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County boasts budget, surplus

Sullivan commissioners,
auditors make clear that
the money is all there

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NEWPORT — A balanced budget and a surplus at the county nursing home was the final word after a two-hour meeting of the Sullivan County Commissioners on Wednesday, Sept. 13.

The meeting was called by Sullivan County Manager Ed Gil de Rubio in response to allegations by Rep. Peter Franklin, D-Newport, that the county budget had a \$1.2 million shortfall.

"There is no shortfall," Gil de Rubio said during a meeting on Sept. 7. "We have a balanced budget."

Melanson, Heath & Co. was hired by the county to audit the budget. In a draft of their audit presented to the commissioners during the Sept. 13 meeting, they reported finding that the financial statements of the county presented a fair financial position of governmental activities.

"The bottom line is there was an operating loss, but it was planned," MH&C President Frank Biron said. "The budget did better than was anticipated."

The county nursing home, which now requires zero tax dollars to operate, had a surplus revenue of \$51,617, according to MH&C manager Sheryl Stephens Burke.

The alleged budget shortfall cited by Franklin stems from a document submitted by the county to the state referencing the budget known as an MS 42.

"The state has looked at the document and has not seen anything wrong with what the county put on the form," said Jeffrey Graham, a CPA hired by Sullivan County as a consultant.

Franklin alleged the county may be relying on \$1.2 million in revenue that it may not actually have. The MS 42 sent to the state Department of Revenue Administration had the \$1.2 million in a reserve fund Franklin said did not exist.

The MS 42 filed with the state places \$1.2 million on a line for capital reserve funds. The money was actually in a capital project fund for the nursing home, according to Biron.

"But it doesn't change the bottom line," Biron said. "It probably should have been recorded on another line in the MS 42."

"The document is only a brouhaha in Sullivan County," Gil de Rubio said. "It's not a problem in any other county."

Gil de Rubio said the state is currently reviewing the MS 42 to make it more user-friendly, but is not seriously considering changing the form.

"It's something we are going to have to deal with," Gil de Rubio said.