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**EAGLE TIMES***Focused on Local News*

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## How much is the deficit?

On Thursday, the auditors who prepared the audit for the Sullivan County government publicly stated that for 2008 "the general fund, the chief operating fund, had a deficit of \$3.9 million, up from \$3.2 million the year before."

Those were the words of Frank Byron of the auditing firm Melanson Heath, who made the comment in response to a direct question from county sheriff Mike Prozzo about the size of the deficit.

Simple math tells one that the difference between the two figures is in the \$700,000 range; \$658,000 to be more precise. The Eagle Times, and others, reported that number when the draft report of the audit was made public in late September.

Shortly after the story appeared county commissioners Ethel Jarvis, Jeff Barrette and Ben Nelson rebuked the Eagle Times and its reporter, claiming our page 1 article on Sept. 25 was "misleading and inaccurate" and that the "Eagle Times had grossly misrepresented to its readers the financial condition of Sullivan County."

According to the Oct. 7 letter from commissioners Jarvis, Barrette and Nelson, the actual deficit is \$104,000. The commissioners went on to explain how "government accounting is complicated and the annual audit contains an enormous amount of data, which is presented in multiple ways."

"Don't take our word for it," they continued, inviting the public to Thursday's meeting. We have to ask why when Byron told Prozzo the deficit had risen to \$3.9 million, the commissioners did not rise to admonish him for "grossly misrepresenting" the county's financial condition.

One thing we will say, the commissioners are correct in that governmental accounting is complicated. In fact, it is so complicated, the average taxpayer cannot understand it. But the commissioner should not use those complexities as a shield to try to hide the deficit. The commissioners may not realize that the county is swimming in red ink, but taxpayers do. And when tax bills begin appearing in the mail next month, they will see their county taxes going up about 25 percent on average to cover the shortfall.

The county's deficit problems go back several years and are usually traced to the nursing home. When the nursing home's population is near or at its capacity of 156 beds, then there is enough income to cover expenses.

But when that population falls, like it has now, to below 130 beds, revenues decline but many of the fixed costs don't, which lead to the deficit.

We will agree it is a complicated process trying to figure out all of the revenue sources and maintain quality care while keeping track of expenses, but when there is a deficit, there is a deficit and the commissioners should know better than one, to blame the messenger and two, try to persuade taxpayers that complicated accounting means it is really less than it is.

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