

**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**Financial Statements**  
**With Schedule of Expenditures of Federal Awards**  
**December 31, 2023**  
**and**  
**Independent Auditor's Report**

**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***

**Report on Compliance for Each Major Federal Program and  
Report on Internal Control Over Compliance  
Required by the Uniform Guidance**

**Schedule of Findings and Questioned Costs**

**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**FINANCIAL STATEMENTS**  
**December 31, 2023**

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FINANCIAL STATEMENTS  
December 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
County of Carroll, New Hampshire

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Carroll, New Hampshire (the County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County of Carroll, New Hampshire's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Carroll, New Hampshire, as of December 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County of Carroll, New Hampshire and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Carroll, New

Hampshire's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County of Carroll, New Hampshire's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Carroll, New Hampshire's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the County's proportionate share of the net OPEB liability, schedule of County OPEB contributions, schedule of changes in the County's total OPEB liability and related ratios, schedule of changes in the County's proportionate share of the net pension liability, and schedule of County pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Carroll, New Hampshire's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2024, 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 solely 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 the effectiveness of the County of Carroll, New Hampshire's internal control 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.

*Vachon Clukay & Company PC*

Manchester, New Hampshire  
May 15, 2024

COUNTY OF CARROLL, NEW HAMPSHIRE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023

As management of the County of Carroll, New Hampshire (the County), we offer readers this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2023.

***Overview of the Financial Statements***

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

***Government-Wide Financial Statements***

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, liabilities, deferred outflows of resources, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

***Fund Financial Statements***

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The County's funds are reported in two categories: governmental funds and fiduciary funds.

***Governmental Funds***

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Reconciliations are provided to facilitate the comparison between governmental funds and governmental activities.

***Fiduciary Funds***

Fiduciary funds account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support County programs.

***Notes to Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

COUNTY OF CARROLL, NEW HAMPSHIRE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023

***Financial Highlights***

- As of close of the current year, net position of governmental activities was \$8,034,661 a change of \$5,965,824 as further discussed in the next section. This net position includes a restatement of prior year balances of \$385,475 to consistently report revenue between 2023 and 2022.
- As of the close of the current year, governmental funds reported combining ending fund balances of \$13,231,326 a change of \$3,858,479 in comparison to the prior year. This fund balance includes a restatement of prior year balances of \$385,475 to consistently report revenue between 2023 and 2022.
- At the end of the current year, unassigned fund balance of the General fund was \$8,160,496, a change of \$660,777 in comparison to the prior year.



COUNTY OF CARROLL, NEW HAMPSHIRE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023

**Government-Wide Financial Analysis**

The County's combined net position increased by \$5,965,824 from 2022, increasing from a balance of \$2,068,837 to \$8,034,661. 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	
	2023	2022
Current assets	\$ 22,497,317	\$ 19,188,187
Noncurrent assets	29,204,582	27,517,155
<b>Total Assets</b>	<b>51,701,899</b>	<b>46,705,342</b>
Deferred outflows of resources	3,104,993	4,503,552
Long-term liabilities outstanding	35,258,705	37,187,202
Other liabilities	11,023,236	11,507,236
<b>Total Liabilities</b>	<b>46,281,941</b>	<b>48,694,438</b>
Deferred inflows of resources	490,290	445,619
<b>Net Position</b>		
Invested in capital assets	13,592,688	11,406,989
Restricted	398,620	248,505
Unassigned	(5,956,647)	(9,586,657)
<b>Total Net Position</b>	<b>\$ 8,034,661</b>	<b>\$ 2,068,837</b>

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 \$9,586,657 deficit at December 31, 2022 to a \$5,956,647 deficit at December 31, 2023, for the governmental activities. This deficit is due in part to unfunded pension and OPEB liabilities, which total \$17,803,397, an increase of prior year unfunded net pension and OPEB liabilities of \$17,118,236. Unexpected revenues during 2023 also helped to minimize the unassigned net position deficit.

COUNTY OF CARROLL, NEW HAMPSHIRE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023

Table 2  
Change in Net Position

Our analysis below separately considers the operations of governmental activities.

	Governmental Activities	
	2023	2022
REVENUES:		
Program revenues		
Charges for services	\$ 12,340,068	\$ 10,919,235
Operating grants and contributions	7,134,189	6,213,875
Capital grants and contributions	1,024,667	295,203
General revenues		
County taxes	21,386,113	17,780,549
Investment income	398,220	23,267
Miscellaneous	207,642	472,882
Total revenues	<u>42,490,899</u>	<u>35,705,011</u>
EXPENDITURES:		
General government	4,624,486	5,796,785
Public safety and corrections	8,380,290	6,430,998
Human services	5,785,263	5,666,234
Cooperative extension services	295,627	292,049
Economic development	490,000	401,150
Nursing home	16,567,754	14,905,009
Interest and fiscal charges	381,655	325,388
Total expenditures	<u>36,525,075</u>	<u>33,817,613</u>
Net Change in Fund Balances	<u>5,965,824</u>	<u>1,887,398</u>
Fund Balances - beginning of year, restated	<u>2,068,837</u>	<u>181,439</u>
Fund Balances - end of year	<u>\$ 8,034,661</u>	<u>\$ 2,068,837</u>

*Governmental Activities*

The increase in net position for governmental activities was \$5,965,824 in 2023. Revenues increased by \$6,785,888 or 19% and expenses increased by \$2,707,462 or 8.0%, compared to 2022.

The cost of all governmental activities this year was \$36,525,075 however, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through County taxes was \$16,026,151. Some of the cost was paid by those who directly benefited from the programs (\$12,340,068) or by other governments and organizations that subsidized certain programs with grants and contributions (\$8,158,856).

COUNTY OF CARROLL, NEW HAMPSHIRE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023

**The County's Funds**

As the County completed the year, its governmental funds (as presented in the Balance Sheet) reported a combined fund balance of \$13,231,326, which represents an increase of \$3,858,479 from last year's restated total of \$9,372,847. Included in this year's total change in fund balance is an increase of \$3,558,975 in the County's General Fund.

The schedule below compares actual to budget for the funds:

	Budget	Actual	Favorable (Unfavorable)
Revenues:			
Governmental Budget	\$ 35,321,602	\$ 40,698,886	\$ 5,377,284
	<u>\$ 35,321,602</u>	<u>\$ 40,698,886</u>	<u>\$ 5,377,284</u>
Expenditures:			
Governmental Budget	\$ 38,015,621	\$ 36,845,105	\$ 1,170,516
	<u>\$ 38,015,621</u>	<u>\$ 36,845,105</u>	<u>\$ 1,170,516</u>

**Capital Assets and Debt Administration**

*Capital Assets*

At December 31, 2023, the County had \$29,204,582 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 increase (including additions, disposals, and depreciation) of \$1,687,427 from last year.

	Governmental Activities	
	2023	2022
Land	\$ 45,552	\$ 45,552
Construction in progress	5,357,824	4,463,472
Land improvements	135,548	145,447
Building and building improvements	18,466,171	17,517,963
Equipment	3,302,956	3,413,202
Vehicles	291,772	255,000
Sewer	809,776	851,375
Water	794,983	825,144
Total Assets	<u>\$ 29,204,582</u>	<u>\$ 27,517,155</u>

COUNTY OF CARROLL, NEW HAMPSHIRE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023

*Debt Administration*

At December 31, 2023, the County had \$36,800,360 in outstanding debt versus \$38,659,767 on December 31, 2022 – a decrease of \$1,859,407 as shown below. Included in the debt schedule below are other long-term items to include compensated balances, net pension and OPEB liabilities.

Outstanding Debt at Year-End

	Governmental Activities	
	2023	2022
Bond payable	\$ 12,381,796	\$ 14,050,334
Capital lease payable	3,276,299	2,835,569
Compensated balances	760,413	644,894
Net pension liability	18,464,650	19,207,308
Net OPEB liability	1,917,202	1,921,662
Totals	<u>\$ 36,800,360</u>	<u>\$ 38,659,767</u>

**Economic Factors and Next Year's Budgets and Rates**

The County's elected and appointed officials consider many factors when setting the 2023 budget. There were no changes to the original revenue or expense budget as approved.

When adopting the budget for the 2024 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, 2024.

**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.

EXHIBIT A  
**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**Statement of Net Position**  
December 31, 2023

	Governmental <u>Activities</u>
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 19,714,882
Investments	208,468
Accounts receivable, net	1,277,982
Due from other governments	831,977
Prepaid items	464,008
Total Current Assets	<u>22,497,317</u>
Noncurrent Assets:	
Capital assets:	
Non-depreciable capital assets	5,403,376
Depreciable capital assets, net	23,801,206
Total Noncurrent Assets	<u>29,204,582</u>
Total Assets	<u>51,701,899</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Loss on debt refunding	36,248
Deferred outflows of resources related to OPEB liability	96,723
Deferred outflows of resources related to net pension liability	2,972,022
Total Deferred Outflows of Resources	<u>3,104,993</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	782,023
Accrued liabilities	1,102,282
Due to other governments	669,592
Advances from grantors	6,927,684
Current portion of bonds payable	1,280,000
Current portion of financed purchase obligations	261,655
Total Current Liabilities	<u>11,023,236</u>
Noncurrent Liabilities:	
Bonds payable	11,101,796
Financed purchase obligations	3,014,644
Compensated absences payable	760,413
OPEB liability	1,917,202
Net pension liability	18,464,650
Total Noncurrent Liabilities	<u>35,258,705</u>
Total Liabilities	<u>46,281,941</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to OPEB liability	279,835
Deferred inflows of resources related to net pension liability	210,455
Total Deferred Inflows of Resources	<u>490,290</u>
<b>NET POSITION</b>	
Net investment in capital assets	13,592,688
Restricted	398,620
Unrestricted (deficit)	(5,956,647)
Total Net Position	<u>\$ 8,034,661</u>

*See accompanying notes to the basic financial statements*

EXHIBIT B  
**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**Statement of Activities**  
For the Year Ended December 31, 2023

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
General government	\$ 4,624,486	\$ 1,063,202	\$ 360,131	\$ 910,967	\$ (2,290,186)
Public safety and corrections	8,380,290	694,618	232,494		(7,453,178)
Human services	5,785,263				(5,785,263)
Economic development	490,000				(490,000)
Cooperative extension services	295,627				(295,627)
Nursing home	16,567,754	10,582,248	6,541,564	113,700	669,758
Interest and fiscal charges	381,655				(381,655)
Total governmental activities	<u>\$ 36,525,075</u>	<u>\$ 12,340,068</u>	<u>\$ 7,134,189</u>	<u>\$ 1,024,667</u>	<u>(16,026,151)</u>
General revenues:					
					21,386,113
Property taxes					398,220
Interest and investment income					207,642
Miscellaneous					<u>21,991,975</u>
Total general revenues					5,965,824
Change in net position					2,068,837
Net Position - beginning of year, as restated					<u>\$ 8,034,661</u>
Net Position - end of year					

*See accompanying notes to the basic financial statements*

EXHIBIT C  
**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**Balance Sheet**  
**Governmental Funds**  
December 31, 2023

	General <u>Fund</u>	Grant <u>Fund</u>	Nonmajor Governmental <u>Fund</u>	Total Governmental <u>Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,280,011	\$ 7,300,267	\$ 134,604	\$ 19,714,882
Investments	208,468			208,468
Accounts receivable, net	1,276,172		1,810	1,277,982
Due from other governments	647,938	184,039		831,977
Due from other funds	267,185			267,185
Prepaid items	464,008			464,008
Total Assets	<u>\$ 15,143,782</u>	<u>\$ 7,484,306</u>	<u>\$ 136,414</u>	<u>\$ 22,764,502</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 720,681	\$ 61,342		\$ 782,023
Accrued liabilities	886,692			886,692
Due to other governments	669,592			669,592
Advances from grantors		6,927,684		6,927,684
Due to other funds		267,185		267,185
Total Liabilities	<u>2,276,965</u>	<u>7,256,211</u>	<u>\$ -</u>	<u>9,533,176</u>
<b>FUND BALANCES</b>				
Nonspendable	464,008			464,008
Restricted	44,064	228,095	136,414	408,573
Assigned	4,198,249			4,198,249
Unassigned	8,160,496			8,160,496
Total Fund Balances	<u>12,866,817</u>	<u>228,095</u>	<u>136,414</u>	<u>13,231,326</u>
Total Liabilities and Fund Balances	<u>\$ 15,143,782</u>	<u>\$ 7,484,306</u>	<u>\$ 136,414</u>	<u>\$ 22,764,502</u>

*See accompanying notes to the basic financial statements*

EXHIBIT C-1  
**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
December 31, 2023

Total Fund Balances - Governmental Funds (Exhibit C)	\$ 13,231,326
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	29,204,582
Losses on debt refundings are recognized on an accrual basis in the statement of net position, not the modified accrual basis.	36,248
Deferred outflows of resources and deferred inflows of resources that do not require or provide the use of current financial resources are not reported within the funds:	
Deferred outflows of resources related to OPEB liability	96,723
Deferred outflows of resources related to net pension liability	2,972,022
Deferred inflows of resources related to OPEB liability	(279,835)
Deferred inflows of resources related to net pension liability	(210,455)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of:	
Bonds payable	(12,381,796)
Financed purchase obligations	(3,276,299)
Accrued interest on long-term obligations	(215,590)
Compensated absences payable	(760,413)
OPEB liability	(1,917,202)
Net pension liability	<u>(18,464,650)</u>
Net Position of Governmental Activities (Exhibit A)	<u>\$ 8,034,661</u>

*See accompanying notes to the basic financial statements*



EXHIBIT D  
**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended December 31, 2023

	General <u>Fund</u>	Grant <u>Fund</u>	Nonmajor Governmental <u>Fund</u>	Total Governmental <u>Funds</u>
Revenues:				
Taxes	\$ 21,386,113			\$ 21,386,113
Intergovernmental	6,666,013	\$ 1,492,843		8,158,856
Charges for services	12,317,682		\$ 22,386	12,340,068
Interest and investment income	121,475	276,659	86	398,220
Miscellaneous	207,642			207,642
Total Revenues	<u>40,698,925</u>	<u>1,769,502</u>	<u>22,472</u>	<u>42,490,899</u>
Expenditures:				
Current operations:				
General government	4,630,004	1,136,619	46,563	5,813,186
Public safety and corrections	7,654,297	1,559		7,655,856
Human services	5,660,056	121,724		5,781,780
Economic development	490,000			490,000
Cooperative extension services	295,627			295,627
Nursing home	15,602,778			15,602,778
Capital outlay	1,204,935	186,005		1,390,940
Debt service:				
Principal retirement	1,561,825			1,561,825
Interest and fiscal charges	772,983			772,983
Total Expenditures	<u>37,872,505</u>	<u>1,445,907</u>	<u>46,563</u>	<u>39,364,975</u>
Excess revenues over (under) expenditures	<u>2,826,420</u>	<u>323,595</u>	<u>(24,091)</u>	<u>3,125,924</u>
Other financing sources (uses):				
Financed purchase obligation issuances	732,555			732,555
Total Other financing sources (uses)	<u>732,555</u>	<u>-</u>	<u>-</u>	<u>732,555</u>
Net change in fund balances	3,558,975	323,595	(24,091)	3,858,479
Fund Balances (deficit) at beginning of year, as restated	<u>9,307,842</u>	<u>(95,500)</u>	<u>160,505</u>	<u>9,372,847</u>
Fund Balances at end of year	<u>\$ 12,866,817</u>	<u>\$ 228,095</u>	<u>\$ 136,414</u>	<u>\$ 13,231,326</u>

*See accompanying notes to the basic financial statements*

## EXHIBIT D-1

**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, 2023

Net Change in Fund Balances - Governmental Funds (Exhibit D)	\$ 3,858,479
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital outlays and depreciation expense in the current period are as follows:	
Capital outlays	3,069,573
Depreciation expense	(1,382,146)
Proceeds from issuances of long-term obligations are reported as other financing sources in the governmental funds, but a long-term debt issuance increases long-term liabilities in the statement of net position. Current year long-term issuances are as follows:	
Financed purchase obligation issuances	(732,555)
Governmental funds report the effect of bond issuance premiums and losses on debt refundings when the debt is first issued, whereas these amounts are amortized in the statement of activities over the life of the related debt. Current year activity is as follows:	
Amortization of bond issuance premium	398,538
Amortization of loss on debt refunding	(10,951)
Repayment of principal on long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Repayments in the current year are as follows:	
Bond principal paid	1,270,000
Financed purchase obligation principal paid	291,825
In the statement of activities, interest is accrued on outstanding long-term debt payable, whereas in governmental funds, an interest expenditure is reported when due.	
	3,741
Governmental funds report OPEB and pension contributions as expenditures. However, in the statement of activities, OPEB and pension expense reflects the change in the OPEB liability and net pension liability and related deferred outflows and inflows of resources, and does not require the use of current financial resources. This is the amount by which OPEB and pension expense differed from OPEB and pension contributions in the current period.	
Net changes in OPEB	33,494
Net changes in pension	(718,655)
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 the governmental funds. These expenses are from the following activities:	
Compensated absences	(115,519)
Change in Net Position of Governmental Activities (Exhibit B)	<u>\$ 5,965,824</u>

*See accompanying notes to the basic financial statements*

EXHIBIT E  
**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
December 31, 2023

	Custodial <u>Funds</u>
ASSETS	
Cash and cash equivalents	\$ 996,060
Accounts receivable	<u>8,721</u>
Total Assets	<u>1,004,781</u>
LIABILITIES	
Accounts payable	81,553
Due to other governments	<u>822,747</u>
Total Liabilities	<u>904,300</u>
NET POSITION	
Restricted for:	
Individuals	<u>100,481</u>
Total Net Position	<u><u>\$ 100,481</u></u>

*See accompanying notes to the basic financial statements*

EXHIBIT F  
**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
For the Year Ended December 31, 2023

	Custodial Funds
ADDITIONS:	
Amounts collected for individuals	\$ 308,617
Fees collected for other governments	<u>12,828,983</u>
Total Additions	<u>13,137,600</u>
DEDUCTIONS:	
Beneficiary payments to individuals	295,233
Payments of fees to other governments	<u>12,828,983</u>
Total Deductions	<u>13,124,216</u>
Change in net position	13,384
Net Position - beginning of year	<u>87,097</u>
Net Position - end of year	<u><u>\$ 100,481</u></u>

*See accompanying notes to the basic financial statements*

**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
December 31, 2023

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the County of Carroll, New Hampshire conform to accounting policies generally accepted in the United States of America for local governmental units, except as indicated hereinafter. The following is a summary of significant accounting policies.

***Financial Reporting Entity***

The County of Carroll, New Hampshire (the County) was established in 1840 under the laws of the State of New Hampshire. The County boundaries include nineteen New Hampshire municipalities located in central New Hampshire. The County operates under the Commissioner/Delegation form of government and provides services as authorized by state statutes.

The financial statements include those of the various departments governed by the Commissioners and other officials with financial responsibility. The County has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by the Governmental Accounting Standards Board (GASB).

***Basis of Presentation***

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**1. Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

**2. Fund Financial Statements**

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level.

**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

***Fund Accounting***

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The County employs the use of two categories of funds: governmental and fiduciary.

**1. Governmental Funds**

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is reported as fund balance. The following are the County's major governmental funds:

The *General Fund* is the main operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund.

The *Grant Fund* is used to account for the financial resources related to various state and federal grants and the related expenditures.

**2. Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The County maintains one type of fiduciary fund: custodial funds. The County's custodial funds are held and administered by the County for the benefit of others; the assets are not available to support the County or its programs. The County's custodial funds account for inmate funds, nursing home resident funds, and the Registry of Deeds funds.

***Measurement Focus***

**1. Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the County are included on the Statement of Net Position.

**2. Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing

**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The fiduciary funds are reported using the economic resources measurement focus.

***Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

**1. Revenues – Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of year end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (see Note 9). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes, charges for services and interest on investments.

Miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Grants and entitlements received before the eligibility requirements are met are recorded as advances from grantors.

**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

**2. Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

***Budgetary Data***

The County's budget represents functional appropriations as authorized by the County Delegation. The County Delegation may transfer funds between operating categories as they deem necessary. The County adopts its budget under State regulations, which differ somewhat from accounting principles generally accepted in the United States of America in that the focus is on the entire governmental unit rather than on the basis of fund types.

State law requires balanced budgets but permits the use of beginning fund balance to reduce the property tax rate.

***Investments***

Investments are stated at their fair value in all funds. Certificates of deposit with a maturity of greater than ninety days from the date of issuance are included in investments.

***Accounts Receivable***

The County uses the reserve method for accounting for bad debts. It is the County's policy to directly charge off uncollectible receivables when management determines the receivable will not be collected. General Fund accounts receivable as of December 31, 2023 are recorded net of an allowance for uncollectible receivables of \$205,000.

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2023 are recorded as prepaid items. Prepaid items are recognized using the consumption method.

***Capital Assets***

General capital assets result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position, but are not reported in the governmental fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The County maintains a capitalization threshold of \$5,000 for its governmental activities, except for its nursing home. The capitalization threshold of the nursing home is \$500. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.



**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

All reported capital assets except for land and construction in process are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

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

***Loss on Debt Refunding***

Debt refundings that result in a difference between the reacquisition price of old debt and the net carrying value of the old debt have been reported in the accompanying financial statements as a loss on debt refunding. The loss on debt refunding is amortized as a component of interest expense over the remaining life of the related refunding debt using the effective interest rate method.

***Compensated Absences***

Effective April 1, 2022, the County's separate vacation and sick leave policies have been combined into a single earned time policy. Pursuant to the County personnel policy, employees who are not covered under a collective bargaining agreement shall accrue earned time on a weekly basis. This earned time may accumulate up to 280 hours (35 days). Any earned time accrued over the 280 hours and not used by December 31 of that year will be forfeited. Non-union employees employed prior to April 1, 2022, will receive 100% of their accrued earned time paid out upon resignation or retirement. Non-union employees hired after April 1, 2022 will receive a percentage of their accrued earned time based on years of service upon resignation or retirement. Any employee that is terminated by the County is not entitled to any payout of accrued earned time.

Effective April 1, 2023, County employees that are members of collective bargaining agreements shall accrue earned time on a weekly basis, accumulated up to 280 hours (35 days). Collective bargaining members employed prior to April 1, 2023, will receive 100% of their accrued earned time paid out upon resignation or retirement. Collective bargaining members hired after April 1, 2023 will receive a percentage of their accrued earned time based on years of service upon resignation or retirement. Any collective bargaining member that is terminated by the County is not entitled to any payout of accrued earned time.

For governmental fund financial statements, compensated absences are reported as liabilities and expenditures as payments come due each period or upon the occurrence of employee death or retirement. The entire compensated absence liability is reported on the government-wide financial statements.

***Bond Premium***

Bond premiums are amortized as a component of interest expense over the life of the related bond using the effective interest rate method. Bonds payable are reported in the accompanying financial statements gross of any applicable unamortized bond premium.

**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

***Lease Liabilities and Lease Assets***

Lease liabilities are measured at the present value of payments expected to be made during the lease term. Lease assets are measured at the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs and are amortized on a straight-line basis over the life of the related lease.

The County has entered into various rental agreements as a lessee for equipment, with maturities ranging through 2026. Management has determined that the effect of implementing GASB Statement No. 87 related to these leases is immaterial to its financial statements.

***Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current resources are reported as obligations of the funds. General obligation bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

***Postemployment Benefits Other Than Pensions (OPEB)***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Hampshire Retirement System (NHRS) OPEB Plan and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, NHRS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair-value, except for non-registered commingled funds at net asset value (NAV) as a practical expedient to estimate fair value.

***Pensions***

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's 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 the benefit terms.

***Net Position***

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

***Fund Balance Policy***

The County has segregated fund balance into five classifications: Nonspendable, Restricted, Committed, Assigned, and Unassigned. These components of fund balance are defined as follows:

- Nonspendable Fund Balance: Amounts that are not in a spendable form (such as inventory or prepaid items) or are required to be maintained intact.
- Restricted Fund Balance: Amounts that can only be spent for the specific purposes stipulated by external resource providers (such as grantors) or the enabling legislation (federal or state law). Restrictions may be changed or lifted only with the consent of the resource providers or the enabling legislation.
- Committed Fund Balance: Amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision making authority (annual meeting of the County Delegation). Commitments may be changed or lifted only by the governing body taking the same formal action that imposed the constraint originally.
- Assigned Fund Balance: Amounts that the County intends to use for a specific purpose. For all governmental funds other than the General Fund, any remaining positive amounts are to be classified as "assigned". Items that would fall under this type of fund balance classification would be certain encumbrances.
- Unassigned Fund Balance: Amounts that are not obligated or specifically designated and are available for any purpose. The residual classification of any General Fund balance is to be reported here. Any deficit fund balance of another governmental fund is also classified as "unassigned".

***Spending Prioritization***

In instances when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, committed resources should be reduced first, followed by assigned amounts and then unassigned amounts.

***Minimum Level of Unassigned Fund Balance***

The County's policy is to maintain a minimum unassigned fund balance of 8% of the County's annual gross appropriations up to a maximum of 19%.

***Interfund Activity***

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

***Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**NOTE 2—DEPOSITS AND INVESTMENTS**

Deposits and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 19,714,882
Investments	208,468
Statement of Fiduciary Net Position:	
Cash and cash equivalents	<u>996,060</u>
	<u>\$ 20,919,410</u>

Deposits and investments as of December 31, 2023 consist of the following:

Cash on hand	\$ 1,551
Deposits with financial institutions	<u>20,917,859</u>
	<u>\$ 20,919,410</u>

The County's investment policy states that any excess funds which are not immediately needed for the purpose of expenditure may be invested in the New Hampshire Deposit Public Investment Pool, certificates of deposit, and United States government obligations as approved by the County Commissioners.

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's investment policy states that securities purchased from any bank or dealer including appropriate collateral shall be placed with an independent third party for custodial safekeeping. Of the County's deposits with financial institutions at year end, \$11,656,925 was collateralized by securities held by the bank in the bank's name.

**NOTE 3—CAPITAL ASSETS**

The following is a summary of changes in capital assets of the governmental activities:

	Balance <u>1/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/2023</u>
Capital assets not depreciated:				
Land	\$ 45,552			\$ 45,552
Construction in process	<u>4,463,472</u>	<u>\$ 984,352</u>	<u>\$ (90,000)</u>	<u>5,357,824</u>
Total capital assets not being depreciated	<u>4,509,024</u>	<u>984,352</u>	<u>(90,000)</u>	<u>5,403,376</u>

**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

	<u>Balance</u> <u>1/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2023</u>
Other capital assets:				
Land improvements	1,728,196	12,570		1,740,766
Buildings and improvements	30,717,790	1,798,983		32,516,773
Sewer system	2,367,672			2,367,672
Water system	1,508,026			1,508,026
Equipment	9,233,462	238,099		9,471,561
Vehicles	1,123,192	125,569		1,248,761
Total other capital assets at historical cost	<u>46,678,338</u>	<u>2,175,221</u>	<u>-</u>	<u>48,853,559</u>
Less accumulated depreciation for:				
Land improvements	(1,582,749)	(22,469)		(1,605,218)
Buildings and improvements	(13,199,827)	(850,775)		(14,050,602)
Sewer system	(1,516,297)	(41,599)		(1,557,896)
Water system	(682,882)	(30,161)		(713,043)
Equipment	(5,820,260)	(348,345)		(6,168,605)
Vehicles	(868,192)	(88,797)		(956,989)
Total accumulated depreciation	<u>(23,670,207)</u>	<u>(1,382,146)</u>	<u>-</u>	<u>(25,052,353)</u>
Total other capital assets, net	<u>23,008,131</u>	<u>793,075</u>	<u>-</u>	<u>23,801,206</u>
Total capital assets, net	<u>\$ 27,517,155</u>	<u>\$ 1,777,427</u>	<u>\$ (90,000)</u>	<u>\$ 29,204,582</u>

Depreciation and amortization expense was charged to governmental functions as follows:

General government	\$ 288,897
Public safety and corrections	397,942
Nursing home	695,307
Total	<u>\$ 1,382,146</u>

**NOTE 4—INTERFUND BALANCES**

The County maintains self-balancing funds; however, most cash transactions flow through the General Fund. In order to obtain accountability for each fund, the County utilizes interfund receivable and payable accounts. As of December 31, 2023, the General Fund has an interfund receivable of \$267,185 from the Grant Fund.

**NOTE 5—SHORT-TERM OBLIGATIONS**

The County issues tax anticipation notes during the year. These borrowings, classified as direct placements, are to assist in the payment of operating expenses during the year and are guaranteed to be repaid from the tax revenue received in December from the municipalities within the County.

The changes in short-term debt obligations for the year ended December 31, 2023 are as follows:

Balance - January 1, 2023	\$ -
Additions	8,000,000
Reductions	<u>(8,000,000)</u>
Balance - December 31, 2023	<u>\$ -</u>

**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

**NOTE 6—LONG-TERM OBLIGATIONS**

***Changes in Long-Term Obligations***

The changes in the County's long-term obligations of the governmental activities for the year ended December 31, 2023 are as follows:

	Balance <u>1/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/2023</u>	Due Within <u>One Year</u>
Bonds payable	\$ 12,165,000		\$ (1,270,000)	\$ 10,895,000	\$ 1,280,000
Unamortized bond premium	<u>1,885,334</u>		<u>(398,538)</u>	<u>1,486,796</u>	
Total Bonds payable	14,050,334	\$ -	(1,668,538)	12,381,796	1,280,000
Financed purchase obligations	2,835,569	732,555	(291,825)	3,276,299	261,655
Compensated absences payable	<u>644,894</u>	<u>267,047</u>	<u>(151,528)</u>	<u>760,413</u>	
Total governmental activities	<u>\$ 17,530,797</u>	<u>\$ 999,602</u>	<u>\$ (2,111,891)</u>	<u>\$ 16,418,508</u>	<u>\$ 1,541,655</u>

Payments on the bonds payable and financed purchase obligations of the governmental activities are paid out of the General Fund. Compensated absences will be paid from the fund where the employee's salary is paid.

***Bonds Payable***

Bonds payable at December 31, 2023 are comprised of the following individual issues:

	Original Issue <u>Amount</u>	Interest <u>Rate</u>	Serial Maturities <u>Through</u>	Balance at <u>12/31/2023</u>
<b><i>General Obligation Bonds:</i></b>				
2021 Refunding bond issue	\$ 9,000,000	5.10%	February 2030	\$ 7,135,000
2021 Series bond issue	4,337,000	2.10-5.10%	February 2036	<u>3,760,000</u>
				10,895,000
		Add: Unamortized bond premium		<u>1,486,796</u>
		Total Bonds payable		<u>\$ 12,381,796</u>

General obligation bonds are direct obligations of the County, for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within County boundaries.

Debt service requirements to retire bonds payable for governmental activities as of December 31, 2023 are as follows:

**COUNTY OF CARROLL, NEW HAMPSHIRE**  
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Year Ending December 31,	General Obligation Bonds		
	Principal	Interest	Totals
2024	\$ 1,280,000	\$ 482,705	\$ 1,762,705
2025	1,290,000	417,170	1,707,170
2026	1,300,000	351,125	1,651,125
2027	1,310,000	284,570	1,594,570
2028	1,320,000	217,505	1,537,505
2029-2033	3,535,000	335,238	3,870,238
2034-2036	860,000	28,435	888,435
	10,895,000	2,116,748	13,011,748
Add: Unamortized bond premium	1,486,796		1,486,796
	<u>\$ 12,381,796</u>	<u>\$ 2,116,748</u>	<u>\$ 14,498,544</u>

***Financed Purchase Obligations***

Financed purchase obligations represent lease agreements entered into for the financing of asset acquisitions. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations. Following are the individual financed purchase obligations outstanding at December 31, 2023:

Energy savings performance upgrade, due in quarterly installments of \$50,641; interest at 2.69%, through December 2036	\$ 2,633,004
Security system upgrade, due in annual installments of \$89,260, including interest at 4.69%, through April 2032	643,295
	<u>\$ 3,276,299</u>

Debt service requirements to retire financed purchase obligations outstanding for governmental activities as of December 31, 2023 are as follows:

Year Ending December 31,	Principal	Interest	Totals
2024	\$ 261,655	\$ 100,086	\$ 361,741
2025	264,426	91,593	356,019
2026	267,327	83,168	350,495
2027	270,364	74,606	344,970
2028	273,544	66,037	339,581
2029-2033	1,331,629	193,543	1,525,172
2034-2036	607,354	26,857	634,211
	<u>\$ 3,276,299</u>	<u>\$ 635,890</u>	<u>\$ 3,912,189</u>

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**NOTE 7—OTHER POSTEMPLOYMENT BENEFITS**

***Total OPEB Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and OPEB Expense***

	<u>Deferred Outflows</u>	<u>OPEB Liability</u>	<u>Deferred Inflows</u>	<u>OPEB Expense</u>
Cost-Sharing Multiple Employer Plan	\$ 50,228	\$ 864,123		\$ 31,859
Single Employer Plan	46,495	1,053,079	\$ 279,835	55,457
Total	<u>\$ 96,723</u>	<u>\$ 1,917,202</u>	<u>\$ 279,835</u>	<u>\$ 87,316</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to OPEB is reflected as a decrease to unrestricted net position in the amount of \$183,112.

**COST-SHARING MULTIPLE EMPLOYER PLAN**

***Plan Description***

The New Hampshire Retirement System (NHRS) administers a cost-sharing multiple-employer other postemployment benefit plan (OPEB Plan). The OPEB Plan provides a medical insurance subsidy to qualified retired members.

The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System at 54 Regional Drive, Concord, New Hampshire 03301 or from their website at [www.nhrs.org](http://www.nhrs.org).

The OPEB Plan is divided into four membership types. The four membership types are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees, and Group I State Employees. The OPEB plan is closed to new entrants.

***Benefits Provided***

Benefit amounts and eligibility requirements for the OPEB Plan are set by state law (RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b), and members are designated in statute by type. The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

Group I benefits are based on creditable service, age and retirement date. Group II benefits are based on hire date, age and creditable service. Medical subsidy rates established by RSA 100-A:52 II are dependent upon whether retirees are eligible for Medicare. Retirees not eligible for Medicare may receive a maximum medical subsidy of \$375.56 for a single person plan and \$751.12 for a two-person plan. Retirees eligible



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for Medicare may receive a maximum medical subsidy of \$236.84 for a single person plan and \$473.68 for a two-person plan.

***Funding Policy***

Per RSA-100:16, contribution rates are established and may be amended by the New Hampshire State legislature and are determined by the NHRS Board of Trustees based on an actuarial valuation. The County's contribution rates for the covered payroll of public safety employees and political subdivision employees were 3.21% and 0.31%, respectively, through June 30, 2023, and 2.60% and 0.26%, respectively, thereafter. Contributions to the OPEB plan for the County were \$104,112 for the year ended December 31, 2023. Employees are not required to contribute to the OPEB plan.

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

At December 31, 2023, the County reported a liability of \$864,123 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by a roll forward of the actuarial valuation from June 30, 2022. The County's proportion of the net OPEB liability was based on actual contributions by the County during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2023, the County's proportion was approximately 0.2529 percent, which was an increase of 0.0029 percentage points from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the County recognized OPEB expense of \$31,859. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ 1,039	
County contributions subsequent to the measurement date	<u>49,189</u>	
Totals	<u>\$ 50,228</u>	<u>\$ -</u>

The County reported \$49,189 as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net OPEB liability in the measurement period ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense for the measurement periods as follows:

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**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
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<u>June 30,</u>	
2024	\$ (172)
2025	(1,312)
2026	2,807
2027	(284)
	<u>\$ 1,039</u>

***Actuarial Assumptions***

The total OPEB liability was determined by a roll forward of the actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Wage inflation	2.75% (2.25% for Teachers)
Salary increases	5.40%, average, including inflation
Investment rate of return	6.75%, per year, net of OPEB plan investment expense, including inflation for determining solvency contributions

Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments, adjusted 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, 2022 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

The long-term expected rate of return on OPEB 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. Following is a table presenting target allocations and geometric real rates of return for each asset class:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Public equity	50%	5.40-5.65%
Private market equity	20%	4.00-6.65%
Private debt	5%	5.05%
Fixed income	25%	2.15%
Total	<u>100%</u>	

The discount rate used to measure the collective total OPEB liability as of June 30, 2023 was 6.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made under the current statutes RSA 100-A:16 and RSA 100-A:53. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

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***Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate***

The following presents the County's proportionate share of the net OPEB liability calculated using the discount rate of 6.75%, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 938,522	\$ 864,123	\$ 799,211

**SINGLE EMPLOYER PLAN**

***Plan Description***

The County of Carroll, New Hampshire administers the retiree health care benefits program, a single employer defined benefits plan that is used to provide postemployment benefits other than pensions (OPEB) for all permanent full-time employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

***Benefits Provided***

The County provides medical benefits to its eligible retirees and their covered spouses. Employees other than police hired prior to July 1, 2011 are eligible to retire at age 60 regardless of years of creditable service, age 50 with at least 10 years of creditable service, or at any age if they have at least 20 years of creditable service and the sum of their age and years of service is at least 70. Employees other than police hired on or after July 1, 2011 are eligible to retire at age 65 regardless of years of creditable service, or age 60 with at least 30 years of creditable service. Police officers hired prior to July 1, 2011 are eligible to retire at age 45 with at least 20 years of Group II creditable service, or at age 60 regardless of their years of creditable service. Police officers hired on or after July 1, 2011 are eligible to retire at age 50 with 25 years of Group II creditable service or at age 60 regardless of years of creditable service. Retirees and their covered spouses are required to pay 100% of the cost of the premium. The valuation does not account for the cost of benefits to retirees or their spouses after age 65. Surviving spouses continue to receive coverage after the death of the eligible retired employee but are required to pay 100% of the premium.

***Employees Covered By Benefit Terms***

At January 1, 2022, the census collection date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>135</u>
	<u>137</u>

**COUNTY OF CARROLL, NEW HAMPSHIRE**  
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December 31, 2023

***Total OPEB Liability***

The County's total OPEB liability of \$1,053,079 was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2022.

***Actuarial Assumptions and Other Inputs for OPEB***

The total OPEB liability in the January 1, 2022 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.50%
Discount rate	3.72%
Healthcare cost trend rates:	
2022 Trend (Allegiant Care / NHIT HMO \$2000)	3.77% / 11.51%
2023 Trend	7.50%
Ultimate Trend	4.54%
Year Ultimate Trend is Reached	2090

The discount rate was based on the index provided by the *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of December 31, 2023.

Mortality rates were based on Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 Safety Employees Headcount-Weighted Mortality fully generational using Scale MP-2021.

***Changes in the Total OPEB Liability***

Balance at January 1, 2023	\$ 977,181
Changes for the year:	
Service cost	54,479
Interest	38,068
Benefit payments	(16,649)
Net changes	<u>75,898</u>
Balance at December 31, 2023	<u>\$ 1,053,079</u>

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

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Discount Rate		
	<u>1% Decrease</u>	<u>Baseline</u>	<u>1% Increase</u>
Total OPEB liability	\$ 1,135,511	\$ 1,053,079	\$ 976,405

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

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates		
	<u>1% Decrease</u>	<u>Baseline</u>	<u>1% Increase</u>
Total OPEB liability	\$ 927,714	\$ 1,053,079	\$ 1,200,949

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

For the year ended December 31, 2023, the County recognized OPEB expense of \$55,457. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,078	\$ 128,468
Changes of assumptions	40,417	151,367
Totals	<u>\$ 46,495</u>	<u>\$ 279,835</u>

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

<u>December 31,</u>	
2024	\$ (51,268)
2025	(86,337)
2026	(92,050)
2027	(3,685)
	<u>\$ (233,340)</u>

**NOTE 8—DEFINED BENEFIT PENSION PLAN**

***Plan Description***

The County contributes to the New Hampshire Retirement System (NHRS), a public employee retirement system that administers a single cost-sharing multiple-employer defined benefit pension plan. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature.

The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 54 Regional Drive, Concord, New Hampshire 03301 or from their website at [www.nhrs.org](http://www.nhrs.org).

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Substantially all full-time state and local employees, public school teachers, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan.

The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II.

***Benefits Provided***

Benefit formulas and eligibility requirements for the pension plan are set by State law (RSA 100-A).

Group I benefits are provided based on creditable service and average final salary for the highest of either three or five years, depending on when service commenced.

Group II benefits are provided based on age, years of creditable service and a benefit multiplier depending on vesting status as of January 1, 2012. The maximum retirement allowance for Group II members vested by January 1, 2012 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by January 1, 2012 the benefit is calculated the same way but the multiplier used in the calculation will change depending on age and years of creditable service as follows:

<u>Years of Creditable Service as of January 1, 2012</u>	<u>Minimum Age</u>	<u>Minimum Service</u>	<u>Benefit Multiplier</u>
At least 8 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

***Funding Policy***

Covered police officers are required to contribute 11.55% of their covered salary, whereas general employees are required to contribute 7.0% of their covered salary. The County is required to contribute at an actuarially determined rate. The County's pension contribution rates for covered payroll of police officers and general employees were 30.67% and 13.75%, respectively, through June 30, 2023, and 28.68% and 13.27%, respectively, thereafter. The County contributes 100% of the employer cost for police officers and general employees of the County.

Per RSA-100:A16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on their actuarial funding policy. The County's pension contributions to the NHRS for the year ending December 31, 2023 were \$1,949,565.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2023, the County reported a liability of \$18,464,650 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by a roll forward of the actuarial valuation from June 30, 2022. The County's proportion of the net pension liability was based on actual contributions by

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the County during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2023, the County's proportion was approximately 0.3298 percent, which was a decrease of 0.0050 percentage points from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the County recognized pension expense of \$2,667,922. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 471,813	\$ 7,421
Changes of assumptions	485,980	
Net difference between projected and actual earnings on pension plan investments	267,030	
Changes in proportion and differences between County contributions and proportionate share of contributions	772,593	203,034
County contributions subsequent to the measurement date	<u>974,606</u>	<u></u>
Totals	<u>\$ 2,972,022</u>	<u>\$ 210,455</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to pension is reflected as an increase to unrestricted net position in the amount of \$2,761,567. The County reported \$974,606 as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the measurement period ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense in the measurement periods as follows:

<u>June 30,</u>	
2024	\$ 949,041
2025	(177,032)
2026	1,087,303
2027	(72,351)
	<u>\$ 1,786,961</u>

***Actuarial Assumptions***

The total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2022, using the following actuarial assumptions:

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Inflation	2.00%
Wage inflation	2.75% (2.25% for Teachers)
Salary increases	5.40%, 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 creditability 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, 2022 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – 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. Following is a table presenting target allocations and geometric real rates of return for each asset class:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Public equity	50%	5.40-5.65%
Private market equity	20%	4.00-6.65%
Private debt	5%	5.05%
Fixed income	25%	2.15%
Total	<u>100%</u>	

***Discount Rate***

The discount rate used to measure the collective pension liability as of June 30, 2023 was 6.75%. The projection of cash flows used to determine the discount rate assumed that 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 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 collective pension liability.

***Sensitivity of the County's 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



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be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County's proportionate share of the net pension liability	\$ 25,054,295	\$ 18,464,650	\$ 12,834,202

**NOTE 9—PROPERTY TAXES**

Property taxes levied to support the County are based on the assessed valuation of the prior April 1<sup>st</sup> for all taxable real property. Under State statutes, the nineteen Towns that comprise Carroll County (all independent governmental units) collect County taxes as part of local property tax assessments. As collection agent, the Towns are required to pay over to the County its share of property tax assessments. The Towns assume financial responsibility for all uncollected property taxes under state statutes.

**NOTE 10—RESTRICTED NET POSITION**

Net position of the governmental activities is restricted for specific purposes at December 31, 2023 as follows:

Opiod funds	\$ 34,111
Deeds equipment	136,414
Grant funds	<u>228,095</u>
	<u>\$ 398,620</u>

**NOTE 11—COMPONENTS OF FUND BALANCE**

Components of fund balance for the County's governmental funds at December 31, 2023 are comprised as follows:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Grant Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Total Governmental Funds</u>
<b>Nonspendable:</b>				
Prepaid items	\$ 464,008			\$ 464,008
<b>Restricted for:</b>				
Unexpended bond proceeds	9,953			9,953
Opiod funds	34,111			34,111
Grant funds		\$ 228,095		228,095
Deeds equipment			\$ 136,414	136,414
<b>Assigned for:</b>				
Designated to offset subsequent year's tax rate	4,001,676			4,001,676
Encumbrances	196,573			196,573
<b>Unassigned:</b>				
General operations	8,160,496			8,160,496
	<u>\$ 12,866,817</u>	<u>\$ 228,095</u>	<u>\$ 136,414</u>	<u>\$ 13,231,326</u>

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**NOTE 12—RISK MANAGEMENT**

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2023, the County participated in a public entity risk pool (Trust) for property and liability insurance and worker's compensation coverage. Coverage has not been significantly reduced from the prior year and settled claims have not exceeded coverage in any of the past three years.

The Trust agreements permit the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at December 31, 2023.

***Property and Liability Insurance***

The Trust provides certain property and liability insurance coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of the Trust, the County shares in contributing to the cost of and receiving benefit from a self-insured pooled risk management program. The program includes a Self-Insured Retention Fund from which is paid up to \$200,000 for each and every covered property, crime and/or liability loss that exceeds \$1,000, up to an aggregate of \$1,200,000. Each property loss is subject to a \$1,000 deductible. All losses over the aggregate are covered by insurance policies.

***Worker's Compensation***

The Trust provides statutory worker's compensation coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability coverage up to \$2,000,000. The program includes a Loss Fund from which is paid up to \$500,000 for each and every covered claim.

**NOTE 13—COMMITMENTS AND CONTINGENT LIABILITIES**

***Encumbrances***

The encumbrances of the General Fund as of December 31, 2023, by function, are as follows:

	<u>Function</u>	
General government		\$ 114,027
Public safety and corrections		82,546
		<u>\$ 196,573</u>

**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

***Litigation***

County officials estimate that any potential claims against the County which are not covered by insurance are immaterial and would not affect the financial position of the County.

***Other Contingencies***

The County participates in the federally assisted Medicaid program at the County Nursing Home. This program is subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time; although the County expects such amounts, if any, to be immaterial.

***Federal Grants***

The County participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amounts, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

**NOTE 14—RESTATEMENT OF EQUITY**

During the year ended December 31, 2023, the County's management determined that General Fund intergovernmental receivables, as previously reported, were understated as of December 31, 2022.

Net position of the governmental activities has been restated as follows:

Net Position - January 1, 2023 (as previously reported)	\$ 1,683,362
Amount of restatement due to:	
Understatement of receivables	<u>385,475</u>
Net Position - January 1, 2023, as restated	<u><u>\$ 2,068,837</u></u>

Fund balance of the General Fund has been restated as follows:

Fund Balance - January 1, 2023 (as previously reported)	\$ 8,922,367
Amount of restatement due to:	
Understatement of receivables	<u>385,475</u>
Fund Balance - January 1, 2023, as restated	<u><u>\$ 9,307,842</u></u>

**NOTE 15—CHANGE IN ACCOUNTING PRINCIPLES**

***GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements***

During the year ended December 31, 2023, the County implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. Under Statement No. 94, the County is required to record a receivable for installment payments and a deferred inflow of resources for the consideration received or to be received as part of the availability payment arrangement.

**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

Governmental fund revenue would be recognized in a systematic and rational manner over the term of the arrangement. No such arrangements have been identified by the County. Accordingly, management has determined that the effect of implementing GASB Statement No. 94 on its financial statements to be immaterial.

***GASB Statement No. 96 – Subscription-Based Information Technology Arrangements***

During the year ended December 31, 2023, the County implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 defines a subscription-based information arrangement (SBITA) as a contract to use another party's software, alone or in combination with tangible capital assets as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this Statement, governments generally recognize a right-to-use subscription asset (intangible asset) and a corresponding liability for each SBITA agreement greater than one year in length.

The County has entered into various SBITA agreements for the use of vendor software. Management has determined that the effect of implementing GASB Statement No. 96 related to these SBITA agreements is immaterial to its financial statements.

**NOTE 16—SUBSEQUENT EVENTS**

***Tax Anticipation Notes***

During March 2024, the County secured a line of credit of \$17,000,000 in tax anticipation notes. The tax-exempt borrowing of \$9,014,291 has an interest rate of 5.99% whereas the taxable borrowing of \$7,985,709 has an interest rate of 7.85%. The tax anticipation notes are due on December 31, 2024. No funds have been drawn down on this line of credit as of May 15, 2024.

SCHEDULE 1  
**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis) - General Fund**  
For the Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues:				
Taxes	\$ 21,386,113	\$ 21,386,113	\$ 21,386,113	\$ -
Intergovernmental	2,750,000	2,750,000	6,666,013	3,916,013
Charges for services	10,940,897	10,940,897	12,317,682	1,376,785
Interest income	236,612	236,612	121,436	(115,176)
Miscellaneous	7,980	7,980	207,642	199,662
Total Revenues	<u>35,321,602</u>	<u>35,321,602</u>	<u>40,698,886</u>	<u>5,377,284</u>
Expenditures:				
Current operations:				
General government	4,788,974	4,788,974	4,513,559	275,415
Public safety and corrections	8,362,164	8,362,964	7,480,497	882,467
Human services	5,726,700	5,726,700	5,660,056	66,644
Economic development	490,000	490,000	490,000	-
Cooperative extension services	295,627	295,627	295,627	-
Nursing home	15,757,436	15,756,416	15,602,778	153,638
Capital outlay	208,870	208,870	467,780	(258,910)
Debt service:				
Principal retirement	1,539,111	1,539,111	1,561,825	(22,714)
Interest and fiscal charges	846,959	846,959	772,983	73,976
Total Expenditures	<u>38,015,841</u>	<u>38,015,621</u>	<u>36,845,105</u>	<u>1,170,516</u>
Excess revenues over (under) expenditures	<u>(2,694,239)</u>	<u>(2,694,019)</u>	<u>3,853,781</u>	<u>6,547,800</u>
Other financing sources (uses):				
Transfers out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Total Other financing sources (uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Net change in fund balances	<u>(2,734,239)</u>	<u>(2,734,019)</u>	<u>3,813,781</u>	<u>6,547,800</u>
Fund Balance at beginning of year				
- Budgetary Basis	<u>8,939,907</u>	<u>8,939,907</u>	<u>8,939,907</u>	<u>-</u>
Fund Balance at end of year				
- Budgetary Basis	<u>\$ 6,205,668</u>	<u>\$ 6,205,888</u>	<u>\$ 12,753,688</u>	<u>\$ 6,547,800</u>

See accompanying notes to the required supplementary information

SCHEDULE 2

COUNTY OF CARROLL, NEW HAMPSHIRE

Schedule of Changes in the County's Proportionate Share of the Net OPEB Liability

For the Year Ended December 31, 2023

Measurement Period Ended	Cost-Sharing Multiple Employer Plan Information Only				
	County's Proportion of the Net OPEB Liability	County's Proportionate Share of the Net OPEB Liability	County's Covered Payroll	County's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2023	0.25287435%	\$ 864,123	\$ 11,202,235	7.71%	12.80%
June 30, 2022	0.24993699%	\$ 944,481	\$ 11,093,950	8.51%	10.64%
June 30, 2021	0.22970291%	\$ 919,861	\$ 10,303,440	8.93%	11.06%
June 30, 2020	0.23200880%	\$ 1,015,523	\$ 9,769,743	10.39%	7.74%
June 30, 2019	0.24356675%	\$ 1,067,824	\$ 8,803,870	12.13%	7.75%
June 30, 2018	0.23965152%	\$ 1,097,234	\$ 8,513,613	12.89%	7.53%
June 30, 2017	0.17398997%	\$ 795,541	\$ 8,472,349	9.39%	7.91%
June 30, 2016	0.15467737%	\$ 748,801	\$ 7,726,156	9.69%	5.21%
June 30, 2015	*	*	*	*	*
June 30, 2014	*	*	*	*	*

Significant Actuarial Assumptions					
Measurement Periods	Inflation	Salary Increases	Investment	Mortality Table	Mortality Scale
			Rate of Return		
June 30, 2022 - 2023	2.00%	5.40%	6.75%	Pub-2010	MP-2019
June 30, 2020 - 2021	2.00%	5.60%	6.75%	Pub-2010	MP-2019
June 30, 2016 - 2019	2.50%	5.60%	7.25%	RP-2014	MP-2015
June 30, 2013 - 2015	3.00%	3.75-5.80%	7.75%	RP-2000	Scale AA

Note to Required Supplementary Schedule:

\* 10 Year schedule, historical Information not available

See accompanying notes to the required supplementary information

SCHEDULE 3  
**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**Schedule of County OPEB Contributions**  
For the Year Ended December 31, 2023

<u>Year Ended</u>	<b>Cost-Sharing Multiple Employer Plan Information Only</b>				
	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>County's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
December 31, 2023	\$ 104,112	\$ (104,112)	\$ -	\$ 11,110,926	0.94%
December 31, 2022	\$ 106,289	\$ (106,289)	\$ -	\$ 11,195,626	0.95%
December 31, 2021	\$ 103,715	\$ (103,715)	\$ -	\$ 10,431,116	0.99%
December 31, 2020	\$ 113,499	\$ (113,499)	\$ -	\$ 10,359,515	1.10%
December 31, 2019	\$ 110,292	\$ (110,292)	\$ -	\$ 9,342,617	1.18%
December 31, 2018	\$ 107,931	\$ (107,931)	\$ -	\$ 8,572,084	1.26%
December 31, 2017	\$ 107,759	\$ (107,759)	\$ -	\$ 8,700,127	1.24%
December 31, 2016	\$ 91,880	\$ (91,880)	\$ -	\$ 7,728,100	1.19%
December 31, 2015	*	*	*	*	*
December 31, 2014	*	*	*	*	*

Note to Required Supplementary Schedule:  
\* 10 Year schedule, historical Information not available

## SCHEDULE 4

## COUNTY OF CARROLL, NEW HAMPSHIRE

## Schedule of Changes in the County's Total OPEB Liability and Related Ratios

For the Year Ended December 31, 2023

<u>Single Employer Plan Information Only</u>										
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total OPEB Liability:										
Service cost	\$ 54,479	\$ 52,525	\$ 85,393	\$ 83,620	\$ 60,681	\$ 66,058	*	*	*	*
Interest	38,068	35,335	27,186	25,938	38,892	32,037	*	*	*	*
Changes of assumptions or other inputs		(250,949)		182,225		(62,732)	*	*	*	*
Differences between expected and actual experience		(212,986)		27,398			*	*	*	*
Benefit payments	(16,649)	(16,052)	(51,222)	(50,159)	(18,443)	(17,717)	*	*	*	*
Net change in total OPEB liability	75,898	(392,127)	61,357	269,022	81,130	17,646	*	*	*	*
Total OPEB Liability - beginning of year	977,181	1,369,308	1,307,951	1,038,929	957,799	940,153	*	*	*	*
Total OPEB Liability - end of year	<u>\$ 1,053,079</u>	<u>\$ 977,181</u>	<u>\$ 1,369,308</u>	<u>\$ 1,307,951</u>	<u>\$ 1,038,929</u>	<u>\$ 957,799</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Covered employee payroll	\$ 7,560,325	\$ 7,304,662	\$ 7,070,441	\$ 6,897,991	\$ 7,462,603	\$ 7,280,588	*	*	*	*
Total OPEB liability as a percentage of covered employee payroll	13.93%	13.38%	19.37%	18.96%	13.92%	13.16%	*	*	*	*
<u>Significant Actuarial Assumptions</u>										
Discount rate	3.72%	3.72%	2.12%	2.12%	4.10%	3.44%	*	*	*	*
Health cost trend rates:										
Initial	7.50% - 2023	3.77% Allegiant Care /11.51% NHIT HMO	9.93% - 2020	9.93% - 2020	10.0% - 2018	10.0% - 2018	*	*	*	*
Ultimate	4.54% - 2090	4.54% - 2090	5.0% - 2030	5.0% - 2030	5.0% - 2028	5.0% - 2028	*	*	*	*
Mortality data set	Pub-2010	Pub-2010	SOA RP-2014	SOA RP-2014	SOA RP-2014	SOA RP-2014	*	*	*	*
Mortality improvement scale	MP-2021	MP-2021	MP-2020	MP-2020	MP-2017	MP-2017	*	*	*	*

Notes to Required Supplementary Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75

\* 10 Year schedule, historical Information not available

See accompanying notes to the required supplementary information



SCHEDULE 5

**COUNTY OF CARROLL, NEW HAMPSHIRE**

**Schedule of Changes in the County's Proportionate Share of the Net Pension Liability**

For the Year Ended December 31, 2023

<u>Measurement Period Ended</u>	<u>County's Proportion of the Net Pension Liability</u>	<u>County's Proportionate Share of the Net Pension Liability</u>	<u>County's Covered Payroll</u>	<u>County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
June 30, 2023	0.32982721%	\$ 18,464,650	\$ 11,202,235	164.83%	67.18%
June 30, 2022	0.33484776%	\$ 19,207,308	\$ 11,093,950	173.13%	65.12%
June 30, 2021	0.31622611%	\$ 14,014,886	\$ 10,303,440	136.02%	72.22%
June 30, 2020	0.31290174%	\$ 20,013,668	\$ 9,769,743	204.85%	58.72%
June 30, 2019	0.29687123%	\$ 14,284,418	\$ 8,803,870	162.25%	65.59%
June 30, 2018	0.29457526%	\$ 14,184,395	\$ 8,513,613	166.61%	64.73%
June 30, 2017	0.32072781%	\$ 15,773,371	\$ 8,472,349	186.17%	62.66%
June 30, 2016	0.29524066%	\$ 15,699,704	\$ 7,726,156	203.20%	58.30%
June 30, 2015	0.30156592%	\$ 11,946,616	\$ 7,770,529	153.74%	65.47%
June 30, 2014	0.31436387%	\$ 11,799,917	\$ 7,680,628	153.63%	66.32%

Significant Actuarial Assumptions

<u>Measurement Periods</u>	<u>Inflation</u>	<u>Salary Increases</u>	<u>Investment Rate of Return</u>	<u>Mortality Table</u>	<u>Mortality Scale</u>
June 30, 2022 - 2023	2.00%	5.40%	6.75%	Pub-2010	MP-2019
June 30, 2020 - 2021	2.00%	5.60%	6.75%	Pub-2010	MP-2019
June 30, 2016 - 2019	2.50%	5.60%	7.25%	RP-2014	MP-2015
June 30, 2013 - 2015	3.00%	3.75-5.80%	7.75%	RP-2000	Scale AA

*See accompanying notes to the required supplementary information*

SCHEDULE 6  
**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**Schedule of County Pension Contributions**  
For the Year Ended December 31, 2023

<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>County's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
December 31, 2023	\$ 1,949,565	\$ (1,949,565)	\$ -	\$ 11,110,926	17.55%
December 31, 2022	\$ 1,957,045	\$ (1,957,045)	\$ -	\$ 11,195,626	17.48%
December 31, 2021	\$ 1,658,216	\$ (1,658,216)	\$ -	\$ 10,431,116	15.90%
December 31, 2020	\$ 1,471,095	\$ (1,471,095)	\$ -	\$ 10,359,515	14.20%
December 31, 2019	\$ 1,351,056	\$ (1,351,056)	\$ -	\$ 9,342,617	14.46%
December 31, 2018	\$ 1,258,086	\$ (1,258,086)	\$ -	\$ 8,572,084	14.68%
December 31, 2017	\$ 1,242,142	\$ (1,242,142)	\$ -	\$ 8,700,127	14.28%
December 31, 2016	\$ 1,062,469	\$ (1,062,469)	\$ -	\$ 7,728,100	13.75%
December 31, 2015	\$ 1,043,513	\$ (1,043,513)	\$ -	\$ 7,850,570	13.29%
December 31, 2014	\$ 1,031,882	\$ (1,031,882)	\$ -	\$ 7,780,242	13.26%

*See accompanying notes to the required supplementary information*

**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
December 31, 2023

**NOTE 1—BUDGET TO ACTUAL RECONCILIATION**

***General Fund***

Amounts recorded as budgetary amounts in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund (Schedule 1) are reported on the basis budgeted by the County. Those amounts differ from those reported in conformity with accounting principles generally accepted in the United States of America in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit D). Budgetary expenditures were adjusted for encumbrances. Budgetary revenues and other financing sources and expenditures and other financing uses were adjusted for non-budgetary activity, budgetary transfers, and financed purchase obligation activity as follows:

	Revenues and Other Financing <u>Sources</u>	Expenditures and Other Financing <u>Uses</u>
Per Exhibit D	\$ 41,431,480	\$ 37,872,505
Encumbrances - December 31, 2023		196,573
Encumbrances - December 31, 2022		(259,308)
Non-budgetary activity	(39)	(232,110)
Budgetary transfers		40,000
Financed purchase obligation proceeds and payments	<u>(732,555)</u>	<u>(732,555)</u>
Per Schedule 1	<u>\$ 40,698,886</u>	<u>\$ 36,885,105</u>

***Major Special Revenue Fund***

The County adopts its budget under regulations of the New Hampshire Department of Revenue Administration which differ from accounting principles generally accepted in the United States of America. Consequently, budgetary information is not presented for the Grant Fund as the information is neither practical nor meaningful.

**NOTE 2—BUDGETARY FUND BALANCES**

Components of the budgetary fund balances as of December 31, 2023 for the General Fund and Grant Fund are as follows:

**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**  
December 31, 2023

	General <u>Fund</u>	Grant <u>Fund</u>
<b>Nonspendable:</b>		
Prepaid items	\$ 464,008	
<b>Restricted for:</b>		
Unexpended bond proceeds	9,953	
Opioid funds	34,111	
Grant Fund		\$ 228,095
<b>Assigned for:</b>		
Designated to offset subsequent year's taxrate	4,001,676	
<b>Unassigned:</b>		
General operations	8,243,940	
	<u>\$ 12,753,688</u>	<u>\$ 228,095</u>

SCHEDULE I  
**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**Schedule of Expenditures of Federal Awards**  
For the Year Ended December 31, 2023

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<b><u>DEPARTMENT OF JUSTICE</u></b>			
Direct Award Program			
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	N/A	\$ 131,228
<b>Total Department of Justice</b>			<u>131,228</u>
<b><u>DEPARTMENT OF THE TREASURY</u></b>			
Direct Award Program			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	1,063,348
Pass Through Payments from the New Hampshire Office of the Governor			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	220,500
Pass Through Payments from the New Hampshire Department of Transportation			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	2023ARPVS08	12,182
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	2024ARPVS08	15,036
Pass Through Payments from the New Hampshire Department of Environmental Services			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	ARPA-AM-141	20,918
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SPL-ARPA-012	23,005
			<u>1,354,989</u>
Direct Award Program			
Local Assistance and Tribal Consistency Fund	21.032	N/A	<u>124,449</u>
<b>Total Department of the Treasury</b>			<u>1,479,438</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 1,610,666</u></u>

*See accompanying notes to schedule of expenditures of federal awards*

**COUNTY OF CARROLL, NEW HAMPSHIRE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended December 31, 2023

**NOTE 1—BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the County of Carroll, New Hampshire (the “County”) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position of the County.

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 of the County’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3—INDIRECT COST RATE**

The County has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4—RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The recognition of expenditures of federal awards on the Schedule pertaining to the COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ALN 21.027) include \$104,222 of eligible expenditures which occurred in the prior year.

**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***

Independent Auditor's Report

To the Board of Commissioners  
County of Carroll, 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, 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, 2023, 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 May 15, 2024.

**Report on 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.

*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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on 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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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.

*Vachon Clukay & Company PC*

Manchester, New Hampshire  
May 15, 2024



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

**Independent Auditor's Report**

To the Board of Commissioners  
County of Carroll, New Hampshire

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the County of Carroll, New Hampshire's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County of Carroll, New Hampshire's major federal programs for the year ended December 31, 2023. The County of Carroll, New Hampshire's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County of Carroll, New Hampshire 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, 2023.

***Basis for Opinion on Each Major Federal Program***

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; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County of Carroll, New Hampshire and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County of Carroll, New Hampshire's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County of Carroll, New Hampshire's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County of Carroll, New Hampshire's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County of Carroll, New Hampshire's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County of Carroll, New Hampshire's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County of Carroll, New Hampshire's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County of Carroll, New Hampshire's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*Vachon Clukay & Company PC*

Manchester, New Hampshire  
May 15, 2024

**County of Carroll, New Hampshire  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2023**

**Section I—Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified - all reporting units

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes      X   no  
Significant deficiency(ies) identified \_\_\_\_\_ yes      X   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified? \_\_\_\_\_ yes      X   no  
Significant deficiency(ies) identified \_\_\_\_\_ yes      X   none reported

Type of auditor’s report issued on compliance for each major federal program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes      X   no

Identification of major federal programs:

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes      X   no

## **Section II—Financial Statement Findings**

There were no findings relating to the financial statements required to be reported by GAGAS.

## **Section III—Federal Award Findings and Questioned Costs**

There were no findings and questioned costs required to be reported under 2 CFR 200.516(a).