemic encouraged people to come to Carroll County and purchase property. By year end, the number of real estate transactions and the revenue collected in the Registry of Deeds office was 20% over the prior year.

COVID-19 brought change for everyone; too many lost their lives to the virus, those of us lucky to survive are changed forever, as is New Hampshire and its economy. Although we are still in the midst of the pandemic at the end of this long and difficult year, the Registry of Deeds office continues to fulfill its mission and looks forward to the availability of a COVID-19 vaccine. As official land record keeper, we strive to professionally serve, timely record, protect and provide access to our historical records.

Visitors are welcomed in the office between the hours of 8:00 AM – 4:00 PM on weekdays. Recorded instruments are also available for public viewing, free of charge, on the website www.nhdeeds.org, 24 hours a day, 7 days a week. The following statistics in this annual report memorialize 2020 land transactions for Carroll County taxpayers.

Volume of recording at the Registry of Deeds:

The transaction volume climbed throughout the year, peaking in December 2020. Overall, the Registry of Deeds recorded 19% more instruments when compared to the prior year.

Recorded volume of deeds increased eleven percent (>11 %)

Recorded volume of mortgages increased thirty-five percent (>35%)

Recorded volume of liens decreased twenty-four percent (<24%)

Recorded volume of foreclosures decreased fifty-five percent (<55%)

Recorded volume of plans increased fifty-one percent (>51%)

Revenue Collected by the Registry of Deeds:

Revenue was slow to accrue during the first quarter, then picked up over the summer and grew significantly in the fall. By year-end, revenue was twenty-two percent greater (>22%) than the prior year, mostly attributable to an increase in collection of the real estate transfer tax stamps which tax is based on transaction sale price. Registry of Deeds revenue contributed \$1,194,842.05 to the Carroll County general fund for the year. Office expenses maintained within budget projections, totaling \$506,589.86, leaving \$688,252.19 for general county government expenses.

2020 Revenue Breakdown:

State of New Hampshire

Carroll County

State of New Hampshire Transfer Tax (RETT) \$12,806,304.00	
4% RETT County Commission.....	\$512,252.36
State of New Hampshire LCHIP Tax	\$316,700.00
4% LCHIP County Commission.....	\$ 12,668.00
Copies/Faxes/Tapestry/Online Account Maintenance Fee	\$208,776.55
Recording Fees, Postage, Refunds, Misc. Deposits & Interest	\$461,145.14
Total Revenue to County General Fund.....	\$1,194,842.05
Total Revenue & Interest to Deeds Equipment Account – (RSA 478:17-j).....	\$ 32,581.49
Total Revenue to County of Carroll.....	\$1,227,423.54
Total Revenue (New Hampshire and County)	\$13,825,507.18

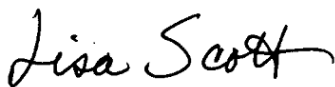
MUNICIPAL TRANSACTIONS 2020:

ALBANY	184	FREEDOM	599	SANDWICH	460
BARTLETT	1,435	HALE'S LOCATION	47	TAMWORTH	646
BROOKFIELD	216	HART'S LOCATION	15	TUFTONBOROUGH	831
CHATHAM	57	JACKSON	387	WAKEFIELD	1,554
CONWAY	2,404	MADISON	814	WOLFEBORO	1,824
EATON	119	MOULTONBOROUGH	2,193	CARROLL CTY	1,533
EFFINGHAM	342	OSSIPEE	1,153	GRAND TOTAL	16,813

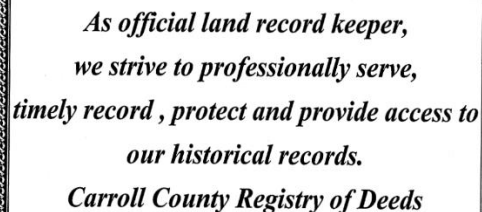
A sustained commitment by the Registry of Deeds to preserve the official land record moves forward, thanks to the support of the County Commissioners and the County Delegation. Index Books up to 1969 and Deed Books up through Book 134 have been cleaned, deacidified, encapsulated in Mylar and rebound, increasing their life expectancy 300+ years. Restoration of additional documents and damaged, faded and crumbling plans will continue, as time and resources allow.

I wish to express my sincere appreciation for the support and hard work of the dedicated staff of the Registry of Deeds, to the Carroll County Commissioners, the Legislative Delegation, and all the departments in Carroll County who have supported the Registry of Deeds office. Lastly, I wish to express my deepest appreciation to the residents of Carroll County for their continued support and confidence in me as their elected County Register of Deeds. It is my pleasure to serve as the keeper and protector of the official land records for Carroll County and I will continue to work towards making the land record more available to the public and strive to discover ways to ensure continued fiscal responsibility in the budgeting and administration of this office.

Respectfully Submitted,



Lisa Scott, Register of Deeds



*As official land record keeper,
we strive to professionally serve,
timely record , protect and provide access to
our historical records.
Carroll County Registry of Deeds*

REPORT OF THE NURSING HOME ADMINISTRATOR

On March 13, 2020 everything changed at Mountain View Community. The Covid-19 Pandemic struck.

That is the date on which we locked the doors to outside visitors including Resident Family Members. That was the date that meant that with the exception of critical medical appointments – that Residents could no longer leave the building. Residents were sequestered in the building and at various times during the year they needed to be sequestered in their individual rooms. This has been a very challenging year and one that has tested the flexibility and creativity of all of our Staff in all Departments. Led by our Therapeutic Recreation Department we constantly adapted and improvised to do whatever was needed to maintain a stimulating environment in spite of the physical isolation. We had Window Visits, Outdoor Visits under the Canopies, Inside Visits and we had innumerable Zoom and FaceTime Visits. Oftentimes ‘seeing’ one’s physician meant viewing him/her on a computer monitor or a tablet that was brought room to room. We adjusted, adapted, improvised and we got through 2020 with great hope that Vaccination will speed the way to a return to normalcy.

Behind the scenes we worked constantly to secure needed personal protective equipment and arrange for seemingly constant rounds of testing. Every day every Staff Member was screened upon arrival to work as part of our ongoing infection prevention efforts to safeguard our Residents. The year 2020 will be remembered by all as the most challenging year ever to have been working in healthcare.

Financially 2020 was a good year – even though the pandemic did result in a reduced average census. With special thanks to Supervisors and Staff who treat County resources as though they were their own, we finished the year under our budgeted expenses and over our budgeted revenues. We were fortunate to end the year with a modest excess of revenues over expenses. Not only is Mountain View a tremendous asset the community in terms of the quality of services that it provides --- it does so in a financially responsible manner that continually works at minimizing any burden to the taxpayer. We are proud to note that we have been able to do so while also increasing our commitment to caring for those with limited finances.

We are very proud of our four Memory Support/Alzheimer's Care Resident Neighborhoods along with our four Traditional Nursing Neighborhoods on the second floor. All 103 of our accommodations are single occupancy private rooms with their own private lavatories and showers providing enhanced privacy and dignity for all Residents.

Mountain View Community works very closely with all the other County Agencies and Departments with special thanks due to the County Business and Finance Office, the Farm/DPW, the House of Corrections and the Sheriff's Department. We could not do it alone and their assistance is very much appreciated. We also appreciate the commitment of the Legislative Delegation Sub-Committee who are willing to spend the time needed to meet with us to review our budget requests. We especially want to acknowledge the help and support of Commissioner Chair Amanda Bevard, Commissioner Vice Chair Terry McCarthy and Commissioner Clerk David Babson.

The '*Heart*' of Mountain View is our wonderful Staff who day in, day out, are always there to be that '*Special Angel*' to our Residents. Whether it is a Holiday or a Blizzard, our Staff is always there to care for our Residents. Great care does not happen by accident – it happens when a talented, caring and hardworking group of people come together putting the needs of others ahead of their own. We have great care because we have a great Staff! The pandemic has created many challenges – but our Staff has overcome each and every one of them!

An organization the size of Mountain View Community requires a team effort in order for it to both provide the best care – and to do so in the most efficient manner possible. I am pleased to report that our Managers and Supervisors are a great group of professionals with whom it is a pleasure and honor to serve.

Mountain View Community serves a broad spectrum of Carroll County Residents. We are especially proud to be able to provide care for those County Residents who are least able to afford the care that they require. Mountain View Community is a wonderful community resource --- not only for the Residents who presently live here --- but for the entire County who can know that should they or a loved one need the best possible care --- that it is available right here in Carroll County.

It is with a heavy heart that I note that this will be my last Annual Report as I will be resigning my position in February 2021. Together we have accomplished a great deal over these past 8 years. It has been both a privilege and a pleasure to have had this opportunity to serve.

Respectfully Submitted,
Howard Chandler, MS, NHA
Administrator

CARROLL COUNTY HOUSE OF CORRECTIONS

Report of the Superintendent

The Carroll County Department of Corrections to carry out our mission as defined:

As a member of the law enforcement community, it is the mission of the C.C.D.O.C. to provide a safe, secure, and humane environment for the staff, and detainees in accordance to all applicable, federal and state laws, current correctional standards and practice, and to ensure the safety and welfare of the community.

It is further the mission of the C.C.D.O.C. to offer an environment that promotes and fosters personal growth and model pro-social behavior.

<u>Vision</u>	<u>Core Values</u>	<u>Slogan</u>
Leave a Legacy	C-Courage C-Commitment D-Dedication O-Opportunity C-Camaraderie	One Team, One Mission

In 2020, the jail held 621 males and 252 females over the course of the year. The jail staff booked in 873 offenders and released 822 the total number of day's offenders held at the Carroll County Jail 19,223 and the average length of stay for more than 24 hours was 49.04 days, with a daily average of 55.62 offenders. Electronic monitoring and home confinement was down from the previous year due to the Covid-19 pandemic; being 3 offenders out on electronic monitoring and no home confinements.

Program Status

Services provided to 179 individuals, 11 of those going through the T.R.U.S.T. Program, which is a reentry to society program for offenders. The county facility provided medically treatment (MAT) to 27 residents, and provided mental health services to 91 residents.

The Carroll County Department of Corrections works with many community-based organizations including Northern Human Services, White Mountain Community Health Center, Mount Washington Valley Supports Recovery, White Horse Recovery, New Hampshire Department of Health and Human Services, and Carroll County Adult Education are just a few.

In 2020 the jail provided hundreds of transports including emergency, medical, dental, administrative transfers, and home confinements.

The Jail medical cost continues rise, due to our populations medical issues and the level of care we provide our residents. We deal with a wide range of people with many issues, emotional, mental, addiction to name just a few. In 2020 our biggest medical challenge was monitoring and keeping the COVID-19 virus from impacting our residents and staff, and yet continue to maintain daily operations. As mentioned in the past one inmate with serious health issues can devastate the yearly budget.

In 2021 the jail will be working on becoming Prison Rape Elimination Act (P.R.E.A.) compliant, which will put us on the map with the many other county and state facilities throughout the state.

As the Superintendent, I am proud of how all the staff members here at the Carroll County Jail, for stepping up, pulling together as a team during the struggles of dealing with COVID-19. During 2020 the jail had to be placed into lock down status due to the COVID virus, which affected daily operations traumatically. The staff and our residents adjusted to the changes to daily operations with little or no struggles, which I have to say thank you. I truly believe after coming out of 2020 as well as we have as a team, I feel good saying the staff here at the jail can handle whatever challenges 2021 brings forth. We here at the Carroll County Jail will continue to provide a safe and respected environment for our residents and continue to provide a professional service to the county.

Respectfully,
Sean Eldridge, Superintendent

REPORT OF DIRECTOR OF PUBLIC WORKS/FARM

The farm products that were produced this year were sold to the public. The value of the products includes \$38,527 for hay, and \$2,480 for firewood.

The farm had a couple new transitions this year. The first big challenge was starting mid-March we no longer had any inmate labor. As the covid pandemic hit across our state, the jail was forced to lock down their building to protect their staff and inmates. This became a very new challenge with our duties especially with spring cleanup around the corner. All of our staff pulled together, worked hard and have made the transition. A new skid steer was able to be purchased which has worked out unbelievably well. At this point I can't image doing what we do without this machine. It's used almost every day in every corner of the complex.

We had another large production year on hay. Hay season started pretty much on time this year. As the season went on we experienced abnormally dry conditions, this effected second crop production the most. What I believe saved us on production this year was the second transition we went through, adding a round baler and bale wrapper to our tool belt. This was very exciting, challenging, and had a learning curve with it as well. Since we didn't have any inmate labor to help, round bales allowed us to continue production with no interruptions. We did around 350 round bale and still made almost 4,000 square bales. Almost every field was able to be cut for second cut getting as much of the crop off the fields as possible. This was the first time that has been able to happen in my time here thanks to these new tools. I'm optimistic that as we continue to improve the production of each field, revenue for hay will continue to grow. This will also mean more hay available to our community.

The Public Works personnel also do maintenance of County buildings and vehicles, care of grounds; including lawn mowing, plowing, and shoveling sidewalks. They are responsible for the complex water department, including water testing, treatments, monitoring, state requirement reports, reading of the meters, and customer service of 40 customers in the Ossipee village.

The complex sewer department is also the responsibility of the Public Works personnel. Those responsibilities include monitoring the treatment plant, testing required by the state, septic pumping of both sewage and grease tanks, and the monitoring of the leach fields. The State of N.H. requires that these employees be licensed for both the wastewater and the drinking water departments. Educational programs need to be attended in order to keep their certifications valid.

The Public Works personnel are on call in case of any unexpected emergencies that may take place. William DeWitte, Mark Ayers, and Kevin Thomas make up the Public Works personnel.

REPORT OF THE COUNTY TREASURER

It is a privilege to serve all the residents of Carroll County and I would like to thank all the voters of the County for your continued support as your County Treasurer.

In 2020, the County's budget was \$34,699,964, with actual expenses of \$34,553,861.83. The net result was that the County ended the year with a potential surplus of approximately \$116,102.20. It is noted that these figures were not audited at this time. Some adjustments may still be needed. This surplus was utilized to reduce any potential tax increase to the taxpayers of the County. In addition, the County's financial condition continues to improve over the previous years' reports. Once again this is due to the excellent and continued support of the department heads, the business office, the finance office and the entire staff of Carroll County.

Carroll County utilizes a line of credit rather than a traditional tax anticipation note (TAN) for its operational borrowing. This process allows the County to only pay interest on the amount of money when

it draws the funds as needed, as opposed to paying interest on the total lump sum of the TAN at the time when the TAN is awarded. Due to the change in the current regulations regarding TANs, the non-taxable interest income to the lending institutions is limited by way of a formula based computation. Based on this, the County had two notes – one non-taxable and one taxable – both to the lending institution. The two notes totaled \$15,000,000. Based on the formula, the non-taxable note was \$12,149,900 at the rate of 1.09% The taxable portion of the note was \$2,850,100 at an interest rate of 1.49% Due to the diligent management of the County's financial resources, the total amount utilized from the TAN note was \$9,500,000 for the interest expense total TAN was \$38,059.12. The interest expense was lower due to the lower rates on the notes. The finance office excellent management of the non-interest TAN was utilized at the lower interest rate. Forecasting future interest rates is a difficult process. However, as Treasurer, I did see the rates rise a bit in the short term. That said, we will continue to work with our banking professionals to keep interest expenses to the County as low as possible. process.

We are pleased with the results of the County auditors. They met with the County Delegation to review the annual audit and they continue to provide the County with suggestions and helpful information to improve the County's finances in an ever-changing fiscal reporting environment.

Most of the duties of the County Treasurer involve working with the staff in the Business Office and Finance Office. In addition, some of the duties of the County Treasurer have expanded. This includes working closely with the Hales Location tax collector, who has done a fantastic job this year. In addition, there are some special projects as requested by the commissioners. The main one was the restructure of the nursing homes bond along with the bond to have the Registry records completely archived. More will be reported in the 2021 annual report. It is noted that this move saved the county and taxpayers approximately \$1.5 million over the term.

I have had the continued support of the entire staff of the County including department heads, which I appreciate the tireless efforts of all in order to maintain the fiscal responsibility of the County. As Carroll County continues to grow and the details of the various programs that the County operates requires more efforts to maintain. With the continued support of the voters of Carroll County, I look forward to continuing the work as your treasurer. It is the dedication of all involved to help Carroll County remain a great place to live, work, and thrive.

Joseph L. Costello
Carroll County Treasurer

REPORT OF THE HUMAN RESOURCES DIRECTOR

A year of change for Carroll County can sum up many aspects of 2020 including a complete turnover in human resources personnel within the County and at Mountain View Community (MVC). Changes to procedures in hiring, communicating with coworkers and the public, and daily routines were initiated due to the pandemic. Throughout all of this upheaval, the County staff remained steadfast in providing the highest quality of services within their departments including our administration and finance teams, Sheriff's Department, House of Corrections, Attorney's Office, Registry of Deeds, Department of Public Works, and MVC staff. We would like to show appreciation in this year's annual report to those who have demonstrated their long-term commitment to public service, and who have contributed their talents and work ethic to the County over an extended period of time.

Below is a list of our employees, at the end of 2020, that have been employed with Carroll County ten or more years. We are so very grateful for their service.

40 Year Club

Employee	Department	Years of Service
Mary Thurston	MVC-Dietary	48
Dorothea Cate	MVC-Dietary	46
Penny Getson	MVC-Recreation	41

30 Year Club

Employee	Department	Years of Service
Marie Savini	MVC-Nursing	36
Kimberly Jewell	MVC-Nursing	34
Diane Sheehy	MVC-Nursing	34
Paula Coates	MVC Admin	32
Victoria Smith	MVC-Nursing	32
Victoria Garland	MVC-Nursing	31

20 Year Club

Employee	Department	Years of Service
Sandra Freeman	MVC-Nursing	29
Elizabeth Kasprzyk	MVC-Nursing	29
Diane Merrill	MVC-Nursing	29
Domenic Richardi	Sheriff	28
Michael Bedley	Sheriff's	27
Pamela Berlind	Registry	26
Kathy Armstrong	Finance	25
Susan Pelletier	MVC-Recreation	25
Orvis Saxby	Sheriff	25
Kristal Noble	MVC-Nursing	24
Teresa Shepard	Sheriff's	24
Karen Hooper	MVC-Housekeeping	23
Diane Eldridge	MVC-Nursing	22
Carol Guilbault	MVC-Nursing	21
Deborah Laroche	MVC-Nursing	21
Lori Lemery	Registry	21
Alan Dubay	MVC-Dietary	20

15 Year Club

Employee	Department	Years of Service
Helen Avery	MVC-Nursing	19
Pamela Burbank	MVC-Nursing	19
Nikki Knowlton	MVC-Nursing	19
Brittany Perley	Sheriff's	19
Kathy Sherman	MVC-Housekeeping	19
Ann Ballard	MVC-Nursing	18
Brenda Bowersox	MVC-Dietary	18
Melissa Canty	Sheriff's-Dispatch	18
Shirley Dewitt	MVC-Nursing	18
Alice Jedrey	MVC-Housekeeping	18
Robert Lottero	Sheriff's	18
Wanda Metcalf	MVC-Nursing	18

Michael Santuccio	Sheriff's	18
Diane Varney	MVC-Housekeeping	18
Judith Caillouette	MVC-Nursing	17
Tammera Reed	MVC-Recreation	17
Lorianne Smart	MVC-Nursing	17
Patrick Bachelder	Corrections	16
Andrew Avery	MVC-Nursing	15
Wanda Eckhoff	Corrections	15
Charon Emery	MVC-Nursing	15
Marianne Shannon	MVC-Nursing	15
Mark Washburn	Sheriff's-Dispatch	15

10 Year Club

Employee	Department	Years of Service
Michael Baker	Corrections	14
Jennifer Dockham	MVC-Nursing	14
Jonathan Duguay	Corrections	14
Tineka Houle	MVC-Nursing	14
Joyce Julian	MVC-Laundry	14
Michelle Langley	Sheriff's Admin	14
Linda Stutzman	MVC-Nursing	14
Richard Griffin	Sheriff's	13
Kelly Hill	MVC-Nursing	13
Robert Smith	Sheriff's	13
George Stevens	Sheriff's	13
Brian Argue	Sheriff's	12
Craig Bradt	Sheriff's	12
Karen Casazza	MVC-Dietary	12
Diana Clausen	MVC-Nursing	12
William DeWitte	Public Works	12
Chris Lamb	Sheriff's	12
Renee Mikita	MVC-Nursing	12
Jeffrey Roub	Sheriff's-Dispatch	12
Dino Scala	Sheriff's	12
Bonnie Smith	MVC-Nursing	12
Mark Ayers	Public Works	11
April Carpenter	MVC – Admin	11
Megan Densmore	MVC-Nursing	11
Anastina Drouin	MVC-Nursing	11
William Judge	MVC-Nursing	11
Brian King	Sheriff's	11
Lindsey Pinardi	Sheriff's-Dispatch	11
Dustin Bachelder	Corrections	10
Patricia Cain	MVC-Nursing	10
Paula Cote	MVC-Nursing	10
Nathan Densmore	MVC-Nursing	10

Candice Dolliver	MVC Admin	10
Christopher Fiandaca	Corrections	10
Alvah Gomes	MVC-Nursing	10
Monica Ingham	MVC-Nursing	10
Charlene Lally	MVC-Dietary	10
Alan Michie	MVC-Maintenance	10
Bob Murray	Maintenance	10
Lisa Napodano	MVC-Recreation	10
Rose Newhouse	MVC-Nursing	10
Stephen Rowe	Sheriff's	10
Aleksandra Smith	MVC-Recreation	10

Here's to a year of re-openings, reconnections with friends and family, and overall good health and happiness.

Christopher Heroux
Director of Human Resources

ENERGY UPGRADE PROJECT

Over the last two years, Carroll County has been working with Siemens Building Technologies to conduct an energy review of our facilities, and design/build a series of improvements that directly affect energy consumption. Upon final completion and turnover of the project, Siemens is contracted for three years to conduct Verification and Measurement of the proposed energy savings. If benchmarks of energy savings have not been realized (provided that variables aren't changed), Siemens will be writing a check to Carroll County for the difference. Included in these Improvement Measures are:

Administration Building:

LED lighting upgrades to building and parking lot.

Replacement of outdated building automation controls with Siemens controls w/demand ventilation (CO2 monitoring).

Installation of VRF (variable refrigerant flow) heat pump/air conditioning system.

Replacement of propane boilers with high efficiency condensing boilers.

New roof (with roof insulation).

Weatherization of air gaps in walls, ceilings, and doors.

Installation of humidification system in vaults.

Mountain View Community:

LED lighting upgrades to building and parking lot.

Adaptation of Siemens HVAC automation controls to existing control system, including upgrade to demand ventilation.

Upgrade control system to eliminate potential simultaneous heat/ac operation in resident rooms.

Jail:

LED lighting upgrades to building and parking lot.

Adaptation of Siemens HVAC automation controls to existing control system, including upgrade to demand ventilation.

Installation of heat pump/ac systems to Laundry, Kitchen, and Control Room.

Replacement of propane boilers with high efficiency condensing boilers.

Replacement of multiple outdoor ac units, and replace with single chilled water cooler.

Weatherization of air gaps in walls, ceilings, and doors.

These improvements are 99% complete. Outstanding is humidifier startup and HVAC automation work. The holdups on these two items are mistakes in engineering that are currently being rectified. Final payment is being withheld until 100% completion. Siemens is expected to finalize engineering and complete modifications by end of February 2021.

Note: I wish to express my pleasure with Siemens and its representatives. In a project this large, it is not unreasonable to expect a few bumps in the road. We certainly have had a few. However, Siemens has been upstanding in their efforts to smooth out these “bumps”, and I fully expect that Carroll County will be the recipient of exactly what they paid for, if not more. Covid-19 certainly had an effect upon timely completion. Restricted building access, shortage of materials, etc. all played a part in delay.

Once completed, formal Measurement and Verification can begin, which will give the County a detailed report of annualized energy savings. Without formal Measurement and Verification processes in place, only a basic overview and extrapolation of energy savings can be outlined. In preparation for submittal of the 2021 budget, I have reviewed the last two years of propane and electric consumption, and determined (albeit, conservatively) that it is fair to estimate:

Electric Savings - 10% (-\$40,608)

Propane Savings - 25% (-\$81,602) This equates to a combined savings of **\$122,210.00**, which is consistent with Siemens projected annual savings of \$124,160.00.

Siemens had projected \$92,609.00 in incentives returned to Carroll County. Carroll County realized rebates as follows:

R-110819-676	22066	77,474.61	LIGHTING INCENTIVES
R-110819-676	22071	1,575.00	PSNH REBATE MVC
R-110819-676	22072	6,810.00	PSNH REBATE MVC
R-110819-676	22073	11,170.00	PSNH REBATE ADMIN
R-112019-674	22105	26,288.00	PSNH - ENERGY REBATE MVC
12/24/2019	22164	29,265.00	PSNH Rebate Energy Eff-MVC
12/24/2019	22165	19,684.00	PSNH Rebate Energy Eff-Admin
12/24/2019	22166	21,607.00	PSNH Rebate Energy Eff-Jail
R-122719-731	22173	802.40	USOURCE REBATE
		\$194,676.01	

Respectfully submitted,

Bob Murray
Director of Maintenance
Carroll County Facilities

SCHEDULE OF COUNTY-OWNED PROPERTY

Address	Map	Lot	Acreage	Assessed Value
Off Water Village Road	257	001	125	\$2,677
113 Route 28	268	006	15	\$355
159 Route 28	268	010	36	\$851
45 County Farm Road	258	018	21	\$6,367
96 Water Village Road (includes water tower)	257	013	215	\$280,008
	257	016	45	
95 Water Village Road (Administration Bldg)				\$2,195,600
93 Water Village Road (MVC Nursing Home)				\$8,477,900
10 County Farm Road (MVC Annex)				\$2,739,100
30 County Farm Road (DPW Garage/Accessory Buildings)				\$300,200
50 County Farm Road (County Jail)				\$3,923,600
TOTAL			457	\$17,926,658

APPORTIONMENT TO TOWNS

	2020 % Proportion to County Tax *	2020 Apportionment of County Budget
Albany	0.7949%	\$140,268
Bartlett	8.0442%	\$1,419,417
Brookfield	0.7727%	\$136,346
Chatham	.03931%	\$69,357
Conway	11.9487%	\$2,108,382
Eaton	0.7370%	\$130,047
Effingham	1.2780%	\$225,500
Freedom	3.8899%	\$686,381
Hale's Location	0.5218%	\$92,075
Hart's Location	0.1244%	\$21,943
Jackson	3.0628%	\$540,442
Madison	3.8746%	\$683,685
Moultonborough	23.2461%	\$4,101,818
Ossipee	5.2390%	\$924,429
Sandwich	2.9310%	\$517,189
Tamworth	2.6163%	\$461,650
Tuftonboro	7.7402%	\$1,365,779
Wakefield	7.8090%	\$1,377,912
Wolfeboro	14.9763%	\$2,642,603
TOTALS	100.0000%	\$17,645,223

**Rounded for display. Actual apportionment based on detailed figures*



General Fund Expenditures: Modified Accrual

Account	Purpose	Voted Appropriations	Actual Expenditures
General Government			
4110	County Convention Costs	\$9,876	\$22,232
4120	Judicial	\$0	\$0
4122	Jury Costs	\$0	\$0
4123	County Attorney's Office	\$646,212	\$576,087
4124	Victim Witness Advocacy Program	\$78,999	\$46,290
4130	Executive	\$1,132,441	\$1,033,014
4150	Financial Administration	\$559,176	\$457,839
4151	Treasurer	\$8,613	\$8,441
4153	Other Legal Costs	\$0	\$0
4155	Personnel Administration	\$0	\$0
4191	Planning and Zoning (Unincorp. Places)	\$0	\$0
4192	Medical Examiner	\$17,760	\$17,376
4193	Register of Deeds	\$725,596	\$690,435
4194	Maintenance of Government Buildings	\$187,595	\$172,303
4196	Insurance Not Otherwise Allocated	\$0	\$0
4198	Contingency	\$0	\$0
4199	Other General Government	\$334,760	\$315,207
General Government Subtotal		\$3,701,028	\$3,339,224
Public Safety & Corrections			
4211	Sheriff's Department	\$1,697,544	\$1,568,761
4212	Custody of Prisoners	\$0	\$0
4214	Sheriff's Support Services	\$805,896	\$742,084
4219	Other Public Safety	\$0	\$0
4230	Corrections	\$3,945,620	\$3,942,599
4235	Adult Probation and Parole	\$0	\$0
Public Safety & Corrections Subtotal		\$6,449,060	\$6,253,444
County Farm			
4301	Administration	\$0	\$0
4302	Operating Expenditures	\$0	\$0
4309	Other County Farm	\$250,721	\$242,349
County Farm Subtotal		\$250,721	\$242,349
County Nursing Home			
4411	Administration	\$3,118,941	\$2,898,700
4412	Operating Expense	\$10,412,105	\$9,996,431
4439	Other Health	\$0	\$0
County Nursing Home Subtotal		\$13,531,046	\$12,895,131



General Fund Expenditures: Modified Accrual

Account	Purpose	Voted Appropriations	Actual Expenditures
Human Services			
4441	Administration	\$0	\$0
4442	Direct Assistance	\$0	\$0
4443	Board and Care of Children	\$0	\$0
4447	Special Outside Services	\$0	\$0
4449	Other Human Services	\$5,050,000	\$4,994,539
Human Services Subtotal		\$5,050,000	\$4,994,539
Cooperative Extension Services			
4611	Administration	\$277,389	\$277,389
4619	Other Conservation	\$0	\$0
Cooperative Extension Services Subtotal		\$277,389	\$277,389
Economic Development			
4651	Administration	\$0	\$0
4652	Economic Development	\$0	\$0
4659	Other Economic Development	\$353,500	\$353,500
Economic Development Subtotal		\$353,500	\$353,500
Debt Service			
4711	Principal - Long-Term Bonds/Notes	\$1,284,656	\$1,284,656
<i>DRA Notes: MC: = LTD Schedule</i>			
4721	Interest - Long-Term Bonds/Notes	\$523,316	\$601,187
4723	Interest on Revenue Anticipation Notes	\$0	\$0
4750	Fiscal Agents' Fees	\$0	\$0
4760	Bond Issuance Costs	\$0	\$0
4790	Other Debt Service Charges	\$55,000	\$0
Debt Service Subtotal		\$1,862,972	\$1,885,843
Intergovernmental Transfers			
4800	Intergovernmental Transfers	\$1,314,720	\$116,511
Intergovernmental Transfers Subtotal		\$1,314,720	\$116,511
Capital Outlay			
4901	Land and Improvements	\$0	\$0
4902	Machinery, Vehicles, and Equipment	\$409,564	\$554,848
4903	Buildings	\$0	\$0
4904	Improvements other than Buildings	\$0	\$0
Capital Outlay Subtotal		\$409,564	\$554,848
Depreciation Expense			
4905	Depreciation	\$0	\$0
4906	Amortization	\$0	\$0
Depreciation Expense Subtotal		\$0	\$0



General Fund Expenditures: Modified Accrual

Account	Purpose	Voted Appropriations	Actual Expenditures
Interfund Operating Transfers			
4911	Transfers to General Fund	\$0	\$0
4912	Transfers to Special Revenue Fund	\$0	\$0
4913	Transfers to Capital Projects Fund	\$0	\$0
4914	Transfers to Proprietary Fund	\$0	\$0
4915	Transfers to Capital Reserve Fund	\$0	\$0
4916	Transfers to Trust and Fiduciary Funds	\$0	\$0
Interfund Operating Transfers Subtotal		\$0	\$0
Less Proprietary/Special Funds		\$0	\$0
Total General Fund Expenditures		\$33,200,000	\$30,912,778



General Fund Revenues: Modified Accrual

Account	Source of Revenues	Estimated Revenues	Actual Revenues
Assessments/Taxes			
3110	Property Taxes (Unincorp. Places)	\$0	\$16,521,886
3111	Municipal Assessment	\$0	\$0
3120	Land Use Change Taxes (Unincorp. Places)	\$0	\$0
3180	Resident Taxes (Unincorp. Places)	\$0	\$0
3185	Yield Taxes (Unincorp. Places)	\$0	\$0
3186	Payments in Lieu of Taxes (Unincorp. Places)	\$0	\$0
3187	Payments in Lieu of Taxes	\$0	\$0
3189	Other Taxes	\$0	\$0
3190	Interest and Penalties on Delinquent Taxes (Uninco	\$0	\$0
3191	Penalties on Delinquent Municipal Assessments	\$0	\$0
3200	Licenses, Permits, and Fees	\$0	\$0
Assessments/Taxes Subtotal		\$0	\$16,521,886
Licenses, Permits, and Fees			
3220	Motor Vehicle Fees (Unincorp. Places)	\$0	\$0
3230	Building Permits (Unincorp. Places)	\$0	\$0
3290	Other Licenses, Permits, and Fees	\$0	\$0
Licenses, Permits, and Fees Subtotal		\$0	\$0
From the Federal Government			
3319	Federal Grants and Reimbursements	\$1,296,644	\$116,511
From the Federal Government Subtotal		\$1,296,644	\$116,511
From the State of New Hampshire			
3351	Shared Revenue - Block Grant (Unincorp. Places)	\$0	\$0
3352	Incentive Funds	\$0	\$0
3354	Water Pollution Grants	\$0	\$0
3355	Housing and Community Development	\$0	\$0
3356	State/Federal Forest Land Reimbursements (Unincorp	\$0	\$0
3359	Other State Grants and Reimbursements	\$0	\$0
From the State of New Hampshire Subtotal		\$0	\$0
Revenue from Other Governments			
3379	Intergovernmental Revenues	\$0	\$0
Revenue from Other Governments Subtotal		\$0	\$0



General Fund Revenues: Modified Accrual

Account	Source of Revenues	Estimated Revenues	Actual Revenues
Charges for Services			
3401	Sheriff's Department	\$338,060	\$348,923
3402	Register of Deeds	\$915,170	\$1,006,841
3403	County Corrections	\$215,500	\$212,631
3404	County Nursing Homes	\$11,620,295	\$12,334,172
3405	County Farm	\$37,002	\$45,409
3406	Cooperative Extension Service	\$0	\$0
3407	Maintenance Department	\$0	\$0
3409	Other Charges	\$23,400	\$24,241
Charges for Services Subtotal		\$13,149,427	\$13,972,217
Miscellaneous Sources			
3501	Sale of County Property	\$6,000	\$0
3502	Interest on Investments	\$700	\$1,112
3503	Rents of Property	\$0	\$0
3504	Fines and Forfeits	\$0	\$0
3505	Escheats	\$0	\$0
3506	Insurance Dividends and Reimbursements	\$1	\$16,353
3508	Contributions and Donations	\$0	\$0
3509	Other Miscellaneous Sources	\$17,000	\$155,566
Miscellaneous Sources Subtotal		\$23,701	\$173,031
Other Financial Sources			
3911	Transfers from General Fund	\$0	\$0
3912	Transfers from Special Revenue Fund	\$0	\$0
3913	Transfers from Capital Projects Fund	\$0	\$0
3914	Transfers from Proprietary Funds	\$0	\$0
3915	Transfers from Capital Reserve Fund	\$0	\$0
3916	Transfers from Trust and Fiduciary Funds	\$0	\$0
3934	Proceeds from Long-Term Bonds/Notes	\$0	\$0
Other Financial Sources Subtotal		\$0	\$0
Less Proprietary/Special Funds		\$0	\$0
Municipal Property Taxes		\$16,521,886	
Total General Fund Revenues		\$30,991,658	\$30,783,645



Balance Sheet: Modified Accrual

Account	Description	Starting Balance	Ending Balance
Current Assets			
1010	Cash and Equivalents	\$7,759,729	\$8,030,428
1030	Investments	\$0	\$0
1080	Taxes Receivable (Unincorp. Places)	\$0	\$0
1081	Municipal Assessments Receivable	\$0	\$0
1110	Tax Liens Receivable (Unincorp. Places)	\$0	\$0
1150	Accounts Receivable	\$1,543,117	\$1,756,783
1260	Due from Other Governments	\$0	\$0
1310	Due from Other Funds	\$27,429	\$9,059
1400	Other Current Assets	\$0	\$0
1410	Inventory: Current Portion	\$96,419	\$84,524
1430	Prepaid Items	\$109,447	\$0
Current Assets Subtotal		\$9,536,141	\$9,880,794
Current Liabilities			
2020	Accounts Payable	\$1,672,137	\$2,145,923
2030	Compensated Absences Payable	\$0	\$0
2060	Contracts Payable	\$0	\$0
2070	Due to Other Governments	\$0	\$0
2080	Due to Other Funds	\$0	\$0
2090	Due to Others	\$0	\$0
2220	Deferred Revenues	\$0	\$0
2230	Notes Payable: Current	\$0	\$0
2250	Bonds Payable: Current	\$0	\$0
2260	Capital Leases Payable: Current	\$0	\$0
2270	Other Payables	\$33,434	\$33,434
Current Liabilities Subtotal		\$1,705,571	\$2,179,357
Fund Equity			
2440	Nonspendable Fund Balance	\$205,866	\$84,524
2450	Restricted Fund Balance	\$279,647	\$298,942
2460	Committed Fund Balance	\$0	\$0
2490	Assigned Fund Balance	\$2,626,530	\$2,754,835
2530	Unassigned Fund Balance	\$4,718,527	\$4,563,136
Fund Equity Subtotal		\$7,830,570	\$7,701,437

General Fund Balance Sheet Reconciliation

Total Revenues	\$30,783,645
Total Expenditures	\$30,912,778
Change	(\$129,133)
Ending Fund Equity	\$7,701,437
Beginning Fund Equity	\$7,830,570
Change	(\$129,133)



Long Term Debt

Description (Purpose)	Original Obligation	Annual Installment	Rate	Final Payment	Start of Year	Issued	Retired	End of Year
General Obligation Bond (Rural Development)								
	\$235,000	\$7,834	4.5%	2032	\$109,656	\$0	\$109,656	\$0
General Obligation Bond (Nursing Home Construction)								
	\$23,500,000	\$1,175,000	2.5-5%	2030	\$14,217,490	\$0	\$1,175,000	\$13,042,490
	\$23,735,000				\$14,327,146	\$0	\$1,284,656	\$13,042,490

TRANSFER INVESTIGATION COMMITTEE REPORT

The Carroll County Delegation has the authority, under NH RSA 24:17, to appoint a committee to “investigate conditions pertaining to the conduct of county affairs by any county officer or any person appointed or employed...”

At their September 14, 2020 meeting, in a 14-0 vote, the Delegation voted to form a committee to investigate the transfer of funds in the Commissioners’ budget not previously approved by the Delegation Executive Committee. Committee members were Representatives Ed Butler, Lino Avellani, Glenn Cordelli, William Marsh and Steve Woodcock.

On October 19, 2020, the committee unanimously approved the report detailing the settlement paid out to the former county administrator, the related line-item transfer, and the overpayment of the settlement, as prepared by CFO Fergus Cullen. The committee also agreed, as required in NH RSA 24:19, to publish the report as their findings, in full, in the 2020 annual report. The report, in its entirety, follows on the next 13 pages.

COUNTY OF CARROLL

Administration Building
P.O. Box 152, 95 Water Village Road
Ossipee, New Hampshire 03864-0152
603-539-2428 • Fax 603-539-4287



To: Delegation Transfer Investigation Committee
From: Fergus Cullen, CFO
Date: October 16, 2020
Re: Transfer Timeline

In considering the settlement and related line item transfers, it is important to remember the delegation and commissioners were trying to finalize the budget at precisely the moment when Covid hit. The county complex closed. Delegation meetings shifted to a then-new remote hybrid model with resulting communications challenges. It was a chaotic and uncertain time. And people acting in good faith made mistakes.

Jan 1, 2020: The county begins the new fiscal year with a budget based on a continuing resolution. The County Administrator (CA) was then in Year 2 of a 5-year contract extension signed in 2018. Money covering his salary, employer taxes, and retirement costs was built into the initial budget prepared by the CA for the commissioners' proposed budget totaling \$153,453. Health insurance expenses were also included in a separate line item.

Jan 15: The Commissioners terminate the CA. Negotiations ensue. Official departure date later established as Feb 1. The CA continued to receive regular pay through the end of January.

Jan 21: The CA files a wage claim with the state Dept of Labor seeking \$23,405 in payment for earned vacation, personal and sick paid time off (PTO) benefits as required by law.

Feb 6: County issues a manual check to the CA for PTO due. Gross amount \$23,589.77 subject to withholding; net pay \$19,395.05. Labor claim is later withdrawn.

March 3: Both parties sign a settlement agreement. Under its terms, the CA will be paid 4 weeks salary for lost wages for the month of February (\$9,284.15 subject to taxes and retirement) and a year's salary (\$120,694 subject to taxes but not retirement) payable with 60 days. In addition, the CA's health insurance coverage continued on a shared-cost basis (80% employer, 20% employee) for up to a year or until the CA obtained other health insurance coverage. The salary-driven cost of the settlement was \$140,958.

March 27: County pays CA wages for 4 weeks at \$2,321.03 (4/52 of annual rate) or \$9,284.12, covering February. Check issued as part of a regular payroll run, subject to withholding including health insurance premiums covering March. Retirement also paid.

April 10: County pays CA wages for 1 month at \$10,057.83 (1/12 of annual rate), covering March. Check issued as part of regular payroll run, subject to withholding, this time not including health insurance premiums.

May 8: County makes final lump sum payment to CA through payroll, subject to withholding. The amount paid was \$119,636.17. (See Item D, below.)

ITEM A: Errors were made in calculating the Administrative Salaries line included in original Commissioners' Proposed Budget

1. CA's base salary appears to have been calculated in error. His contract provided for a 2% raise effective June 1 each year. CA's salary on Jan 1, 2020 should have been:

$$\$118,327 \times 1.02 = \$120,693.54$$

That was the salary figure used in his eventual settlement. But, in his spreadsheet, he listed it as \$120,931 (a difference of +\$237.46)

2. CA's raise for 2020 appears to have been calculated in error. His raise for 2020 should have been 2%, after June 1:

$$\$120,693.54 \times 1.02 = \$123,107.411 \text{ (an increase of \$2,413.87).}$$

Taking 7/12ths of that for 7 months, the raise amount included in the budget for 2020 should have been

$$\$2,413.87 \times 7/12 = \$1,408.09$$

The amount he did include was \$2,419 – which was 2% of what he had calculated for his base salary:

$$\$120,931 \times .02 = \$2,418.62$$

That should have been for 7 months, not the full year, but he included it for the full year.

3. The Total Wages column was calculated in error due to a formula error in the spreadsheet. It includes the figures listed in Column 7 (adjusted wages after a 60 cent pay raise). It wasn't a big mistake – it totaled \$173.08 – but it threw off later calculations a little and is an example of how small errors compounded.
4. Employer taxes appear to have been calculated in error. In the delegation meeting March 16, there was confusion about whether commissioners' salaries (and related taxes) were included, excluded, or double-counted. For purposes of calculating payroll taxes (SS = 6.2% and Medicare = 1.45%), overtime and commissioners' salaries appear to have been excluded. This error appears to have been carried over into the commissioners' proposed budget.

Note: For purposes of this discussion, I am not including state unemployment tax (2.7% on \$14,000, or \$378), worker's comp, and disability coverage.

2020	1-1-95-0-10	Rate	Hours	Wages	Shift	Total	FICA	Medicare	Retirement	Unemployment
County Administrator	0	58.14	40	\$ 120,931.00	0	\$2,419.00	\$7,651.38	\$1,789.44	\$13,821.84	\$220.00
Admin. Asst.	0	18.00	40	\$ 37,440.00	0	\$936.00	\$2,380.47	\$556.72	\$4,300.20	\$220.00
Finance Director	0	39.35	20	\$ 40,924.00	0	\$468.00	\$2,568.78	\$600.76	\$4,640.38	\$220.00
Payroll	0	24.00	30	\$ 37,440.00	0	\$612.00	\$2,360.75	\$552.11	\$4,301.00	\$220.00
Bookkeeper	0	30.60	30	\$ 47,736.00	0	\$612.00	\$2,999.47	\$701.49	\$4,835.00	\$220.00
Recording Sec	67 mtg.	150.00	8	\$ 10,000.00	0	\$10,000.00	\$620.00	\$145.00	\$0.00	\$220.00
Commissioners				\$ 28,500.00		\$28,500.00	\$1,768.00	\$413.25	\$0.00	\$1,320.00
Subtotal				\$ 322,971.00		\$5,047.00	\$20,348.85	\$4,758.77	\$31,898.42	
Sick Time Buyout		Rate	Hours							
Administrator		\$ 59.33	96	\$ 5,696.00		\$5,696.00	\$354.00	\$83.00	\$649.00	
Controller		\$ 39.95	96	\$ 3,836.00		\$3,836.00	\$238.00	\$56.00	\$434.00	
						Total	\$9,532.00	\$139.00	\$1,083.00	
							\$20,940.85	\$4,897.77	\$32,981.42	



A-4

\$153,453

B

\$146,671

A-3

A-1

A-2

NOT INC

\$6,782

WHAT ADMIN SALARIES SHOULD HAVE BEEN IN PROPOSED BUDGET:									
					\$ 6*.75				
Position	Wages				Raises	Total	6.20% FICA	1.45% Medicare	11.17% Retirement
Overtime	1,000					1,000	62	15	
County Administrator	120,694				1,408	122,102	7,570	1,770	13,639
Admin Asst (Laura)	37,440				936	38,376	2,379	556	4,287
Finance Dir (Kathy) 50%	40,924				468	41,392	2,566	600	4,623
Payroll (Ruby) (75%)	37,440				612	38,052	2,359	552	4,250
Bookkeeper (Cheryl) (75%)	47,736				612	48,348	2,998	701	5,400
Recording Sec (Mellisa)	10,000					10,000	620	145	1,117
Commissioners	28,500						1,767	413	0
PTO buy out	9,532					9,532	591	138	1,065
TOTALS:	333,266					308,802	20,913	4,891	34,381

ITEM B: Whether the amount was calculated correctly or not, the commissioners’ proposed budget did include some \$153,453 in funds to support the salary-driven CA position in 2020.

Salary lines:	\$146,671	salary, payroll taxes, retirement
Buyout lines:	<u>\$ 6,782</u>	
	\$153,453	

The employer portion of 12 months of health care insurance premiums were included elsewhere.
This amount totaled:

$\$577.84 \times 52 = \$30,048$

Of this, approximately \$20,132 was ultimately expended (8 months), meaning the county ultimately “saved” about \$9,916 on budgeted health insurance costs.

ITEM C: Different people may hold different opinions about what should be included in the cost of the settlement. Is it the salary-driven costs only (salary, payroll taxes, retirement), or all costs associated with the separation (Paid Time Off (PTO) time, health insurance premiums)?

1. The delegation moved \$140,959 to settlements. This covered the salary-driven portion of the settlement.
2. This left out the PTO payment of \$23,590 and associated taxes – an amount that was largely unbudgeted. *This is a big part of why the admin salaries line item is trending over-budget and will require a line item transfer.*

\$25,394 actual cost - \$6,782 budgeted cost = \$18,612 deficit

3. The delegation's intent may have been to separate out the entire cost of the separation (\$182,543 including PTO pay and actual health insurance premiums, but excluding legal fees).
4. Or it may have intended to reflect the total cost of the position for the year (\$218,528, which includes 14 months of pay, including January as well as the 13 months covered by the settlement.
5. Note that this analysis has not looked at the other settlement also reflected in the amended budget. The delegation may decide the settlement line item should be adjusted again via another line item transfer.

SETTLEMENT EXPENSE, ALL-IN SEPARATION EXPENSE, & TOTAL POSITION COST									
Date		Gross	FICA	Medicare	Retirement	LABOR SUBTOTAL	Health Ins	TOTAL	
3/27/2020	Settlement: Feb wages	9,284.12	575.62	134.62	1,037.04				
4/10/2020	Settlement: Mar wages	10,057.83	623.59	145.84	0.00				
5/8/2020	Settlement: 11 mos wages	110,636.17	6,859.44	1,604.22	0.00				
	SETTLEMENT SUBTOTAL:	129,978.12	8,058.64	1,884.68	1,037.04	140,958.48			
2/6/2020	PTO buyout	23,589.77	1,462.57	342.05	0.00	25,394.39			
Feb-Aug	Settlement: Health Ins Premiums: 7 months						16,190.16		
	Legal expenses (about \$4,500; excluded)								
	SEPARATION SUBTOTAL:	153,567.89	9,521.21	2,226.73	1,037.04		16,190.16	182,543.03	
January	Wages for month of Jan	13,926.18	863.42	201.93	1,555.55	16,547.09	2,891.20		
	TOTAL POSITION COST, 2020:	167,494.07	10,384.63	2,428.66	2,592.59	16,547.09	19,081.36	218,528.40	
	refund	-9,000.00	0.00	-130.50	0.00				

(P)

ITEM D: The CA was overpaid \$9,000 in the settlement. This appears to be the result of a simple clerical error, a typo hitting “9” instead of “0” in an email.

The final payment to the CA should have been \$110,636.17 (\$120,694 full amount - \$10,057.83 March portion already paid). However, due to a typo error discovered as a result of this inquiry, the amount actually paid was \$119,636.17.

Notified of this error last week, the CA acknowledged the error made in his favor. He agreed to pay this money back and has made a first installment payment of \$3,000.

The county will receive \$7,888.16 from the former CA, \$1,111.84 in income tax withholding, and about \$131.51 in Medicare payments. There was no additional FICA on this marginal \$9,000 due to income limits.

10/09/2020

Carroll County Commissioners
Water Village Road
Ossipee, NH 03856

RE: Overpayment of Settlement

Dear Commissioners,

It has recently come to my attention that an error occurred in the processing of my settlement payment approximately 5 months ago and I am writing to inform you of my intention on the repayment of that excess overpayment. This money should have never been sent to me, although it was in error, it must be paid back as soon as possible.

This occurred due to human error in the Finance Office. My settlement payment was handled through the payroll process and was direct deposited into my checking account (I did not receive a check) and since I had no access to the Checkmate Payroll system, I had no way of knowing what was taken out for taxes, what the gross amount was and therefore just a net amount was the only known factor. As you may know, when an employee has direct deposit, they must personally log into the Checkmate system to retrieve their pay stub. Because I was locked out of the entire system, I had to rely on Carroll County inputting the correct amount, and deducting the correct amount as well. Please let me again say, I am not casting blame on anyone at the County for this. It was a human error plain and simple.

Because five months or so have gone by and this will now put undue stress on my financial situation, I am proposing to refund the County the \$9,000.00 in three installments. Beginning on October 10th 2020, I will hand Commissioner Dave Babson a payment of \$3,000.00 via a personnel check. On November 20th a check will be mailed to the County in the amount of \$3,000.00 and on December 18th 2020, the final check for the remaining \$3,000.00 shall be mailed to the County and at that time I hope a correction to my W-2 is made prior to the end of year to rectify the excess overage of the \$9,000.00.

Sincerely,

Ken Robichaud

ITEM E: After adjusting the admin salaries line to reflect the departure of the CA, the Executive Coordinator position needed to be added. In the March rush, this may not have been accounted for accurately as adjustments were made on the fly.

The wages line, for example, is listed at \$221,144. It should be \$231,700, a difference of \$10,556.

Related lines (SS, Medicare, retirement) are also off. One or more line item transfers may be needed to balance these lines.

ADJUSTED ADMIN SALARIES BUDGET - REMOVE CA, ADD EXEC COORD									
Position	Wages			\$.6* .75		Total	6.20% FICA	1.45% Medicare	11.17% Retirement
Overtime	1,000					1,000	62	15	
County Administrator	0			0		0	0	0	0
Admin Asst (Laura)	37,440			936		38,376	2,379	556	4,287
Finance Dir (Kathy) 50%	40,924			468		41,392	2,566	600	4,623
Payroll (Ruby) (75%)	37,440			612		38,052	2,359	552	4,250
Bookkeeper (Cheryl) (75%)	47,736			612		48,348	2,998	701	5,400
Recording Sec (Mellisa)	10,000					10,000	620	145	1,117
Exec Coordinator (Mellisa)	45,000					45,000	2,790	653	5,027
Commissioners	28,500						1,767	413	0
PTO buy out	4,564					9,532	591	138	1,065
TOTALS:	252,604					231,700	16,132	3,773	25,769

(F)

ITEM F: The process by which the payments were made – running them through payroll first, then making journal entries to move the money into the settlement line – was done correctly.

In the March 16 delegation meeting, the Finance Director informed the delegation that settlement payments would need to be run through payroll for purposes of taxes and withholding, and so that end-of-year W2s would be accurate. This is correct. Journal entries were then made to show the money in the settlement line.

Mistakes were made by people acting in good faith during a difficult time. In my opinion, this was an accounting action fulfilling the delegation's intent to break out settlement expenses, not a line item transfer requiring action by the delegation.

That said, given that this involved a six-figure payout to a high profile employee, it is clear in hindsight that it would have been best to take extra steps to make sure members of the delegation were aware of every step in the process.

Fund & Account	Account Description	ACTUAL 12/31/2019	2019 BUDGET	2020 Proposed	settlement adj	REVISED by settlement only	ADD Coord. - 9 mo of \$55k	Revised Proposed 2020	Per Rep. Marsh email	diff	Revised as Voted 03/16/20
100.4100.005	OVERTIME-BUSINESS OFFICE	751.13	1,000.00	1,000.00	.00	1,000.00	.00	1,000.00			1,000.00
100.4100.007	ADMINISTRATIVE SALARIES	301,727.56	334,942.34	309,872.00	-129,978.12	179,893.88	41,250.00	221,144.00	262,031.00	(47,841.00)	262,031.00
100.4100.009	COMMISSIONERS SALARY	28,500.00	28,500.00	28,500.00	.00	28,500.00	.00	28,500.00			28,500.00
100.4100.010	SOCIAL SECURITY	18,954.87	20,406.00	18,968.00	-8,058.62	10,909.38	2,557.50	13,467.00	21,864.00	2,896.00	21,864.00
100.4100.012	MEDICAL INSURANCE	592,252.53	633,752.00	.00	.00	.00	.00	.00			-
100.4100.013	RETIREMENT EXPENSE	32,479.20	35,621.00	30,318.00	-1,037.04	29,280.96	4,607.63	33,889.00	24,943.50	(5,374.50)	24,943.50
100.4100.016	DENTAL INSURANCE	9,803.66	9,803.66	.00	.00	.00	.00	.00			-
100.4100.017	EDUCATION & CONFERENCES	2,665.56	2,670.00	3,000.00	.00	3,000.00	.00	3,000.00			3,000.00
100.4100.018	MEDICARE EXPENSE	4,432.98	4,921.00	4,463.00	-1,884.68	2,578.32	598.13	3,177.00	3,769.50	(693.50)	3,769.50
100.4100.029	OTHER FEES & SERVICES	.00	.00	.00	.00	.00	.00	.00			-
100.4100.036	OFFICE SUPPLIES	3,451.16	3,800.00	3,500.00	.00	3,500.00	.00	3,500.00			3,500.00
100.4100.037	DUES/LICENSES/SUBSCRIPTIONS	8,756.00	8,915.00	8,900.00	.00	8,900.00	.00	8,900.00			8,900.00
100.4100.038	POSTAGE	1,750.95	1,900.00	1,900.00	.00	1,900.00	.00	1,900.00			1,900.00
100.4100.067	ADVERTISING	5,212.98	5,500.00	500.00	.00	500.00	.00	500.00			500.00
100.4100.068	TELEPHONE	2,004.81	2,575.00	2,575.00	.00	2,575.00	.00	2,575.00			2,575.00
100.4100.069	ANNUAL REPORTS	722.68	750.00	300.00	.00	300.00	.00	300.00			300.00
100.4100.070	TRAVEL EXPENSE	5,260.10	5,300.00	5,000.00	.00	5,000.00	.00	5,000.00			5,000.00
100.4100.085	OSSIPEE TOWN TAXES	6,272.53	6,750.00	7,500.00	.00	7,500.00	.00	7,500.00			7,500.00
100.4100.088	PHOTO COPIER EXPENSE	4,328.82	4,330.00	4,500.00	.00	4,500.00	.00	4,500.00			4,500.00
100.4100.095	SETTLEMENTS	.00	.00	.00	.00	140,958.46	.00	140,959.00	173,000.00	173,000.00	173,000.00
100.4100.097	NEW EQUIPMENT	1,678.27	2,200.00	700.00	.00	700.00	.00	700.00			700.00
TOTAL 4100 COMMISSIONERS		1,031,005.79	1,113,636.00	431,496.00	.00	431,496.00	49,013.25	480,511.00	553,483.00	121,987.00	553,483.00

diff 553,483 -
431,496

Total 9-mo
Coord

total of changes

121,987.00

should be req.

pay Settlement

annual

Total

129,978.12

8,058.62

1,037.04

1,884.68

140,958.46 Settlement payout amount

129,927.06

29,133.00

418.00

452.82

31,898.72 Needs to stay in the budget

172,857.18

173,000.00

142.82

Subsequent Entries to move payroll to Settlement:

APPROVED 2020 Budget	as above	Batch 860 03/31/20 JE	Batch 914 05/31/20 JE	Total moved to Settlements
ADMINISTRATIVE SALARIES	221,144.00	-10,057.83	-119,920.29	-129,978.12
SOCIAL SECURITY	13,467.00	-587.73	-7,470.89	-8,058.62
RETIREMENT EXPENSE	33,889.00		-1,037.04	-1,037.04
MEDICARE EXPENSE	3,177.00	-137.45	-1,747.23	-1,884.68
SETTLEMENTS	140,959.00	10,783.01	130,175.45	140,958.46

.00

2020 DELEGATION MEETING MINUTES

January 27, 2020 9:30 a.m.

Representatives Present:

Chairman Edith DesMarais Vice-Chair Susan Ticehurst Clerk Lino Avellani
Ed Butler Tom Buco Anita Burroughs
Ed Comeau Glenn Cordelli Jerry Knirk
John MacDonald William Marsh Bill Nelson
Steve Woodcock

Representatives Absent: Karel Crawford, Harrison Kanzler

Minutes Prepared by: Mellisa Seamans

Commissioners Present: Amanda Bevard, Terry McCarthy, David Babson

Others Present: Treasurer Joe Costello, Finance Director Kathryn Armstrong, MVC Administrator Howard Chandler, CCHOC Superintendent Jason Henry, Director of Maintenance Bob Murray, Sheriff Domenic Richardi, Daymond Steer (Conway Daily Sun)

Pledge of Allegiance

Public Comment

William Marsh, Brookfield, entered a statement into the public record regarding the need to investigate a list of credit card transactions.

Approval of Meeting Minutes

MOTION: "To approve the December 13, 2019 meeting minutes" by Rep. Avellani, 2nd Rep. Marsh. Passed by voice vote.

IDN Update/Presentation – Henry Lipman, NH DHHS

In 2016, the state applied for a waiver from the federal government to be able to draw down additional matching funds to support physical health, behavioral health and substance use disorder treatment and try to make those things work better together and to add treatment capacity, introduce demonstration practices and certain technology structure to improve communication and therefore treatment and cost management. Waiver approved through state legislature process and ends December 31, 2020 to allow the state to draw an additional \$30 million per year. Carroll County contributed \$81,443 in 2019 for 2018. Through negotiations with NH Association of Counties, the agreed upon formula for the 2019 and 2020 ask is to have counties contribute based on per capita Medicaid beneficiaries in each county. Carroll County is asked to contribute 81% of \$428,994 (\$345,000 to \$347,000).

Finance Office Update

Ms. Armstrong noted there is not much to report; Avenu has the data and it will take about a month to convert the county's data and then update to the current software version. Rep. Cordelli noted he sent a letter the commissioners and asked that points from the letter be entered into the record.

1. Timeline for migration and module implementation.
2. Who is responsible for testing and validating the migration signing off on the transition?
3. Is two-hour training from vendor sufficient? Who will train the department heads?
4. Implementation team be formed
5. Flowchart of current purchasing workflow and then a workflow for the purchasing system after implementation of this module

Treasurer Costello said albeit slow, there is progress. He noted that Scott Egan of Plodzick and Sanderson (hired as a finance consultant by the commissioners) has suggested an implementation team be in place during the software transition. Rep. Cordelli suggested that county department staff be involved in this team. Rep. Avellani said it would be helpful to bring in consultants/temporary staff to assist with the transition. Rep. Comeau urged the commissioners to put together a transition team. Treasurer Costello said this needs a project manager to oversee the whole process. Commissioner Bevard said the software is the same, just a newer version, and Ms. Armstrong has been working with it. Ms. Armstrong said the software is not changing, just being upgraded to the current version and with new modules.

Tax Anticipation Note – Treasurer Joe Costello

MOTION: "To authorize the county treasurer to borrow up to \$17 million dollars in anticipation of taxes in 2020" by Rep. Avellani, 2nd Rep. Marsh. Passed on a roll call vote 13-0.

Rules of Evidence and Procedure – Personnel Committee

The final draft of the Rules was distributed to the delegation and commissioners. Rep. Butler said he is baffled that counties are left on their own to develop this process and there is no standard statewide. Rep. Woodcock pointed out the need to add that the process is not only for appeal of suspension but also discharge.

Rep. Ticehurst said she objects strongly to the rules, they are incomplete and do not lay out a good structure to ensure the process is documented from beginning to end.

Rep. Knirk exited the meeting at 11:05 a.m.

Non-Public Session (11:12 a.m. – 11:51 a.m.)

MOTION: “To enter into non-public session under RSA 91-A:3, II(c) Matters which, if discussed in public, would likely affect adversely the reputation of any person, other than a member of the public body itself, unless such person requests an open meeting. This exemption shall extend to any application for assistance or tax abatement or waiver of a fee, fine, or other levy, if based on inability to pay or poverty of the applicant” Passed on roll call vote 11-0.

MOTION: “To seal the minutes of the non-public session for 12 months” by Avellani, 2nd Comeau. Passed on roll call vote 11-0.

MOTION: “Since RSA 91-A:7 gives the superior court jurisdiction over violation of RSA 91-a, and since RSA 24:17 in no way supersedes RSA 91-A:7, we find this body has no authority to appoint an RSA 24:17 committee to investigate alleged violation of RSA 91-a, and we do not approve this request” by Rep. Marsh, 2nd Rep. Cordelli. Passed on roll call vote 11-0.

Subcommittee Reports

Ms. Seamans presented some updated figures for the subcommittee-recommended on the expenditure worksheet.

Rep. Butler reported that the MVC subcommittee has completed its review and MVC did an excellent job in keeping costs as controlled as possible. He reported that for the first time in several years MVC received a deficiency-free state survey, an incredible achievement. The delegation extends its appreciation to MVC staff.

Rep. Ticehurst reported Multi I subcommittee will be meeting this afternoon to meet with regional appropriations representatives who were unable to attend their first meeting.

Rep. Marsh reported Multi II has completed its work unless the committee wants to meet and reconsider the appropriation for the Integrated Delivery Network.

Rep. Cordelli said he submitted a list of questions in December 2019 that he will be revising and resending. He noted the human resource director has agreed to provide an organizational chart. In response to his question of when the 2019 books will close, Chm. Bevard said the commissioners anticipate this will occur mid-February.

Rep. Avellani asked that the payroll-related line-items are appropriately calculated across all departments prior to the budget approval meetings.

Public Comment

In response to a question from Mr. Steer, Chairman DesMarais stated that the county administrator has asked for a hearing regarding his release. The hearing is scheduled for February 24, 2020 at 10 a.m.

Meeting Adjourned 12:07 p.m.

February 21, 2020 9:30 a.m.

Representatives Present:

Chairman Edith DesMarais Vice-Chair Susan Ticehurst Clerk Lino Avellani

Glenn Cordelli Jerry Knirk John MacDonald

William Marsh Bill Nelson Steve Woodcock

Absent/Excused: Ed Comeau, Tom Buco, Anita Burroughs, Ed Butler, Karel Crawford, Harrison Kanzler

Minutes Prepared by: Mellisa Seamans

Commissioners Present: Amanda Bevard, David Babson

Others Present: Treasurer Joe Costello, Finance Director Kathryn Armstrong, MVC Administrator Howard Chandler, MVC Finance Director Paula Coates, CCHOC Superintendent Jason Henry, Director of Maintenance Bob Murray, Registrar Lisa Scott, Sheriff Domenic Richardi, UNH Cooperative Extension Field Specialist Claes Thelemarck

Pledge of Allegiance

Public Comment

None

Approval of Meeting Minutes

MOTION: “To approve the January 27, 2020 meeting minutes” Passed by voice vote.

Treasurer’s Report

Treasurer Costello was able to negotiate the preliminary TAN interest rate down to 1.99% for the taxable portion. Bank is awaiting cash flow projection from the county finance office to proceed. Costello said his recommendations are meant to be short-term, initially.

Ms. Armstrong anticipates the data conversion through Avenu to be complete the first week of March. Then testing the data will commence. The purchase order and accounts payable modules will then be gradually implemented, and staff trained in their use.

Commissioner Bevard said funding and lack of appropriate staffing have led to chaos in the past but she believes things are moving forward on a good path. Progress is being made, albeit slow. She suggested anyone who would like weekly updates on the Avenu progress to forward their email addresses to Ms. Armstrong. Treasurer Costello’s plan has not been discussed in a commissioner’s meeting but Commissioner Bevard is personally opposed and it is not appropriate, at this time, to introduce new software.

Review and Approval of 2020 County Budget

Ms. Armstrong said a “cash disbursements” program is used for writing checks to pay bills. When the accounts payable module is implemented, the books will “close” earlier. Rep. Ticehurst expressed concern about solely approving the bottom line of each department budget rather than approving line-by-line given the line-item transfer law.

Commissioners (100.4100.005-097)

Rep. Marsh (Multi II Subcommittee Chair) brought forward that the subcommittee vote on this budget may have been based on misinformation. At the January 13 subcommittee meeting, the county administrator said line-item 100.4100.029 (\$15,000) was proposed by the commissioners for the purpose of hiring consultants to complete a wage and compensation study if the human resources director does not have time to do it. Based on this, the subcommittee voted to move the \$15,000 to the human resource department budget. However, in review of the November 20, 2019 commissioner’s meeting video, their proposed \$15,000 in this line was actually for a “jail study” and there is no mention of hiring outside consultants for a wage study.

Rep. Knirk (Jail Subcommittee Chair) confirmed that a recommendation was forwarded to the commissioners asking for an appropriation in the 2020 budget for a jail study. The intent of the subcommittee is that a proactive study of the future needs of the jail be completed. Comm. Bevard confirmed it was the intent of the commissioners to have funding in this budget for a jail study. She further noted it was the commissioner’s understanding that the wage study would be done “in-house”.

MOTION: “To recommend the Commissioners budget (100.4100) at the subcommittee recommended amount of \$431,496” by Rep. Marsh, 2nd Rep. DesMarais. Failed on roll call 4-5 with Reps. Ticehurst. Rep. DesMarais referred the budget back to the Multi II subcommittee.

MOTION: “To amend and add \$100,000 to this budget for the creation of a chief financial officer position” by Rep. Cordelli, 2nd Rep. Marsh. [withdrawn]

MOTION: “To create a new budget section for new position of CFO with salary of \$100,000 with corresponding lines to be created.” by Rep. Cordelli, 2nd Rep. Nelson. Passed via roll call vote 5-4 with Reps. Marsh, Woodcock, MacDonald, Ticehurst opposed.

Comm. Bevard said the County already has a finance director and she would support another bookkeeper-level position. Rep. Marsh totally supports restructuring the finance office but does not agree with giving extra money that the commissioners can use for other purposes. Rep. Woodcock’s concern is that the commissioner’s job description for the position will be minimal and will not accede to the intent of this motion. Rep. Cordelli noted the commissioners would be violating state law if they used the separate appropriation for anything other than its intended use.

Ms. Armstrong calculated that if the total budget is passed as presented it will result in a 26.58% increase in the amount to be raised by taxes. If \$2,000,000 is used from surplus to reduce the tax impact, \$18,913,148 will need to be raised through taxation, a 14.47% increase over 2019.

Treasurer (100.4101.008-070)

MOTION: “To approve the treasurer budget and related line items as presented” by Rep. Marsh, 2nd Rep. Nelson. Passed on roll call vote 9-0.

Special Fees & Services (100.4102.001-103)

MOTION: “Change name of 100.4102.074 (County Funding-ProShare) to County Funding-IDN” passed on a voice vote.

MOTION: “Reduce line item 100.4102.076 (Inmate Medical Contingency Fund) to \$1” by Rep. MacDonald, 2nd Cordelli. Passed on rollcall vote 9-0.

MOTION: “To approve 4102 Special Fees and Services with related line-items at \$3,986,152” by Rep. Marsh, 2nd Rep. Nelson. Passed on roll call vote 9-0.

Rep. Knirk shared that NH RSA 24:13 allows the delegation to create a contingency fund for unanticipated expenses but the fund cannot exceed 1% of the prior year budget, exclusive of capital budget and debt retirement (approximately \$310,000). Currently, there is a \$650,000 contingency in the jail budget.

MOTION: “Be it resolved, it is the sense of the delegation that the commissioners should explore the issue of offering stipends in lieu of medical and dental insurance for all county employees as a potential savings, and report back to the delegation by March end 2020” by Rep. Cordelli, 2nd Rep. Marsh. Passed 8-1 with Ticehurst opposed.

The MVC union contract includes a provision that employees who opt out of the county health insurance and show proof of coverage elsewhere can receive \$30 per week.

Human Resources

MOTION: “To approve the Human Resource budget (\$186,669) and its related line-items” by Rep. Marsh, 2nd Rep. Cordelli. Passed roll call vote 8-0-1 with Rep. Knirk out of the room during this vote.

Commissioner Bevard noted she is in favor of keeping the \$15,000 for a wage and compensation study in this budget and believes the work will need to be done by a consultant.

UNH Cooperative Extension

MOTION: “To approve UNH Cooperative Extension budget at \$284,291” by Rep. Ticehurst, 2nd Rep. DesMarais. Passed 8-0 with Rep. Nelson absent from the vote.

Meeting Adjourned 12:10 p.m.

March 13, 2020 9:30 a.m.

Call to Order

Representative Bill Nelson called the meeting to order at 9:30 a.m. and then immediately recessed the meeting. The meeting reconvened at 1:15 p.m.

Representatives Present:

Chairman Edith DesMarais, Clerk Lino Avellani, Jerry Knirk, John MacDonald, Steve Woodcock, Ed Comeau

Tom Buco, Karel Crawford, Harrison Kanzler, Anita Burroughs, Ed Butler

Absent/Excused: Reps. Susan Ticehurst, Glenn Cordelli, Bill Nelson, William Marsh

Minutes Prepared by: Mellisa Seamans

Commissioners Present: Amanda Bevard, Terry McCarthy, David Babson

Others Present: Treasurer Joe Costello, Finance Director Kathryn Armstrong, MVC Administrator Howard Chandler, CCHOC Superintendent Jason Henry, Director of Maintenance Bob Murray, Registrar Lisa Scott, Sheriff Domenic Richardi, County Attorney Michaela Andruzzi, and members of the public

Pledge of Allegiance

Public Comment

Supt. Henry and Admin. Chandler announced actions taken in their respective facilities in response to the Covid-19 concern as they relate to visitors.

Approval of Meeting Minutes

MOTION: “To approve the February 21 meeting minutes” by Rep. Comeau, 2nd Rep. Avellani. Passed on voice vote.

Tax Anticipation Note – Treasurer Joe Costello

MOTION: “To authorize the county treasurer to borrow up to \$17 million dollars in anticipation of taxes in 2020” by Rep. Butler, 2nd Rep. Kanzler. Passed on a roll call vote 11-0.

This vote duplicates an action taken at the January 27, 2020 and was necessary as the first vote was not properly noticed.

Non-Public Session

MOTION: **"To enter into non-public session under RSA 91-A:3, II(c) Matters which, if discussed in public, would likely affect adversely the reputation of any person..."** by Rep. DesMarais, 2nd Rep. Comeau. Passed on roll call vote 11-0.

MOTION: **"To exit non-public session"** by Rep. Comeau, 2nd Rep. MacDonald. Passed roll call vote 10-1 with Rep. Woodcock opposed.

MOTION: **"To seal the minutes of the March 14, 2020 non-public session indefinitely"** by Rep. Comeau, 2nd Rep. Butler. Passed 10-1 on roll call vote with Rep. Woodcock opposed.

Review and Approval of 2020 County Budget

Rep. Knirk announced that \$450,000 in a contingency fund for an inmate's medical costs is no longer needed. Supt. Henry said the inmate will be moving to a new medication that the pharmaceutical company will provide at no cost. Supt. Henry announced appreciation to nursing director Lynn Sweeney for her work to achieve this savings.

MOTION: **"To add \$60,000 to 100.6100.076"** by Rep. Butler, 2nd Rep. Knirk. **Failed 4-7** on a roll call with Reps. Butler, Avellani, Crawford, Comeau, Knirk, Burroughs, MacDonald opposed.

MOTION: **"To recommend the jail budget (100.6100) of \$3,528,201 including all relevant line items as presented"** by Rep. Knirk, 2nd Rep. Kanzler. **Passed 7-4** on roll call vote with Avellani, Crawford, Comeau, and MacDonald opposed. Reps. Comeau and Avellani voted against due to process while Crawford and MacDonald voted against in the interest of cost-cutting.

There was discussion about the potential future value of a jail study but general opinion to not conduct it this year.

Lengthy discussion about the insurance and utility budget lines and difficulty of now tracking true cost of the jail. Dir. Murray agreed that creating the 'county facilities' budget will assist in better tracking the results of the Siemens energy project. The CBA for jail and sheriff/dispatch remain under negotiations.

MOTION: **"To approve the jail grants budget (200.6100) of \$53,302"** Passed unanimously on roll call.

MOTION: **"To approve the sheriff department (100.4140) budget and all related line items of \$1,674,308** by Knirk. **Passed** on roll call vote 11-0

MOTION: **"To approve the dispatch center (100.4142) budget and all related lines items of \$807,551"** Passed 11-0 by roll call vote.

MOTION: **"To approve the dispatch center grant (200.4142) at \$1,144,444"** by Rep. Knirk. **Passed** unanimously on roll call vote.

MOTION: **"To approve the sheriff department grant (200.4140) at \$23,148"** by Rep. Knirk, 2nd Rep. Woodcock. **Passed** unanimously on roll call vote.

MOTION: **"To approve the county attorney budget (100.4110) and all related line items at \$676,476"** by Rep. Bucu. **Passed** unanimously.

MOTION: **"To approve the victim services budget (100.4111) and all related items at \$91,269"** by Rep. Bucu. **Passed** unanimously.

MOTION: **"To approve the medical referee budget (100.4150) and all related line items at \$17,000"** by Rep. Bucu. **Passed** unanimously.

MOTION: **"To approve the domestic violence prosecutor budget (100.4112) and all related line items at \$120,122"** by Rep. Bucu. **WITHDRAWN**

MOTION: **"To table discussion on this budget"** by Rep. Butler. **Failed**

MOTION: **"To amend the domestic violence prosecutor budget of \$75,000 and all related line items to be calculated by the finance manager"** by Rep. Butler, 2nd Rep. Crawford. **Passed** unanimously.

Atty. Andruzzi spoke to the need for this position. County attorney offices handled federal cases. District court-level are misdemeanors are handled by police prosecutors. Most county attorney offices have incorporated domestic violence cases into their offices. Victims in the misdemeanor cases currently do not have access to as many services as felony-level victims do. The position is requested to better provide continuity in prosecution and in victim services.

MOTION: **"To approve the registry of deeds budget at \$792,086 and all related line items"** by Rep. Bucu, 2nd Rep. Comeau.

Registrar Scott explained her statutory obligation to preserve the records. The original long-term plan was to fund the 10-year plan at \$600,000 per year.

AMEND: "Reduce line 4120.039 to \$250,000" by Rep. Butler. Passed 10-2 with Reps. Kanzler and Woodcock opposed.

The amended total of \$667,086 passed 11-1 with Rep. Kanzler opposed.

MOTION: "To approve the nursing home budget at \$ 11,006,227.00 with all related line items" by Rep. Butler. Passed unanimously.

Admin. Chandler gave credit to the diligence of incredible supervisors who helped craft this near level-funded budget. Accomplishments this year included implementation of electronic medical records, reducing the expense of six travelling nurses by hiring staff, and the achievement of 5-star certification.

MOTION: "To approve the human services (BEAS) budget of \$5,246,712" by Rep. Butler. Passed 10-1 with Rep. Comeau opposed.

MOTION: "To approve the nursing home revenue of \$11,781,868" by Rep. Butler, 2nd Rep. Comeau. Passed unanimously.

Meeting recessed until Monday, March 16, 2020 at 10:15 a.m.

March 16, 2020 10:30 a.m.

Call to Order: 10:30 a.m.

Representatives Present:

Chairman Edith DesMarais, Vice-Chair Susan Ticehurst, Clerk Lino Avellani, Jerry Knirk, John MacDonald, Steve Woodcock, Ed Comeau, William Marsh, Tom Buco, Karel Crawford, Harrison Kanzler, Anita Burroughs, Ed Butler

Participating Remotely: Reps. Bill Nelson and Glenn Cordelli

Commissioners Present: Amanda Bevard

Review and Approval of 2020 Budget

MOTION: "To approve the commissioner's budget (100.4100) and all related line items at \$431,496" by Rep. Marsh. Failed 6-7 with Reps. Ticehurst, Avellani, Crawford, Nelson, Comeau, MacDonald and Woodcock opposed.

MOTION: "To approve administrative salaries (100.4100.007) at \$301,727.56 that was the actual spent in 2019" by Rep. MacDonald

Rep. Cordelli noted concern that the commissioners set the non-union 2020 wage increase at 60 cents per hour while two union contracts are under negotiation.

MOTION: "To table the discussion" by Rep. Knirk, 2nd Rep. Ticehurst. Passed 14-1 with Rep. MacDonald opposed.

MOTION: "To approve the administration building (100.4170) and all related line items at \$64,231" by Rep. Marsh, 2nd Rep. Kanzler. Passed 12-2 with Reps. Cordelli and Comeau opposed

MOTION: "To approve the DPW budget (100.4193) and all related line items at \$249,117" by Rep. Ticehurst, 2nd Rep. Comeau. Passed 13-1 with Rep. Cordelli opposed.

MOTION: "To approve the county facilities budget (100.4198) and all related line items at \$1,041,960" by Rep. Marsh, 2nd Rep. Kanzler. Passed 15-0.

MOTION: "To approve the interest expense budget (100.9100) and all related line items at \$657,414" by Rep. Marsh, 2nd Rep. Buco. Passed 15-0.

MOTION: "To approve the long-term debt budget (100.9160) and all related line items at \$1,377,566" by Rep. Marsh. Passed 15-0.

MOTION: "To approve the IT budget (100.8000) and all related line items at \$337,290" by Rep. Marsh
AMEND: "To increase by \$5,000 for a total of \$342,290" by Rep. Marsh. Passed 15-0

MOTION: "To approve the capital reserve budget (100.9285) for a total of \$150,000" by Rep. Marsh. Passed 15-0

MOTION: "To approve the county convention budget (100.9370) and all related line items at \$10,895" by Rep. Marsh. Passed 15-0

MOTION: "To approve the amended capital expenditure budget (100.9400) and all related line items at \$455,728" by Rep. Marsh. Passed 12-2-1 with Reps. Avellani and Nelson opposed, and Rep. Burroughs absent for the vote.

AMEND: "To remove the skid steer funding of \$58,000 from this budget" by Rep. Cordelli, 2nd Rep. Butler. Motion **failed** 3-12 with Reps. Avellani, Cordelli and Nelson in favor.

AMEND: "To reduce line 100.9400.094 by \$27,300 to \$95,053" by Rep. Crawford, 2nd Rep. Marsh. **Passed unanimously.**

Regional Appropriations

MOTION: "To approve \$150,000 for White Horse Addition Center" by Rep. Ticehurst. **Passed** unanimously.

AMEND: "To reduce the White Horse Addiction Center request to \$113,000" by Rep. MacDonald, 2nd Rep. Marsh. **Failed** 5-8 with Rep. Butler absent for the vote

MOTION: "To approve \$55,000 for Child Advocacy Center" by Rep. Ticehurst. **Passed** unanimously.

MOTION: "To approve \$75,000 for VNA & Hospice" by Rep. Ticehurst. **Passed** unanimously.

MOTION: "To approve \$70,000 for RSVP" by Rep. Ticehurst. **Passed** unanimously.

MOTION: "To approve \$44,805 for Carroll County Conservation District" by Rep. Ticehurst. **Passed** unanimously.

MOTION: "To approve \$5,000 for Mount Washington Valley Supports Recovery" by Rep. Ticehurst. **Passed** unanimously.

MOTION: "To approve \$4,000 for End 68 Hours of Hunger" by Rep. MacDonald, 2nd Rep. Comeau. **Passed** 12-1 with Rep. Cordelli opposed.

MOTION: "Appropriate \$403,805 for regional appropriations" by Rep. Ticehurst. **Passed** unanimously.

MOTION: "To approve the DV Prosecutor budget (100.4112) and all related line items at \$75,000" by Rep. Knirk. **Passed** with Reps. Ticehurst and Woodcock opposed.

MOTION: "To approve the CFO budget (100.4105) and all related line items at \$118,820" by Rep. Butler, 2nd Rep. Knirk. **WITHDRAWN**

Treas. Costello said the county needs an "accountant-type" position but not sure at the level of a CFO and that cross training is sorely missing. Ms. Armstrong said with full staff in place operations will improve if she can free herself up to do training. Rep. Knirk noted that the auditor recommends a CFO. Rep. Cordelli said the county was at full staff in 2014 and major problems were found with the performance audit and similar issues found in 2016 during the NH DRA audit of the financial operations. Rep. Buco continues to call for hiring a CFO as recommended by three studies in the past six years.

MOTION: "To reconsider the February 21, 2020 vote to approve the CFO budget" by Rep. Knirk, 2nd Rep. Comeau. **Passed** with Rep. Cordelli opposed.

MOTION: "To approve the CFO budget (100.4105) and all related line items at \$59,410, knowing that it does not include the healthcare costs" by Rep. Butler. **Passed** with Reps. Butler and Woodcock opposed.

Comm'r Bevard said a CFO was hired in response to the 2014 performance audit. On his departure, there were two full-time employees in the finance office and this continued for two years. The office is now staffed with three. She said things in the past two months have been clearer and more transparent. Rep. Comeau does not understand how, after everything that has happened in the past 10 years, anyone can be opposed to hiring a CFO. Rep. Butler noted that approval of the CFO position could allow for the commissioners to simply promote a current staff member into the position and not meet the expectations of the position that many on the delegation are hoping for. Rep. Avellani noted that the delegation does have the authority to defund the position in the future.

MOTION: "To reconsider Special Fees & Services (100.4102)" by Rep. Marsh. **Failed.**

The purpose of the reconsideration is account for medical insurance for the approved domestic violence prosecutor, paralegal and chief financial officer. It was generally agreed the line item does not need to be increased. Rep. Cordelli noted he still has not received request information regarding health insurance costs, performance evaluation process, and a countywide organizational chart.

MOTION: "To reconsider the County Auditor (100.4102.001) budget" by Rep. Cordelli. **Passed** 8-6 with Reps. Ticehurst, Butler, Burroughs, Knirk, Woodcock, and DesMarais opposed.

MOTION: "To add \$15,000 to 100.4102.001 for an audit of the jail and \$10,000 to 100.4102.001 for an audit of information technology" by Rep. Cordelli, 2nd Rep. Comeau.

AMEND: "To add 15,000 for a financial audit of the jail and \$10,000 for a forensic audit of information technology" by Rep. Ticehurst. **WITHDRAWN**

Rep. Cordelli noted earlier discussion about a list of purchases made by the jail, i.e., a \$900 rug. Rep. Cordelli said IT equipment is purchased by the IT contractor and then reimbursed by the county and an audit should be done to trace the trail of these purchases. Rep. Cordelli noted that a forensic audit is incorrect term because there is no wrongdoing alleged.

MOTION: “To divide the question” by Rep. Marsh, 2nd Rep. Butler. **Passed** unanimously.

MOTION: “To add \$15,000 to 100.4102.001 for an audit of the jail” by Rep. Cordelli. **Passed** 8-6 with Reps. Ticehurst, Buco, Knirk, Burroughs, Woodcock and DesMarais opposed.

MOTION: “To add \$10,000 to 100.4102.001 for an audit of IT” by Rep. Cordelli. **Failed** 6-8 with Reps. Ticehurst, Buco, Butler, Knirk, Marsh, Burroughs, Woodcock and DesMarais opposed.

MOTION: “To approve the Special Fees and Services (100.4102) budget and all related line items at \$4,001,152” by Rep. Cordelli, 2nd Rep. Marsh. **Passed** 13-1 with Rep. Ticehurst opposed.

MOTION: “Move \$173,000 for a settlement from administrative salaries (100.4100.007) and moved into a settlement account” by Rep. Woodcock, 2nd Rep. Butler. **WITHDRAWN**

MOTION: “Add a line item to 100.4100 for settlement of \$173,000 and amend the following line items: \$262,031 (100.4100.007); \$21,864 (100.4100.010); \$24,943.50 (100.4100.013); and \$3,769.50 (100.4100.018)” by Rep. Butler, 2nd Rep. Burroughs. **Passed** 13-1 with Rep. Woodcock opposed.

Meeting recessed until Thursday, March 19, 2020 at 9:00am.

March 19, 2020

10:00am

Representatives Present: Chairman Edith DesMarais, Clerk Lino Avellani, Jerry Knirk, John MacDonald, Steve Woodcock, Ed Comeau, Anita Burroughs, Ed Butler

Participating Remotely: Reps. Vice-Chair Susan Ticehurst, Karel Crawford, Tom Buco, William Marsh, Reps. Bill Nelson, Harrison Kanzler and Glenn Cordelli

Commissioners Present: Amanda Bevard, Terry McCarthy, David Babson (participating remotely)

Others Present: Dir. of Maintenance Bob Murray, CCHOC Supt. Jason Henry, DPW Dir. Will DeWitte, Registrar Lisa Scott, Sheriff Domenic Richardi

All votes during this meeting were taken via roll call*

Rep. Cordelli said he believes this to be an illegal meeting because the County website states the building is closed to the public.

Approval of Minutes

MOTION: “To approve the minutes of March 13” by Rep. Butler, 2nd Rep. Knirk. **Passed.**

MOTION: “To approve the minutes of March 16” by Rep. Butler, Rep. Woodcock. **Passed.**

2020 Budget Deliberations

MOTION: “To reconsider the commissioners’ budget (100.4100)” by Rep. Butler, 2nd Rep. Knirk **Passed** 15-0.

MOTION: “To recommend the commissioners’ budget (100.4100) at \$480,511” by Rep. Butler, 2nd Rep. Rep. Nelson. **Passed** 14-1 with Rep. Woodcock opposed.

The presented budget now includes a settlement line (100.4100.095) in the amount of \$140,959 to pay the expenses related to the departure of the former county administrator (salary, retirement, Medicare). The agreed settlement also includes that the County will pay the former administrator’s medical and dental insurance for up to one year. Those costs are budgeted in 100.4102. There is no current plan to fill that position. The commissioners have promoted the delegation coordinator/recording clerk to the temporary position of executive coordinator. They will use the next 90 days to determine a permanent solution.

MOTION: “To reconsider the chief financial officer position (100.4105)” by Rep. Knirk, 2nd Rep. Woodcock. **Failed 7-8** with Reps. Buco, Cordelli, Crawford, Nelson, Comeau, Marsh, Kanzler, MacDonald opposed.

MOTION: “To approve the sheriff’s department budget (100.4140) at \$1,676,518” by Rep. Knirk, 2nd Rep. Woodcock. **Passed** 13-1-1 with Rep. Cordelli opposed and Rep. Kanzler absent for the vote.

MOTION: "To approve the dispatch center budget (100.4142) at \$796,351" by Rep. Knirk, 2nd Rep. Woodcock. Passed 13-1-1 with Rep. Cordelli opposed and Rep. Kanzler absent for the vote.

The sheriff/dispatch and jail three-year contracts has been ratified by the unions. Rep. Cordelli objects to both. Because the delegation has not been given a copy of the draft contract, Rep. Avellani noted, in the past, the delegation was provided a one-page highlight of union contracts and budgetary impact.

MOTION: "To approve the sheriff's department income (100.4010.012)" by Rep. Knirk, 2nd Rep. Woodcock. Passed 14-0-1 with Rep. Kanzler absent for the vote.

MOTION: "To approve the sheriff's income (200.4010)" by Rep. Knirk, 2nd Rep. Woodcock. Passed 14-0-1 with Rep. Kanzler absent for the vote.

MOTION: "To approve registry of deeds income (100.4020)" by Rep. Bucu, 2nd Rep. Comeau. Passed 14-0-1 with Rep. Kanzler absent for the vote.

MOTION: "To approve jail income (100.6040) at \$206,500 with all related line items" by Rep. Knirk, 2nd Rep. Woodcock. Passed 9-5-1 with Reps. Avellani, Crawford, MacDonald, Marsh, and Nelson opposed and Rep. Kanzler absent for the vote.

Rep. Avellani questioned if it would be more cost effective to board Carroll County inmates elsewhere. Chmn. DesMarais remains in favor of doing a jail study as recommended by the subcommittee.

MOTION: "To approve farm income of \$33,502 and its related line items (100.7000)" by Rep. Knirk, 2nd Rep. Woodcock. Passed 9-5-1 with Reps. Avellani, Cordelli, Crawford, Nelson and Comeau opposed and Rep. Kanzler absent for the vote.

MOTION: "To approve the jail budget (100.6100) at \$3,569,613 including a change to line-item .009 to \$1,360,900 and a change to .013 to \$492,445" by Rep. Knirk, 2nd Rep. Butler.

MOTION: "To approve Jail & HOC Income (200.6040)" at \$53,300" by Rep. Butler, 2nd Rep. Woodcock. Passed 14-0-1 with Rep. Kanzler absent for the vote.

MOTION: "To approve Victim Witness Grant Funds (200.4000) at \$32,500" by Rep. Butler, 2nd rep. Woodcock. Passed 14-0-1 with Rep. Kanzler absent for the vote.

MOTION: "To increase MVC ProShare revenue (300.5000.044) of \$1,700,000" by Rep. Butler, 2nd Rep. Knirk. Passed 14-0-1 with Rep. Kanzler absent for the vote.

MOTION: "To approve MVC Nursing Home Income (300.5000) and all related line items at \$11,881,868" by Rep. Butler, 2nd Rep. Avellani. Passed 13-1-1 with Rep. Marsh opposed and Rep. Kanzler absent for the vote.

MOTION: "To reconsider the Registry of Deeds expenditure budget" by Rep. Ticehurst, 2nd Rep. Butler. Passed 8-7 with Reps. Avellani, Cordelli, Crawford, Nelson, Comeau, Marsh and MacDonald opposed.

MOTION: "To reduce the archival records line (100.4120.039) to \$100,000" by Rep. Ticehurst, 2nd Rep. Woodcock. Passed 8-7 with Reps. Avellani, Cordelli, Crawford, Nelson, Comeau, Marsh and MacDonald opposed.

MOTION: "To adopt the 2019 budget of \$33,200,000" by Rep. Cordelli, 2nd Rep. Marsh. Passed 8-7 with Reps. Avellani, Bucu, Butler, Knirk, Burroughs, Woodcock and DesMarais opposed.

Next Meeting March 24, 2020 at 10:00 a.m.

March 24, 2020 10:00 a.m.

Representatives Present: Chairman Edith DesMarais, Clerk Lino Avellani, Jerry Knirk, Harrison Kanzler, John MacDonald, Steve Woodcock, Ed Comeau

Participating Remotely: Reps. Vice-Chair Susan Ticehurst, Karel Crawford, Tom Bucu, William Marsh, Bill Nelson, Glenn Cordelli, Ed Butler, Anita Burroughs

Commissioners Present: Amanda Bevard, Terry McCarthy, David Babson (participating remotely)

Others Present: Dir. Of Maintenance Bob Murray, CCHOC Supt. Jason Henry, DPW Dir. Will DeWitte, Registrar Lisa Scott, Sheriff Domenic Richardi

All votes during this meeting were taken via roll call*

Approval of Minutes

The approval of March 19, 2020 minutes is on hold to allow members to offer corrections.

2020 Budget Deliberations

- MOTION:** **“To reconsider vote taken to set the budget at 2019 level”** by Rep. Kanzler, 2nd Rep. Butler. **Passed** 8-7 with Reps. Avellani, Cordelli, Crawford, Nelson, Comeau, Marsh, and MacDonald opposed. Rep. Kanzler apologized to Comm’r Bevard for his comments at the March 19 meeting and noted his math errors when speaking in support of a level-funded budget. Rep. Cordelli read into the record a statement from Republican members (attached). Rep. Knirk read into the record a statement from the Democrat members (attached).
- MOTION:** **“To adopt the 2019 budget of \$33,200,000”** by Rep. Cordelli, 2nd Rep. Marsh. **Failed** 7-8 with Reps. Ticehurst, Buco, Butler, Knirk, Burroughs, Kanzler, Woodcock and DesMarais opposed.
- MOTION:** **“To adopt the expenditures budget with all associated line items of \$34,699,964”** by Rep. Butler, 2nd Rep. Avellani. **Passed** 8-7 with Reps. Avellani, Cordelli, Crawford, Nelson, Comeau, Marsh, and MacDonald opposed.
- MOTION:** **“To adopt the revenues budget with all associated line items of \$14,654,741”** by Rep. Knirk, 2nd Rep. Butler. **Passed** 8-7 with Reps. Avellani, Cordelli, Crawford, Nelson, Comeau, Marsh, and MacDonald opposed.
- MOTION:** **“To use \$2,400,000 from surplus to reduce taxes”** by Rep. Butler, 2nd Rep. Woodcock. **Passed** 8-7 with Reps. Avellani, Cordelli, Crawford, Nelson, Comeau, Marsh, and MacDonald opposed.
- MOTION:** **“To approve \$17,645,223 to be raised by taxes”** by Rep. Butler, 2nd Rep. Knirk. **Passed** 8-7 with Reps. Avellani, Cordelli, Crawford, Nelson, Comeau, Marsh, and MacDonald opposed.
- MOTION:** **“To approve the 2020 County budget of \$34,699,964, including all expenditures and revenue as previously voted”** by Rep. Butler, 2nd Rep. Avellani. **Passed** 8-7 with Reps. Avellani, Cordelli, Crawford, Nelson, Comeau, Marsh, MacDonald opposed.
- MOTION:** **“To reduce the Hale’s Location Education line to \$70,000”** by Rep. Butler, 2nd Rep. Kanzler. **Passed** 14-1 with Rep. Nelson opposed.
- MOTION:** **“To approve the Hale’s Location budget as presented at \$232,977”** by DesMarais, 2nd Rep. Kanzler. **Passed** 14-1 with Rep. Nelson opposed.

March 24, 2020

Carroll County Budget Statement

Democrat Members of the County Delegation

The proposed Carroll County delegation budget for 2020, prior to the vote to revert to the 2019 budget, was a budget which would meet the needs of the county.

When nearing the end of the budget process, the coronavirus crisis arose. The delegation is concerned with its impact on our citizens. With the economic problems related to coronavirus, we recognize people will have difficulty paying bills, including taxes. Likewise, we recognize the service needs of people in our county will probably increase as well.

For example, with people confined to home in close quarters and under financial pressure, it is likely domestic violence will increase requiring more resources to deal with it, including the new domestic violence prosecutor.

Other services which will see increased need as we deal with the coronavirus crisis received increased funding in the proposed 2020 budget, including White Horse Addiction Center, RSVP, and End 68 Hours of Hunger. The state and the federal government are stepping up to increase spending to help people through this crisis and the county needs to do its part as well.

The proposed 2020 county budget, before reverting to the 2019 budget, was \$34,699,964, an increase of about 4.5% over last year’s budget. As with any large labor-intensive organization many of the costs are driven by needed personnel costs including medical insurance costs. Medical insurance costs for our employees comprises about 8.4% of our total budget and increased in the past year by 8.5%. They alone drove the budget up 0.7%. We also have to pay a state Bureau of Elderly and Adult Services assessment of \$5,246,712 which represents 15% of our budget and increased 4% from 2019, driving another 0.6% increase in the budget.

We also faced a unique cost in the first part of 2020. We had an inmate in the House of Corrections on a special medication which costs \$2250/day, costing the county a total of \$200,000, driving another 0.6% increase in the budget over 2019.

The total of these uncontrollable costs accounted for an increase of 1.9% of the budget from 2019. This is added to the rate of inflation of 2.3%.

The proposed 2020 budget would require an increase in the county tax rate but the effect will be small as the county tax rate is very low compared to the other property taxes.

As an example, Conway had a county tax rate of \$1.15 in 2019. Though the budget increase would be only 4.5%, the increase in county taxes to cover the proposed 2020 budget increase would be 6.8% of the county tax portion of the property tax, amounting to an increase of 8 cents per \$1000 valuation in Conway. This translates into an increase of \$16 on the median Conway house of \$200,000.

Creating the county budget is an enormous amount of work. We are confident that the budget we proposed addresses the needs of the county, while limiting the impact on our residents, especially in this time of crisis.

March 24, 2020

Carroll County Budget Statement

Republican members of the County Delegation

The County Delegation (State Representatives) have been working on the 2020 County budget for the past couple of months. We were presented with a draft budget from the County Commissioners and it is our job per NH statute to finalize a budget for the year before the end of March.

As we all know, in the midst of our budget process, the COVID-19 pandemic caused a health and economic crisis that has negatively affected our nation and the citizens of our county. We believe it is our responsibility to take that into account when finalizing the County budget. Raising taxes on our constituents now would just compound their problems in these uncertain times. We need to show that we understand and care by presenting a responsible budget.

On March 19th, we had a Delegation meeting (some joining remotely) to continue our work. During the meeting, the attention turned to the economic conditions impacting our citizens. It was at that point that we moved to pass a 2020 budget at the same spending level as the 2019 budget. That would mean no tax increase for county residents. It should also not present a hardship for the county as 2019 spending was 8% below the budget, almost \$2.5 million. After discussion, the Delegation voted on a bi-partisan basis with Rep. Kanzler (D) joining us for the 2020 budget at the 2019 level.

Today, March 24th, we met again to discuss any needed adjustments to individual department appropriations. We were surprised when a motion was made to reconsider the vote of the 19th. Basically, this was a motion for a “do over”. The Democrats discussed their concerns for our residents but then voted to reconsider the budget vote – a party line vote.

We believe that especially in these difficult times, the Delegation needs to present a responsible budget that does not add to the economic woes in Carroll County. The Democrat decision to overturn our bi-partisan vote of last week is nothing less than turning their backs on our residents in favor of more county spending and taxes.

Your Republican Delegation members will continue to work for a budget that does not dangerously reduce the county surplus or rainy day fund and, mostly importantly, does not burden citizens by increasing your taxes at a time when such an increase would cause hardship for citizens who could realistically be dealing with loss of wages, medical bills and long term effects of a very serious disruption of their lives.

July 27, 2020 10:00 a.m.

Representatives Present: Chairman Edith DesMarais, Clerk Lino Avellani, Ed Comeau, Glenn Cordelli, John MacDonald, Ed Butler

Representatives Absent: Harrison Kanzler

Participating Remotely: Reps. Vice-Chair Susan Ticehurst, Tom Buco, Bill Nelson, Anita Burroughs, Steve Woodcock, Jerry Knirk, Karel Crawford, William Marsh

Commissioners Present: Terry McCarthy, David Babson (participating remotely)

Others Present: Finance Director Kathryn Armstrong, Treasurer Joe Costello, Executive Coordinator Mellisa Seamans, Registrar Lisa Scott, MVC Administrator Howie Chandler, HR Director Christopher Heroux

Media & Public Present: Daymond Steer (Conway Daily Sun)

****All votes during this meeting were taken via roll call****

Public Hearing – Supplemental Appropriation

The public hearing was posted as follows at the County Administration Building and on the County website: Carroll County Delegation will meet Monday, July 27, 2020 at 10:00 a.m. at 95 Water Village Road, County Administration Building, 2nd Floor Meeting Room, Ossipee, New Hampshire to hold a public hearing on a supplemental appropriation related to Covid-19 expenses and revenue.

Approval of this supplemental appropriation will not affect the County tax apportionments to the towns in the calendar year 2020.

REVENUE:

Federal/State Grants	\$509,775.70
First Responder Stipend Program	\$125,538.37
Long-Term Care Stabilization Fund	\$379,050.00
TOTAL REVENUE	\$1,014,364.07

EXPENDITURE:

Federal/State Grants	\$136,372.67
First Responder Stipend Program	\$118,949.80
Long-Term Care Stabilization Fund	\$374,700.00
TOTAL EXPENDITURE	\$630,022.47

Following the public hearing, Carroll County Delegation will act on the approval of the supplemental appropriation. The Delegation will also consider and act on any other business brought properly before the meeting.

Lino Avellani, Clerk

Carroll County Delegation

Notice of the hearing was advertised in the Conway Daily Sun, mailed to all Carroll County Boards of Selectmen, mailed to each Carroll County State Representative and mailed to NH Secretary of State.

Chmn. DesMarais called the public hearing to order. A roll call attendance was taken. There was no public comment and Chmn. DesMarais closed the public hearing at 10:14 a.m.

Deliberation – Supplemental Appropriation

MOTION: “To receive \$1,189,364.07” by Rep. Avellani, 2nd Rep. Cordelli. Passed 13-1 with Rep. Ticehurst opposed.

The revenue will be distributed to the following line items:

200.4002.104	\$475,050
200.4002.105	\$118,949.80
200.4002.106	\$33,202.38
300.5000.049	\$562,161.89
	<u>\$1,189,364.07</u>

MOTION: “Create expense lines 100.4102.104 (\$475,050), 100.4102.105 (\$118,949.80), and 100.4102.106 (\$33,202.38)” by Rep. Avellani, 2nd Rep. Butler. Passed 14-0.

Treasurer’s Report – Joe Costello

Treas. Costello read into the record the disengagement letter received from the contracted auditing firm Melanson Heath. Treas. Costello presented a copy of the email he sent to Dir. Armstrong requesting information.

Avenu Finance Software Upgrade

Rep. Cordelli reiterated his concern that the commissioners have not assigned “seats” or an implementation team. Dir. Armstrong said the 11 seats were voted on by the commissioners last fall. Comm’r McCarthy said the commissioners are reviewing this. Of the 11 seats, nine are read-only to look up budget information. Dir. Armstrong has created a how-to manual for read-only. The ability to post is currently reserved for the finance director and bookkeeper. Reg. Scott reported that the Registry of Deeds is not included under the County IT contract or budget. She does not have access to the Avenu finance system because it needs to be set up as a standalone separate from the records management system. The Registry has its own in-house finance system that is then reconciled with the finance office. Rep. Avellani suggested the Registry should have a separate computer with Avenu access into which Reg. Scott could post her own expenses and revenue and save the step of having the finance office do the data entry.

2019 Financial Audit

Dir. Armstrong said there are constant interruptions that distract her from focusing on the 2019 audit. Rep. MacDonald asked if temporary help can be brought into the finance office. Chmn. DesMarais asked about the

consultant from Plodzik and Sanderson. Dir. Armstrong said he was not contracted to help but rather to see what the problems were. He only suggested she is a “firefighter” and that she needs to get more things filed. Dir. Armstrong said his contract was suspended because he is too busy.

Rep. Comeau asked if the books are closed for 2019. Dir. Armstrong said it depends on what is considered “closed”. Dir. Armstrong said the books are considered closed unless any other invoices come in that should be charged to 2019. Comm’r McCarthy reported the commissioners have approved the CFO job description and posting. Dir. Heroux reported the position is being advertised with the goal of expediting the process to hire a qualified person for the position.

Rep. Comeau asked that the Delegation be provided with an organizational chart.

The commissioners have approved a request for proposals for audit services and this request has been sent out to several auditing firms.

Dir. Armstrong reported she has uploaded lots of files to the auditing firm and she is not sure where the firm is at in completing the 2019 audit. She offered to ask the firm when they plan to do a site visit. Chmn. DesMarais was asked to contact the auditor.

Rep. Comeau gave a verbal right-to-know request. He would like all communication between the County business office and the auditor regarding the 2019 audit.

Annex Subcommittee

Chmn. DesMarais reported that the first meeting was held July 20 with several potential future uses of the building discussed including office space, housing, childcare, and charter school.

Financial Issues Statement – Rep. Cordelli

Rep. Cordelli read a statement and asked that it be entered into the record. (Attached)

Approval of Minutes

MOTION: “To approve the May 8 meeting minutes” by Rep. Comeau, 2nd Rep. Crawford. Passed 13-1 with Rep. Ticehurst opposed.

MOTION: “To approve the July 2 meeting minutes” by Rep. Avellani, 2nd Rep. Burroughs. Passed 12-1-1 with Rep. Ticehurst opposed and Rep. Crawford abstaining as she was not present July 2.

Other

Rep. Butler commended the MVC Administrator Chandler for the incredible work and communication he and his staff have provided throughout the Covid pandemic.

Rep. Comeau said one item left off the list of financial issues was the “dental for the dead” in which the County was paying dental benefits for people who had left county employ, including some who had passed away.

Financial Updates

Rep. Avellani asked if the Delegation can review the 2nd and 3rd quarter financials in October. Comm’r McCarthy agreed to convey this to the board of commissioners. Dir. Armstrong said it takes two weeks from months’ end for the department heads to provide her with journal entries and then she has to enter those into the system. Rep. Avellani suggested she delegate the data entry work. Dir. Armstrong said she is trying but finds the more she gives other people to do the more she finds problems that she then has to correct.

Representative Glenn Cordelli read the following statement into the record July 27, 2020:

County Financial Issues:

- There were 4 years prior to 2012 that no financial audits were performed in violation of state law.
- There were funds unaccounted for in the construction of the Mountain View Nursing Home. Somewhere between \$250,000 and over \$2 million in remaining construction bonds funds have never been identified. It is possible the funds were just transferred to the General Fund in violation of state law.
- 2014 and 2018 Performance Audits with ignored recommendations
- 2014 County ran deficit for the year
- 2015 DRA came in to set town tax rates due to lack of confidence in County financial numbers. This was probably the first time in state history that DRA has had to take that action.
- Bank reconciliations are not done on timely basis – possibly never have been but was mentioned in both performance audits and 2017 Financial Audit.

- In the past 3 years, the NH Department of Labor has had to conduct investigations at the County due to payroll and time issues.
- 2017 and 2018 financial audits not completed till Oct/Nov.
- Suit filed regarding late 2018 audit due to non-compliance with state law stating audit to be done within 90 days of close of books. County opposed the suit and purposely drove up the legal charges to over \$16,000 to try to embarrass the complainant. Commissioner Babson had a paragraph added to annual report naming the individual and amount spent.
- At the request of the Commissioners, the Delegation added a 3rd staff position to the Finance Office for the 2019 budget year. The hired staff person has never been trained in the financial system software.
- Commissioner Babson has proposed vote of Board of Commissioners on release of any requested Right to Know information in possible violation of state law.
- At the May 8th Delegation meeting, the Finance Director stated that she was working on getting items together for the audit but there was not timeline for the audit due to the County building being closed. Per meeting minutes.
- Per the July 2nd Delegation meeting minutes, the Finance Director stated that the first request for information from the auditor came at the end of May contradicting what we were told on May 8th. It was also stated in the minutes that Chairman DesMarais would contact the auditors about the delay. The Delegation has not received any information on that contact.
- A letter dated July 13th was received by the Commissioners from the financial auditor. It read in part “Due to the County’s lack of timeliness of the year end closing in 2019 and prior years, we have been unable to perform the annual audit as outlined included in the County’s RFP and our proposal for audit services for 2019-2021. As a result of the continued delays, it will be difficult to schedule the County’s 2019 audit in the coming months.” They went on to state “We ask that you refer your audit needs to another firm for the 2020 year.”
- At July 22nd Delegation meeting, it was learned that the books for 2019 still had not been closed. It is unknown if they have been closed since then.
- State law was changed to 120-day deadline for audits after the close of books. The 2019 financial audit has not even been started.
- There has been no action taken to determine the cause of the delays in the Finance Office or to take corrective action. It is unknown if the 2019 audit will be completed by the time town tax rates are set or work begins on the 2021 budget.
- At Commissioners meeting of July 22nd, the Financial Manager disclosed problems with the payroll system that were previously unknown to the Commissioners or Delegation.
- Also at the July 22nd meeting, the Commissioners approved a job description in the 2020 budget for the new position of Chief Financial Officer that had been budgeted by the Delegation over the objection of some Commissioners. The Commissioners approved a job description for this position that does not even require a college degree.
- Settlements to aggrieved former employees are common at the County. Thus far this year over \$300,000 of taxpayer funds have been paid to two former employees.
- At the July 1st Commissioners meeting, it was stated by the Finance Manager that the 4100 Salaries appropriation would be seriously negative at the end of the year. She went on to indicate that this will be caused primarily due to funds needed for the settlement agreed to with the former County Administrator. However, the budget has a separate appropriation of \$140,000 to cover that expense. According to information I have received from a 91a request, it would appear that significant funds have been moved from the salaries appropriation to the settlement account. Is this the case? Has there been such a transfer approved by the Delegation Executive Committee? Are the Commissioners interested in why the Finance Manager indicates the salaries line will be underfunded?
- The County has contracted for an upgrade of the financial system. For the first time in history, department heads might be given access to look at their own budgets rather than keeping their own set of books. The Commissioners, however, for 3 weeks have been discussing who is to have access. The upgrade is to also include purchasing and accounts payable modules. To date, the Commissioners and department heads have no idea as to the functionality of these modules and how implementation will impact operations. The Commissioners have ignored recommendations from the Delegation and Treasurer to form implementation committees.

- The Commissioners have done nothing to provide the Treasurer with access to the Finance Department despite repeated requests except tell him to write an email.

September 14, 2020 9:30 a.m.

Representatives Present: Chairman Edith DesMarais, Clerk Lino Avellani, Ed Comeau, Glenn Cordelli, John MacDonald, Ed Butler

Representatives Absent: Harrison Kanzler

Participating Remotely: Reps. Vice-Chair Susan Ticehurst, Tom Buco, Bill Nelson, Anita Burroughs, Steve Woodcock, Jerry Knirk, Karel Crawford, William Marsh

Commissioners Present: Amanda Bevard, Terry McCarthy, David Babson (participating remotely)

Others Present: Treasurer Joe Costello, Executive Coordinator Mellisa Seamans, Registrar Lisa Scott, MVC Administrator Howie Chandler

Media & Public Present: Daymond Steer (Conway Daily Sun)

All votes during this meeting were taken via roll call

Approval of Meeting Minutes

A motion to approve the July 27, 2020 meeting minutes passed on roll call vote 14-0.

Chief Financial Officer

Chmn. Bevard said the commissioners have interviewed candidates and made an offer of employment to an individual. The hiring is expected to be finalized on September 16. Chmn. Bevard said the CFO will manage the finance office and serve as a backup for the current finance director. Rep. Cordelli said the bookkeeper should be assigned the responsibility of backup rather than the CFO. Chmn. DesMarais said there needs to be clear job descriptions for all finance positions. Rep. Buco asked if the CFO candidate has experience managing in a multi-million-dollar organization with multiple departments. Chmn. Bevard said he does.

2019 Audit Update

Prior to the meeting, Sheryl Stephens Burke, CPA, of Melanson provided the following audit update via email: "Our audit team began audit fieldwork on Tuesday and Wednesday this week and worked on the information that has been provided so far. Much of the information that has been requested has been received and appears to be in good order. Our understanding is that County staff will provide the remaining requested information as it becomes available/is completed – prior to our next fieldwork dates. Fieldwork is scheduled for September 24 and 25 to review the remaining information and follow up on any open items from this week. We will provide another update on September 29th."

Chmn. Bevard said she is confident the County finance office will be able to provide the remaining items needed by the auditor. Rep. Comeau asked how the delegation is going to address the statutory requirements regarding timeliness of the audit. Rep. Cordelli expressed hope that the audit will be completed prior to the commissioners work on the 2021 budget. Rep. Comeau asked for a specific list of items the auditor is waiting for. Treas. Costello said he has not been kept abreast of what is happening with the audit.

Chmn. DesMarais asked the commissioners to provide an updated list of items needed by the auditor. Treas. Costello does not know what they have requested and what they have received. He would like to see the list.

Annex Future Use Subcommittee

Chmn. Bevard is waiting for information from the architect expected by End-September then will schedule the second Annex subcommittee meetings. Chmn. DesMarais heard recently that CDBG grant funds are available should the County pursue adding a childcare center to the building. Rep. Cordelli expressed concern about the architect services not going out to bid. Chmn. Bevard said this architect is assisting at no charge.

Review of 2nd Quarter Expenditures and Revenues

Several concerns were expressed about the need for more timely financial reports, cash flow, and whether or not the revenue projections will be met this year. Admin. Chandler said there are currently 13 empty beds at MVC.

Treasurer Costello read a statement into the record (attached).

Rep. Cordelli asked that the auditors look into the administrative salaries line as part of their audit work. He previously filed a 91-A request for a breakdown of the 4100 account. On May 31, there is a move of almost \$130,000 from administrative salaries to the settlement line. Chmn. Bevard said the commissioners are pursuing this because it appears

the same money was spent and also moved. Rep. Cordelli said this work should not fall on the chairman of the commissioners but rather on the finance department. Chmn. Bevard confirmed there is only one staff member has the ability to transfer funds.

MOTION: “To create an investigative committee” by Rep. Avellani, 2nd Rep. Marsh. Passed 14-0. Chmn. DesMarais appointed Reps. Avellani, Butler, Cordelli, Marsh and Woodcock to the committee. Chmn. DesMarais appointed Rep. Butler chairman of the committee.

Rep. Comeau read RSA 24:17 outlining the authority of the delegation to conduct investigations. Chmn. Bevard asked why the delegation will not wait for the commissioners to conduct their investigations. Rep. Avellani said the taxpayers deserve to know how their money is being spent and the delegation has been waiting for the information for several weeks. Rep. Burroughs said she is still bothered by the fact the treasurer is not getting the information he needs and suggested the committee look into that issue as well. Chmn. DesMarais said the purpose of the committee is to “look at the situation of the transfer of funds”.

The delegation also considered committees to investigate the 2019 audit status and investigate the treasurer’s claims he does not have access to County finance information. Rep. Avellani said the scope of the committee should not be limited to investigating one transfer of funds but open to look at all transfers.

Rep. Ticehurst acknowledged the seriousness and need to get to the bottom of the issues. She asked that the delegation proceed carefully and not create more chaos in the finance office at this time. Rep. Knirk concurred.

Regarding the treasurer’s lack of access, Rep. Burroughs asked if it would be more appropriate for the offices of NH Secretary of State or NH Attorney General to investigate rather than a committee. Rep. Avellani suggested any request for their assistance could be determined by the Delegation chair after the committee report is finished. Rep. Comeau and Rep. Knirk agreed one committee could be charged with investigating line-item transfers, treasurer’s access to information, and audit delay. Rep. Butler said hopefully with a CFO and a delegation focused on the issue, the audit will be more timely in future years. Rep. MacDonald said the treasurer not having access to information is a management issue and the commissioners should be able to require staff to provide the information. Rep. Avellani said the treasurer access and audit delay are the responsibility of the commissioners.

MOTION: “Put the issue of access for information for the treasurer and the issue of the audit into another investigative committee” by Rep. Butler, 2nd Rep. Woodcock. (A motion to table this motion passed 14-0).

Comm’r McCarthy does not see a need to investigate these two issues. The board has hired a CFO who is responsible for reorganizing the finance department, give a report on what jobs the employees are capable of performing, cross-training needed, and if any jobs need to be eliminated. Rep. Marsh agreed with Comm’r McCarthy’s opinion. Rep. Cordelli said he is willing to wait for a commissioner’s report in October on these two issues before this second committee is formed.

Chmn. Bevard said there has been tremendous progress in the finance office and anything the treasurer has requested in writing has been responded to. Hiring of a new auditing firm is in process given that the delegation has been unhappy with the current firm. The progress has been consistent but has not yet reached perfection. She acknowledged the transfer of funds is very serious and that the commissioners are investigating it.

Rep. Burroughs excused herself from the meeting.

Next Meeting

Monday, October 19, 2020 at 10:00am to review third quarter 2020 expense and revenue reports.

Other Business

MVC Admin. Chandler joined the meeting via Zoom for a presentation by Rep. Butler. In appreciation of the nursing home staff, especially during this Covid time, the delegation purchased a banner to hang at the entrance of MVC. Admin. Chandler said the building has been closed to the public since March 13 and this token of appreciation will brighten staff spirits.

Non-Public Session

MOTION: “To go into non-public session under RSA 91-A:3, II(e) Consideration or negotiation of pending claims or litigation which has been threatened in writing or filed by or against the public body or any subdivision thereof, or by or against any member thereof because of his or her membership in such public body, until the claim or litigation has been fully adjudicated or otherwise settled” passed 13-0.

The public meeting reconvened and a motion passed 13-0 to seal the minutes.

October 19, 2020 10:00 a.m.

Meeting convened: 10:00 a.m.

Members Present: Reps. Edie DesMarais, Lino Avellani, Ed Butler, John MacDonald, Ed Comeau, Glenn Cordelli

Present Remotely: Reps. Susan Ticehurst, William Marsh, Jerry Knirk, Anita Burroughs, Karel Crawford, Tom Buco, Steve Woodcock, Bill Nelson

Others Present: Executive Coordinator Mellisa Seamans; Commissioners Amanda Bevard, Terry McCarthy, David Babson(remote); CFO Fergus Cullen; Treasurer Joe Costello; Daymond Steer (Conway Daily Sun)

Call to Order

Pledge of Allegiance

Announcement of those attending on Zoom and in-person was done

Approval of Meeting Minutes

MOTION: To approve the September 14 meeting minutes” by Rep. Comeau, 2nd Rep. Marsh. Passed on roll call vote 14-0.

2019 Audit Status

CFO reported that the process is ongoing and he is eager to see the process completed. The goal in 2021 is to close the books by end February and complete the audit by June.

Rep. Cordelli asked about a comment by the finance director at a previous meeting that she did not agree with the auditor’s fund balance figure. CFO Cullen will follow-up. Rep. Cordelli asked if the bank accounts are being reconciled. CFO Cullen noted this is still a priority, after providing timely financial reports to the Delegation and completing the 2019 audit.

Audit Resolution

The audit proposal from Batchelder Associates, PC was sent via email to the Delegation. The resolution to engage the services of this firm was approved by the commissioners on September 30 at a cost not to exceed \$40,050 for the 2020 audit.

MOTION: “To approve the audit resolution” by Rep. Avellani, 2nd Rep. Butler. Passed 14-0 on roll call vote.

Transfer Investigation Committee – Rep. Butler

Rep. Butler noted the outcome reinforced the need for having the investigation. CFO Cullen prepared an investigation report, outlining the process for the former county administrator settlement. During the investigation, it was realized the former administrator was overpaid \$9,000. He has acknowledged this error and made the initial repayment by check October 10 of \$3,000. The CFO believes and the committee supported that it was a chaotic time and mistakes were made. The committee agreed the Delegation should have been involved in all of the details of the settlement. The committee unanimously approved the report and for the report in its entirety to be included in the 2020 annual County report.

Rep. Cordelli noted it was also brought out that there were missteps in the communication to the commissioners by the finance office. Rep. Avellani thanked Rep. Butler for his leadership on the committee and its members for their work.

3rd Quarter Expense and Revenue Review

Comm’r Bevard said revenue used to be posted when invoiced but now is not posted until “cash” is in hand. Hale’s Location has been billed \$27,000 total for administrative services provided by the County in 2012-2014. In each of the years since, 2015-2019, Hale’s Location and has been billed and has paid \$9,000 for “services rendered”.

Treas. Costello noted that legislation should be changed so that towns send County tax to County when collected rather than the currently required lump sum December payment. Admin. Chandler expects MVC will meet the revenue projections for the year.

MOTION: “To accept the revenue as presented” by Rep. Avellani, 2nd Rep. Butler. Passed on roll call vote 14-0

The administrative salaries line will go over budget due to miscalculation when budget setting. CFO Cullen said a several line item transfers will need to occur before year-end to correct this line and related payroll expense.

The financial audit of the jail (line 4102.001) has not been completed. Comm’r Bevard said the funds needed to complete this will likely have to be encumbered. She will contact Melanson prior to the December Delegation meeting to ask if they can complete this special audit once the 2019 County audit is done. Rep. Cordelli said the funds can

only be encumbered if an obligation to pay is in place, i.e., contract. Comm'r Bevard said she has a letter from the auditing firm disagreeing with this definition of an encumbrance.

Rep. Cordelli asked that a full analysis of the Checkmate HRIS system be undertaken prior to implementing the software.

Rep. Avellani remarked that the unemployment tax is expected to increase this year. It was noted that this line-item was reduced to 0 and the funds were used to offset the cost of the Nadeau settlement. CFO Cullen will follow-up on members' recollection that the finance director said in May that the County received a "holiday" and did not have to pay unemployment tax this year.

Sheriff Richardi said the two new cruisers in the 2020 budget have not been ordered because the State bid has not come out. He confirmed that the new equipment line (4140.097) is mainly to outfit new cruisers. There is an ongoing issue with deputy pay for details not posting properly and journal entries correcting this at year-end. Phase II of the dispatch center grant is complete with new communications towers up in Ossipee and Madison and work completed at the Tuftonboro tower. Phase III will be completed in 2021 with an End-July grant deadline but work anticipated to be complete in March. Dispatch budget overtime line it at 110% due to vacant positions.

Rep. Ticehurst noted that mid-budget payroll increases often require transfers which are often done after-the-fact. She hopes a better process can be worked out.

Chmn. DesMarais said it would be nice to see a report about the benefits derived from the energy upgrade project included in the annual report.

CFO Cullen is working on recommendations for budgeting for employee payouts of accrued time. It was noted the jail administrative salaries took a one-time hit when superintendent left this year. Rep. Avellani suggested a contingency for this unfunded liability.

Rep. Cordelli asked for a detail of transactions charged to the IT new equipment and supply lines. Rep. Cordelli asked for an updated IT inventory of equipment as was provided several years ago. Comm'r Bevard said the inventory is updated on a regular basis.

Admin. Chandler has submitted a request to the CFO and commissioners to consider refinancing the MVC bond.

Rep. Avellani also suggested making the annual principal payment in two installments instead of one.

Comm'r Bevard said all non-profits are required to submit an activity report prior to receiving an installment of their annual County appropriation. Comm'r Bevard said the commissioners set the reporting requirement for each organization based on the amount of their appropriation. She said the reports should include how the County money has been spent to benefit the citizens of Carroll County. Comm'r Bevard said Coord. Seamans can provide copies of these reports to the delegation.

Admin. Chandler noted that nursing overtime is being used rather than agency. Overtime costs are also increased this year due to the requirement to pay overtime to MVC staff called in for the routine covid testing. These costs are being put in for GOFERR grant reimbursement. Admin. Chandler will be putting in a line-item transfer request for the overtime line (300.5140.005)

MOTION: "To accept the expense report" Passed 13-0 via roll call. (Rep. Butler excused himself from the meeting)

Annex Subcommittee

Maintenance Dir. Bob Murray has an onsite appointment October 20 with the architect and a contractor.

Other

Rep. Avellani thanked all delegation members and commissioners for their service this term. He acknowledged Rep. DesMarais for leading the group and it has been "quite an experience". He recognized Rep. Butler for his voice of wisdom, voice of process and the lively discussions over the years, and someone he looked towards as a voice of reason and respect.

Rep. Cordelli expressed hope that the proposed 2021 budget is provided by the commissioners well in advance for the purpose of having a valid, robust public hearing. Comm'r Babson asked that the Delegation consider a second public hearing in March 2021 before the budget is finalized.

Comm'r Bevard asked that a meeting of the executive committee be scheduled prior to the December meeting.

Next Meeting - December 7, 2020 at 10:00am

This meeting will include the 2021 Budget Public Hearing, organizational meeting to appoint Delegation chairman, vice-chairman and clerk and a hearing on the request of the commissioners to borrow in anticipation of taxes in 2021.

December 7, 2020 10:00 a.m.

Meeting convened: 10:00 a.m.

Members Present: Reps. Lino Avellani, William Marsh, Brodie Deshaies, Mark McConkey, Glenn Cordelli, Jonathan Smith, Bill Nelson, Karen Umberger, Anita Burroughs, Steve Woodcock, Jerry Knirk, Karel Crawford, Tom Bucu, Chris McAleer, John MacDonald

Others Present: Executive Coordinator Mellisa Seamans; Commissioners Terry McCarthy and David Babson; CFO Fergus Cullen; Treasurer Joe Costello; Jail/HOC Supt. Pat Bachelder; Register Lisa Scott; MVC Administrator Howie Chandler; Maintenance Director Bob Murray; Ed Comeau (GovernmentOversite.com), Daymond Steer (Conway Daily Sun), Jim Miller (Clearview TV); Representing Starting Point Ms. Sanchez, Ms. Stoddard, Ms. Weinstein

Call to Order

Pledge of Allegiance

Moment of silence in remembrance of Pearl Harbor Day.

This meeting was posted on the County website at www.carrollcountynh.net, in the administration building lobby, advertised in the newspaper and posted in the NH House Journal.

Election of Officers

Chairman – Rep. Avellani

Rep. Avellani nominated by Rep. McConkey, 2nd Rep. Marsh. No other nominations.

Vice-Chairman – Rep. Marsh

Rep. McConkey nominated by Rep. Cordelli, 2nd Rep. Nelson.

Rep. Marsh nominated by Rep. Crawford, 2nd Rep. Knirk.

Roll call vote with Reps. McConkey, Bucu, Cordelli, Nelson, Smith, Umberger, Avellani voting for Rep. McConkey and Reps. McAleer, Crawford, Knirk, Marsh, Burroughs, Woodcock, Deshaies, and MacDonald voting for Rep. Marsh.

Clerk – Rep. Deshaies

Rep. Deshaies nominated by Rep. Marsh, 2nd Rep. Umberger. No other nominations.

Executive Committee Appointment

Reps. Avellani, Marsh, Deshaies, Burroughs, Bucu and Umberger

Public Hearing – Proposed 2021 County Budget

CFO Cullen presented an overview of the proposed budget:

- Budget up 2.5% over 2020
- MVC union contract under negotiation; budget contains no potential pay increases for union positions
- NH Retirement System increases have \$200,000 impact on County budget
- \$13 million of County budget is direct personnel costs. Healthcare an additional \$3 million.
- Unfunded potential liabilities – retirement/separation costs, inmate medications – suggested the Delegation consider a contingency line for these unanticipated costs
- Possibility of refinancing nursing home bond
- Suggests shifting from calendar year to fiscal year

Rep. MacDonald: Location of Medical Insurance in the budget

CFO Cullen: Special Fees & Services budget 4102; medical insurance pulled out of all individual departments and centralized in 4102. Finance will provide personnel schedule for the individual departments including breakdown of related costs.

Rep. Marsh: No adjustments made on the revenue between department requested and commissioners' recommended. If annualize third quarter 2020 actual, the revenue for MVC would be about \$3 million more than budgeted for 2021.

CFO Cullen: GOPHER and other Covid-related funding skews 2020 revenue

Rep. McConkey: Current number of employees

CFO Cullen: About 315. Agrees to provide Rep. McConkey with list of total full-time and part-time employees, minus supervisors

Rep. Smith: Clarification on County interpretation of “Surplus to Reduce Taxes” should be referred to correct terminology “undesignated fund balance”. Relying heavily on the fund balance caused Town of Ossipee to rely heavily on tax-anticipation note to pay for it.

CFO Cullen: With 2019 draft audit incomplete unable to provide fund balance

Treas. Costello: Ongoing issue for some time. Continues to request regular and timely balance sheets. Believes unassigned fund balance \$4 million or higher but cannot document at this time. Sufficient in the balance to use the \$2.4 million to offset taxes.

Rep. Smith: Does County have fund balance policy in place to determine how and when it will be used.

Treas. Costello: Policy in place, on recommendation from NH Department of Revenue

Rep. Smith: Using fund balance to offset taxes masks growth in government without actually paying for it.

Rep. Cordelli: Recalls there being no fund balance policy. Ongoing issue.

Rep. Buco: Regards to unassigned fund balance. It is not a cash account. Book figure that represents total assets minus total liabilities. On continuing resolution, County runs on calendar year. Asked for clarification on retirements not funded

CFO Cullen: Clarified unexpected retirements, terminations and resulting payouts of accrued time not being budgeted for

Rep. Crawford: Does County have policy or process for staff planning to retire to assist with budgeting

Rep. Smith: Suggests developing capital reserve account to set aside funds for the accrued payouts

Treas. Costello: Unassigned fund balance moving target. His goal is to make sure the Delegation knows on a monthly basis what the estimated balance is.

Rep. Burroughs: Commissioners’ budget allocates \$150,000 to White Horse Recovery Center for a building they are no longer planning to build. Dismayed that Starting Point \$30,000 request was removed because it was stated the money is for salaries. The request is not for salaries.

Comm’r McCarthy: Commissioners’ policy not to fund agencies that also seek funding from towns. Not fair for the taxpayers to pay twice.

Comm’r Babson: Concurred

Rep. MacDonald: White Horse also seeks funding from the towns.

Deb Weinstein: Desperately needs \$25,000 funding to assist clientele directly. Demand on services have tripled during Covid times. \$5,000 to match with private funds to paint shelter and asbestos remediation.

Ms. Sanchez: Requests Delegation to consider transparency and equity in their funding decisions. Urges support of the Starting Point request for funding. Asks why the other non-profits are supported by the commissioners when they also receive funds from towns.

Mr. Steer: Number of Starting Point employees. When will non-profits find out if their funding requests are granted. Will use of old nursing home be discussed during today’s meeting.

Comm’r-Elect Plache: Was Starting Point eligible for CARES Act funding.

Ms. Weinstein: Money allocated has been spent and unknown if additional funds will be received. Organization very accountable to state, federal, county, town, and other grant-making organizations. Federal and State funds cover 85% of salaries. The 15% pays the balance of salaries and provides clients services.

Public Hearing Closed.

Republican Statement

Rep. Cordelli read into the record:

“We, the incoming Republican members of the County Delegation, believe that the proposed 2021 Carroll County budget presented to the public hearing on November 17th reflects a spending level that needs to be reduced.

2020 saw a tax increase on County residents of 6.8% passed by the Democrat majority on a party line vote. It was a 13% spending increase over what was actually spent in the prior year. This proposed 2021 budget is a 15 % increase over 2019 spending. We believe that the continued high budgeted spending levels cannot be sustained and will lead to even higher tax increase in the future.

It is the intention of the incoming Republican Delegation members to protect our County taxpayers by passing a 2021 budget with more reasonable and realistic spending levels. It is also our intention to work cooperatively with the Commissioners (current and incoming). We therefore respectfully request that the Commissioners reduce the proposed 2021 budgeted spending levels to the 2019 budget level of \$33,200,000 with no tax increase for County taxpayers.”

Acceptance of Budget

Treas. Costello noted that the commissioners have presented their budget to the delegation in line with time constraints. He distributed a listing of State statutes regarding the budget process (attached). He requests the delegation accept the budget as presented.

Chmn. Avellani: Will of the delegation for the commissioners to tighten up the budget quite a bit, to 2019 numbers. Two new commissioners coming in. Well within the new commissioners’ purview to “go back to the drawing board.”

Rep. Woodcock: The Democrats are equally concerned about the 2021 budget. Is Rep. Cordelli’s statement a motion?

Rep. Umberger: Better for the commissioners to take any action on the budget rather than the Delegation taking all of the action. Hope we would not set up a confrontational kind of situation as of now. Needs to be a cooperative effort between Delegation and Commissioners. Feel it would be helpful to the commissioners if they would be willing to go back and look at the budget. I can sit in a meeting and make cuts but do not have the intimate knowledge that the commissioners and department heads have.

Rep. Deshaies: Duties of the Delegation do not begin until we are sworn in.

MOTION: “Accept the budget for the purpose of satisfying RSA 24:21-a and that we respectfully request further input from the county commissioners regarding revising this budget to the intent that Representative Cordelli spoke to earlier” by Rep. Marsh, 2nd Rep. Crawford.

Rep. Knirk: Usual process is the budgets are reviewed with departments and commissioners. Don’t think we need to give the commissioners ultimatums. Current motion on the floor means we will go forward working together.

(Meeting interrupted and short break to address technical difficulties)

Previous motion withdrawn and new motion offered:

MOTION: “We accept the 2021 budget for the purposes of satisfying RSA 24:21-a and respectfully request further input from both the current and incoming commissioners with the intent of reducing the impact on the County taxpayers” by Rep. Marsh, 2nd Rep. McAleer. Passed on roll call vote 15-0.

2021 Tax-Anticipation Note (TAN)

MOTION: “To authorize the county treasurer to borrow up to \$17 million in anticipation of taxes in 2021” by Rep. Marsh, 2nd Rep. Crawford. Passed on roll call vote 15-0.

Subcommittee Appointments

Chmn. Avellani will hold this to January meeting. His intention to streamline budget approval process. Subcommittees to consider the larger budgets but have all others present directly to the full Delegation. Will result in lower cost to County for meeting attendance and mileage. Chmn. Avellani will send out subcommittee assignments prior to next meeting.

Continuing Resolution

Rep. Umberger questioned necessity of a continuing resolution. The County merely needs to watch it does not spend more than had at the same time in previous year. Chmn. Avellini noted the resolution is consistent with past recent practice. Treas. Costello supports this vote.

MOTION: “To make a continuing resolution to allow the County to continue spending money at the 2020 level pending approval of the 2021 budget” by Rep. Marsh, 2nd Rep. Cordelli. Passed 14-1 with Rep. Umberger opposed.

2019 Audit Update

- Rep. Cordelli: Auditor Melanson Heath agreed to provide monthly updates. Have they been sending updates? Concerning audit is not complete. Third or fourth year the audit has been extremely late. Selectmen from several towns have written to the commissioners about late audits. Do not know if the commissioners responded to them.
- CFO Cullen: Auditor has committed to having a draft to County by mid-December. Feels the firm is now giving it the time and attention it deserves. County is switching audit firms. New firm awaiting for 2019 closing entries. Trying to drive the process as rapidly as we can for 2020 audit. By June it should be complete, hopefully sooner. Intends to close the books by end of February 2021.
- Rep. Cordelli: Auditors shall be approved by the Delegation. The Delegation will also have the opportunity to present a list of items it would like audited in addition to the regular financial audit.
- Rep. Marsh: Closing books early would be vast improvement over past years.
- Treas. Costello: Confident it can be accomplished.
- Coord. Seamans: Confirmed that the Delegation voted to engage the services of Batchelder Associates for the 2020 audit at October 19, 2020 meeting.
- Treas. Costello: Reminds that the Delegation will need to approve funds for Hale's Location 2020 audit
- Chmn. Avellani: Explains for new members that the County budget is the direct responsibility of the Delegation. The Hale's Location budget is approved by the commissioners (who also serve as the Hale's Location selectmen) and also by the Delegation (legislative body).
- Rep. Umberger: Asked when the Delegation will have the opportunity to weigh in on additional items they would like reviewed by the auditor.
- Chmn. Avellani: Will add this to the January agenda

Approval of Meeting Minutes

Hold to next meeting.

Other

Rep. Woodcock requests any documents discussed during the meetings also be shared on share screen. Rep. Burroughs asked when subcommittees will be assigned. Chmn. Avellani said there will definitely be a nursing home and jail subcommittee. The other budgets may present directly to the full Delegation. Rep. Burroughs compliments the Chair on the way this meeting was conducted. Chmn. Avellani thanked all for attendance and their confidence in leadership.

Grant Review

CFO Cullen said the Delegation needs to vote to apply for the grants and then accept the award at a later date. Grant consultant Kevin Warwick of Alternative Solutions Associates Inc. explained the applications were submitted and the County was awarded funds for the PREA grant and mental health grant. Neither require matching funds from the County. Rep. Cordelli noted that funds were encumbered previously for security camera installation and questioned the PREA grant paying for additional security cameras. Supt. Bachelder said there was a camera system upgrade this year that will allow an additional 18 cameras to be installed with the PREA grant funds.

MOTION: "To allow the Executive Committee to review and give authority to accept the grants" by Rep. McConkey, 2nd Rep. Marsh. Passed 14-1 with Rep. Umberger opposed but noting she will attend as a member of the executive committee.

Comm'r Babson said the Executive Committee was formed solely for line-item transfers. Rep. Umberger concurred and asked the full Delegation be convened for the grant review. Chmn. Avellani said the 2020 meeting expense budget does not allow for another full meeting. Rep. Buco read NH RSA 24:2 into the record, in part, "The county convention may designate the executive committee to act as a subcommittee to consider the budget, or other matters, and make recommendations to the county convention."

Coord. Seamans sent via email the grant materials for both grants to the full Delegation.



Batchelder Associates, PC

To the Board of Commissioners
County of Carroll
Ossipee, New Hampshire

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Carroll, New Hampshire as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered County of Carroll's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Carroll's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Carroll's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in internal control to be material weaknesses.

Material Weaknesses:

Ineffective oversight of the entity's financial reporting and internal control by those charged with governance:

Those charged with financial governance are responsible for the accurate and timely presentation of the County's financial statements. To properly present accurate financial statements, awareness of all financial activity carried out by departments is necessary and essential knowledge. This knowledge is needed to understand the information being handled by the departments, implementation of proper internal controls that follow the County's internal controls and the ability to take department financial information and incorporate into the County's financial system. Significant adjustments were made to integrate and reconcile department financial information during the audit. The existence of such material adjustments indicates that the County of Carroll's system of controls did not detect and prevent such errors. Management should examine the adjustments required as a result of our audit and assess the cost-benefit of improving the internal control system to prevent the adjustments in the future. Management should address inherent limitations in the internal control system and modify their oversight function accordingly.

Significant audit adjustments were made to record transactions within the Sheriff's Department and the Registry of Deeds.

Significant adjustments were made to account balances due to lack of timely reconciliations and/or the inability to understand what a reasonable balance for particular account types are. Again, the existence of such material adjustments indicates that the County of Carroll's system of controls did not detect and prevent such errors. A specific example of this is audit entry #4 which adjusts prepaid expenses and liability accounts related to employee insurance benefits.

Significant audit adjustments were made to reconcile basic accounts such as accrued payroll related accounts, DRA-BES taxes payable and accounts receivable for the Nursing Home. This information is readily available and should be part of the monthly and quarterly reconciliations of the finance department.

Material Weaknesses (continued):

Ineffective oversight of the entity's financial reporting and internal control by those charged with governance (continued):

The internal financial statements of the County are presented on a modified accrual basis. The finance department manipulates the use of dates to achieve a desired goal versus understanding the accrual method of accounting. As will be argued, this has been the practice in past years, however, it has been a consistent audit adjustment for 2019 and again in 2020. The County pays vendor invoices and expenses in January of the following year, in this case, January 2021, yet posts the transactions to the December, 2020 cash balance. The result is that the County's cash balance is understated and the accounts payable, items owed by the County are understated. During 2020, this amount was \$897,451.

Use of Encumbrances is another example of patterns that have been carried from year to year, but another consistent audit entry between 2019 and 2020. Posting directly to encumbrance accounts is a function of adjusting between fund balances. Currently, the County posts directly to expense accounts which is overstating expense accounts and creating misleading balances of actual funds spent during the fiscal year. Only actual expenses incurred or accrued at year end should be posted to the County's expense accounts.

In many cases, departments run autonomously and without regard to the County's internal control procedures. For example, the Sheriff's Department maintains several bank accounts which are not reconciled or seen by the Finance Director. Deposits and disbursements are made outside of the controls followed by the County's normal accounts payable structure. In speaking with department staff, this is a result of inadequate or untimeliness in releasing payments and or reporting in the past. Controls should be examined to ensure that all transactions follow and run through the County's accounting system and that there are policies in place for prompt payment and accuracy so that departments have confidence in the financial transactions.

A significant area of concern is with the Jail and the recording of activity that relates to the County versus transactions that relate and are property of the inmates. There was not a clear understanding of the accounts being maintained and used by the Jail nor a clear understanding of how transactions should be recorded in the County records. Checks are being entered, written and signed by the administrative staff if under \$1,500 which violates the segregation of duties and internal controls established by the County. There has been no oversight of this department with regards to these procedures or inclusion of these funds in the County's financial records.

Deficient oversight of grant management:

Those charged with financial governance are responsible for the accurate and timely presentation of the County's grants and controls. All grant agreements, requirements, expenses and invoicing should be maintained and reconciled with a timely manner. Significant adjustments were made to grant revenue and accounts receivable to properly record revenue within the correct fiscal year. Audit adjustments #30-#32 record omitted grant transactions which have a significant impact on the financial presentation of the County. It is recognized that the individual departments handle and work with grants associated specifically to their departments, however, complete communication of all contract details should be understood by the financial department to ensure that proper recording into the financial statements is complete, accurate and timely.

Significant Deficiencies:

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies:

Timely reconciliations and reporting

There is an overall lack of timeliness report reconciliations by the County. Financial statements and County records should be reconciled each month, taking into consideration all department transactions and issued to the County Commissioners on a monthly basis. Departments should be responsible for generating data and providing to Finance Department with specific deadlines, giving the Finance Department time to investigate and ask questions.

Reporting established and required by departments should be delivered consistently and accurately for departments to be able to make educated and informed decisions regarding their finances and grant management. During staff interviews, we discussed such reporting and found that some departments felt the timeliness, accuracy and consistency of reporting was lacking.

Other Comments:

County Policies:

The County has established policies for Internal Control and County Wide. In reviewing these policies, they touch on the **generic** requirements to be followed for strong internal controls, however, they do not correlate to the County and the specific procedures that should be in place for County staff. Although these policies are a strong starting point, controls need to be established with County specific structure to be effective.

For example:

Segregation of Duties – your policy defines why it is important, however, does not relate it to the County and County staff responsibilities as it relates to your software, procedures and steps that should be followed by specific staff.

Budgeting and Combination of Expenses:

The County has decided to group certain expenses for all departments into generic accounts versus tracking by department. This eliminates the ability to evaluate each department and isolate potential issues within each department. It also eliminates the ability to see where surplus or losses are coming from.

For example, it appears that the Nursing Home has a large surplus which is carrying the County. This cannot be reliable, as the payroll taxes, benefits, debt service and utilities are no longer charged to the Nursing Home which far exceed the surplus it appears to have generated in 2020.

Chart of Accounts

The County's chart of accounts does not align with the chart suggested by the NH Department of Revenue (NH DRA) and accordingly does not mirror with the online reporting that is done with the NH DRA.

County Software

We found the County accounting software to be inadequate for reporting purposes, specifically in asking for a Balance Sheet or Revenue and Expense report by Fund. The accounts payable module has been purchased, but was not in service as of the audit date or completion of the audit.

This communication is intended solely for the information and use of management, the County Commissioners and Delegation., and others within the County, and is not intended to be, and should not be, used by anyone other than these specified parties.

Batchelder Associates, P.C.
Barre, Vermont 05641
License #945
July 26, 2021

COUNTY OF CARROLL, NEW HAMPSHIRE
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

COUNTY OF CARROLL, NEW HAMPSHIRE
FOR THE YEAR ENDED DECEMBER 31, 2020
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FOR THE YEAR ENDED DECEMBER 31, 2020
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Batchelder Associates, PC

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
County of Carroll
Ossipee, New Hampshire

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Carroll, New Hampshire as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Carroll, New Hampshire, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pages 3-8, pension and OPEB reporting, pages 33-37 and budgetary comparison information on page 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Carroll, New Hampshire basic financial statements. The combining fund financial statements and budgetary comparison schedule for the General Fund are presented for purpose of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by "Government Auditing Standards"

In accordance with "Government Auditing Standards", we have also issued our report dated July 26, 2021, on our consideration of the County of Carroll, New Hampshire's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the County of Carroll, New Hampshire's internal control over financial reporting and compliance.

Batchelder Associates, PC
License #945
Barre, Vermont
July 26, 2021

COUNTY OF CARROLL, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020

Our discussion and analysis of the County of Carroll, New Hampshire's financial performance provides an overview of the County's financial activities for the calendar year ended December 31, 2020. This report should be read in conjunction with the County's financial statements.

Financial Highlights

- As of close of the current year, net position of governmental activities was \$(807,719), a change of \$35,028 as further discussed in the next section.
- As of the close of the current year, governmental funds reported combining ending fund balances of \$7,415,626, a change of \$(337,251) in comparison to the prior year.
- At the end of the current year, unassigned fund balance of the General fund was \$7,346,182, a change of \$309,741 in comparison to the prior year.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Exhibits A and B) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on Exhibit C. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the County as a Whole

The government-wide financial statements are on Exhibit A and B. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are considered regardless of when cash is received or paid.

These two statements report the County's net position and changes in them. You can think of the County's net position – the difference between assets, liabilities, and deferred inflows/outflows – as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the County's property tax base and the condition of the County's roads, to assess the overall health of the County.

In the Statement of Net Position and the Statement of Activities, we divide the County into two kinds of activities:

- Governmental activities – Most of the County's basic services are reported here, including public safety, corrections, human services, cooperative extension, economic development, and nursing home. County taxes and state and federal grants finance most of these activities.
- Business-type activities – The County currently has no business-type activities, as the County has chosen to include the Nursing Home with the general fund governmental activities.

COUNTY OF CARROLL, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020

Reporting the County's Most Significant Funds

The fund financial statements begin on page 11 and provide detailed information about the most significant funds – not the County as a whole. Some funds are required to be established by state law and by bond covenants. However, the County Commissioners establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The County's two kinds of funds – Governmental and Fiduciary – use different accounting approaches.

- Governmental funds – Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in Exhibits D and F that are included in the financial statements.
- Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the governmental-wide financial statements because the resources of those funds are not available to support County programs. The two fiduciary funds include the Nursing Home Patient accounts and the Jail Inmate Accounts.

COUNTY OF CARROLL, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020

The County as a Whole

The County's combined net position increased by \$35,028 from 2019, increasing from a balance of \$(842,747) to \$(807,719). Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the County's governmental activities.

Table 1
Net Position

	Governmental Activities		Total Government	
	2020	2019	2020	2019
Current assets	\$ 11,786,246	\$ 9,899,517	\$ 11,786,246	\$ 9,899,517
Noncurrent assets	24,434,005	24,560,152	24,434,005	24,560,152
Total Assets	36,220,251	34,459,669	36,220,251	34,459,669
Deferred outflows of resources	5,752,500	1,461,438	5,752,500	1,461,438
Long-term liabilities outstanding	38,596,026	32,008,633	38,596,026	32,008,633
Other liabilities	3,516,342	4,119,454	3,516,342	4,119,454
Total Liabilities	42,112,368	36,128,087	42,112,368	36,128,087
Deferred inflows of resources	668,102	682,569	668,102	682,569
Net Position				
Invested in capital assets	8,885,503	7,532,555	8,885,503	7,532,555
Nonspendable	142,833		142,833	-
Restricted	362,271	303,579	362,271	303,579
Assigned	418,618		418,618	
Unassigned	(10,616,944)	(8,725,683)	(10,616,944)	(8,725,683)
Total Net Position	\$ (807,719)	\$ (889,549)	\$ (807,719)	\$ (889,549)

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, changed from a \$8,725,683 deficit at December 31, 2019, to a \$10,616,944 deficit at December 31, 2020, for the governmental activities. This deficit is largely due to unfunded pension and OPEB liabilities, which totals \$17,252,744.

COUNTY OF CARROLL, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020

Table 2
Change in Net Position

Our analysis below separately considers the operations of governmental activities.

	Governmental Activities		Total Government	
	2020	2019	2020	2019
REVENUES:				
Program revenues				
Charges for services	\$ 14,627,130	\$ 13,768,539	\$ 14,627,130	\$ 13,768,539
Operating grants and contributions	1,537,408	132,499	1,537,408	132,499
Capital grants and contributions	854,278	-	854,278	-
General revenues				
County taxes	17,645,223	16,521,886	17,645,223	16,521,886
Investment income	2,004	2,150	2,004	2,150
Miscellaneous	95,307	240,768	95,307	240,768
Total revenues	<u>34,761,350</u>	<u>30,665,842</u>	<u>34,761,350</u>	<u>30,665,842</u>
EXPENDITURES:				
General government	9,438,948	3,972,103	9,438,948	3,972,103
Public safety	2,741,975	2,436,465	2,741,975	2,436,465
Corrections	3,565,302	4,362,521	3,565,302	4,362,521
Human services	5,269,335	4,994,539	5,269,335	4,994,539
Cooperative extension	284,291	277,389	284,291	277,389
Economic development	403,805	353,500	403,805	353,500
Nursing home	12,462,296	13,811,497	12,462,296	13,811,497
Interest	560,370	584,156	560,370	584,156
Total expenditures	<u>34,726,322</u>	<u>30,792,170</u>	<u>34,726,322</u>	<u>30,792,170</u>
Net Change in Fund Balances	<u>35,028</u>	<u>(126,328)</u>	<u>35,028</u>	<u>(126,328)</u>
Fund Balances - January 1, 2020, restated	<u>(842,747)</u>	<u>(716,419)</u>	<u>(842,747)</u>	<u>(716,419)</u>
Fund Balances - December 31, 2020	<u>\$ (807,719)</u>	<u>\$ (842,747)</u>	<u>\$ (807,719)</u>	<u>\$ (842,747)</u>

Governmental Activities

The increase in net position for governmental activities was \$35,028 in 2020. Revenues increased by \$4,095,508 or 13.36% and expenses increased by \$3,934,152 or 12.78%, compared to 2019.

The cost of all governmental activities this year was \$34,726,322, however, as shown in the Statement of Activities on Exhibit B, the amount that our taxpayers ultimately financed for these activities through County taxes was \$17,707,506. Some of the cost was paid by those who directly benefited from the programs (\$14,627,130) or by other governments and organizations that subsidized certain programs with grants and contributions (\$2,391,686).

COUNTY OF CARROLL, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020

The County's Funds

As the County completed the year, its governmental funds (as presented in the Balance Sheet on Exhibit C) reported a combined fund balance of \$7,415,626, which represents a decrease of \$337,251 from last year's total of \$7,752,877 (restated from \$7,706,074). Included in this year's total change in fund balance is an increase of \$309,741 in the County's General Fund.

The schedule below compares actual to budget for the funds. The most significant variances of actual to budget were as follows:

	Budget	Actual	Favorable (Unfavorable)
Revenues:			
Governmental Budget	\$ 31,058,146	\$ 32,420,103	\$ 1,361,957
Grant Budget	\$ 1,869,020	\$ 1,486,969	\$ (382,051)
	<u>\$ 32,927,166</u>	<u>\$ 33,907,072</u>	<u>\$ 979,906</u>
Expenditures:			
Governmental Budget	\$ 33,296,570	\$ 31,927,780	\$ 1,368,790
Grant Budget	\$ 1,880,596	\$ 2,316,543	\$ (435,947)
	<u>\$ 35,177,166</u>	<u>\$ 34,244,323</u>	<u>\$ 932,843</u>

Capital Assets and Debt Administration

Capital Assets

At December 31, 2020, the County had \$24,323,896 invested in a broad range of capital assets, including vehicle, equipment, buildings, improvements, land, sewer and water, net of accumulated depreciation. This amount represents a net decrease (including additions, disposals, and depreciation) of \$90,498 from last year.

	Governmental Activities		Total Government	
	2020	2019	2020	2019
Land	\$ 45,552	\$ 45,552	\$ 45,552	\$ 45,552
Construction in progress	3,333,155	3,297,505	3,333,155	3,297,505
Land improvements	200,776	227,044	200,776	227,044
Building and building improvements	15,482,595	16,054,562	15,482,595	16,054,562
Equipment	3,350,027	2,697,747	3,350,027	2,697,747
Vehicles	114,563	200,185	114,563	200,185
Sewer	911,762	976,172	911,762	976,172
Water	885,466	915,627	885,466	915,627
Total Assets	<u>\$ 24,323,896</u>	<u>\$ 24,414,394</u>	<u>\$ 24,323,896</u>	<u>\$ 24,414,394</u>

COUNTY OF CARROLL, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020

Debt Administration

At December 31, 2020, the County had \$15,752,314 in outstanding bonds and capital leases versus \$16,422,531 on December 31, 2019 – a decrease of \$670,217 as shown below. Included in the debt schedule below are other long-term items to include bond interest, compensated balances, net pension and OPEB liabilities.

	Outstanding Debt at Year-End			
	Governmental		Total	
	2020	2019	2020	2019
Bond payable	\$ 12,300,058	\$ 12,925,000	\$12,300,058	\$12,925,000
Capital lease payable	3,248,444	3,497,531	3,248,444	3,497,531
Accrued bond interest	203,812		203,812	
Compensated balances	506,570	69,000	506,570	69,000
Net pension liability	20,013,668	14,284,000	20,013,668	14,284,000
Net OPEB liability	2,323,474	2,107,000	2,323,474	2,107,000
Totals	<u>\$ 38,596,026</u>	<u>\$ 32,882,531</u>	<u>\$ 38,596,026</u>	<u>\$ 32,882,531</u>

Economic Factors and Next Year's Budgets and Rates

The County's elected and appointed officials consider many factors when setting the 2020 budget. There were no changes to the original budgeted expenses, however, the grant revenue budget was increased from \$1,241,818 to \$1,869,020. There was also \$2,400,000 budgeted as a "use of fund balance", however, only \$337,251 of this was used at December 31, 2020.

When adopting the budget for the 2021 year, the County's officials considered operational and capital needs of the County, and the impact of spending on the tax rate.

The County budgeted no change in fund balance for the fiscal year ending December 31, 2021.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County of Carroll Finance Office, 95 Water Village Road, Box 1, Ossipee, NH 03864.

COUNTY OF CARROLL, NEW HAMPSHIRE
STATEMENT OF NET POSITION
DECEMBER 31, 2020

EXHIBIT A

<u>ASSETS</u>	<u>Governmental Activities</u>
Cash and cash equivalents	\$ 8,759,949
Restricted cash	332,930
Receivables (net of allowance for uncollectibles)	1,415,318
Grant receivable	1,135,216
Inventory	87,839
Prepaid expenses	54,994
Noncurrent assets:	
Deposit on asset	110,109
Capital assets:	
Land	45,552
Construction in progress	3,333,155
Other capital assets, net of accumulated depreciation	20,945,189
Total assets	<u>36,220,251</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>	
Deferred outflows of resources related to County's participation in NHRS	5,494,709
Deferred outflows of resources related to County's participation in NHRS OPEB	257,791
Total deferred outflows of resources	<u>5,752,500</u>
 <u>LIABILITIES</u>	
Accounts payable	2,791,893
Accrued expenses	691,015
Other liabilities	33,434
Accrued interest	203,812
Noncurrent liabilities:	-
Due within one year	1,944,416
Due in more than one year	36,447,798
Total liabilities	<u>42,112,368</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows of resources related to County's participation in NHRS	658,852
Deferred inflows of resources related to County's participation in NHRS OPEB	9,250
Total deferred inflows of resources	<u>668,102</u>
 <u>NET POSITION</u>	
Net investment in capital assets	8,885,503
Restricted	362,271
Unrestricted/(Deficit)	<u>(10,055,493)</u>
Total net position	<u>\$ (807,719)</u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF CARROLL, NEW HAMPSHIRE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

EXHIBIT B

	Program Revenues				Net (Expenses) Revenue and Changes in Net
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 9,438,948	\$ 1,277,069	\$ 32,558	\$ -	\$ (8,129,321)
Public safety	2,741,975	250,014	426,365	854,278	\$ (1,211,318)
Corrections	3,565,302	293,879	-	-	\$ (3,271,423)
Human services	5,269,335	-	74,835	-	\$ (5,194,500)
Cooperative extension	284,291	-	-	-	\$ (284,291)
Economic development	403,805	-	-	-	\$ (403,805)
Nursing home	12,462,296	12,806,168	1,003,650	-	\$ 1,347,522
Interest	560,370	-	-	-	\$ (560,370)
Total governmental activities	<u>34,726,322</u>	<u>14,627,130</u>	<u>1,537,408</u>	<u>854,278</u>	<u>\$ (17,707,506)</u>
General revenues:					
County taxes					17,645,223
Investment income					2,004
Miscellaneous					95,307
Total general revenues					<u>17,742,534</u>
Change in Net Position					35,028
Net Position - January 1, 2020 - restated					<u>(842,747)</u>
Net Position - December 31, 2020					<u>\$ (807,719)</u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF CARROLL, NEW HAMPSHIRE
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2020

EXHIBIT C

	General Fund	Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and short-term investments	\$ 8,609,948	\$ -	\$ 150,001	\$ 8,759,949
Restricted cash	227,590	-	105,340	332,930
Receivables:				
Accounts, net	1,415,318	-	-	1,415,318
Intergovernmental	-	-	-	-
Grant receivable	-	1,135,216	-	1,135,216
Due from other funds	844,970	-	-	844,970
Inventory	87,839	-	-	87,839
Prepaid expenses	54,994	-	-	54,994
Total Assets	\$ 11,240,659	\$ 1,135,216	\$ 255,341	\$ 12,631,216
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,790,338	\$ 1,555	\$ -	\$ 2,791,893
Accrued expenses	431,665	259,350	-	691,015
Due to other funds	-	844,970	-	844,970
Deferred grant revenue	-	854,278	-	854,278
Other liabilities	33,434	-	-	33,434
Total Liabilities	3,255,437	1,960,153	-	5,215,590
FUND BALANCES				
Nonspendable:				
Inventory	87,839	-	-	87,839
Prepaid expenses	54,994	-	-	54,994
Restricted:				
Deeds surcharge account	-	-	105,340	105,340
Dube fund	227,590	-	-	227,590
Remaining grant funds	-	(824,937)	-	(824,937)
Assigned:				
Subsequent year budget - reduce taxes	-	-	-	-
IDN funding	17,987	-	-	17,987
Encumbrances	250,630	-	-	250,630
Capital reserves	-	-	150,001	150,001
Unassigned	7,346,182	-	-	7,346,182
Total Fund Balances	7,985,222	(824,937)	255,341	7,415,626
Total Liabilities, Fund Balances, and Deferred Inflow of Resources	\$ 11,240,659	\$ 1,135,216	\$ 255,341	\$ 12,631,216

The accompanying notes are an integral part of this financial statement.

COUNTY OF CARROLL, NEW HAMPSHIRE
RECONCILIATION OF NET POSITION OF GOVERNMENTAL FUNDS TO NET POSITION
OF GOVERNMENT WIDE STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

EXHIBIT D

	Total Governmental Funds
Total governmental fund balances	\$ 7,415,626
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	24,434,005
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(203,812)
In the Statement of Activities, deferred grant revenue is not recognized to the extent it is not recoverable in sixty days. Therefore, deferred grant revenue is not reported.	854,278
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:	
Bonds payable	(12,300,058)
Capital lease payable	(3,248,444)
Compensated absences	(506,570)
Net pension liability and related deferred outflows/inflows of resources	(15,177,811)
Net OPEB liability and related deferred outflows/inflows of resources	<u>(2,074,933)</u>
Net position of governmental activities	<u>\$ (807,719)</u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF CARROLL, NEW HAMPSHIRE
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

EXHIBIT E

	General Fund	Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:				
County taxes	\$ 17,645,223	\$ -	\$ -	\$ 17,645,223
Nursing home	12,806,168	-	-	12,806,168
Charges for services	1,820,962	-	-	1,820,962
Intergovernmental	17,880	1,486,969	32,558	1,537,407
Investment income	1,981	-	24	2,005
Miscellaneous	95,307	-	-	95,307
Total Revenues	<u>32,387,521</u>	<u>1,486,969</u>	<u>32,582</u>	<u>33,907,072</u>
Expenditures:				
Current:				
General government	7,413,644	-	-	7,413,644
Public safety	2,239,968	408,613	-	2,648,581
Corrections	3,327,469	-	-	3,327,469
Human services	5,192,032	77,303	-	5,269,335
Cooperative extension	284,291	-	-	284,291
Economic development	403,805	-	-	403,805
Nursing home	10,570,015	1,003,650	-	11,573,665
Capital outlay				
General government	115,784	-	-	115,784
Public safety	-	826,977	-	826,977
Corrections	192,807	-	-	192,807
Nursing home	148,498	-	-	148,498
Debt service:				
Principal	1,424,087	-	-	1,424,087
Interest	615,380	-	-	615,380
Total Expenditures	<u>31,927,780</u>	<u>2,316,543</u>	<u>-</u>	<u>34,244,323</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>459,741</u>	<u>(829,574)</u>	<u>32,582</u>	<u>(337,251)</u>
Other Financing Sources:				
Proceeds of capital leases	-	-	-	-
Transfers in	-	-	150,000	150,000
Transfers out	(150,000)	-	-	(150,000)
Total Other Financing Sources	<u>(150,000)</u>	<u>-</u>	<u>150,000</u>	<u>-</u>
Net Change in Fund Balances	309,741	(829,574)	182,582	(337,251)
Fund Balances - January 1, 2020, restated	<u>7,675,481</u>	<u>4,637</u>	<u>72,759</u>	<u>7,752,877</u>
Fund Balances - December 31, 2020	<u>\$ 7,985,222</u>	<u>\$ (824,937)</u>	<u>\$ 255,341</u>	<u>\$ 7,415,626</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF CARROLL, NEW HAMPSHIRE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

EXHIBIT F

Change in fund balances - governmental funds	<u>\$ (337,251)</u>
Governmental funds report capital asset purchases as expenditures. However, in the Statement of Activities the cost of those assets (\$1,284,066) is allocated over their estimated useful lives and reported as depreciation expense (\$1,374,564). This is the amount by which depreciation exceeded outlays in the current period, less trade. Deposit on asset (\$35,650)	<u>(126,148)</u>
The issuance of long-term debt \$0,(e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$1,479,097) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt items.	<u>-</u>
Repayments of bonds payable	1,175,000
Amortization of bond premium	55,006
Proceeds of capital lease payable	-
Repayments of capital lease payable	249,091
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	<u>(2,471)</u>
In the Statement of Activities, grant revenue is recognized when the grant activity has taken place, whereas in governmental funds, grant revenue is reported based on receipt within the first 60 days of the new year	854,278
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds:	
Compensated absences	(192,035)
Net pension liability and related deferred outflows/inflows of resources	(1,507,250)
Net OPEB liability and related deferred outflows/inflows of resources	<u>(133,192)</u>
Change in net position - governmental activities	<u>\$ 35,028</u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF CARROLL, NEW HAMPSHIRE
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

EXHIBIT G

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	<u>\$ 186,263</u>
Total Assets	<u><u>186,263</u></u>
 LIABILITIES	
Due to others	<u>186,263</u>
Total Liabilities	<u><u>\$ 186,263</u></u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF CARROLL, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Summary of Significant Accounting Policies

The accounting policies of County of Carroll, New Hampshire (the County) conform to Generally Accepted Accounting Principles (GAAP) as applicable to governmental units. The following is a summary of significant accounting policies:

Reporting Entity

The County is a municipal corporation governed by an elected Board of Commissioners. As required by Generally Accepted Accounting Principles, these financial statements present the County and applicable component units for which the County is considered to be financially accountable. In 2018, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the County. The effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures, such as debt service, compensated absences, claims and judgments, and pension and OPEB costs are recorded as expenditures only when payment is due.

The County reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund. It accounts for all the financial resources of the County, except those required to be accounted for in another fund. The general fund includes the Nursing Home financial resources.
- The *Grants Fund* accounts for grant activity of the County.

COUNTY OF CARROLL, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Summary of Significant Accounting Policies (continued)

Fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred. Agency funds are categorized as fiduciary funds and are used to account for money held by the County on behalf of others (e.g., inmate funds and nursing home resident funds). Agency funds report only asset and liabilities and, therefore, have no measurement focus.

Cash and Short-Term Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash and investment pool are maintained that is available for use by all funds. The interest earnings attributable to each fund type are included under investment income.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as "due from/to other funds" (i.e., the current portion of interfund loans).

Inventory

Inventory is valued at cost using the first-in, first-out (FIFO) method. Inventory includes dietary and housekeeping supplies for use at the nursing home, maintenance supplies, and corrections supplies.

Capital Assets

Capital assets, which include land, land improvements, buildings, vehicles, equipment, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	8 - 25
Buildings and improvements	10 - 40
Infrastructure	25 - 50
Machinery and equipment	5 - 20
Vehicles	3 - 15

COUNTY OF CARROLL, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Summary of Significant Accounting Policies (continued)

Compensated Absences

It is the County's policy to permit certain employees to accumulate earned but unused vacation benefits. All vested vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

Fund Balance – Generally, fund balance represents the difference between current assets/deferred outflows and current liabilities/deferred inflows. The County reserves portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and, therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

The County's fund balance classification policies are as follows:

- *Nonspendable* – Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted* – Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- *Committed* – Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision-making authority (i.e., County Delegation).
- *Assigned* – Represents amounts that are constrained by the County's intent to use these resources for a specific purpose. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet received. This also includes fund balance voted to be used in the subsequent year.
- *Unassigned* – Represents amounts that are available to be spent in future periods and deficit funds.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the County uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

Net Position – Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

COUNTY OF CARROLL, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of basic financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

Stewardship, Compliance, and Accountability

Budgetary Information

The County's budget represents functional appropriations by department as authorized by the County Delegation. The County adopts its budget under State regulations.

Budgetary Basis

The final budget appearing on the "Budget and Actual" page of the fund financial statements represents the final amended budget after all line item transfers and supplemental appropriations.

Budget Information

Budgetary data is based upon accounting principles that differ from Generally Accepted Accounting Principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

County departments submit proposed budgets to the County Commissioners, inclusive of funding sources. Hearings are conducted by the Commissioners prior to presenting for legal adoption by the County Delegation. During the fiscal year, appropriations may be transferred between specific line items as authorized by the Delegation, but not to exceed total approved budget.

Cash and Short-Term Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. RSA 29:1, II states, "The amount of collected funds on deposit in any one bank shall not at any time exceed the sum of its paid-up capital and surplus." The County does not have a deposit policy for custodial credit risk.

As of December 31, 2020, none of the County's bank balance was exposed to custodial credit risk as uninsured or uncollateralized.

Restricted Cash

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. Within the General Fund, the restricted cash amount of \$332,930 is composed of amounts from the Registry of Deeds surcharge fund and the Dube fund.

Allowance for Doubtful Accounts and Contractual Allowances

The allowance for doubtful accounts for Nursing Home receivables has been estimated at approximately \$205,000 at December 31, 2020. Nursing Home receivables are also reported net of contractual allowances.

COUNTY OF CARROLL, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Interfund Accounts

Although self-balancing funds are maintained, most transactions flow through the General Fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is a summary of the December 31, 2020, balances in interfund receivable and payable accounts:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds:		
General Fund	\$ 844,970	\$ -
Grant Fund	-	844,970
	<u>844,970</u>	<u>844,970</u>

Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 45,552	\$ -	\$ -	\$ 45,552
Construction in progress	3,297,505	35,650	-	3,333,155
	<u>3,343,057</u>	<u>35,650</u>	<u>-</u>	<u>3,378,707</u>
Capital assets being depreciated:				
Land improvements	1,710,651	17,545	-	1,728,196
Buildings and building improvements	26,947,388	239,150	-	27,186,538
Equipment	7,550,169	991,721	-	8,541,890
Vehicles	882,134	-	-	882,134
Sewer System	2,367,672	-	-	2,367,672
Water System	1,508,026	-	-	1,508,026
Total capital assets, being depreciated	<u>40,966,040</u>	<u>1,248,416</u>	<u>-</u>	<u>42,214,456</u>
Less Accumulated Depreciation:				
Land Improvements	1,483,607	43,813		1,527,420
Buildings and building improvements	10,892,826	811,117	-	11,703,943
Equipment	4,852,422	339,441	-	5,191,863
Vehicles	681,949	85,622	-	767,571
Sewer System	1,391,500	64,410		1,455,910
Water System	592,399	30,161	-	622,560
	<u>19,894,703</u>	<u>1,374,564</u>	<u>-</u>	<u>21,269,267</u>
Being Depreciated, Net	<u>21,071,337</u>	<u>(126,148)</u>	<u>-</u>	<u>20,945,189</u>
Net Assets	<u>\$ 24,414,394</u>	<u>\$ (90,498)</u>	<u>\$ -</u>	<u>\$ 24,323,896</u>

COUNTY OF CARROLL, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Capital Assets (continued)

Depreciation expense was charged to functions of the County as follows:

General government

General government	\$ 190,356
Public Safety	\$ 93,394
Corrections	\$ 237,833
Nursing Home	\$ 852,981
	<u>\$ 1,374,564</u>

Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net position by the County that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pension and OPEB, in accordance with GASB Statements No. 68 and No. 75, are more fully discussed in the corresponding pension and OPEB notes. Deferred outflows total \$5,752,500 with \$5,494,709 attributable to the County's pension and \$257,791 attributable to the County's combined OPEB plan.

Tax Anticipation Notes Payable

On April 8, 2020, the County issued \$15,000,000 in tax anticipation notes with a maturity date of December 31, 2020, and an interest rate of 1.09% and 1.49%. The first note is Series A No. R-1 totaling \$12,149,900 and the second note is Series B (federally taxable) No. R-2, totaling \$2,850,100. \$9,500,000 was borrowed between May and December of 2020. The total \$9,500,000 was repaid with interest of \$38,059 on December 31, 2020.

Capital Lease Obligations

The County is the lessee of vehicles and energy savings performance upgrades under capital leases expiring in various years through 2036. Future minimum lease payments under the capital leases consisted of the following as of December 31, 2020:

<u>Years ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	210,311	86,561	296,872
2022	202,565	80,776	283,341
2023	202,565	75,251	277,816
2024	202,565	69,923	272,488
2025	202,565	64,595	267,160
2026-2030	1,012,825	201,303	1,214,128
2031-2035	1,012,825	133,922	1,146,747
2036-2040	<u>202,223</u>	<u>6,200</u>	<u>208,423</u>
Total	<u>\$ 3,248,444</u>	<u>\$ 718,531</u>	<u>\$ 3,966,975</u>

Vehicles financed by capital leases payable totaling \$322,577 are reported in capital assets net of \$289,575 accumulated depreciation.

The County entered into a 17-year capital lease agreement not to exceed \$3,443,264, with an interest rate of 3.6121%, related to the purchase and installation of equipment to improve electric efficiency throughout the County's buildings which is reported in capital assets as construction in progress on December 31, 2020. The current value of the project reported in capital assets is \$3,333,155 with a deposit remaining of \$110,109 to be expended and placed in service during 2021.

COUNTY OF CARROLL, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Long-Term Liabilities

General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds currently outstanding are for the Nursing Home construction in the face amount of \$23,500,000. Future minimum bond payments consist of the following as of December 31, 2020:

<u>Years ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	1,175,000	436,219	1,611,219
2022	1,175,000	386,281	1,561,281
2023	1,175,000	336,344	1,511,344
2024	1,175,000	299,625	1,474,625
2025	1,175,000	261,438	1,436,438
2026-2030	5,875,000	681,500	6,556,500
Total	\$ 11,750,000	\$ 2,401,407	\$ 14,151,407

Changes in Long-Term Liabilities

During the year ended December 31, 2020, the following changes occurred in long-term liabilities, inclusive of bond payable and capital lease payable obligations.

	<u>Balance December 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2020</u>
Governmental activities -				
General obligation bond - public offerings; Nursing Home Construction (Originally \$23,500,000). Annual principal payment of \$1,175,000. Matures August 2030, interest ranging from 2.50 to 5.00%.	\$ 12,925,000	\$ -	\$ 1,175,000	\$ 11,750,000
Bank of New Hampshire Capital Lease, Energy Savings Performance Upgrade (Originally \$3,443,264), Matures December, 2036	\$ 3,443,264	\$ -	\$ 202,565	\$ 3,240,699
2017 Ford Interceptor, Capital Lease at 3.95% interest (Originally \$28,720), Matured June, 2020	\$ 7,452	\$ -	\$ 7,452	\$ -
2017 Ford Police Interceptor Utility 6100, Capital Lease at 4.45% interest (Originally \$56,523), Matured July, 2020	\$ 14,425	\$ -	\$ 14,425	\$ -
2018 Ford Police Interceptor Utility, Capital Lease at 3.32% interest (Originally \$30,409), Matures October, 2021	\$ 15,237	\$ -	\$ 7,492	\$ 7,745
2018 Ford P2M Police Interceptor AWD, Capital Lease at 3.19% interest (Originally \$51,458), Matured July, 2020	\$ 17,153		\$ 17,153	
	<u>\$ 16,422,531</u>	<u>\$ -</u>	<u>\$ 1,424,087</u>	<u>\$ 14,998,444</u>

COUNTY OF CARROLL, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Long-Term Liabilities (continued):

In addition to capital leases and bond payable, the County have other long-term liabilities which are reflected in the Statement of Net Position. A complete schedule of noncurrent liabilities and net change for the year are as follows:

	Balance December 31, 2019	Additions	Deletions	Balance December 31, 2020
Bonds payable	\$ 12,925,000	\$ -	\$ 1,175,000	\$ 11,750,000
Bond premium	605,064	-	55,006	550,058
Capital lease payable	3,497,531	-	249,087	3,248,444
Accrued bond interest	201,341	2,471		203,812
Compensated absences	314,535	192,035	-	506,570
Net pension liability	14,284,418	5,729,250	-	20,013,668
Net OPEB liability	2,106,753	216,721	-	2,323,474
	<u>\$ 33,934,642</u>	<u>\$ 6,140,477</u>	<u>\$ 1,479,093</u>	<u>\$ 38,596,026</u>

Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net position by the County that is applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB will be recognized as expense in future years and are more fully described in the corresponding pension and OPEB notes. Deferred inflows total \$668,102 with \$658,852 attributable to the County's pension and \$9,250 attributable to the County's combined OPEB plan.

Pension Plans

The County follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS).

Defined Benefit Plan

Plan Description

Full-time employees participate in the State of New Hampshire Retirement System (NHRS), a cost sharing, multiple-employer defined benefit contributory pension plan and trust established in 1967 by RSA 100-A:2 and qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death, and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State of New Hampshire are eligible and required to participate in the system. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to Group I. Police officers and firefighters belong to Group II. All assets are held in a single trust and are available to each group. Additional information is disclosed in the NHRS' annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the NHRS and additions to/deductions from NHRS' fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

COUNTY OF CARROLL, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Pension Plans (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2020, the measurement date selected by the State of New Hampshire Retirement System, NHRS was funded at 58.72% and had a plan fiduciary net position of \$9,097,364,441 and a total pension liability of \$15,493,515,525 resulting in a net pension liability of \$6,396,151,084. As of June 30, 2020, the County's proportionate share of this was 0.31290% resulting in a liability of \$20,013,668.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the

County's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities actuarially determined. As of June 30, 2020, the County's proportion of 0.31290% was an increase of 0.01603% from its proportion measured as of June 30, 2019. For the year ended December 31, 2020, the County recognized pension expense of \$3,041,649.

As of December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 540,466	\$ 214,889
Changes in assumptions	1,979,749	-
Difference between projected and actual earnings on pension plan investments	1,237,867	-
Changes in proportional share of contributions	890,401	-
Differences between the employer contributions and proportionate share of total contributions	-	443,963
Town's required employer contributions made subsequent to the measurement date	<u>846,226</u>	<u>-</u>
	<u>\$ 5,494,709</u>	<u>\$ 658,852</u>

The County reported \$846,226 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending
December 31st

2021	828,697
2022	915,286
2023	1,174,092
2024	1,071,556
2025	-
	<u>\$ 3,989,631</u>

COUNTY OF CARROLL, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Pension Plans (continued)

Benefits Provided

Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is $1/60$ or 1.667% of average final compensation (AFC), multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at $1/66$ or 1.515% of AFC multiplied by years of creditable service.

Group II members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011, or members who have nonvested status as of January 1, 2012, can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011, shall not receive a retirement allowance until attaining the age of 52.5 but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age by $\frac{1}{4}$ of 1% or age 60.

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earned compensation and/or service.

Contributions

Plan members are required to contribute a percentage of their gross earnings to the pension plan, for which the contribution rates are 7% for employees and 11.55% for sheriff's deputies and correctional officers. The County makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16 and range from 11.38% to 29.43% of covered compensation. The County's contributions to NHRS for the year ended December 31, 2020, were \$1,584,634, which was equal to the annual required contribution.

Actuarial Assumptions

The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00% per year
Wage Inflation	2.75% per year (2.25% for teachers)
Salary increases	5.60% average, including inflation
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2019, valuation was based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

COUNTY OF CARROLL, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Pension Plans (continued)

Actuarial Assumptions (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>2020 Weighted Average Long-Term Expected Real Rate of Return</u>
Large Cap Equities	22.50%	3.71%
Small/Mid Cap Equities	7.50%	4.15%
Total Domestic Equity	30.00%	
Int'l Equities (unhedged)	13.00%	3.96%
Emerging Int'l Equities	7.00%	6.20%
Total International Equity	20.00%	
Core Bond	9.00%	0.42%
Global Multi-Sector Fixed Income	10.00%	1.66%
Absolute Return Fixed Income	6.00%	0.92%
Total Fixed Income	25.00%	
Private Equity	10.00%	7.71%
Private Debt	5.00%	4.81%
Total Alternative Investments	15.00%	
Real Estate	10.00%	2.95%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the pension plan's actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

<u>Discount rate 1% Lower 5.75%</u>	<u>Discount rate Current 6.75%</u>	<u>Discount rate 1% Higher 7.75%</u>
\$ 25,909,555	\$ 20,013,668	\$ 15,195,948

COUNTY OF CARROLL, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Pension Plans (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net pension is available in the separately issued NHRS financial report.

Other Post-Employment Benefits – OPEB

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 establishes standards for recognizing and measuring assets, liabilities, deferred outflows/inflows of resources, and expenditures related to other post-employment benefits (OPEB) liabilities and identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

County OPEB Plan

Plan Description

The County participates in the statutory medical subsidy provided through the NHRS as well as indirectly providing post-employment healthcare for retired employees through an implicit rate covered by current employees. Retirees of the County who participate in the single-employer plan pay 100% of the healthcare premiums to participate in the County's healthcare program. Since they are included in the same pool as active employees, the insurance rates are implicitly higher for current employees, due to the age of consideration. This increased rate is an implicit subsidy the County pays for the retirees.

The County's OPEB plan is not administered through a trust that meets the criteria in paragraph 4 of GASB 75.

Benefits Provided

The County provides post-employment healthcare benefits for certain eligible retirees and their covered spouses. Benefits are provided through the County's self-funded insurance plan that is administered by a third-party and the NHRS medical subsidy. The following details relate to the self-funded, third-party plan.

Membership Data

As of January 1, 2020, the valuation date, OPEB plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	3
Active employees	143
	<u>146</u>

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of January 1, 2020, and measured as of December 31, 2020, using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.12%
Healthcare cost trend rates	
Year 1 Inflation Rate	9.93%
Year 2 Inflation Rate	9.50%
Ultimate trend	5.00%
Year ultimate trend is reached	2030
Salary increases	2.5%

COUNTY OF CARROLL, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Other Post-Employment Benefits – OPEB (continued)

Actuarial Assumptions and Other Inputs (continued)

The discount rate was based on the index provided by Bond Buyer 20-Bond General Obligation Index based on the 20-year AA municipal bond rate as of January 1, 2020.

Mortality rates were based on the SOA RP-2014 Total Dataset Mortality with Scale MP-2020 (Base Year 2006).

Funding Policy

The County's funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute.

Changes in the Total OPEB Liability

	2020
Total OPEB Liability	\$ 1,038,929
Service Cost	83,620
Interest	25,938
Assumption changes	182,225
Loss attributable to experience	27,398
Benefit payments	(50,159)
Net Change in total OPEB liability	269,022
Total OPEB liability	\$ 1,307,951

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

Discount rate 1% Lower	Discount rate Current	Discount rate 1% Higher
\$ 1,201,248	\$ 1,307,951	\$ 1,420,352

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

Trend Rate 1% Lower	Current Cost Trend Rate	Trend Rate 1% Higher
\$ 1,145,060	\$ 1,307,951	\$ 1,499,164

COUNTY OF CARROLL, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Other Post-Employment Benefits – OPEB (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the County recognized OPEB expense of \$53,160. At December 31, 2020, the County reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 22,068	\$ -
Changes in assumptions	146,002	-
	<u>\$ 168,070</u>	<u>\$ -</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in expense as follows:

Year Ending December 31st	
2021	36,320
2022	36,320
2023	35,835
2024	35,452
2025	4,965
	<u>\$ 148,892</u>

New Hampshire Retirement System Medical Subsidy Plan

Plan Description

In addition to the County's OPEB plan discussed above, the County participates in the New Hampshire Retirement System's (NHRS) Medical Subsidy Plan (MSP). The NHRS administers a cost-sharing, multiple-employer defined benefit postemployment medical subsidy healthcare plan designated in statute by membership type. The four membership groups are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees, and Group I State Employees. Collectively, they are referred to as the OPEB Plan.

NHRS issues publicly available financial reports that can be obtained by writing to them at 54 Regional Drive, Concord, NH 03301-8507 or from their website at <http://www.nhrs.org>.

Benefits Provided

The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical subsidy is a payment made by NHRS to the former employer or their insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certifiably dependent children with a disability who are living in the household and being cared for by the retiree. Under specific conditions, the qualified beneficiaries of members who die while in service may also be eligible for the medical subsidy. The eligibility requirements for receiving OPEB Plan benefits differ for Group I and Group II members. The monthly medical subsidy rates are:

1 person - \$375.56
2 person - \$751.12
1 Person Medical Supplement - \$236.84
2 Person Medical Supplement - \$473.68

COUNTY OF CARROLL, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Other Post-Employment Benefits – OPEB (continued)

New Hampshire Retirement System Medical Subsidy Plan (continued)

Contributions

Pursuant to RSA 100-A:16, III, and the biennial actuarial valuation, funding for the medical subsidy payment is via the employer contribution rates set forth by NHRS. Employer contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the NHRS actuary using the entry age normal funding method and are expressed as a percentage of gross payroll. The County contributed 0.30% of gross payroll for Group I employees and 4.10% of gross payroll for Group II fire and police department members. Employees are not required to contribute. The State Legislature has the authority to establish, amend, and discontinue the contribution requirements of the medical subsidy plan.

Actuarial Assumptions and Other Inputs

The County's proportionate share of the NHRS medical subsidy as of December 31, 2020, is based upon an actuarial valuation performed as of June 30, 2019 (rolled forward to June 30, 2020) using a measurement date of June 30, 2020. The actuarial valuation used the following actuarial assumptions:

Price inflation	2.00% per year
Wage inflation	2.75% per year (2.25% for Teachers)
Salary increases	5.6% average, including inflation
Investment rate of return	6.75%, net OPEB plan investment expense including inflation
Discount rate	7.25%

Mortality rates were based on the Oub-2010 Healthy Retiree Mortality tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using scale MP-2019.

The actuarial assumptions used in the June 30, 2019, valuation was based on the results of the most recent experience study, which was for the period July 1, 2016 – June 30, 2019.

Net OPEB Liability, Expense, and Deferred Outflows and Inflows

The County's proportionate share of the net OPEB liability for the NHRS MSP as of the measurement date of June 30, 2020, was \$1,015,523, representing 0.23201%.

For the year ended December 31, 2020, the county recognized expense related to the NHRS medical subsidy of \$53,160. At December 31, 2020, the County reported related deferred inflows and outflows of resources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,800	\$ (2,943)
Changes in assumptions	6,530	-
Differences between employer contributions and proportionate share of total contributions		(6,307)
	<u>\$ 10,330</u>	<u>\$ (9,250)</u>

COUNTY OF CARROLL, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Other Post-Employment Benefits – OPEB (continued)

New Hampshire Retirement System Medical Subsidy Plan (continued)

Net OPEB Liability, Expense, and Deferred Outflows and Inflows (continued)

The amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and before the end of the year will be included as a reduction of the net OPEB liability in 2021.

Other amounts reported as deferred outflows and (inflows) of resources related to the OPEB liability will be recognized in OPEB expense as follows:

Year Ending December 31st	
2021	(2,432)
2022	1,125
2023	1,341
2024	1,046
2025	-
	<u>\$ 1,080</u>

Sensitivity of the Net NHRS Medical Subsidy OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

Discount rate 1% Lower	Discount rate Current	Discount rate 1% Higher
\$ 1,102,753	\$ 1,015,523	\$ 939,791

Healthcare Cost Trend Rate

Health care cost trend rates are not applicable given that the benefits are fixed stipends.

Consolidation of OPEB Liabilities and Related Deferred Outflows and Inflows

The following consolidates the County's total OPEB liability and related deferred outflows/inflows, and the County's proportionate share of the NHRS Medical Subsidy net OPEB liability and related deferred outflows/inflows at December 31, 2020:

	Net OPEB Liability	Total Deferred Outflows of Resources	Total Deferred (Inflows) of Resources	Total OPEB Expense
County OPEB Plan	\$ 1,307,951	\$ 247,461	\$ -	\$ 182,561
NHRS Medical Subsidy Plan	1,015,523	10,330	(9,250)	53,160
	<u>\$ 2,323,474</u>	<u>\$ 257,791</u>	<u>\$ (9,250)</u>	<u>\$ 235,721</u>

COUNTY OF CARROLL, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Commitments and Contingencies

Outstanding Legal Matters

On an ongoing basis, there are typically pending legal matters in which the County is involved. The County's management is of the opinion that the potential future settlement of these matters would not materially affect its financial statements taken as a whole.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

Encumbrances

At year-end, the County's General Fund had \$250,630 in encumbrances that will be honored in 2021.

Corona Virus

The COVID-19 outbreak in the United States and across the globe) has resulted in economic uncertainties. There has been considerable uncertainty around the duration and scope of economic disruption. The extent of the impact of COVID-19 on the County's operations and financial performance depends on developments, including the duration and spread of the outbreak, impact on individuals served by the County, employees, and vendors, all of which have been uncertain. During 2020, the County received significant funds to pay long-term care and first responder and emergency stipends in the amount of \$1,412,135.

Beginning Net Position Restatement

The beginning (January 1, 2020) net position of the County has been restated from the previous due to a reclassification of agency funds to County funds related to the Nursing Home in the amount of \$46,803.

Subsequent Events

We have examined subsequent events from the close of the fiscal year through the date of this report, July 26, 2021. The following items are material and will substantially impact the financial statements of the County

The County entered into a tax anticipation note during April 2021 in the aggregate amount of \$17,000,000, with a maturity date of December 31, 2021, and interest rates of 1.09% and 1.49%. The first note is Series A No. R-1 totaling \$13,406,998 and the second note is Series B (federally taxable) No. R-2, totaling \$3,593,002. \$3,000,000 was borrowed through July 26, 2021.

The County received \$9,500,000 in funds under the American Rescue Plan Act (ARPA). Funds must be used by December 31, 2024. The County is establishing a work plan for the use of these funds. If funds are not fully expended, repayment will be due December 31, 2026.

The County received an insurance refund totaling \$176,450 as overpayment on the expired audit period, of which the Commissioners have decided to credit towards the current year policies. The County also received \$15,041 in the settlement of an Opioid litigation case.

COUNTY OF CARROLL, NEW HAMPSHIRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
NEW HAMPSHIRE RETIREMENT SYSTEM
DECEMBER 31, 2020

SCHEDULE 1

	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 6,396,151,084	\$ 4,812,809,299	\$ 4,816,432,937	\$ 49,184,194	\$ 25,527,973,984	\$ 20,112,148,148
County's Proportion of the Net Pension Liability	0.3129%	0.2968%	0.2945%	32.0700%	0.0615%	0.0594%
County's Proportionate Share of the Net Pension Liability	20,013,668	14,284,418	14,184,395	15,773,371	15,699,704	11,946,616
County's Covered Employee Payroll (Measurement Date)	10,330,880	8,595,594	8,534,565	8,193,800	8,080,062	7,937,633
County's Proportionate Share of the Net Pension Liability as a Percentage of County's Covered Employee Payroll	193.73%	166.18%	166.20%	192.50%	194.30%	150.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.72%	65.59%	64.73%	62.66%	58.30%	65.47%

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions: The single discount rate used to measure the net position liability was lowered from 7.25% to 6.75%, determined at the plan level.

Fiscal year 2014 was the first year of implementation (measurement date), therefore, only six years of the required ten are shown.

See disclaimer in accompanying Independent Auditor's Report.

COUNTY OF CARROLL, NEW HAMPSHIRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
NEW HAMPSHIRE RETIREMENT SYSTEM
DECEMBER 31, 2020

SCHEDULE 2

	2020	2019	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	\$ 1,584,634	\$ 1,313,022	\$ 1,259,428	\$ 1,209,870	\$ 1,093,858	\$ 1,069,128
Contributions in Relation to the Actuarially Determined Contributions	<u>1,584,634</u>	<u>1,313,022</u>	<u>1,259,428</u>	<u>1,209,870</u>	<u>1,093,858</u>	<u>1,069,128</u>
Contribution Excess/(Deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Employee Payroll	\$ 10,366,108	\$ 9,004,212	\$ 8,599,023	\$ 8,508,488	\$ 7,706,848	\$ 8,278,451
Contributions as a Percentage of Town's Covered Employee Payroll	15.29%	14.58%	14.65%	14.22%	14.19%	12.91%

Notes to Schedule

Valuation Date: June 30, 2020

Fiscal year 2014 was the first year of implementation (measurement date), therefore, only six years of the required ten are shown.

See disclaimer in accompanying Independent Auditor's Report.

COUNTY OF CARROLL, NEW HAMPSHIRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
NEW HAMPSHIRE RETIREMENT SYSTEM MEDICAL SUBSIDY

SCHEDULE 3

DECEMBER 31, 2020

	2020	2019	2018
Total Plan Net OPEB Liability	\$ 437,708,995	\$ 438,411,236	\$ 457,845,625
County's Proportion of the Net OPEB Liability	0.2320%	0.2436%	0.2397%
County's Proportionate Share of the Net OPEB Liability	1,015,523	1,067,824	1,097,234
County's Covered Employee Payroll (Measurement Date)	10,330,880	8,595,594	8,534,565
County's Proportionate Share of the Net OPEB Liability as a Percentage of County's Covered Employee Payroll	9.83%	12.42%	12.86%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.74%	7.75%	7.53%

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions: The single discount rate used to measure the net position liability was lowered from 7.25% to 6.75%, determined at the plan level.

Fiscal year 2017 was the first year of implementation (measurement date), therefore, only three years of the required ten are shown.

See disclaimer in accompanying Independent Auditor's Report.

COUNTY OF CARROLL, NEW HAMPSHIRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - OPEB
NEW HAMPSHIRE RETIREMENT SYSTEM MEDICAL SUBSIDY
DECEMBER 31, 2020

SCHEDULE 4

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution (Actuarially Determined)	\$ 107,692	\$ 106,257	\$ 107,570
Contributions in Relation to the Actuarially Determined Contributions	<u>107,692</u>	<u>106,257</u>	<u>107,570</u>
Contribution Excess/(Deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Employee Payroll	\$ 10,366,108	\$ 9,004,212	\$ 8,599,023
Contributions as a Percentage of Town's Covered Employee Payroll	1.04%	1.18%	1.25%

Notes to Schedule

Measurement Date: June 30, 2020

Fiscal year 2017 was the first year of implementation (measurement date), therefore, only three years of the required ten are shown.

See disclaimer in accompanying Independent Auditor's Report.

COUNTY OF CARROLL, NEW HAMPSHIRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND CONTRIBUTIONS
THIRD PARTY OPEB
FOR THE YEAR ENDED DECEMBER 31, 2020

SCHEDULE 5

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability	\$ 1,038,929	\$ 957,799	\$ 940,153
Service Cost	83,620	60,681	66,058
Interest	25,938	38,892	32,037
Assumption changes	182,225	-	(62,732)
Loss attributable to experience	27,398		
Benefit payments	<u>(50,159)</u>	<u>(18,443)</u>	<u>(17,717)</u>
Net Change in total OPEB liability	<u>269,022</u>	<u>81,130</u>	<u>17,646</u>
Total OPEB liability	<u><u>\$ 1,307,951</u></u>	<u><u>\$ 1,038,929</u></u>	<u><u>\$ 957,799</u></u>
Covered employee payroll	\$ 6,897,991	\$ 7,462,603	\$ 7,280,588
Total OPEB liability as a percentage of covered employee payroll	18.96%	13.92%	13.16%

There are no assets accumulated in a trust that meet the criteria in paragraph 4 of the Statement 75 to pay OPEB related benefits.

Does not include NEW Hampshire Retirement Medical Subsidy.

See disclaimer in accompanying Independent Auditor's Report.

COUNTY OF CARROLL, NEW HAMPSHIRE
ALL BUDGETED FUNDS
STATEMENT OF REVENUES AND OTHER SOURCES, AND EXPENDITURES AND OTHER USES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

SCHEDULE 6

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
REVENUES:				
General Fund:				
County taxes	\$ 17,645,223	\$ 17,645,223	\$ 17,645,223	\$ -
Nursing home	11,881,868	11,881,868	12,806,168	924,300
Charges for services	1,515,458	1,515,458	1,820,962	305,504
Intergovernmental	14,000	14,000	50,438	36,438
Investment income	1,597	1,597	2,005	408
Miscellaneous	-	-	95,307	95,307
Total Governmental Funds	31,058,146	31,058,146	32,420,103	1,361,957
Grants Fund	1,241,818	1,869,020	1,486,969	(382,051)
Total Revenues	32,299,964	32,927,166	33,907,072	979,906
EXPENDITURES:				
General Fund:				
Current:				
General government	7,822,631	7,822,631	7,413,644	408,987
Public safety	2,472,869	2,472,869	2,239,968	232,901
Corrections	3,569,613	3,569,613	3,327,469	242,144
Human services	5,246,712	5,246,712	5,192,032	54,680
Cooperative extension	284,291	284,291	284,291	-
Economic development	403,805	403,805	403,805	-
Nursing home	11,005,941	11,005,941	10,570,015	435,926
Capital outlay	455,728	455,728	457,089	(1,361)
Debt service:				
Principal	\$ 1,377,566	\$ 1,377,566	1,424,087	(46,521)
Interest	657,414	657,414	615,380	42,034
Total Governmental Fund	33,296,570	33,296,570	31,927,780	1,368,790
Grants Fund	1,880,596	1,880,596	2,316,543	(435,947)
Total Expenditures	35,177,166	35,177,166	34,244,323	932,843
Excess (deficiency) of revenues over expenditures before other financing sources	(2,877,202)	(2,250,000)	(337,251)	1,912,749
Other Financing Sources:				
Transfers to Capital Reserve	(150,000)	(150,000)	0	150,000
Use of fund balance	2,400,000	2,400,000	2,400,000	0
Excess of revenues and other financing sources over expenditures	\$ (627,202)	\$ -	\$ 2,062,749	\$ 2,062,749

The accompanying notes are an integral part of this financial statement.

COUNTY OF CARROLL, NEW HAMPSHIRE
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

SCHEDULE 7

	Surcharge Equipment Fund	Capital Reserve Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$ -	\$ 150,001	\$ 150,001
Restricted cash	105,340	-	105,340
Accounts receivable	-	-	-
Due from trustees	-	-	-
Due from other funds	-	-	-
Prepaid expenses	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 105,340</u>	<u>\$ 150,001</u>	<u>\$ 255,341</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Non-spendable	-	-	-
Restricted	-	-	-
Committed	105,340	150,001	255,341
Assigned	-	-	-
Unassigned / (Deficit)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>105,340</u>	<u>150,001</u>	<u>255,341</u>
Total liabilities and fund balances	<u>\$ 105,340</u>	<u>\$ 150,001</u>	<u>\$ 255,341</u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF CARROLL, NEW HAMPSHIRE
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
 SPECIAL REVENUE FUNDS-NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2020

SCHEDULE 8

	Surcharge Equipment Fund	Capital Reserve Fund	Total Nonmajor Governmental Funds
REVENUES:			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental	32,558	-	32,558
Licenses and fees	-	-	-
Investment income	23	1	24
Other	-	-	-
Total revenues	<u>32,581</u>	<u>1</u>	<u>32,582</u>
EXPENDITURES:			
General government	-	-	-
Public safety	-	-	-
Highway and streets	-	-	-
Sanitation	-	-	-
Culture and recreation	-	-	-
Capital Outlay:			-
General government	-	-	-
Public Safety	-	-	-
Highway and streets	-	-	-
Debt service:			-
Principal payments	-	-	-
Interest payments	-	-	-
Cemetery	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>32,581</u>	<u>1</u>	<u>32,582</u>
OTHER FINANCING SOURCES (USES)			-
Transfers in	-	150,000	150,000
Transfers out	-	-	-
Net Change in Fund Balances	32,581	150,001	182,582
Fund Balances, January 1, 2020	<u>72,759</u>	<u>-</u>	<u>72,759</u>
Fund Balances, December 31, 2020	<u>\$ 105,340</u>	<u>\$ 150,001</u>	<u>\$ 255,341</u>

The accompanying notes are an integral part of this financial statement.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
County of Carroll
Ossipee, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Carroll, Ossipee, New Hampshire, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County of Carroll, New Hampshire's basic financial statements and have issued our report thereon dated July 26, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Carroll, New Hampshire's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Carroll, New Hampshire's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Carroll, New Hampshire's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2020-003 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Carroll, New Hampshire's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County of Carroll, New Hampshire's Response to Findings

County of Carroll, New Hampshire's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Carroll, New Hampshire's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Batchelder Associates, P.C.
Barre, Vermont 05641
License #945
July 26, 2021

COUNTY OF CARROLL, NEW HAMPSHIRE
AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2020

Deficiencies in Internal Control:

Material Weaknesses:

2020-001 Ineffective oversight of the entity's financial reporting and internal control by those charged with governance

Criteria: Internal controls should be in place to provide total understanding of financial system, government wide.

Condition: Significant adjustments were made to integrate and reconcile department financial information during the audit. The existence of such material adjustments indicates that the County of Carroll's system of controls did not detect and prevent such errors.

Cause: Unknown.

Effect: The County's internal and interim financial statements were materially misstated. This deficiency in the internal control structure could allow other working control policies to be circumvented

Recommendation: We recommend management examine the adjustments required as a result of our audit and assess the cost-benefit of improving the internal control system to prevent similar future adjustments.

Management's Response:

2020-002 Deficient oversight of grant management

Criteria: Internal controls should be in place to accommodate proper grant reporting and tracking by those charged with governance.

Condition: Significant adjustments were made to grant revenue and accounts receivable to properly record revenue within the correct fiscal year.

Cause: Unknown.

Effect: The County's internal and interim financial statements were materially misstated as it relates to grant income and expenses. Improper cut-off procedures were followed in reporting grant transactions for the current year. This deficiency in the internal control structure could allow other working control policies to be circumvented

Recommendation: We recommend that the County enact a policy that requires appropriate cut-off and ongoing reporting for grant revenue and expenses.

Management's Response:

Significant Deficiencies:

2020-003 Timely reconciliations and reporting

Criteria: Internal controls and procedures should be in place that require timely reconciliations to reporting.

Condition: Lack of timely reconciliations can cause misstatements and errors in the internal financial statements.

Cause: Unknown.

Effect: Material misstatements could be present in financial statement reporting.

COUNTY OF CARROLL, NEW HAMPSHIRE
AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2020

Recommendation: - We recommend that the Town implement procedures complete reconciliations each month by a targeted deadline, of which is reasonable to render financial information to the Board of Commissioners.

Management's Response:



Batchelder Associates, PC

County of Carroll, New Hampshire

Reports on Schedule of Expenditures of
Federal Awards, Internal Controls and
Compliance with Laws and Regulations

December 31, 2020

County of Carroll, New Hampshire
December 31, 2020

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Batchelder Associates, PC

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
County of Carroll
Ossipee, New Hampshire

Report on the Schedule of Expenditures of Federal Awards

We have audited the accompanying schedule of expenditures of federal awards of the County of Carroll, New Hampshire for the year ended December 30, 2020, and the related notes.

Management's Responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above presents fairly, in all material respects, the expenditures of federal awards of the County of Carroll, New Hampshire for the year ended December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

Batchelder Associates, P.C.
Barre, Vermont
License #945
July 26, 2021



Batchelder Associates, PC

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners

County of Carroll

Ossipee, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Carroll, Ossipee, New Hampshire, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County of Carroll, New Hampshire's basic financial statements and have issued our report thereon dated July 26, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Carroll, New Hampshire's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Carroll, New Hampshire's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Carroll, New Hampshire's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2020-003 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Carroll, New Hampshire's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

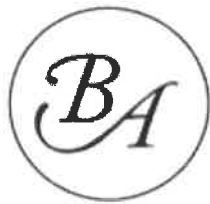
County of Carroll, New Hampshire's Response to Findings

County of Carroll, New Hampshire's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Carroll, New Hampshire's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Batchelder Associates, P.C.
Barre, Vermont 05641
License #945
July 26, 2021



Batchelder Associates, PC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Commissioners
County of Carroll
Ossipee, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited the County of Carroll, New Hampshire (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the County of Carroll, New Hampshire is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing

an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Batchelder Associates, P.C.
Barre, Vermont
License #945
July 26, 2021

**COUNTY OF CARROLL, NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/Pass-through Grantor/ Program Title	Federal Program	Federal CFDA Number	Award Number	Award Amount	From Pass- Through Awards	From Direct Awards	Total	Passed through to Subrecipients
U.S Department of Homeland Security								
Passed through New Hampshire Department of Safety								
Regional Communications Project Grant	LETPA	97.067	FY2017 HSGP	\$ 604,444	\$ 604,000	\$ -	\$ 604,000	\$ -
Regional Communications Project Grant	SHSP	97.067	EMW-2018-SS- 00055	\$ 540,000	\$ 222,977	\$ -	\$ 222,977	\$ -
				<u>\$ 1,144,444</u>	<u>\$ 826,977</u>	<u>\$ -</u>	<u>\$ 826,977</u>	<u>\$ -</u>
U.S. Department of Justice								
Victim Assistance	VOCA	16.575	2018-V2-GX-0036	\$ 32,500	\$ -	\$ 27,671	\$ 27,671	\$ -
			2017-MO-BX-0001	\$ 200,000	\$ -	\$ 47,164	\$ 47,164	\$ -
				<u>\$ 232,500</u>	<u>\$ -</u>	<u>\$ 74,835</u>	<u>\$ 74,835</u>	<u>\$ -</u>
U.S. Department of the Treasury								
Passed through New Hampshire Department of Revenue								
Coronavirus Relief Program	LTC Stabalization Funding	21.019		\$ 1,003,650	\$ 1,003,650	\$ -	\$ 1,003,650	\$ -
Coronavirus Relief Program	First Responder Funding	21.019		\$ 118,750	\$ 118,750	\$ -	\$ 118,750	\$ -
Coronavirus Relief Program	COVID Reimbursement Funding	21.019		\$ 289,735	\$ 289,735	\$ -	\$ 289,735	\$ -
				<u>\$ 1,412,135</u>	<u>\$ 1,412,135</u>	<u>\$ -</u>	<u>\$ 1,412,135.00</u>	<u>\$ -</u>
TOTAL AWARDS & EXPENDITURES:				<u>\$ 2,789,079</u>	<u>\$ 2,239,112</u>	<u>\$ 74,835</u>	<u>\$ 2,313,947</u>	<u>\$ -</u>

COUNTY OF CARROLL, NEW HAMPSHIRE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization- The County of Carroll, New Hampshire operates under a Board of Commissioners form of government and provides the following services as authorized by its charter including public safety, corrections, human services, cooperative extension, economic development, and nursing home.

A. Uniform Guidance Reporting Entity – For purposes of complying with the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, the County includes all funds and programs that are considered part of the primary governmental unit, as described in the basic financial statements as of and for the year ended December 31, 2020.

B. Basis of presentation – The information in the accompanying schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

1. Federal award – Pursuant to the Uniform Guidance, federal award means federal financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. The County receives direct federal awards, of which some are direct, and some are passed through the State of Vermont.

2. Federal financial assistance – Under the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Federal financial assistance does not include direct federal cash payments to individuals.

3. Major and nonmajor programs – The Uniform Guidance establishes risk-based criteria for determining those major programs to be tested for compliance with program requirements. Nonmajor federal programs are included on the Schedule of Expenditures of Federal Awards but are subject to lower levels of testing.

C. Basis of accounting – The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

2. SUB RECIPIENTS:

The County had no sub recipient awards during fiscal year ended December 31, 2020.

3. LOANS

The County had no loans of federal awards during fiscal year ended December 31, 2020.

COUNTY OF CARROLL, NEW HAMPSHIRE
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

A: SUMMARY OF AUDITOR'S RESULTS:

Financial Statements –

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted? No

Federal Awards –

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? No

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required by 2 CFR section 200.516(a) are reported: No

Identification of major programs:

- U. S. Department of Homeland Security CFDA #97.067 (Pass through)
- U.S. Department of the Treasury CFDA #21.019 (Pass through)

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: No

COUNTY OF CARROLL, NEW HAMPSHIRE
AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2020

B: AUDIT FINDINGS – FINANCIAL STATEMENTS:

Material Weaknesses:

2020-001 Ineffective oversight of the entity's financial reporting and internal control by those charged with governance

Criteria: Internal controls should be in place to provide total understanding of financial system, government wide.

Condition: Significant adjustments were made to integrate and reconcile department financial information during the audit. The existence of such material adjustments indicates that the County of Carroll's system of controls did not detect and prevent such errors.

Cause: Unknown.

Effect: The County's internal and interim financial statements were materially misstated. This deficiency in the internal control structure could allow other working control policies to be circumvented

Recommendation: We recommend management examine the adjustments required as a result of our audit and assess the cost-benefit of improving the internal control system to prevent similar future adjustments.

Management's Response:

2020-002 Deficient oversight of grant management

Criteria: Internal controls should be in place to accommodate proper grant reporting and tracking by those charged with governance.

Condition: Significant adjustments were made to grant revenue and accounts receivable to properly record revenue within the correct fiscal year.

Cause: Unknown.

Effect: The County's internal and interim financial statements were materially misstated as it relates to grant income and expenses. Improper cut-off procedures were followed in reporting grant transactions for the current year. This deficiency in the internal control structure could allow other working control policies to be circumvented

Recommendation: We recommend that the County enact a policy that requires appropriate cut-off and ongoing reporting for grant revenue and expenses.

Management's Response:

Significant Deficiencies:

2020-003 Timely reconciliations and reporting

COUNTY OF CARROLL, NEW HAMPSHIRE
AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2020

Criteria: Internal controls and procedures should be in place that require timely reconciliations to reporting.

Condition: Lack of timely reconciliations can cause misstatements and errors in the internal financial statements.

Cause: Unknown.

Effect: Material misstatements could be present in financial statement reporting.

Recommendation: We recommend that the Town implement procedures complete reconciliations each month by a targeted deadline, of which is reasonable to render financial information to the Board of Commissioners.

Management's Response:

C: AUDIT FINDINGS – FEDERAL AWARDS:

The audit disclosed no findings required to be reported.

PRIOR YEAR FINDINGS – None