

**JOINT LEGISLATIVE FISCAL COMMITTEE**

One Granite Place, Room 230

Concord, NH

Friday, March 20, 2026

**MEMBERS PRESENT:**

Representative Kenneth Weyler, Chair

Representative Keith Erf

Representative Maureen Mooney

Representative Mary Jane Wallner

Representative Peter Leishman

Senator James Gray

Senate President Sharon Carson

Senator Regina Birdsell

Senator Tara Reardon

Senator David Watters

**(1) Acceptance of Minutes of February 20, 2026 meeting**

KENNETH WEYLER, State Representative, Rockingham

County, District #14 and Chairman: Good morning. I'll call the Joint Fiscal Committee meeting to order for March 20, 2026. First day of Spring. And the first item before us is acceptance of minutes.

\*\* JAMES GRAY, State Senator, Senate District #06:

So moved.

CHAIRMAN WEYLER: From February 20th. Motion to accept. Is there a second?

REGINA BIRDSELL, State Senator, Senate District #19: Second.

CHAIRMAN WEYLER: Second by Senator Birdsell. Any -- any additions or corrections? Seeing none, all in favor

say aye? Opposed no? Those are adopted.

\*\*\* {MOTION ADOPTED}

(2) Old Business:

CHAIRMAN WEYLER: There is no Old Business.

### CONSENT CALENDAR

(3) RSA 9:16-a, Transfers Authorized:

(4) RSA 14:30-a, VI Fiscal Committee Approval Required For Acceptance and Expenditure of Funds Over \$100,000 From any Non-State Source:

(5) RSA 14:30-a, VI Fiscal Committee Approval Required for Acceptance and Expenditure of Funds Over \$100,000 from Any Non-State Source and RSA 124:15 Positions Authorized:

### AMERICAN RESCUE PLAN 2021 CONSENT CALENDAR

(6) RSA 14:30-a, VI Fiscal Committee Approval Required for Acceptance and Expenditure of Funds Over \$100,000 from Any Non-State Source:

CHAIRMAN WEYLER: So we have a Consent Calendar.

It goes from Tabs 3 through 6. So far I have the following items removed. Under Tab 3, 26-048, Department of Safety, and under Tab 4, 26-053, Department of Environmental Services. And that's it for that Consent Calendar removal. The rest of it is available for passage.

\*\* SEN. GRAY: Move the Consent Calendar as amended.

SEN. BIRDSELL: Second.

CHAIRMAN WEYLER: Motion to approve the consent -- the rest of the Consent Calendar by Senator Gray, second by Senator Birdsell. Any further additions or corrections? Seeing none. All those in favor of that motion say aye? Opposed no? The rest of the Consent Calendar is adopted.

\*\*\* {MOTION ADOPTED}

CHAIRMAN WEYLER: So we'll go to Tab 3 and look at Item 26-048 from the Department of Safety. Can you introduce yourself.

AMY NEWBURY, Director of Administration, Department of Safety: Good morning. Amy Newbury. I'm the Director of Administration at the Department of Safety.

CHAIRMAN WEYLER: Senator Watters is recognized to her questions on this item.

DAVID WATTERS, State Senator, Senate District #04: {Inaudible} that Senator Rosenwald asked you about -- about the status of the fund and how this might affect any lapse issues. Thank you.

MS. NEWBURY: Yes, certainly. So it absolutely will impact the lapse. The lapse will be reduced by the \$2 million of the transfer. However, we are tracking well for a contribution to the lapse for our payroll lines. Um -- we're

still looking at about a four -- um -- just shy of \$4 million lapse. And our non-payroll lines we continue to update each and every month. So that is still tracking well.

CHAIRMAN WEYLER: Follow-up question.

SEN. WATTERS: Yeah. Yeah, thank you. You know, I -- Senator Gray may have something to add to this; but you know, we -- we are very serious about the lapses. So I think that's why we wanted to track this -- um -- and related to this item.

MS. NEWBURY: Hm-hum.

CHAIRMAN WEYLER: Any further questions on this item from any Committee members? Senator Gray.

SEN. GRAY: More a statement than -- than a question. Lapses going to be very important in this tight budget situation that we're in right now. And, certainly, I've been working with the Governor's Office, and we also got a response from Administrative Services about the lapse that supposedly the lapse isn't as large as it has been in prior years and, and, and, and. That still doesn't keep me, you know, asleep at night. Okay. Lapse, you know, is one of the big things that caused me problems, so; and you're just the one this time. The next one on Transportation, I didn't pull or asked to be pulled because of the line items it came from.

Okay. Yours got pulled because of those line items, and those would be traditional things that would enter into the lapse and, therefore, caused me problems.

So, again, just you know, and all the rest of you know that the lapse is a big thing. Uh -- last year, you know, the lapse came in \$47 million less than what it should have. So, I'm still paying for that. So thank you.

CHAIRMAN WEYLER: Any further on this item from the rest of the Committee? Seeing none, I'll entertain a motion to adopt item FIS 26-048.

\*\* SEN. GRAY: So move.

CHAIRMAN WEYLER: Motion by Senator Gray, second by Senator Birdsell to adopt the item. Is there any further discussion? Seeing none, all in favor say aye? Opposed no? That item is adopted.

\*\*\* **{MOTION ADOPTED}**

CHAIRMAN WEYLER: We'll now move on to Tab 4, Item 26-053, Environmental Services.

ROBERT SCOTT, Commissioner, Department of Environmental Services: Good morning. Bob Scott, Commissioner with the Department of Environmental Services.

CHAIRMAN WEYLER: Commissioner Scott. Okay, I think -- uh -- Senator -- Representative Leishman had a

question on this item.

PETER LEISHMAN, State Representative,  
Hillsborough County, District #33: Thank you, Mr. Chairman.  
Nice to see you, Commissioner. I guess I paid a little more  
attention to this after serving with you on that Dam Study  
Committee. So --

MR. SCOTT: Language now.

REP. LEISHMAN: Anyway, I didn't see in here the  
actual height of the dam to be removed. I went through all the  
documents in the deck, and I know -- I think over six feet is  
considered an impoundment. So I was just curious on the  
height, because I've heard that some of the folks in Goffstown  
are particularly happy about this, because they have like  
activities on the river there, like a pumpkin festival type of  
thing, and moving the dam would essentially just lower it to a  
stream bed, so.

MR. SCOTT: I don't have the answer to how --  
how tall that dam is. I wasn't prepared for that. You're  
correct, anything over six feet is considered a dam. So I can  
guarantee you it's that, though I want to say 20 feet but  
that's based on just the seeing it. But I -- I don't know the  
measurement. But you're correct. So the Heavy Falls Dam is in  
a position where as much as some of the town would like it.

It's an old dam, and it's not -- uh -- doesn't meet any state current safety standards. So the particular one we're worried about, it's not grounded in bedrock. So it's kind of free floating, which is a bad idea for dams, if you will.

So the options are to remove it or replace it. There's no funds to replace it. And the -- the -- the good news here for the Aquatic Resource Mitigation Fund, that fund is available, along with the Army Corps of Engineers, for restoration of wetlands. Obviously, if you take a dam away, it creates some wetlands there. So we're able to make use of that in order to remove the dam. So we're -- we're happy there's a venue for that funding wise.

REP. LEISHMAN: One more question, if I could, Mr. Chair.

CHAIRMAN WEYLER: Follow-up.

REP. LEISHMAN: Thank you. So was the Department working with the town on this removal, like meeting with the select board and others so this isn't a surprise to anybody?

MR. SCOTT: No. Uh -- we've been meeting with the town for years now on this issue because, again, as you mentioned, for instance, the pumpkin regatta is a concern for them. The dam removal will not remove the water body. It's a

river; but the banks, you know, and what it does will be different certainly without the impound.

REP. LEISHMAN: Thanks, Mr. Chairman.

CHAIRMAN WEYLER: Thank you. I saw what happened in Exeter from the removal of the dam there. It just looked -- it looked like a trickle. So that's maybe what's going to happen.

MR. SCOTT: I think to answer the question, Representative Weyler, I think some of that is going to depend on where we are for drought and that -- that type of thing. So -- so hopefully not. We're hoping not to be in a drought next year. That could come.

CHAIRMAN WEYLER: Thank you. All right. Representative Leishman moves to adopt item 26-053. Senator Gray seconds. Is there any further discussion? Seeing none. All in favor say aye? Opposed no? That item is adopted.

\*\*\* {MOTION ADOPTED}

#### REGULAR CALENDAR

##### (7) RSA 228:12 Transfers from Highway Surplus Account:

CHAIRMAN WEYLER: We'll move on to the Regular Calendar under Tab 7, and the first item is 26-063, Department of Transportation. Introduce yourself.

DANIELLE CHANDONNET, Director of Finance,

Department of Transportation: Hello. My name is Danielle Chandonnet. I'm the Director of Finance.

ALAN HANSCOM, Highway Maintenance Engineer,  
Department of Transportation: And my name is Alan Hanscom. I'm the State Highway Maintenance Engineer.

CHAIRMAN WEYLER: Thank you. So questions on this item. Any Members of the Committee have a question? Wondering about, you know, this is -- this is an extraordinary amount for this -- for this season. We've seen record amounts of snowfall as well. So we're not surprised. Um -- how's the rest of the management looking? You going to still be going on the rest of the year with your usual budgets or you also plagued by vacancies?

MS. CHANDONNET: We're always plagued by vacancies. So we have quite a bit. I think our average is about 25% vacancy rate. We'll help with the lapse, but it doesn't help us do the work.

CHAIRMAN WEYLER: Well, you managed the plowing. I guess the bonuses worked to get people, plus you still had to hire a bunch of people but.

MS. CHANDONNET: Yes.

CHAIRMAN WEYLER: I remember reading years ago if you didn't have a decent snowfall, every once in a while the

people that put plow frames on their trucks wouldn't bother to put them on the replacements, and all of a sudden you have nobody to plow. So I guess we have enough contractors?

MR. HANSCOM: We -- we -- thank you. We -- we work pretty well in covering what we need to do. We could have done better in some places; but -- um -- there's an incentive for -- for rented equipment to -- to show up when it doesn't snow, and as well as the incentive for employees to volunteer to plow which generated I think almost a hundred {Inaudible}. So -- um -- not as many vacancies as we have, but we had enough to get by with.

CHAIRMAN WEYLER: So everybody who took the bonus showed up?

MR. HANSCOM: Yes, sir.

CHAIRMAN WEYLER: Good. Was a concern of ours.

MS. CHANDONNET: And continue to show up.  
That's important, too.

CHAIRMAN WEYLER: The previous winters they had kind of a good deal, but.

MR. HANSCOM: They rented this year.

CHAIRMAN WEYLER: That's the way it works. Any further questions from Committee Members?

\*\* SEN. GRAY: Move the item.

CHAIRMAN WEYLER: Senator Gray moves FIS 26-063, second by Senator Birdsell. Any further discussion? Seeing none, all in favor say aye? Opposed no? That item is adopted. Thank you very much.

\*\*\* {MOTION ADOPTED}

(8) RSA 604-A:1-b Additional Funding:

CHAIRMAN WEYLER: Okay. The next item on the Regular Calendar under Tab 8, Judicial Council. Mr. Buckley. Director Buckley.

JAY BUCKEY, Executive Director, Judicial Council: Good morning. Jay Buckey, Executive Director, Judicial Council.

CHAIRMAN WEYLER: Okay. Was this the end of it or will you be coming back for more?

MR. BUCKEY: I'm cautiously optimistic this will be the last time I'll be here this fiscal year.

CHAIRMAN WEYLER: Further questions from Committee Members? Senator Birdsell moves to adopt 26-064, Senator Watters seconds. Further discussion? Seeing none. All in favor say aye? Opposed no? The item is adopted. Thank you very much, Director.

\*\*\* {MOTION ADOPTED}

(9) Miscellaneous:

(10) Informational Materials:

CHAIRMAN WEYLER: All right. 26 -- oh, let's see. All right, we are into Information Materials. Anybody have a question they want on the information materials? Is there someone here from YDC?

THOMAS KAEMPFER, Deputy Director of Administration, Department of Justice: Good morning. Tom Kaempfer, Deputy Director of Administration at the Department of Justice.

JACKIE KARN-STEWART, SENIOR PARALEGAL, YDC CLAIMS ADMINISTRATION: Jackie Karn-Stewart, Senior Paralegal, YDC Claims Administration.

CHAIRMAN WEYLER: Thank you for coming. The question among us was where you getting your money from? I didn't think we put anything in the budget for this.

MR. KAEMPFER: You didn't. As it stands right now with all spending being consistent between now and the end of the fiscal year, we'll have about a \$10 million buffet going into next fiscal year. Um -- after that -- I mean, the assumption will be that the new administrator will come and ask for additional funds.

CHAIRMAN WEYLER: So this was from the previous budget that you had. And so what -- what is your staff doing

now? How many staff and what are their duties?

SEN. GRAY: Just before you get to that, I believe that we put in \$20 million into the budget, and it wasn't zero this time. And the 20 million, plus the reserve from the last time, was enough to payoff all of the outstanding claims that would be -- to be spent over time -- uh -- and then certainly in the next year we're looking forward to selling the Sununu Center, which would provide them additional funds. I just want to make that clear, because it wasn't that we didn't put any money in, but that we didn't put in enough to payoff a lot of the new claims.

CHAIRMAN WEYLER: Thank you for that correction.

MS. KARN-STEWART: In terms of staffing for the YDC Claims Administration there is myself, Senior Paralegal. We have a full-time legal assistant and a part-time executive assistant. We did have more staff, you know, last -- last year; but we have had a drastic reduction in staff, which has also reduced our costs. We do have other consultants. Most are on standby.

Right now we are working on getting any claims that still need administrative complete dates up and complete. There are a few of those that needed some additional time to get resident files and other records. And then other than that

we're, you know, responding to inquiries, managing any administrative tasks, and those types of things, and preparing as much as we can for a new administrator.

CHAIRMAN WEYLER: I think that the -- what you show for here, 239 million total award amounts, I don't think it's affordable from what we've seen, unless you get a huge amount for Sununu Center. Anyway, that's caution to you that we hope we don't see some generous awards.

SEN. GRAY: The comment on that is for this fiscal year, I believe that the number was \$26 million which was what was obligated in the payments. And that is why when we put in that \$20 million, plus the 10 million plus that was left over, would pay all those obligations, plus pay the staff for, you know, that period of time. Um -- and then the Sununu Center would allow us to go back in and do more aggressive payments.

Um -- and, again, just because the -- this money, you know, we're going to get the obligations no matter whether they're settled through the plan or the AG settles them or they're settled in court. We're going to get the bill. Okay. It's just how we get the bill. So no one should think that -- that, you know, a claimant that has a legitimate case that is either settled by the AG or settled by the courts is

not going to get paid because that is not the case. Correct me if made any misstatement.

CHAIRMAN WEYLER: Further questions from any Committee Member? Seeing none. There's no need to pass on this, and thank you very much for attending. We'll move on to the audits.

**AUDITS:**

KEITH ERF, State Representative, Hillsborough County, District #28: {Inaudible}.

CHAIRMAN WEYLER: What's that?

REP. ERF: {Inaudible}.

CHAIRMAN WEYLER: All right.

SHARON CARSON, State Senator, Senate District #14 and Senate President: Mr. Chairman, if I might? I'd like to offer an apology to you and to the rest of the Fiscal Committee. Um -- there was an urgent issue that I had to take care of right away.

CHAIRMAN WEYLER: All that stuff falls on the President.

SENATE PRESIDENT CARSON: Yeah, it sure does. Thank you.

CHAIRMAN WEYLER: We're delighted you were able to attend at all.

SENATE PRESIDENT CARSON: Thank you.

CHAIRMAN WEYLER: All right. Looks like we're ready to do Liquor first. Management Letter.

SEN. GRAY: You have to hit the button.

JEAN MITCHELL, Financial Audit Supervisor, Audit Division, Office of Legislative Budget Assistant: That would be helpful. Morning, Mr. Chairman, Members of the Committee. For the record, the Director of Audits was unable to attend this meeting this morning. So, I'm Jean Mitchell, the Financial Audit Supervisor from the LBA.

We're here today to present the Management Letter of the Liquor Commission. Jim LaRiviere, Senior Audit Manager, was the in-charge on the audit, and he will present the report.

Joining us from the Liquor Commission is Joe Mollica, the Chairman of the Liquor Commission, as well as the Chief Financial Officer, Tina Demers. And now I'll turn the presentation over to Jim. Thank you.

JIM LARIVIERE, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant: Thank you. Good morning, Chairman Weyler, and Members of the Committee. Again, for the record, my name is Jim LaRiviere, and we are here to present the New Hampshire Liquor Commission's Fiscal

Year 2025 Management Letter.

If you turn to the Table of Contents, you can see this report contains seven findings altogether. Five internal control comments. The first is identified as a material weakness, and two compliance comments. Our recommendation summary begins on Page 3. None of the Observations suggest that legislative action may be required.

The Commission concurred with four Observations, concurred, in part, with two Observations, and does not concur with one Observation, which I will address shortly in this presentation.

The Observations begin on Page 5. Observation No. 1, this is reported as a material weakness identifying the need for the Commission to establish formal policies and procedures, and perform critical routine reconciliations for significant accounts and activities. During Fiscal Year 2025, the Commission did not perform several key reconciliations as outlined in the bullets in the middle of Page 5.

We recommend the Commission develop formal policies and procedures for periodically reconciling all critical balances and activities, perform periodic and timely reconciliation for significant balance in activities detailed in this Observation, ensure differences are properly

investigated and resolved, and that the reconciliations be reviewed and approved by Management. Observation No. 2 --

SEN. GRAY: You want questions now or --

MR. LARIVIERE: Um -- either way.

SEN. GRAY: Observation No. 1 is a holdover from the 2024-3 audit. Okay. And I would like, if not now, when -- uh -- the Department talks about it, I would want to know why I don't see at least a dot on the first item of that, and what's the plan of action, so.

TINA DEMERS, Chief Financial Officer, New Hampshire Liquor Commission: We can {Inaudible}.

SEN. GRAY: Thank you.

MR. LARIVIERE: Moving on to Observation No. 2 on Page 7 addresses the need for the Commission to improve its NextGen System financial analysis and reporting capabilities. During the audit, the Commission was unable to provide certain data sets as described in the Observations for use by the auditors to perform analyses.

Um -- we recommend the Commission secure knowledgeable information technology staff with specialized skills to -- to determine how the information is processed through the NextGen and its point-of-sales systems.

This effort should include report developers

that can efficiently extract data into useful and reliable data sets and quality management reports to support proper functioning of the Commission's system of internal control.

Observation No. 3 recommends the Commission develop formal policies and procedures and appropriate controls for its gift and promotional card programs.

Observations No. 4 and No. 5 deal with procurement. Observation No. 4 recommends the Commission establish formal policies and procedures that promote a competitive and transparent process for procuring rental space for retail liquor stores, and that the Commission advertise its need for space and provide all interested parties with the opportunity to compete and prevent the risk of appearance of favoritism or undue influence.

All lease and rental agreements should be documented and properly maintained. Additionally, the Commission should establish a rental payment formula as part of its retail store plan as required by law.

Observation No. 5 recommends the Commission become familiar with all contract terms and provisions when making procurement under state-wide contracts to ensure compliance with all requirements.

Observations No. 6 and No. 7 are compliance

comments and begin on Page 14.

Observation No. 6 recommends non-exempt purchases be made in accordance with statute. RSA 176, section 18, provides Commission contracts in excess of \$10,000 be competitively bid, reviewed by the Attorney General, and approved by Governor and Council. The law does not apply to the design, construction, renovation, relocation, and property management of retail stores.

We recommend the Commission comply with the statute and promote full and open competition among vendors, including adequately advertising the need for services that will reach many vendors offering the services needed.

The Commission does not concur with this finding as the Commission believes the example cited in the Observation was exempt from the requirements of the statute. We encourage the Commission to seek an opinion from the Attorney General as to what expenses are and are not exempt under the statute.

SEN. WATTERS: Mr. Chairman, may I ask a question?

CHAIRMAN WEYLER: Senator Watters.

SEN. WATTERS: Thank you. Thank you. And I know we'll hear from the Commission as well. But, you know, on this one in particular where it is listed as legislative action

may be required, and I agree that the Attorney General may offer a good interpretation. We'll hear from the Commission. But -- um -- it does -- wouldn't it make sense so that if we kind of really get to the point where there's just a basic disagreement, there might be legislation required on this particular issue?

MR. LARIVIERE: I -- uh -- I -- I guess I would agree that maybe the statute should be looked at in terms of maybe clarifying in terms of what purchases are exempt versus which ones are not. Yes.

CHAIRMAN WEYLER: And has -- has that been submitted to the Attorney General yet? I thought that might be the follow-up. This was done.

SEN. GRAY: Who's going to submit it? I guess the Department gets to do it then.

CHAIRMAN WEYLER: Commissioner.

SEN. GRAY: Okay.

CHAIRMAN WEYLER: Would have thought you'd do it right away since that might be the one we're waiting for a decision on. And if it's not clear, as Senator Watters recommend, might require legislation. Senator Watters would be willing to submit it. Yeah. All right. Well, if that completes your presentation, we'll turn to the Commission.

MS. MITCHELL: Yeah, one more Observation.

MR. LARIVIERE: I had one more Observation but. So my final Observation, Observation No. 7, recommends the Commission continue to work with the Department of Administrative Services to establish the Division of Finance and Audit and fill the director position as required by RSA 176, section 8, which was amended to create the division and the director position with an effective date of August 1st, 2025.

Um -- located behind the tab is our current status of prior audit findings for Fiscal Years 2024 and 2023. Of the combined 18 comments contained in those reports, five are fully resolved, twelve are still in the process of remediation, and one finding remains unresolved. This concludes my presentation. Thank you for your time.

CHAIRMAN WEYLER: Thank you for your usual thorough work. All right. Commissioner, your comments.

JOSEPH MOLLICA, Chairman, New Hampshire Liquor Commission: Sorry. Mr. Chairman, Members of the Committee, Joseph Mollica, Chairman of the Liquor Commission, and our CFO Tina Demers is with me. We'd just like to thank the LBA for their audit and their comments and Observations.

As you know, we're running a business in the

state and we feel that -- uh -- some of the Observations that they've made are -- we concur with and some we don't. Some are -- some we do in order to run a business properly. So we'd be happy -- first of all, we thank them; and, second of all, we'd be happy to answer any questions that the Committee may have. So thank you very much.

CHAIRMAN WEYLER: Well, we're pleased that you're making progress on those recommendations to -- to comply with them. Committee Members, questions.

TINA DEMERS, Chief Financial Officer, New Hampshire Liquor Commission: I can address Senator Gray's previous question on the reconciliations. We did do a complete reconciliation for the end of the FY 25 financials. We were not able to start the monthly process because the '25 audit -- the '24 audit ran into June of '25. So by the time we finished that audit and started in with this audit, we hadn't had a time to set the actual process. But as of date right now, we are about 70% reconciled up until February. So we have started the process. We're documenting monthly process and we're 70% complete for February.

CHAIRMAN WEYLER: Further questions.

SEN. GRAY: As the LBA knows, I keep on harping on these things that are outstanding and never get resolved.

Okay. So --

MS. DEMERS: That --

SEN. GRAY: So you're not -- you're not in that category. I mean, yours only goes back to '23. We've had some that are back in double lots, okay. And -- and that upsets me terribly. Okay. Um -- so --

MS. DEMERS: This one will be complete by the end of this fiscal year.

SEN. GRAY: All right.

CHAIRMAN WEYLER: Okay. Further questions from the Committee? And we already made a motion on this one to adopt it, place on file. Very good. All right. Representative Leishman for a question.

REP. LEISHMAN: Thank you, Mr. Chairman. And good to see you all. So I'm just curious. You had twelve items that still haven't been resolved. Do you have, like, a time frame to resolve those? Because I agree with Senator Gray, to see some of these come up repeatedly certainly disturbs me that the LBA goes through this effort, but we still see these reoccurring deficiencies.

MS. DEMERS: I have a Corrective Action Plan that we're finishing up for our FY 24 audit and for the items for FY 25 that actually have end dates to them, completion

dates. So we can provide that once we've updated it.

REP. LEISHMAN: And if I could follow-up, Mr. Chairman. You'll get that plan to the LBA so they can track it along?

MS. DEMERS: Yes.

CHAIRMAN WEYLER: I remember some of the audits we've done quarterly updates on your progress. So that may be called for in this Management Letter as well.

MS. DEMERS: We also do provide to Transparency New Hampshire our six month updates.

CHAIRMAN WEYLER: Appreciate it. Thank you. Senator Gray.

SEN. GRAY: I need LBA to look into what we do when there is a non-concurrence or only a concurrence in part. Okay. Just as we heard today when I said who's going to submit it, was crickets. Okay. So, that is a part in the process of doing this that we need to make sure that there is something in the process that says who's going to do what, and how we're going to resolve either ones that are non-concur or partially concurred.

MS. DEMERS: If I may, to address that item. The reason why we don't concur with that item is we have other contracts that do include our headquarters location. We do

this to leverage economy of scales when we're going out to bid. So when we go out to bid for a store, we include the headquarters location because it does include the warehouse, and it is part of our retail and wholesale operations. So currently we have our HVAC, our electrical, our automatic doors, our plumbing, parking lot striping, security. Those all include retail and headquarters locations. So we felt that this one fell under the same umbrella.

SEN. GRAY: And I'm not smart enough to give you an answer. All right.

MS. DEMERS: Hm?

SEN. GRAY: That's why it need -- I'm not smart enough to give you an answer. That's why I need to go to the Attorney General, and we need to have a process that says when these come up, this is what happens to.

CHAIRMAN WEYLER: Any further questions from Committee Members? All right. Keep up the good work, folks. Relying on you for revenue.

SEN. GRAY: And they get all our business.

CHAIRMAN WEYLER: That's right. Is that red light on? There you go.

MS. MITCHELL: Sorry. I have a very projecting voice as well, so.

CHAIRMAN WEYLER: Yes.

MS. MITCHELL: Just kidding. So, anyway, we're here to present the Lottery Commission Management Letter. With me to present it is Kimberly Bisson. She was the Senior Audit Manager and in-charge of the audit. And joining us from the Lottery Commission is Executive Director Charles McIntyre, as well as Chief Financial Officer Jim Duris. And I'll now turn it over to Kimberly to do the presentation. Thank you.

KIMBERLY BISSON, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant: Good morning, Mr. Chairman, and Members of the Committee. For the record, my name is Kimberly Bisson, the Senior Audit Manager with the LBA Audit Division. I'm here today to present the Management Letter, a by-product of our audit of the Lottery's Fiscal Year 2025 financial statements, which were previously presented to the Committee at the January meeting.

If you turn to the Table of Contents, you'll see that the report includes three internal control comments, none of which are identified as material weaknesses, and there are no State Compliance comments.

The Lottery concurs with all three comments and none suggest that legislative action may be required. The Observations begin on Page 4.

Observation No. 1 recommends strengthening the Lottery's Internal Control Procedures over significant areas of its financial operations by formally documenting those processes in written policies and procedures. The policies and procedures should be fully vetted and approved by Management.

Additionally, Lottery should continue in its efforts to fill the newly created comptroller position in order to mitigate its reliance on the performance of one key employee.

Turning to Page 6, Observation No. 2 recommends that Lottery comply with its formal risk assessment policy, requiring completion and formal documentation of a risk assessment on an annual basis. Additionally, Lottery should review its current business continuity and disaster recovery plan to ensure the -- the plan reflects current practices and to minimize business disruptions in the event of unforeseen occurrences. The plan should be tested periodically to ensure it remains relevant and effective and to ensure employees are practiced in its implementation.

Finally, Observation No. 3 on Page 8 recommends that the Lottery comply with its account level user access to vendor data systems policy and ensure that accounts that are no longer associated with employees are disabled in a timely

manner.

User access permission review should be performed timely and user access should be removed or adjusted as appropriate based on the results of those reviews.

Additionally, the Lottery should comply with the Department of Information Technology security awareness and training policy and monitor to ensure that staff members complete the required training modules in a timely manner.

The Appendix located behind the Tab on Page 11 reports the current status of Observations contained in the Fiscal Years 2023 and 2024 Lottery Commission Management Letters as of December 19th, 2025. As noted at the bottom of Page 13, nine comments were fully resolved and three were in the process of remediation.

This concludes my presentation. I'd liked to thank Lottery's management and staff for their assistance and cooperation; and with your permission, I will now turn the presentation over to Executive Director McIntyre.

CHARLES MCINTYRE, Executive Director, New Hampshire Lottery Commission: Good morning, Mr. Chairman, Members of the Committee. Um -- I'm Charlie McIntyre, the privilege of being the Director of New Hampshire Lottery. And with me are our Chief Compliance Officer Cooley Arroyo, and our

Chief Financial Officer Jim Duris.

I want to thank the folks from LBA in their efforts on this audit. We, obviously, undergo an audit every year and we -- I thank them for as smooth as it goes every year. So -- um -- with that, we have no, obviously, objections to the audit findings or we concur with all of them and happy to answer questions you have.

I'd like to note that we're really, really far ahead of plan. And so I'd like to make sure that that's noted for your consideration.

CHAIRMAN WEYLER: We're very appreciative. Questions for the Director. Senator Gray.

SEN. GRAY: Again, you weren't here for the discussion on the outstanding audit items on the last audit that was held. Your Chief Financial Officer was. Yours, everything that was from before '24 is completed. Uh -- so you only have the three holdover items, two of those are kind of rolled into finding number one.

MR. MCINTYRE: Yes.

SEN. GRAY: Uh -- certainly, you know, we as a Committee are interested in making sure that those action items do go forward. So I'll leave it at that.

MR. MCINTYRE: Certainly. Thank you for the

question, Senator. Certainly, we have a plan in place. We're actually looking to hire an additional individual to satisfy that role and assist our CFO, who is the key individual that the auditor referenced as being sort of the one person choke point essentially.

CHAIRMAN WEYLER: I congratulate you as someone has to go through audits every year. They really have to dig to find anything. And the fact that you have no unresolved findings is impressive. Um -- so, and the fact you're bringing in a lot of money, we all appreciate that. Everybody's looking for more.

MS. MCINTYRE: To your first point, Mr. Chairman, it's credit to these folks here. And as to your second point about revenue, it's the folks we get to work with everyday doing it at a really -- a high level.

CHAIRMAN WEYLER: Anything further from Committee Members? Thank you for your good work.

MR. MCINTYRE: Thank you.

CHAIRMAN WEYLER: We're very reliant on your income.

MR. MCINTYRE: Of course. Thank you.

CHAIRMAN WEYLER: Your revenue, not your income. Thank you for the correction. What you bring to the State.

Thank you.

SEN. GRAY: As long as it's green, and we can spend it.

CHAIRMAN WEYLER: There you go. We've got lots of requests for everything you bring. Thank you, audit staff. Appreciate your good work. All right. So the next item is next meeting.

MICHAEL KANE, Legislative Budget Assistant, Office of Legislative Budget Assistant: Yes. The third Friday is April 17th.

CHAIRMAN WEYLER: Third Friday. And, traditionally, so that's going to be the 17th of April. Uh -- any special time that anybody requests? Is this a good time? Eleven o'clock pretty good? The President doesn't know from one moment to the next who's going to be yelling at her.

SENATE PRESIDENT CARSON: {Inaudible} more people telling me I have to go.

CHAIRMAN WEYLER: All right.

SENATE PRESIDENT CARSON: I just show up {Inaudible}.

CHAIRMAN WEYLER: All right. With -- with agreement, we'll put it on at 11 o'clock on Friday the 17th. That seems to work for everybody. All right. So happy first

day of Spring. And I'm delighted we didn't have more to deal with. So you didn't miss much, Madam President.

SENATE PRESIDENT CARSON: No, I read the documents, so I knew -- I knew what was going on. {Inaudible}. One of those things.

CHAIRMAN WEYLER: All right. Fiscal Committee is adjourned.

(Meeting adjourned. )

C E R T I F I C A T E

I, Cecelia A. Trask, a Licensed Court Reporter in the State of New Hampshire do hereby certify that the foregoing transcript is a true and accurate record of the official YouTube audio/video recording. I was not physically present and have transcribed said audio/video to the best of my ability, skill, knowledge and belief.



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