

**CONWAY VILLAGE FIRE DISTRICT  
COMMISSIONERS MEETING  
Thursday, October 1, 2020, 5:00 p.m.**

**The meeting was called to order at 5:00 p.m.**

Commissioners present: Steve Bamsey, Michael Digregorio, Tom Buco

Others present: Chief Solomon, Superintendent Adam LePrevost, Via Zoom- Amy Snow

Absent:

Public: Via Zoom-Tammy Webb Auditor for Vachon Clukay.

TAMMY WEBB  
VACHON CLUKAY AUDITOR

The meeting opened with introductions. Tammy Webb is the auditor who performed the CVFD audit and was present to answer questions regarding recommendations she made in her audit report regarding internal controls for doing abatements.

Tammy reiterated she could only make recommendations.

Points discussed:

- Setting a threshold for abatements for late fees under \$20.00; however, all abatements will be documented and formally approved by Commissioners for transparency purposes.
- The billing error of \$19,000 that was corrected with an abatement was discussed. The first of two letters the auditors wrote dated August 21, 2020, were reviewed and the following statement was discussed: *“The internal controls over water and sewer revenue are weakened. Improper or fraudulent abatements may be applied to a customer’s account and go undetected without additional controls in place.”* and suggested all adjustments to water and sewer billings be formally approved (see attached).
- The recommendation is for the Board of Commissioners to update the abatement policy for water and sewer usage to reflect abatements other than those resulting from water leaks (see attached).

Discussion ensued around the material audit adjustments and numbers.

**Tammy left the meeting at 5:32 p.m.**

FIRE CHIEF’S BUSINESS

Chief Solomon reported that they had the busiest September on record with 136 calls. He is still looking at ambulances. The prices are incredibly high; therefore, he will not get the model he wants. We may have to get a gas motor vs. a diesel. There is currently \$175,000 plus interest in the ambulance fund, and another \$75,000 will be budgeted for next year for a total of \$250,000. Chief Solomon explained that only one demo they have looked at cost less than \$250,000, but that does not include the stretcher, and the radios have to be updated.

Discussion ensued around if purchasing an ambulance should be put off a year.

SUPERINTENDENT’S BUSINESS

Adam showed commissioners what came out of the hydrants on Poliquin Drive and reported 75% of the system is now flushed. Adam has contacted Barry Miller about a vibration in the pump assembly within well #2. The pump is only two years old. Mr. Buco asked if the pump has a warranty; Adam did not know and stated he is also considering getting the pump motor at well one refurbished. It is fifty years old and is due for a full

*Check future meeting minutes for any amendments or changes to these minutes.*

overhaul. Mrs. Snow will look to see if there is a warranty on the pump in question. Barry will check the pump in a couple of weeks, and then Adam will report to commissioners what he found.

Adam reported he had heard back from the owner of the Next Level Church located on 121 Main Street. Adam explained the benefit of upgrading the pipe to support fire suppression and the upgrade's estimated cost. The owner will get back to Adam with a decision.

BOOKKEEPER'S BUSINESS

Mr. Bamsey signed a letter stating he agrees to extend the loan from NHDES for the Main Street project.

**Mr. Buco made a motion to sign the letter to extend the Federal Loan, seconded by Mr. Digregorio; Motion passed 3-0-0.**

Mr. Bamsey also signed the disbursement request for the Main Street Project.

Amy reviewed the scope of work for Pequawket Park Maintenance (see attached). Discussion ensued around planting annual flowers in front of the park and bordering the Fire Station and if the contract should be for one year or three years. It was decided to make it a one-year contract with the option to renew it from year to year.

ADMINISTRATIVE BUSINESS

- a. Ratify and sign checks for Payroll Manifest for the week ending 9/27/2020
- b. Ratify A/P Manifest dated 10/1/2020 and sign checks date 10/2/2020
- c. Approval of Fire Chief's timesheets for the week ending 9/27/2020
- d. Approval of Meeting Minutes dated 9/24/2020

**Mr. Bamsey made a motion to approve items A&B, motion seconded by Mr. Digregorio;**

**Discussion:**

Health Trust- \$28,519.20

NH Retirement Services- \$15,735.36

Tyler Richardson- \$365.00 AEMT test reimbursement.

USA BlueBook- 190.92 Manhole cover cushion gasket rope.

**Motion Passed 3-0-0.**

**Mr. Bamsey made a motion to approve and sign the Fire Chiefs' timesheets for the week ending, 9/27/2020 motion seconded by Mr. Digregorio; Motion passed 3-0-0.**

**Mr. Bamsey made the motion to approve the meeting minutes, 9/24/20 motion seconded by Mr. Buco; Motion passed 3-0-0**

The Main Street Project contract will be signed on 10/07/2020 at 10:00 a.m. at the old Town Hall meeting room.

The next commissioner's meeting will be on 10/8/2020

There being no other business to come before the board, the meeting adjourned without objection at 6:15 p.m.

Respectfully Submitted,  
Stacy Bolduc

*Check future meeting minutes for any amendments or changes to these minutes.*

August 21, 2020

To the Board of Commissioners  
Conway Village Fire District

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, and each major fund of the Conway Village Fire District for the year ended December 31, 2019, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of a matter that represents an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding this matter. We previously reported on the District's internal control structure in our report dated August 21, 2020. This letter does not affect that report or our report on the basic financial statements dated August 21, 2020.

We have already discussed these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform additional study of the matter, or to assist you in implementing the recommendations.

The purpose of this letter is to provide constructive and meaningful recommendations to you.

Sincerely,

*Vachon Clukay & Company PC*

Vachon Clukay & Company PC

## WATER AND SEWER ABATEMENTS

### *Observation*

During the audit, we selected an abatement for testing that had been applied to a customer's water and sewer accounts. We were informed that since the abatement did not originate from the customer, there was no official abatement approved by the Commissioners. We were also informed that the calculated amount was reviewed by the District's Superintendent, however, the review was not formally documented.

### *Implication*

The internal controls over water and sewer revenue are weakened. Improper or fraudulent abatements may be applied to a customer's account and go undetected without additional controls in place.

### *Recommendation*

We recommend that all adjustments to the water and sewer billings be formally approved. The abatement policy for water and sewer usage that has been adopted by the Board of Commissioners needs to be updated to reflect abatements other than those resulting from water leaks.

### *District Response*

The Commissioners will review the abatement policy and change as deemed appropriate.

The Municipal Bookkeeper will suggest to the Commissioners to develop a new policy for billing errors and one for penalty fee abatements. Billing errors are internal due to human or system error and abatements are external (request from customers to abate their bill). The Abatement Policy in place is for specific abatement requests i.e. sewer abatements due to leaks, and is comprehensive and should not be changed in the Municipal Bookkeeper's mind.

August 21, 2020

To the Board of Commissioners  
Conway Village Fire District

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Conway Village Fire District for the year ended December 31, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 15, 2020. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Conway Village Fire District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2019. We noted no transactions entered into by the Conway Village Fire District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the governmental activities, the business-type activities, and each major fund's financial statements were:

Management's estimate of the allowance for uncollectible receivables is based on the likelihood of the District to collect monies owed to it. We evaluated the key factors and assumptions used to develop the estimate for uncollectible receivables in determining that it is reasonable in relation to the financial statements taken as a whole. Additionally, management's estimates of the useful lives of depreciable capital assets are based on historical utilization of assets. We evaluated the key factors and assumptions used to develop the useful lives of depreciable capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.

Significant estimates also include actuarial assumptions used in determining pension and other post-employment benefit costs which are based on plan audited financial statements and a plan actuarial valuation report, respectively. We evaluated the assumptions used in the plan audited financial statements and the plan actuarial valuation report to determine that they are reasonable in relation to the financial statements as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Please see the attached schedule of material adjustments detected and corrected as a result of audit procedures. Management has corrected all such misstatements.

#### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated August 21, 2020.

#### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Conway Village Fire District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Conway Village Fire District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's proportionate share of the net OPEB liability, schedule of District OPEB contributions, schedule of changes in the District's total OPEB liability and related ratios, schedule of changes in the District's proportionate share of the net pension liability, and schedule of District pension contributions, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### Restriction on Use

This information is intended solely for the use of the Board of Commissioners and management of the Conway Village Fire District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Vashon Clukey & Company PC*

Conway Village Fire District  
For the year ended December 31, 2019  
Material Audit Adjustments

The following is a listing of the material audit adjustments made for the year ended 12/31/19:

**General Fund:**

- To restore prior year fund balance in the amount of \$89,604.

**Emergency Services Fund:**

- To restore prior year fund balance in the amount of \$75,345.
- To reduce ambulance receivables in the amount of \$22,818.

**Water Fund:**

- To record depreciation expense of \$288,756.

**Sewer Fund:**

- To record depreciation expense of \$490,718.
- To record a prior period adjustment of \$294,435 to remove a capital asset disposed of in a previous year.



For  
10/1/minutes

**ADDENDUM 3  
TO THE GENERAL DISTRICT RULES AND REGULATIONS**

**CONWAY VILLAGE FIRE DISTRICT  
ABATEMENT POLICY**

- Penalty Fee Abatements
- Billing Errors
- Bulk Water Abatements

**Penalty Fee Abatements**

Penalty fees are assessed to utility accounts 30 days after the due date of the utility bill.

The Board of Commissioners authorize the office staff to, upon request by a customer, abate penalty fees if the customer has had no penalty fees assessed in eight (8) billing cycles (two years). Customers with less than a two-year history will not be eligible for a penalty fee abatement. Abatements of \$20.00 or more per account must be approved by the Board of Commissioners.

A report of penalty fees assessed, and penalty fees abated will be presented to the commissioners on a quarterly basis.

**Billing Errors**

Due to system or human error billing abnormalities could occur. Upon authority of the Superintendent, billing errors will be corrected by the office staff.

Billing errors in excess of \$50.00 will be reported to the commissioners by the Superintendent in the week that the abnormality was found and corrected.

**Bulk Water Abatements**

Per Article XII B – (A&B) of the General District Rules and Regulations customers who have a onetime event of excessive use and choose the option of using the district bulk use meter. Accounts will be charged the current per gallon rate for bulk water.

If the bulk use meter is connected to a faucet that is fed from the house meter, the customer will be charged the going per gallon rate for bulk water and will be abated the gallons used for sewer and water from the house meter.

No further action from the commissioners is required for this abatement.

Example for purpose of discussion at meeting for filling a 5,000-gallon pool

No bulk use meter used

Customer will be charged through house meter \$5.23 per 1000/gallon for water = \$26.15

and \$14.66 per 1000/gallon for sewer = \$73.30  
for an extra \$99.45 on their bill.

Bulk use meter on hydrant

Customer will be charged \$0.01 per gallon for water = \$50.00

No extra charge on bill.

Bulk use meter on sillcock

Customer will be charged \$0.01 per gallon for water = \$50.00

If no abatement, they will also be charged the extra \$99.45 through house meter

So, both the water and sewer through the house meter must be abated.