

December 30, 2020

Melanson
121 River Front Drive
Manchester, New Hampshire 03102

This representation letter is provided in connection with your audit of the basic financial statements of the County of Carroll, New Hampshire as of December 31, 2019 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the County in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 30, 2020:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
5. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
6. We have a process to track the status of audit findings and recommendations.
7. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
8. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
9. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
10. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
11. The effects of uncorrected misstatements in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
12. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
13. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
14. All funds and activities are properly classified.
15. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
16. All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
17. Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net

position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.

18. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
19. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
20. All interfund and intra-entity transactions and balances have been properly classified and reported.
21. Special items and extraordinary items have been properly classified and reported.
22. Deposit and investment risks have been properly and fully disclosed.
23. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
24. All required supplementary information is measured and presented within the prescribed guidelines.
25. With regard to investments and other instruments reported at fair value:
 - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
26. With respect to the nonattest services provided, including preparation of financial statements, note disclosures, and required supplementary information, preparation of capital asset schedules, and preparation of the MS-45, we have performed the following:
 - a. Made all management decisions and performed all management functions;
 - b. Assigned a competent individual to oversee the services;
 - c. Evaluated the adequacy of the services performed;
 - d. Evaluated and accepted responsibility for the result of the service performed; and
 - e. Established and maintained internal controls, including monitoring ongoing activities.
27. We have not completed the process of evaluating the effect that will result from adopting the guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, and GASB Statement No. 87, *Leases*, as discussed in the footnotes of our financial statements. The County is therefore unable to disclose the effect that adopting the guidance in these GASB statements will have on its financial position and the results of operations when such guidance is adopted.
28. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements have been properly disclosed.
29. Provisions for uncollectible receivables have been properly identified and recorded.

Information Provided

30. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
31. All transactions have been recorded in the accounting records and are reflected in the financial statements.
32. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
33. We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
34. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
35. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
36. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
37. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
38. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
39. The County of Carroll, New Hampshire has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
40. We have disclosed to you all guarantees, whether written or oral, under which the County of Carroll, New Hampshire is contingently liable.
41. We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
42. For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.

43. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
44. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
45. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
 - d. Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
46. The County of Carroll, New Hampshire has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
47. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
48. To the extent our normal procedures and controls related to our financial close process was adversely impacted by the COVID-19 outbreak, we took appropriate actions and safeguards to reasonably ensure the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
49. 40. Disclosures included in the financial statements regarding the relevant significant business, financial, and reporting impacts of the COVID-19 outbreak accurately reflect management's full consideration of such impacts.

Audit Adjustments

We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements, including standard entries used to convert from fund-basis to government-wide basis financial statements.

Reported Findings

We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with GASB 34, GASB 45, and GASB 68.
- b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with GASB 34, GASB 45, and GASB 68.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Use of a Specialist

We agree with the findings of specialists in evaluating the net OPEB liability and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

Pension and Postretirement Benefits

We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Amanda Bevard, Chair, Board of Commissioners

Fergus Cullen, Chief Financial Officer

Client: **CARROLLCTY - Carroll County, New Hampshire**
 Engagement: **2019 FS - Carroll County - 2019 audit**
 Period Ending: **12/31/2019**
 Trial Balance: **GF & NH Consolidated trial balance**
 Workpaper: **GF-030 - Passed Adjusting Journal Entries Report - CY**

Account	Description	W/P Ref	Debit	Credit
Passed Adjusting Journal Entries				
Passed Adjusting Journal Entries JE # 1				
To post current year effect of prior year passed adjusting journal entries.				
100.3000.009	FUND BALANCE		12,095.84	
300.3000.009	FUND BALANCE		141,000.00	
300.5000.010	MEDICAID ROOM & BOARD		52,988.28	
100.4000.024	COUNTY MISCELLANEOUS INCOME			6,370.39
100.4010.034	OTHER INCOME			5,725.45
300.1100.124	A/R NURSING HOME ALLOWANCE			141,000.00
300.3000.009	FUND BALANCE			52,988.28
Total			206,084.12	206,084.12
Passed Adjusting Journal Entries JE # 2				
To adjust allowance for doubtful accounts.				
300.1100.124	A/R NURSING HOME ALLOWANCE		96,000.00	
300.5000.093	A/R BAD DEBTS			96,000.00
Total			96,000.00	96,000.00
Passed Adjusting Journal Entries JE # 3				
To reconcile nursing home receivables to aging report.				
300.5000.012	PRIVATE ROOM & BOARD		49,683.34	
300.1100.120	A/R NURSING HOME PATIENTS			49,683.34
Total			49,683.34	49,683.34
Passed Adjusting Journal Entries JE # 4				
To reconcile cash.				
100.4000.024	COUNTY MISCELLANEOUS INCOME		15,788.00	
100.1000.121	BNH#851026963			15,788.00
Total			15,788.00	15,788.00
Total Passed Adjusting Journal Entries			367,555.46	367,555.46
Total All Journal Entries			367,555.46	367,555.46

Client: **CARROLLCTY - Carroll County, New Hampshire**
 Engagement: **2019 FS - Carroll County - 2019 audit**
 Period Ending: **12/31/2019**
 Trial Balance: **GRF Trial Balance**
 Workpaper: **GRF-004 - GRF Passed Adjusting Journal Entries Report (CY)**

Account	Description	W/P Ref	Debit	Credit
Passed Adjusting Journal Entries				
Passed Adjusting Journal Entries JE # 1				
To record current year expense and accounts payable for portion of invoice related to FY19 services for contractual billing.				
		L-001		
200.6101.023	CONSULTING/CONTRACTED SVCS		1,451.64	
200.2100.110	GRANT ACCOUNTS PAYABLE			1,451.64
Total			1,451.64	1,451.64
	Total Passed Adjusting Journal Entries		1,451.64	1,451.64
	Total All Journal Entries		1,451.64	1,451.64