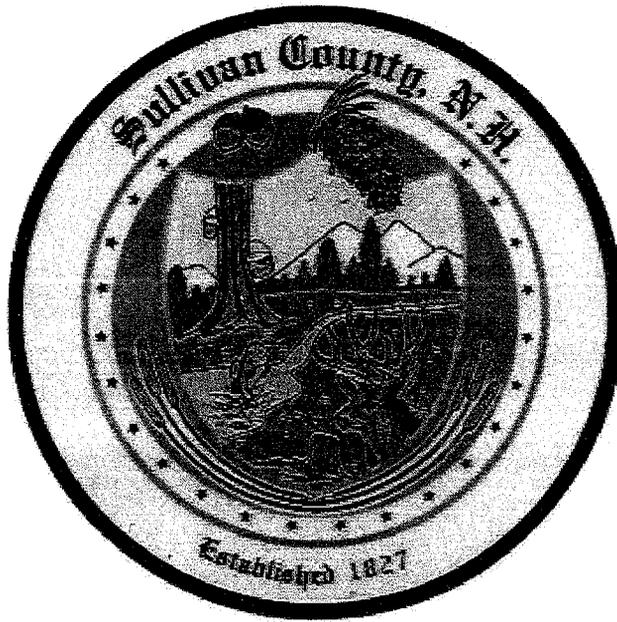


SULLIVAN
COUNTY
New Hampshire



Annual Report
Fiscal Year 2003

Table of Contents

| | |
|---------------------------------|---|
| Page 1..... | County Report Dedication |
| Page 2 & 3 | County & Other Officials Directory |
| Page 4 – 7..... | County Facts |
| Reports of: | |
| Page 8 – 9..... | Board of Commissioners |
| Page 10 – 11..... | County Manager |
| Page 12 – 13..... | County Attorney |
| Page 14..... | Sheriff's Office |
| Page 15 – 16..... | Nursing Home |
| Page 17 – 18..... | Department of Human Services |
| Page 19 – 20..... | County Conservation District |
| Page 21 – 26..... | UNH Cooperative Extension |
| Page 27..... | Long Term Care Coordinator |
| County Convention | |
| Page 28..... | Directory of Sullivan County Convention |
| Page 29 – 48..... | Abbreviated Minutes of Sullivan County Convention |
| County Treasurer Reports | |
| Page 49..... | County Tax Apportionment |
| Page 50..... | Detail of Bonded Indebtedness |
| Page 51 – 63..... | County Budget Summary: Expenses & Revenues |
| Page 64 – 65..... | Report of Nursing Home Trust Fund Committee |
| Auditors Report | |
| Page 65 - 112..... | Auditor's Report |

County Report Dedication

The Sullivan County Board of Commissioners would like to dedicate this year's report to newly retired County Coordinator, **Cathy Thurston**.

Cathy was employed by Sullivan County for over twenty-nine years. Initially employed as an office bookkeeper, the County Commissioners recognized her administrative talents and placed her in charge of coordinating meetings and appointments on behalf of the commissioners. As well as managing Accounts Payable/Receivable, daily office duties, and payroll, Cathy was instrumental in the move from the Court building to the Woodhull Complex, where the Newport County Offices are located. Extending her professional skills into the community, Cathy participated with the Governor's Committee on Volunteerism. Cathy brought a very positive upbeat demeanor to work, had a great sense of humor, and provided a general feeling of stability throughout the Commissioners Office. Her organizational skills were exceptional and apparent by the way she interacted with the various elected officials, department heads and appointed officials. Cathy was always willing to go the extra mile, and will be greatly missed by all. We wish her the best in retirement.



SULLIVAN COUNTY DEPARTMENT DIRECTORY & OTHER OFFICIALS

Alphabetical Listing

BOARD OF COMMISSIONERS OFFICE Tel. 603-863-2560
..... Fax. 603-863-9314
..... E-mail: commissioners@sullivancountynh.gov
..... Address: 14 Main Street, Newport NH 03773

*Rudolf Adler - Chair**
*Donald S. Clarke - Vice-Chair**
*Bennie C. Nelson - Clerk**
Ed Gil de Rubio - County Manager
*Peter Lovely - Treasurer**

CONSERVATION DEPARTMENT Tel. 603-863-4297
..... Fax. 603-863-4730
..... E-mail: janice-heighes@nh.nacdn.net
..... Address: 24 Main Street, Newport NH 03773

Janice Heighes - District Manager
Board of Supervisors: David Grobe (Chair - Plainfield), Leon Stevens
(Vice Chair - Claremont), John Luther (Treasurer - Acworth), Cornelia Sargent
(Claremont), and Doddridge Johnson (Acworth)
Associate Supervisor: Richard Elsesser (Acworth)

COOPERATIVE EXTENSION Tel. 603-863-9200
..... Fax. 603-863-4730
..... E-mail: nancy.berry@unh.edu
..... Web site: ceinfo.unh.edu
..... Address: 24 Main Street, Newport NH 03773

Educators: Nancy Berry, Robin Luther, Sandy Trybulski, Gail Kennedy,
Stephen Wood, and Seth Wilner

COUNTY ATTORNEY Tel. 603-863-0014/7950/9365
..... Fax. 603-863-0015
..... E-mail: ca3@sullivancountynh.gov
..... Address: 14 Main Street, Newport NH 03773

*Marc Hathaway - Attorney**
Richard Anderson - Assistant Attorney

COUNTY FACILITIES DIRECTOR Tel. 603-542-9511
..... Fax. 603-542-9214
..... Address: 5 Nursing Home Drive, Claremont NH 03743

Luther Morway - Director

DEPARTMENT OF CORRECTIONS Tel. 603-542-8717
..... Fax. 603-542-4311
..... E-mail: cell@turbont.net
..... Address: 103 County Farm Road, Claremont NH 03743

Scott Hagar - Interim Superintendent

HUMAN RESOURCES Tel. 603-542-9511
..... Fax. 603-542-9314
..... E-mail: peterf@sullivancountynh.gov
..... Address: 5 Nursing Home Drive, Claremont NH 03743

Peter Farrand - Director

HUMAN SERVICES DEPARTMENT Tel. 603-542-9511 Ext. 210
..... Fax. 603-542-9214
..... E-mail: sherriec@sullivancountynh.gov

Sherrie Curtis - Human Services Coordinator

LONG TERM CARE Tel. 603-863-3345

..... Fax. 603-863-2460
..... E-mail: patti@sullivancountynh.gov
..... Address: 14 Main Street, Newport NH 03773
Patti Koscielniak - Long Term Care Coordinator

NURSING HOME Tel. 603-542-9511
..... Fax. 603-542-9314
..... E-mail: roberth@sullivancountynh.gov
Address: 5 Nursing Home Drive, Claremont NH 03743
Robert Hemenway - Administrator
Bonnie Rivard - Director of Nursing

REGISTRY OF DEEDS Tel. 603-863-2110
..... Fax. 603-863-0013
..... E-mail: sudeeds@nhvt.net
..... Address: PO Box 448, Newport NH 03773
*Sharron King - Registrar**
Chaunee Baker - Deputy Registrar

SHERIFF'S OFFICE Tel. 603-863-4200
..... Fax. 603-863-0012
..... E-mail: sheriff@nhvt.net
..... Web Site: sullivancounty-nh.com
..... Address: PO Box 27, Newport NH 03773
*Michael L. Prozzo, Jr. - High Sheriff**
William J. Ball - Chief Deputy Sheriff
Barbara E. Sprague - Secretary/Special Deputy

VICTIM WITNESS PROGRAM Tel. 603-863-3150
..... Fax. 603-863-0015
..... Address: 14 Main Street, Newport NH 03773
Cindy Vezina - Victim Witness Coordinator

COURTS:

Superior Court Tel. 603-863-3450
Robert Morrill - Judge
Peter Wolfe - Clerk

Newport District Court Tel. 603-863-1832
Bruce Cardello - Justice
Ed Tenney - Special Justice

Claremont District Court Tel. 603-542-6064
John Yazinski - Justice

Probate Tel. 603-863-3150
Michael Feeney - Judge
*Diane Davis - Probate Registrar**

* Indicates elected County officials

SULLIVAN COUNTY FACTS PAGE

BRIEF HISTORY

Sullivan County is located in the West Central area of New Hampshire. The county was named after Brigadier General John Sullivan, a Revolutionary war hero in late 1700's. Previously Sullivan County was part of Cheshire County. On July 5, 1827 Sullivan County came into being and established its own recording site in Newport, which is currently the county seat. The county consists of 528 square miles and includes fourteen towns and one city*:

Acworth, Charlestown, Claremont, Cornish, Croydon, Goshen, Grantham, Langdon, Lempster, Newport, Plainfield, Springfield, Sunapee, Unity, and Washington.*

The population in Sullivan County is currently 40,255 (*Estimate extracted from U.S. Census Bureau 1999 Web site*).

COUNTY GOVERNMENT

- ❖ Sullivan County employs 272 employees (part and full time, eff. 8-25-03).
- ❖ The majority of the employees are employed at the Sullivan County Nursing Home in Unity, followed by Department of Corrections, Sheriff's Department, Registry of Deeds, Attorney's Office, County Commissioners' Office, Cooperative Extension, and Conservation Department. Per NH State mandates the County subsidizes employees in the following programs: Long Term Care, Victim Witness Protection, Conservation, and Human Services.
- ❖ The County owns 1,500 acres of land, which includes the Newport Complex (Remington B. Woodhull County complex and the Records Building) and the Unity complex which includes the Nursing Home, Department of Corrections, Maple Hills, and several out buildings.

COUNTY GOVERNMENT IS MADE UP OF TWO BRANCHES

The Executive Branch consists of three Commissioners with two commissioners elected every two years and the third commissioner every four years. The Board of Commissioners duties are mandated by NH Statute RSA 28. The Commissioners are part-time elected officials responsible for overall supervision of County Departments, buildings and land, and exercise budgetary oversight over all County expenditures. The Commissioners meet the first and third Tuesday, of each month, with department heads to discuss old and new business. The Commissioners submit, on a fiscal year (July 1st to June 30th), a budget to the County Delegation for approval. Minutes from the Commissioners public meetings may be attained through the Commissioners Office.

The Legislative Branch, the County Delegation, consists of fourteen elected Representatives. The role of the County Delegation is to approve the necessary funds to operate the County. The Finance Committee of the County Delegation reviews the Commissioners' budget, then submits

the budget (with any modifications) to the full County Delegation who then vote on the funds. County Delegation minutes may also be attained from the Commissioners Office.

COUNTY GOVERNMENT DEPARTMENTS & THEIR ROLE

Commissioners Office - The Commissioners Office is located on Main Street in Newport, the County seat. This office is the primary office for the Board of Commissioners, and currently employs four employees: a Payroll Clerk, an Accounts Payable Clerk, an Administrative Assistant, and a Secretary/Receptionist. The employees perform a number of duties which include: coordinating meetings among officials and public, preparing budgetary reports for Department Heads and Auditors, handling employee benefits, accounts payable & receivable, and maintaining records for all County Offices. The Board of Commissioners convene the first and third Tuesday of each month @ 1:30 p.m. The first Tuesday meeting is held in Newport, at the Commissioners' Office Conference Room, while the third Tuesday meeting is held in Unity, at the Nursing Home Business Office Conference Room. Commissioners' meetings are open to the public, excluding Executive Sessions (non public). The Board's goal with each meeting is to allow discussion of old and new business and to monitor the progress and performance levels of each of the following departments: County Manager, Nursing Home, Department of Corrections, Registry of Deeds, Sheriff's Office, Human Services, UNH Cooperative Extension, Conservation, County Attorney's Office, Victim / Witness Program, Long Term Care Health Care, Payroll, and the County Commissioners' Office.

County Manager - The County Manager is a position recently restored in the County. The Manager currently has two offices: one in Newport adjacent to the Commissioners' Office, and the second in Unity beside the Administrator to the Nursing Home. The Manager serves as the Commissioners' agent, for the financial and administrative management of Sullivan County. The Manager oversees and coordinates the business, fiscal, purchasing and human resources activities of the following departments and functions: 1) Nursing Home, 2) Department of Corrections, 3) Commissioners' Office, 4) Maintenance of all County Property, 5) Human Relations, 6) Communications and Information Technology, 7) Cooperative Extension, 8) Conservation District, and 9) Long Term Care Coordinator:

County Treasurer - The Treasurer is a two-year elected term, with the position receiving its authorization from the NH Constitution. The position is part time with duties, mandated by RSA's that include the accountability of all moneys belonging to the county, with a follow up report at the end of each fiscal year.

Registry of Deeds - The position of Registrar is a two year elected position, receiving its authorization from NH Constitution, Part #2 Article 71 & 72. Sullivan County Registry of Deeds is located on Main Street in Newport. The duties of the Registrar, dictated by RSA's, include the recording, reproduction and indexing of legal documents pertaining to real estate, and the reporting to the cities and towns (for tax purposes) of all transfers of property and the

maintenance of records dating back to 1827. The Registry records an average of 50-75 documents a day, with 30-50 people utilizing the facility per day. Along with the elected Registrar, the Registry of Deeds currently employs a Deputy Registrar and four full time clerks.

Sheriff's Office - The Sheriff's Office receives its legally mandated authorization from NH Constitution, Part #2 Article 71, and additionally from RSA section 104:6. The Sheriff's Office is located on Sunapee Street in Newport. Along with the High Sheriff (the chief law enforcement officer to each Sheriff Office, a two year elected term) there is a Chief Deputy, three full time and 7 part time Deputies, and a full time Secretary/Special Deputy. In New Hampshire, the Sheriff's authority reaches throughout and within the boundaries of the State, sharing jurisdiction with local law enforcement agencies. Some of their duties include: rural patrols, criminal investigations, support of local law enforcement initiatives, vehicle escorts, transport of inmates/juveniles/involuntary emergency admissions, prisoner control, civil services, and Superior Court capias & extraditions. Check out the Sheriff's Office Web site @: sullivancounty-nh.com for further details and to view the County's "Most Wanted".

Attorney's Office - The County Attorney's Office is located on Main Street in Newport. The County Attorney is a constitutionally elected official and is the chief law enforcement officer in the County. The County Attorney is charged with prosecution of felonies and misdemeanor appeals from the district courts and works in conjunction with the State Attorney General's Office, Sheriff's Department, NH State Police and local police departments. In addition, the County Attorney represents the County in all civil matters involving the departments or agents of the county, and works with the medical referee in cases of untimely deaths. Along with the County Attorney, the County Attorney's Office currently employs an Assistant Attorney and a full and part time Secretary. The office also works closely with the *Victim Witness Program*. The Victim Witness Program was created to ensure that the rights of the victim are protected; reducing the impact the crime and resulting involvement in the criminal justice system has on the lives of victims and witnesses. State, Local, and County resources fund this program, which staffs one Victim Witness Program Coordinator.

Nursing Home - The Sullivan County Nursing Home is located on the County Farm Road in Unity. The Nursing Home employs approximately 191 and provides 24/7 care. The Nursing Home Rehabilitation Department has available to them a registered Physical Therapist as well as Occupational Therapist when needed, and the home assists in applying for Nursing Home assistance. Along with the MacConnell Unit, which was built specifically to meet the needs of the resident with Alzheimer's Disease, the home also helps with Respite Care- a service allowing someone to take time off from caring for a family member at home.

CURRENT DAILY RATES: Medicaid \$124.64 (effective 8-1-03), Semi-Private \$180 (eff. 7-1-03), and Private \$195 (eff. 7-1-03). These rates include: room accommodations, meals (including special diets ordered by physicians), 24 hour nursing care, assistance with activities, personal care items, laundry service, routine dental treatments, prescribed medical dressing items, social services, most recreational activities, and oxygen concentrators or tanks. Additional items such as physician services, podiatrist services, pharmacy services, medical supplies are billed to insurance

carriers first then to the responsible party. An updated list of items available can be obtained by contacting the Nursing Home at 603-542-9511.

Conservation District - The Conservation District Office is located on Main Street in Newport. It was created by State Statutes in 1945, and is managed by an elected board of supervisors who must be residents of the county. Funding for the Conservation District come from Sullivan County, grants from public/private sources, and individual contributions. The District publishes a newsletter four times a year, and holds an annual Tree/Shrub and Trout sale to assist with expenses. The Conservation District provides technical assistance in partnership with USDA Natural Resources Conservation Service, educational programs, interagency coordination, and soil interpretations. They serve as a link between federal and state agencies and local towns providing assistance in the wise use of soil and water resources.

Cooperative Extension - The Cooperative Extension is located in the same building as the Conservation District Office. The Cooperative Extension is available to offer advice and support through programs designed for individuals, families, and communities. Topics include financial management, child care and development, housing fisheries and wildlife management, 4-H youth programs, nutrition and food safety, farm and forestry practices, environmental quality, marine education, just to list a few. The County subsidizes a portion of the Cooperative Extension through the use of one of its buildings, payroll for two full time employees and one part time, and through grants.

Department of Corrections - The Department of Corrections is located at the Unity complex, near the County Nursing Home. The Department of Corrections employs approximately 28 employees including: a Superintendent, a full time Secretary, a Registered Nurse, and full and part time Correctional Officers. While providing protection to the county citizens from convicted and pretrial felons, the Department of Corrections provides Juvenile tours as a deterrent effort and supports all programs that focus on the critical need for early intervention.

Long Term Health Care - This program began as a pilot project in 1999 by the counties. The Long Term Health Care Coordinator is located at the Commissioners Office in Newport and provides assessment and counseling/education to individuals seeking Medicaid reimbursement for long-term care services and education to all others considering nursing home admission or options for long term care. The Coordinator's salary is currently on contract through the state, with subsidies from Federal and County.

COUNTY COMMISSIONERS' REPORT

This past year proved to be a year of new direction for Sullivan County. With a County Manager taking care of the day-to-day operations, the Board of Commissioners was able to focus on the "big picture."

The Department of Corrections (DOC) was and still is a major area of concern for this board. With the strong support and advice from the County Manager, the County Attorney and the High Sheriff, the Board of Commissioners was able to make a substantial change in the leadership at the DOC. Newly appointed interim Superintendent, Scott Hagar, has been able to take hold of the situation at the DOC and systematically bring about change in an orderly and professional manner. The Board of Commissioners would like to express its sincere gratitude to the aforementioned elected / appointed officials for their insight and professional guidance during this needed time of transition. Additionally, we would like to thank Mr. Don Fontaine, Jr. who acted as the "Operational Director" for the DOC during the search for the new superintendent.

It is a goal of this board to provide regional leadership throughout the county and to allow Sullivan County to raise the bar of excellence in providing human services to its constituents. The Board of Commissioners actively supported this by advocating the County Manager to apply for and receive funds from two major grant sources; the Governor's Commission on Alcohol and Drug Abuse and the Workforce Opportunity Grant Commission. Both grants have not only brought approximately \$700,000 worth of revenues to the county but it has also created a working relationship between the schools, various providers of health care services and county elected / appointed officials. The County was also able to capitalize on securing Homeland Security funds for all of its municipalities. By applying on a countywide basis, instead of as an individual municipality, the various municipalities of Sullivan County were able to receive the maximum grant allocation. A Criminal Justice Coordinating Committee has been established to achieve a better understanding of crime and criminal justice issues in Sullivan County.

Your Board of Commissioners has and continues to be a major advocate in Concord regarding County issues and legislation. It is our goal to have Sullivan County in the forefront of debate on any decision that affects your county government.

Our direction this year will focus on reviewing and documenting policies especially in the area of personnel issues. Additionally, the FY 04 budget will set aside money for a Capital Reserve Funds. The establishment of this type of funding will help stabilize taxes in Sullivan County. We also intend to establish a Building, Farm and Woodland Plan for all county owned property and to enhance our current direction regarding Medicare residents at the Nursing Home.

The Commissioners would like to thank the entire Sullivan County staff and elected / appointed officials for their dedication and hard work. It is because of these individuals Sullivan County has become a stellar example of county government.

Rudolf A. (Rudy) Adler, Chairman

Donald S. Clarke, Vice Chairman

Bennie (Ben) Nelson, Clerk

COUNTY MANAGER'S REPORT

Fiscal Year 2003 proved to be a year of reorganizing and evaluating the methods of the day to day operations in county government. A major change that took place this year was the reformation of the Department of Corrections. On July 14, 2003 the Sullivan County Board of Commissioners appointed Scott Hagar as Interim Superintendent for the Department of Corrections. Mr. Hagar brings to Sullivan County over ten years of experience in Corrections. Both the Commissioners and the County Manger are looking forward to providing Scott with the necessary support that he needs to restructure the DOC. I would also like to compliment the staff of the DOC for its dedication during a time of turbulence.

Throughout this past year a major effort was put forward by myself and department heads to reassess the County's policies and procedures. As I previously mentioned, the DOC is currently evaluating its operational efficiency, staffing, scheduling and inmate rules \ regulations. The Nursing Home, in conjunction with the Genesis Report reassessed scheduling and staffing. Additionally, a marketing strategy is being developed and will be implemented throughout the upcoming fiscal year. This past year the County similar to other health care providers had to adopt a series of policies regarding the Health Insurance Portability and Accountability Act of 1996 (HIPAA). As of April, Sullivan County was in full compliance with all HIPPA regulations. A new handbook updating all of the county's personnel policies should be completed by the end of the year.

The upcoming FY 04 budget marks a first for Sullivan County. This is the first year Sullivan County is using a Capital Reserve Fund. This is a very pro-active approach for county officials. A Capital Reserve Fund helps the County plan for the future while stabilizing its tax base. The 04 Budget also marks a significant change in scheduling at the Nursing Home. Staff will be scheduled according to the acuity levels of the residents. Additionally, we continue to improve our purchase order system as we move towards a more comprehensive system of product procurement.

Another first for the FY 04 budget is the allocation of funds from the General Fund for Facilities Management and Human Resources. Prior to this change the Nursing Home budget was paying for these services although both departments were performing county wide functions.

Staff Training came to the forefront this year. The County purchased a new payroll software system. This new software package coupled with new time clocks and new software for Human Resources has allowed Janice Byrk to be the key person in payroll administration. Peter Farrand, our Human Resource Director now concentrates on staff development and training.

Sullivan County has taken great efforts to provide regional leadership and cooperation throughout the past year. The County was the recipient of two instrumental grants. The first, given by the Governor's Commission on Alcohol and Drug Abuse Prevention,

Intervention and Treatment allows the County to hire a certified alcohol and drug counselor to work with the students at Newport and Claremont high schools. The second grant awarded in conjunction with the Governor's Workforce Opportunity Council, the State Board of Education and the Juvenile Justice Department, will help set up an after school program in Newport and a teen center in Claremont.

The County Manager under the direction of the Board of Commissioners has organized a Criminal Justice Coordinating Committee (CJCC). The CJCC is comprised of key members of the county's criminal justice system along with individuals who are actual stakeholders of the process. It is the intent of this committee to take a candid look at our system and earmark areas of improvement.

The county was also instrumental in organizing all of the municipalities to file a joint application regarding the Federal Homeland Security Grant. The purpose of this joint effort is to optimize the total amount of grant funds that are available to the aggregate of municipalities in Sullivan County.

As always, the county plays a significant role in economic development. The Board of Commissioners along with the County Manager are always willing to provide the guidance and assistance including access to grant funds to new and "not so new" businesses in the Sullivan County region.

The citizens of Sullivan County are very fortunate to have the three individuals who currently serve as the Board of Commissioners. It is through their hard work and dedication along with the help from Senator Odell that Sullivan County has become a key figure on the State level regarding County government. This leadership transpired into HB 663. Thanks to the efforts of Rudy Adler, Don Clarke and Ben Nelson, Senator Odell was able to do what he does best; promulgate legislation that is beneficial and meaningful.

HB 663 will bring an additional \$25 million to the State of New Hampshire and approximately \$1 million to the Sullivan County Nursing Home. This money is generated through the Federal Medicaid program. Needless to say this translates into a real savings to the tax payers.

Sullivan County has had a banner year. This would not have been possible without the hard work and dedication from all of its elected and appointed officials; dedicated staff and the willingness of its citizens to allow county government to thrive. It is truly an honor and a privilege to work for the citizens of Sullivan County.

Respectively Submitted,

Ed Gil de Rubio

County Manager and

On Behalf of the Board of Commissioners;

"Emergency Superintendent" for the Department of Corrections

COUNTY ATTORNEY'S REPORT

To the Honorable Sullivan County Commissioners:

The past year has been a busy one for the Sullivan County Attorney's Office. Three Hundred and thirty-five (335) new criminal cases were filed in the Sullivan County Superior Court. In addition to the new criminal cases, Three Hundred and fifty-nine (359) re-entries were filed in existing criminal cases in the Sullivan County Superior Court. These figures show an increase of Forty (40) new criminal cases and eighteen (18) re-entries in Superior Court over the previous years entries. Despite the increasing workload in the Superior Court, we continue to work closely with area law enforcement in criminal investigations and provide prosecution services in the District Court when requested or as circumstances require.

The prosecutorial responsibilities of the County Attorney's Office are enhanced by the competent and compassionate work of our Victim/Witness Coordinator Cindy Vezina. Ms. Vezina continues to insure that the concerns and questions of those citizens who are involved in the criminal justice system as victims and/or witnesses are promptly and professionally addressed. In addition to her day-to-day responsibilities, Ms. Vezina plays an important role in coordinating training for area law enforcement regarding such issues as domestic violence and sexual assault.

While the prosecutorial duties of the Sullivan County Attorney's Office remain the most visible of our responsibilities, no less important is the role of the Sullivan County Attorney's Office as legal counsel to the County. The County Attorney's Office continues to provide Sullivan County with high quality legal representation covering a wide range of issues such as labor relations, contracts, litigation services and governmental law.

The delivery of quality, cost effective legal representation to the citizens of Sullivan County is a continuing challenge. A major initiative is our ongoing plan to begin using imaging technology to enhance our ability to efficiently manage information—the statements, reports, pleadings, legal research, memorandums and other documents which are the heart of every lawyer's workday. By taking advantage of this and other new procedures and/or technology, we have been able to keep pace with an expanding workload without hiring additional staff.

The major threat to the safety of our community remains substance abuse. Heroin, Oxycontin, cocaine, along with other drugs and alcohol, plays a prominent role in the majority of our criminal cases. Drugs and alcohol are a major contributing factor in many sexual assaults, assaults, burglaries and other property crimes. The continued efforts of law enforcement, coupled with effective prosecution and sentences that recognize the need for both punishment/deterrence and rehabilitation, remain the most effective response to the problem.

In closing, I would like to thank the citizens of Sullivan County, the County Commissioners, members of the Sullivan County Delegation and the County Manager for their continued support. I and my entire office are proud to work for and with you for a better Sullivan County.

Respectfully submitted,
Marc Hathaway
Sullivan County Attorney

SULLIVAN COUNTY SHERIFF'S OFFICE
ANNUAL REPORT
Fiscal Year 2003

To the Honorable Commissioners of Sullivan County:

The Sheriff's Office has completed another very active, and successful year. We have concluded the changeover to our new digital radio system, which has greatly improved communications throughout the County, and enhanced the safety of the deputies.

We have recently retired our old fleet of cruisers. They were four (4) years old, each with approximately 120,000 miles. The new fleet is now in service. There was an approximate 30-day changeover period to install the lights, radios, barriers, etc. We also continue our technology phase with the installation of computers in the cruisers. We are working on the ability to do motor vehicle and license checks. With the computers we are able to share information with other law enforcement agencies throughout the County.

As in the past, we continue to work closely with the other law enforcement agencies in Sullivan County. We obtained a grant of \$30,000 for an "Underage Alcohol Task Force", and are working in conjunction with the NH State Police, Liquor Enforcement, and the Newport, Claremont, Sunapee and Goshen Police Departments.

The Sheriff's Office remains pro-active in receiving grants from the Federal and State Government. We have received more than \$700,000 since 1995.

The Sheriff's Office handles a wide variety of duties, from serving civil process, to court security, prison transportation and control, criminal investigations, community service, background checks, assisting other agencies when asked, and various other duties as needed.

In a cooperative effort, the Sheriff's Office continues to strive to increase productivity with current staff, and maintain little increase in funding.

As the Sheriff of Sullivan County I would like to, again, thank my staff for their hard work and dedication. I also want to thank the citizens of Sullivan County, the Sullivan County Commissioners, the County Delegation, and the law enforcement agencies in the County for their continued support and cooperation.

Respectfully submitted,

Michael L. Prozzo, Jr.

Michael L. Prozzo, Jr.
High Sheriff

NURSING HOME REPORT

This year was an exciting and historical year for the Nursing Home. On September 15, 2002, the Nursing Home entered the Medicare market by dually certifying 23 beds (rooms 117, 118, 119, 120, 121, 122, 128, 129, 131, 132 and 133) on the Stearns I Unit to receive either Medicaid or Medicare residents. This has opened a whole new market for Sullivan County and an additional revenue stream. We received our first Medicare resident on October 1, 2002 and had a total of 660 bed days for the remainder of the year. After expenses, the nursing home posted an un-audited profit of \$308,577.43 for our Medicare residents.

On November 4, 2002, the Department of Health & Human Services conducted its annual survey of the Nursing Home to ensure compliance with Federal and State regulations. For the second time in the survey history of the Nursing Home, we received no deficiencies. This recognition was the direct result of the hard work staff has put in over the past year to ensure that we provide quality care to our residents and comply with all regulations that govern nursing homes.

On September 10th, the County Commissioners approved a Contract with Genesis to review the operations of the Nursing Home, identify issues which require improvements, bench mark its operations with industry standard, and make recommendations to the Commissioners. On November 27th, they issued a 72-page report to the Commissioners outlining their findings. While the Report indicated a number of minor issues that needed to be worked on, it did indicate that the Nursing Home had many opportunities, which had not been realized. It indicated that with proper marketing, the Nursing Home could corner the market in Medicare services in the area. It also indicated that better recording of the acuity levels of our residents could increase our Medicaid reimbursement. The Report stated:

“Sullivan County Nursing Home has much of which to be proud. The residents appear happy and well cared for; the staff appears satisfied and involved; the physical plant is well maintained and clean; and the Center has enjoyed exceptional State survey results.”

A Plan of Correction was prepared by the Administrator, which addressed each issue identified in the Report. Most issues have been corrected. Those requiring funding have been budgeted in the FY '04 Budget.

Over the past year there was only one significant change in personnel at the Nursing Home. On December 31st Frank Smith, Director of Dining Services, retired. Frank was an employee of Fitz, Vogt and Associates, who the Nursing Home contracts with to provide management of the Dining Services Department. Frank had served in this capacity for over four years. Replacing him is Linda Stavely. She is also a Fitz, Vogt employee and began work on January 1st.

On July 1, 2002, the County Commissioners approved new private pay rates of \$170.00 for a semi-private room and \$185.00 for a private room. Once again, our Medicaid rate continued its roller coaster ride. We started the year with a Medicaid Rate of \$124.42. On October 1st, our rate increased to \$127.15. On February 1st, our rate was decreased to \$124.50.

Our census this year averaged 140.10 Residents per day. A breakdown of our census follows:

| | MEDICAID DAYS | PRIVATE DAYS | MEDICARE DAYS | HCBC RESPITE | PRIVATE RESPITE | LEAVE DAYS | TOTAL DAYS FILLIED |
|---------------------|------------------|-----------------|------------------|-----------------|--------------------|---------------|-----------------------|
| 1ST QUARTER | 11,828 | 1,695 | 0 | 56 | 20 | 62 | 13,599 |
| 2ND QUARTER | 11,462 | 1,388 | 155 | 0 | 6 | 50 | 13,011 |
| 3RD QUARTER | 10,698 | 1,014 | 330 | 20 | 0 | 84 | 12,062 |
| 4TH QUARTER | 11,401 | 858 | 175 | 20 | 10 | 44 | 12,464 |
| FY '03 TOTAL | 45,389 | 4,955 | 660 | 96 | 36 | 240 | 51,136 |

I want to express my appreciation to the staff for all their hard work over the last year. It has not been an easy year. We have had a number of staff out with major illnesses and we have encountered difficulty in hiring new staff. We have found that the best way to hire new staff is to "home grow" our own. We created two programs to meet this objective. First, we created a program that paid for one current LPN staff member to attend school and receive her RN degree this year. Second, we held an LNA class, which graduated 8 new LNA's. We are continuing these programs in FY '04.

I also want to express my appreciation to all the volunteers who have donated their time and energy to making the lives of our residents that much more enjoyable. We have started a program for volunteers to serve as a Greeter and Telephone Operator for the facility, which has been very successful. There are two volunteers who deserve special recognition: Amelia Skill and Mary Strout. These two individuals are "retiring" after volunteering at the Nursing Home for over 30 years each. They are remarkable individuals and will be sorely missed.

Robert A. Hemenway
Administrator

DEPARTMENT OF HUMAN SERVICES REPORT

HCBC (Home and Community Based Care)

The county is responsible for 25% of the cost for services provided to recipients in their home. Sullivan County has approximately 218 active cases. The cost for this service for FY 03 was \$412,164.00.

PROVIDER PAYMENTS

The county is responsible for 25% of the cost for services such as prescription drugs, hospitalization, emergency medical services, and durable medical equipment for Medicaid recipients living in nursing homes and the community. Sullivan County has approximately 507 active cases. The cost for this service for FY 03 was \$611,437.00.

OAA (Old Age Assistance)

The OAA program remains as in the past. This program offers recipients money payment and medical assistance for individuals 65 years of age and meets the income eligibility guidelines. Sullivan County has approximately 64 active cases. The cost for this service for FY 03 was \$23,832.00.

APTD (Aid to the Permanently and Totally Disabled)

The APTD program also remains the same as in the past. This program also offers recipients monthly money payments and medical assistance for individuals meeting the income level guidelines. Sullivan County has approximately 379 active cases. The cost for this service for FY 03 was \$282,450.00.

Nursing Homes

With the implementation of Senate Bill 409 effective January 1, 1999, the counties started paying 25% of nursing home care. Sullivan County has approximately 310 recipients in nursing homes. The cost for FY 03 was \$1,905,343.00.

Board and Care of Children

The counties continue to work with the State of New Hampshire regarding court ordered services for families and children of Sullivan County. The counties are responsible for 25% of these costs. The cost for these services for FY 03 was \$957,700.00.

The Sullivan County Incentive Funds were awarded at our annual review day. Total funds received for FY 03 were \$150,621.00. Agencies receiving these funds through the application process were:

Southwestern Community Services, Good Beginnings, Children & Youth Services, Soup Kitchen, Sullivan County Sheriff's Department, Lake Sunapee Mediation, Women's Supportive Services, Claremont Police Department, SAU # 43 Early Childhood Support Team, Girl's Incorporated of NH, and West Central Services.

*Respectfully submitted,
Sherrie Curtis, Administrator*

DEPARTMENT OF HUMAN SERVICES CITY/TOWN EXPENSE REPORT FY 03

| | | OAA & | | APTD & | | NURSING | | CHILDREN | | | | | |
|---------------|-----------|--------------------|------------|---------------------|------------|-----------------------|------------|----------------------|------------|---------------------|------------|---------------------|-----------------------|
| TOWN/CITY | # CASES | MEDICAL | # CASES | MEDICAL | # CASES | CARE | # CASES | FAMILIES | # CASES | HCBC | # CASES | PPMT | TOTALS |
| ACWORTH | 0 | \$ - | 3 | \$ 1,823.00 | 4 | \$ 24,875.00 | 3 | \$ 4,473.00 | 7 | \$ 5,291.00 | 7 | \$ 4,873.00 | \$ 41,335.00 |
| CHARLESTOWN | 9 | \$ (5,254.00) | 32 | \$ 34,886.00 | 29 | \$ 163,671.00 | 34 | \$ 119,182.00 | 41 | \$ 62,279.00 | 62 | \$ 59,697.00 | \$ 434,461.00 |
| CLAREMONT | 28 | \$14,587.00 | 211 | \$144,892.00 | 151 | \$ 977,692.00 | 215 | \$ 632,503.00 | 99 | \$177,320.00 | 240 | \$339,959.00 | \$2,286,953.00 |
| CORNISH | 1 | \$ 602.00 | 6 | \$ 1,196.00 | 4 | \$ 31,858.00 | 3 | \$ 1,046.00 | 0 | \$ - | 6 | \$ 3,978.00 | \$ 38,680.00 |
| CROYDON | 0 | \$ - | 2 | \$ 544.00 | 1 | \$ 3,560.00 | 2 | \$ 9,305.00 | 3 | \$ 8,250.00 | 4 | \$ 14,485.00 | \$ 36,144.00 |
| GOSHEN | 2 | \$ 1,438.00 | 6 | \$ 3,407.00 | 4 | \$ 31,302.00 | 6 | \$ 6,787.00 | 5 | \$ 6,282.00 | 10 | \$ 18,043.00 | \$ 67,259.00 |
| GRANTHAM | 0 | \$ - | 3 | \$ 2,296.00 | 8 | \$ 38,981.00 | 1 | \$ 8,936.00 | 2 | \$ 5,455.00 | 9 | \$ 5,609.00 | \$ 61,277.00 |
| LANGDON | 0 | \$ - | 4 | \$ 2,759.00 | 2 | \$ 12,605.00 | 0 | \$ - | 1 | \$ 3,096.00 | 3 | \$ 2,749.00 | \$ 21,209.00 |
| LEMPSTER | 1 | \$ 114.00 | 6 | \$ 6,759.00 | 6 | \$ 29,723.00 | 1 | \$ 9,681.00 | 1 | \$ 3,008.00 | 9 | \$ 3,893.00 | \$ 53,178.00 |
| NEWPORT | 19 | \$10,269.00 | 73 | \$ 54,109.00 | 62 | \$ 313,552.00 | 71 | \$ 128,118.00 | 44 | \$101,450.00 | 99 | \$ 99,415.00 | \$ 706,913.00 |
| PLAINFIELD | 0 | \$ - | 8 | \$ 4,151.00 | 4 | \$ 26,630.00 | 5 | \$ 12,831.00 | 1 | \$ 1,637.00 | 5 | \$ 4,248.00 | \$ 49,497.00 |
| SPRINGFIELD | 0 | \$ - | 4 | \$ 2,291.00 | 4 | \$ 32,464.00 | 1 | \$ 10,347.00 | 1 | \$ 659.00 | 5 | \$ 3,010.00 | \$ 48,771.00 |
| SUNAPEE | 1 | \$ 132.00 | 6 | \$ 11,058.00 | 4 | \$ 21,329.00 | 4 | \$ 7,745.00 | 6 | \$ 22,187.00 | 11 | \$ 9,689.00 | \$ 72,140.00 |
| UNITY | 0 | \$ - | 5 | \$ 4,498.00 | 4 | \$ 26,209.00 | 1 | \$ 206.00 | 1 | \$ 548.00 | 6 | \$ 2,824.00 | \$ 34,285.00 |
| WASHINGTON | 1 | \$ 819.00 | 5 | \$ 5,083.00 | 3 | \$ 19,523.00 | 1 | \$ 60.00 | 3 | \$ 7,732.00 | 6 | \$ 10,455.00 | \$ 43,672.00 |
| OTHER | 2 | \$ 1,125.00 | 5 | \$ 2,698.00 | 20 | \$ 151,369.00 | 6 | \$ 6,480.00 | 3 | \$ 6,970.00 | 25 | \$ 28,510.00 | \$ 197,152.00 |
| TOTALS | 64 | \$23,832.00 | 379 | \$282,450.00 | 310 | \$1,905,343.00 | 354 | \$ 957,700.00 | 218 | \$412,164.00 | 507 | \$611,437.00 | \$4,192,926.00 |



SULLIVAN COUNTY CONSERVATION DISTRICT
ANNUAL REPORT
Fiscal Year 2002

MISSION STATEMENT: To take available technical, financial, and educational resources, whatever their source, and focus or coordinate them so that they meet the needs of the local land user. We coordinate these services in partnership with the USDA Natural Resources Conservation Service.

The services to Sullivan County included:

- **TECHNICAL ASSISTANCE** – Technical assistance was provided to 846 landowners in Sullivan County either directly by SCCD District Manager or through our technical partner, the USDA Natural Resources Conservation Service (NRCS). The following is a listing of services and some of the acreage affected within Sullivan County:
 - ✓ 686 Acres of Nutrient Management Planning
 - ✓ 151 Acres of Grazing Management Assistance
 - ✓ 154 Acres of Pest Management recommendations
 - ✓ 3 Agricultural Waste Management and Compost Systems
 - ✓ 23 Acres of Riparian Forested Buffers
 - ✓ 2,626 Acreage under new Conservation Plans
 - ✓ Soil Capability information for 73 individual parcels of land
 - ✓ Soil Potential Indexes for Farmland in Current Use and Current Use information to 27 landusers
 - ✓ Wetland permitting information and permit preparation to 38 landusers
 - ✓ Conservation Tree and Shrub distribution – More than 1,500 conservation plants and fruit trees and bushes were sold to 85 landusers
 - ✓ Inventory and Evaluations for 24 landusers with natural resource concerns
 - ✓ Assistance was provided to the US Department of Environmental Services for identification of local sources of pollution within the county.

- **2002 Farm Bill Dollars received in Sullivan County**

The new Farm Bill, along with other USDA cost share funding, offers many conservation opportunities for Sullivan County landowners and operators. In 2002, Sullivan County received over \$154,000, given directly to landowners, in financial assistance and countless hours of technical and educational assistance from our technical partner, the USDA Natural Resources Conservation Service, through the Farm Bill. Farm Bill programs continue to evolve and changed to address the needs, not only of major producers and large operations, but also to meet the needs of small acre landowners that need their natural resource concerns addressed.

- **EDUCATION:**
 - **Organic Certification Workshop** - A workshop was held for producers interested in learning to become a certified organic grower. Speakers included

representatives from NRCS, and the UNH Cooperative Extension, as well as from the NH Department of Agriculture, Weights and Measures.

- **EMPLOYEE TRAINING** - The District Manager attended two training courses to better utilize software and information. One training course focused on using ArcView software. The software allows for accurate measuring of acreage from up to date aerial photographs for the calculation of Soil Potential Indexes for Farmland in Current Use as well as generates maps for the development of individual conservation plans.

This intricate software program was provided by NRCS at no cost to our agency.

A Needs Assessment Workshop was also part of this year's training. The workshop focused on collecting and analyzing information through surveys focusing on the natural resources needs and concerns of landowners in Sullivan County so that we may better serve the county and meet local needs.

- **MEETINGS:**

- ✓ **SCCD Annual Meeting** - This year's annual meeting was held at THE Blow-Me-Down Grange in Plainfield, New Hampshire. Guest Speaker was Professor of History at Dartmouth College, Jere Daniel, who gave a presentation of the history of the National Grange in Sullivan County. The Cooperator-of-the-Year Award was presented to Kenneth Alton, Jr., on behalf of US Gen New England for the installation of New Hampshire's largest riparian forested buffers along the Connecticut River in Charlestown, New Hampshire. Barbara and Steve Davis of Acworth were presented with the Educator-of-the-Year Award for the Sustainable Stewardship Intern Program that they have offered on their farm for the past twenty years.

- ✓ **Local Led Workgroup Meetings** - Joint Local Led Workgroup meetings were held by Sullivan and Cheshire Counties in June to establish priorities and issues that should be addressed through the USDA Environmental Quality Incentives Program (EQIP) in the Southern Connecticut Watershed. Participants included local town officials, UNH Cooperative Extension, Farm Bureau, and USDA Natural Resources Conservation Service personnel. These meetings allow for local input regarding how EQIP cost share dollars will be allocated and in what areas based on local needs.

Our sincere appreciation goes to our technical partner, the USDA Natural Resources Conservation Service for their commitment to Sullivan County Conservation District. The man-hours they provided and in technical assistance with conservation plans, design and survey assistance, workshop presentations, site visits and evaluations allows us to carry out our mission without additional cost Sullivan County.

*Respectfully submitted,
Janice E. Heighes
District Manager*

UNH COOPERATIVE EXTENSION REPORT

The University of New Hampshire Cooperative Extension provides practical education to people of all ages. The partnership of Sullivan County, the State of New Hampshire and the U.S. Department of Agriculture forms UNH Cooperative Extension. In every Sullivan County community, this program is at work, increasing economic development, enhancing the environment, supporting community needs and developing human potential. Sullivan County Extension educators provide non-formal educational programs in Agriculture, Natural Resource Management, and in Family, Community and Youth Development, with the assistance of a local advisory council. Sullivan County residents also benefit from a wide range of statewide Extension programs directed by state Extension Specialists. These efforts focus on monitoring water quality in Lake Sunapee, reducing the use of pesticides, and Community Profiles to name a few.

- * Educational radio spots and newspaper articles throughout the year by Extension Educators – WNTK, Eagle Times, Valley News and other local newspapers; five newsletters to 1800 households in Sullivan County.
- * Extension educators participated in numerous countywide events, forums, fairs and public exhibits including the Cornish Fair, County Government Week, Career Days and Health Days for area high schools and the County Commissioners' Pancake Breakfast in Unity.

AGRICULTURAL NATURAL RESOURCES & COMMUNITY DEVELOPMENT PROGRAMS

- * The major agricultural assistance this past year focused on farm management, integrated pest management, pasture management, and fostering efforts that promote locally grown products. In addition to these efforts, the Sullivan County UNH Cooperative Extension office has provided support to our agricultural community in diverse areas including: agricultural engineering, nutrient management, home gardening, organic production methods, support for new and beginning farmers, pesticide re-certification credits, on-farm research projects, animal nutrition, livestock health, pest, weed, and disease identification and control, and dairy production issues.
- * The Agricultural Resources Educator worked with 773 county growers and residents, responded to 503 phone calls, made 96 site visits, and had 174 participants attend 16 county educational activities. These educational activities provided 13 pesticide re-certification credits over the past year. Farmers who use restricted pesticides are obligated to accrue 15 pesticide re-certification credits over a five year period. It has been a primary concern that these be offered in county.
- * UNH Cooperative Extension workshops and in-services brought UNH Extension specialists, as well as regional expertise to Sullivan County to teach producers and

residents alike. Workshops used a combination of lecture presentations, hands-on demonstrations, and field activities to present information.

- * State and regional grants were also procured to cover the costs of bringing in regional expertise as well as conducting some on-farm research projects. A NH Department of Agriculture Integrated Pest Management grant provided \$2,000 to bring in a consultant from Maine. Another NH Department of Agriculture Water Quality grant provided close to \$2,500 to cover the costs of truck scales so farmers could more accurately measure their crop yields and field applied nutrients. The UNH Cooperative Extension Agricultural Resources Educator also worked with three county growers to help them apply for regional funds to conduct research experiments on their farms. Only two farms in the entire state of NH were selected and one was from Acworth here in Sullivan County. This farm received close to \$6,000. Finally, one of our county's dairy farms was selected from a statewide pool to participate in a labor efficiency study funded by a private business person in Vermont. These grants combine to total over \$15,000.
- * The Sullivan County Master Gardener Program continued to expand over the past year. An active core of 19 Master Gardeners was augmented by four new interns in May 2003. Sullivan County Master Gardeners have participated in conducting educational programs around the county, have beautified libraries, town halls, and other municipal buildings, and have worked to restore and preserve fragile environments including shoreline and buffer zones and wetland areas.
- * In addition to the activities listed above, the Agricultural Resources Educator provided support to Sullivan County Beginner Farmers' Group, Sullivan County Farm Bureau, the Cold Pond Community Land Trust, and other agricultural related organizations. He also has worked to help producers deal with production problems and implement new technologies.
- * The activities listed above have resulted in increased profits on some farms, increased work efficiency, improved environmental conditions, and a more robust agricultural community here in Sullivan County.

4-H YOUTH DEVELOPMENT PROGRAM

- * With the help of 104 volunteer leaders, the 4-H Youth Development Program fostered life skill development in youth. This year 324 youth took part in 26 community clubs and 3 family clubs to build personal skills in communication, relationships, leadership and management through their participation in club and county project activities.
- * Some of the most well-attended county 4-H events this past year included: Rally and Awards Night (325 adults and youth), International Foods Day (185 members and leaders), County Activities Day (117 youth and adults) and the 4-H Fashion Show in which 60 boys and girls participated.

- * To celebrate the 100th birthday of 4-H, a “Youth Conversation” was held in the fall of 2001 for local youth and adults to decide what the most important actions are that we can take to create the future we want for youth in our communities. The event was a great success with 19 teens and 22 adults contributing to the conversation. Some of the recommendations have started to become reality this year. With help from Extension Educators, 2 grants were received by two local collaborations: one to start out-of-school programs for middle and high school youth in Newport and one to establish a teen-run coffee shop and resource center in Claremont. The grant awards are for 3 years and total over a half million dollars.
- * The 4-H Leaders Association sponsored a 4-H family field trip, and helped raise funds to support leadership development. This year 11 volunteers received scholarship assistance to attend the N.E. Regional 4-H Leaders Forum in Wheeling, W. Virginia. Another 39 youth members and adults explored the wonders of science by participating in a day trip to the Boston Museum of Science.
- * The Sullivan County 4-H Teen Club continued to meet monthly and grow in popularity. Thirteen of the club’s thirty-five teen members traveled to Jacksonville, Florida last July to take part in a Teen Exchange program. It was an excellent multi-cultural and urban learning experience for the participants.
- * Family and Youth Development Educators worked collaboratively with the Claremont School District 21st Century Learning Center program to expand grant-funded before and after-school programs in all of Claremont’s schools. We worked closely with the 5 Family Resource Coordinators at each Claremont school to help them expand their “Family Night Programs.” We also conducted training in 4-H curriculums and experiential learning for the 15 before and after-school teachers.

FAMILY DEVELOPMENT PROGRAM

Some of the year’s highlights include:

- * A total of 574 parents participated in *parent education programs* offered through the Sullivan County office by attending *Family Focus* parent education program series, workshops, one-on-one sessions and receiving *Cradle Crier/Toddler Tales* age-paced, monthly newsletters focused on early childhood development.
- * Two *Safety in the Food Environment* (SAFE) programs were attended by 18 food handlers.
- * *Strengthening Families Program*, the 7 session drug and alcohol prevention program for parents/care givers and their 10-14 yr. olds reached 10 families in Newport.

- * *Making Money Work For You* five session, money management program series reached 36 Sullivan Academy Alternative Sentencing Program members. *Managing Money Between Jobs* workshops were presented to employees of Dorr Woolen Mill in Newport.
- * *Healthy Teen Development* and *Children of Prisoners; Children of Promise* satellite conferences were attended by 22 Sullivan County professionals.

NUTRITION CONNECTIONS PROGRAM

- * Limited income residents from Plainfield, Claremont, Newport, Springfield, Croydon, Cornish and Charlestown participated in a series of food and nutrition or basic money management lessons. 28 people participated in lessons either in a group series, the home study course or individual visits, with 20 graduating.
- * Using a series of lessons, Nutrition Connections programming in schools reached 41 youth in Langdon, 97 Charlestown/N. Walpole students, and 80 students at the Newport Middle High School. Additional programming reached 7 youth in after school programming, and 41 preschoolers in Head Start and day care programs.
- * Families were referred by various agencies including Southwestern Community Services, WIC, Southwestern Homeless Services, Good Beginnings, Sullivan Academy alternative sentencing program, Developmental Services of Sullivan County, and Claremont City Welfare. Some food stamp recipients referred themselves to the program through information provided in the statewide Smart Choices Newsletter.
- * Programming was presented to the Claremont Homeless Shelter and the Sullivan Academy (alternative sentencing program).
- * Food Safety for Food Pantries was presented to 10 participants through the Newport Association of Area Churches and the Newport Food Pantry.
- * Nutrition Connections was promoted throughout the county by the distribution of materials and brochures, school and agency contacts and visits, and newsletter articles.

FAMILY LIFESKILLS PROGRAM

- * Working with TANF recipients in the three week intensive LEAP program and individually, the Family Lifeskills program has reached families within Sullivan and Grafton counties; including parents from Canaan, Claremont, Charlestown, Enfield, Goshen, Guild, Lebanon, Lempster, Newport, Unity, Washington and West Lebanon. For several parents, participating in the Family Lifeskills Program has helped them to become connected with the larger community, to gain access to community resources and supports and been the first step toward the larger goal of self-sufficiency. Some parents reached through the Family Lifeskills Program's individual educational opportunities have resolved employment & training barriers and gained the confidence necessary to participate in the LEAP program and eventually other job readiness opportunities.
- * The addition of Healthy Relationships lessons to the LEAP curriculum in 2002 has made a dramatic impact upon participant's ability to assess the health of relationships with family and friends and especially intimate others. Many participants coming to LEAP have been involved in a pattern of unhealthy relationships. With the knowledge gained from these lessons, several participants have made decisions to set healthy boundaries within relationships and in some cases to end relationships that were harmful to their family. Most participants come away from the program with the knowledge that the health of their relationships impacts their children and their ability to be successful. All parents are given information on how and who to contact in the event that they are in need of support services.
- * Graduates of the Family Lifeskills Program have gone on to Alternative Work Experience Programs (AWEP), where they have begun to acquire transferable skills in a career area of interest. Other graduates have gone on to educational programs to improve basic reading, writing and math skills, while others have taken college level classes to enhance their employability. A few graduates have enrolled in specific job training i.e., CDL and secretarial. Most are closer to their employment objectives and managing better on their limited resources. Others have begun working with Micro-Credit of NH or are employed at least part time. The Family Lifeskills Coordinator provides continuation of support to graduates for assistance with skill building and the application of life skills, as it relates to enhancing their ability to become employed.

FOREST RESOURCES PROGRAM

- * Extension Educator for Forest Resources Program, Sullivan County UNH Cooperative Extension, examined 673 acres of forest land and advised 43 landowners on forest and wildlife management.
- * Eleven forest landowners improved 315 acres for timber production, wildlife habitat, and recreation.

- * Educator assisted 34 forest-related enterprises, including private foresters, timber buyers and harvesters, sawmills, and Christmas tree growers.
- * Eighteen Sullivan County community organizations/agencies were provided assistance in community forestry issues in the city of Claremont, and towns of Cornish, Goshen, Grantham, Newport, Plainfield, Sunapee, and Unity.
- * Educator assisted with and participated in a Sugar River Watershed Council-sponsored public tour of the Sugar River recreational trail in Newport.
- * Sullivan County Extension Educator for Forest Resources and Extension Forest Industry Specialist teamed up with two private foresters to lead a local training session for NH's Certified Loggers Program. Twenty-five loggers learned how foresters sample and measure trees to determine timber volumes before conducting a harvest.
- * Educator served on the Sugar River Valley Regional Technical Center's Agriscience Committee and provided educational forestry material to the Vocational Agriculture instructors.
- * As a result of a request from Dennis Kathan, educators from both Sullivan and Cheshire Counties planned and conducted a Christmas tree growing and management workshop held at Kathan Gardens' plantations in Newport and attended by eleven Christmas tree growers from around the county.

LONG-TERM CARE COORDINATOR REPORT

The position of Long-Term Care Coordinator continues to be an important one for the residents of Sullivan County as the elderly population continues to increase and more people are finding themselves in the role of caregiver.

I remain available to assist individuals access the long-term care system for nursing home admissions or to access information about alternative living and/or care arrangements. I am available to meet with families and individuals at their convenience, in the privacy of their homes, and assist them with understanding available options so that they may select the services which best meet their needs. As a Notary Public, I can also assist individuals with Advance Care Planning such as Living Wills and Advance Directives.

For the period 04/01/02 - 03/31/03, I assisted 170 individuals with home, office, hospital, or nursing home visits and face-to-face evaluations. I provided home safety evaluations upon physician requests and made recommendations which allowed individuals to remain safely in their home environment. I also facilitated several hundred individuals with telephone education and assistance, many of whom were children living in another state, but trying to help their elderly parents who live in Sullivan County. Of the visits made, twenty-two people were enabled to remain in their homes and communities who otherwise would have been admitted to nursing facilities at much greater expense in terms of money and loss of personal independence.

I currently sit on the advisory board of Sullivan County ServiceLink and also represent them as a Quality Council member at the state level. I have also recently been appointed to the Board of Directors of Volunteer! New Hampshire. I work closely with the Division of Elderly and Adult Services as well as all hospitals, home health agencies, residential care facilities, assisted living facilities, and nursing facilities within Sullivan County and the surrounding area.

Serving as the Long-Term Care Coordinator, I am available to travel to all towns in Sullivan County to meet with individuals and their families in their homes. My office is located in the County Commissioners' office building at 14 Main Street, Newport, New Hampshire, 03773. Appointments can be arranged by calling 603-863-3345.

*Respectfully Submitted,
Patti S. Koscielniak, RN*

Sullivan County NH Convention Directory

District 19 – Cornish, Grantham, and Plainfield; District 20 – Croydon, Goshen, Newport, Springfield, and Washington; District 21 – Sunapee; District 22 – Claremont, Lempster, and Unity; and District 23 – Acworth, Charlestown, and Langdon.

| <u>Representative Name</u> | <u>District</u> | <u>Ways to contact your delegate ...</u> |
|---|-----------------|--|
| Phinzy, James <i>Delegation Chair</i> | 23 | Box 175, Black North Road, Acworth NH 03601 E-mail: phinzy@sover.net Tel: 835-6074 |
| Leone, Richard <i>Delegation Vice Chair</i> | 21 | 310 North Road, Sunapee NH 03782 E-mail: rcle@nhvt.net Tel: 763-9933 |
| Cloutier, John <i>Delegation Clerk</i> | 22 | 16 Eastman Street Apt. 2, Claremont NH 03743 E-mail: jocloutier@adelphia.net Tel: 542-6190 |
| Ferland, Brenda <i>Executive Finance Committee Chair</i> | 23 | 267 River Road, Charlestown NH 03603 Tel: 826-5034 |
| Donovan, Tom <i>Executive Finance Committee Vice Chair</i> | 22 | 165 Mulberry St., Claremont NH 03743 E-mail: mrtedd2001@yahoo.com Tel: 542-0435 |
| Franklin, Peter <i>Executive Finance Committee</i> | 20 | 147 Unity Road, Newport NH 03773 Tel: 863-1923 |
| Allison, David | 22 | RR2 Box 889, Cornish NH 03745-9743 E-mail: dallison@surfglobal.net Tel: 543-3481 |
| Burling, Peter | 19 | Dem.Leader Rm 122 State House, 107 Main St, Concord NH 03301 E-mail: phburling@aol.com Tel: 675-6255 or 271-2136 |
| Flint, Gordon | 20 | 21 Lincoln Terrace, Newport NH 03773-1410 Tel. 863-2773 |
| Harris, Joe | 22 | 43 Ridge Ave, Claremont NH 03743 E-mail: joe.harris@leg.state.nh.us Tel: 542-6973 |
| Harris, Sandra | 22 | 43 Ridge Ave, Claremont NH 03743 E-mail: Sandra.harris@leg.state.nh.us Tel: 542-6973 |
| Jones, Constance | 19 | 3 Clubhouse Lane, PO Box 975, Grantham NH 03753 Tel: 863-8395 |
| Rodeschin, Beverly | 20 | 336 Sunapee St, Newport NH 03773 Tel: 863-1941 |

Sullivan County NH Convention Abbreviated Meeting Minutes

The following pages reflect:

- ❖ Dates and times of all meetings the full Delegation and Executive Finance Committee held during Fiscal Year 03, and
- ❖ all motions, made and acted upon, during these meetings.

These minutes are in abbreviated format. The complete minutes of each meeting can be viewed at the Sullivan County Commissioners' Office Monday through Friday during regular office hours 8:00 a.m. – 4:00 p.m.

The meeting dates shown are:

| | | |
|-------------------|--------------|---------------|
| July 18, 2002 | May 2, 2003 | May 27, 2003 |
| October 17, 2002 | May 5, 2003 | May 29, 2003 |
| December 12, 2002 | May 12, 2003 | June 5, 2003 |
| January 27, 2003 | May 16, 2003 | June 19, 2003 |
| January 30, 2003 | May 19, 2003 | |
| April 25, 2003 | May 22, 2003 | |

COUNTY DELEGATION ANNUAL CONVENTION
RECONVENED FROM 6-26-02
DATE: JULY 18, 2002
PLACE: NEWPORT - SUPERIOR COURT ROOM
TIME: 1:15

Attendees:

Gordon Flint, Joe Harris, Dave Allison, Connie Jones, Brenda Ferland, Jay Phinizy, John Cloutier, Dick Leone, Peter Burling, Sandy Harris, Bob Odell, Beverly Rodeschin, Peter Franklin. Amy Robb arrived at 1:35.

Jay Phinizy brought meeting out of recess.

6/26/02 minutes approved.
Motion made by: Leone.
Seconded by: Cloutier
Vote: Unanimous.

Unity Conservation Easement - off table.
Motion made by: Rodeschin
Seconded by: Burling
Vote: Unanimous.

Motion: The delegation requests the Commissioners to prepare a draft land use and conservation policy for the county lands in Unity, and to return that draft to the delegation for action at the next meeting of the delegation, or as soon as possible. The Delegation further requests the commissioners to include the chair of the Unity Conservation Commission in all discussion of this policy.

Motion made by: Peter Burling.

Motion seconded by: Bob Odell.

Vote: Passed 12 - 2. Abstaining: Leone and Phinizy. YES votes: Flint, J. Harris, Allison, Jones, Ferland, Cloutier, Burling, S. Harris, Odell, Rodeschin, Franklin, and Robb

Amendment to motion to add Ethel Jarvis to committee to look at easement.

Amended motion by: Flint.

Seconded by: S. Harris

Vote: Unanimous. Motion carries.

Motion made to transfer of funds.

(From): Intermediate nursing care \$40,000.

(To): Food \$30,082 line item 10600-10-14042 &

(To): Medical \$9,918 line item 10600-10-14052

Motion made by: Flint.

Seconded by: Cloutier.

Vote: Unanimous. Motion carries.

FY '03 Budget - moved off table by motion.

Motion made by: Burling.

Seconded by: Cloutier.

Motion made to accept the \$19,439,985 budget.

Motion made by: Flint.

Seconded by: Allison.

Vote: no vote as motion withdrawn.

Motion made to accept the finance committee's budget \$19,439,985.

Motion made by: Burling.

Seconded by: Leone.

Motion to amend by restoring \$224,000 cut by finance committee.

Motion made by: Flint

Seconded by: Sandy Harris.

Robb, seconded by Rodeschin, asks that motion be divided: Part A \$200,000 nursing pay and Part B \$24,000 additional administrative staff salary.

Chair rules motion may be divided.

Roll call vote on Part A

8 YES: Allison, Flint, Franklin, J. Harris, S. Harris, Odell, Robb, Rodeschin.

6 NO: Burling, Cloutier, Ferland, Jones, Leone and Phinizy.

Part A carries.

Roll call vote on Part B.

14 NO: Unanimous. NO votes: Allison, Burling, Cloutier, Ferland, Flint, Franklin, J.

Harris, S. Harris, Jones, Leone, Odell, Phinizy, Robb, and Rodeschin.

Part B does not carry.

ROLL CALL VOTES:

Motion to remove \$50,000 from nursing care line item.

Motion made by: Flint

Seconded by: Burling

Vote: 7-7. Motion fails because of lack of majority. NO votes: Allison, Cloutier, Flint, J. Harris, S. Harris, Odell, and Rodeschin. YES votes: Burling, Ferland, Franklin, Jones, Leone, Phinizy, and Robb.

Motion to reduce nursing line by \$26,000

Motion made by: Burling

Seconded by: Jones

Vote: 9 YES, 5 NO. NO votes: Allison, Flint, J. Harris, S. Harris, and Rodeschin. YES votes: Burling, Cloutier, Ferland, Franklin, Jones, Leone, Odell, Phinizy, and Robb. Motion carries.

Motion approving new FY '03 budget \$19,613,985.

Motion made by: Flint

Seconded by: J. Harris.

Vote: 10 YES. 4 NO. NO votes: Ferland, Jones, Leone, and Phinizy. YES votes: Allison, Burling, Cloutier, Flint, Franklin, J. Harris, S. Harris, Odell, Robb, and Rodeschin. Motion carries.

Amendment footnote: expenditures under medicare part a program line shall not exceed revenues received under medicare part a program.

Motion made by: Burling.

Seconded by: Cloutier.

Vote: 12 YES. 2 Abstained: Flint & S. Harris. YES votes: Allison, Burling, Cloutier, Ferland, Franklin, J. Harris, Jones, Leone, Odell, Phinizy, Robb, and Rodeschin

(Additional note made by Clerk: When meeting went overtime. Clerk needed to leave for another meeting.)

Rep. Sandy Harris, Clerk

The following two transfers were written on a "Request To Transfer Funds" form. These were not listed in the clerks minutes (as I assume they were noted after clerk left). However, a note was written, by the person that took over for the clerk (unsure who that person was), on the upper right hand corner of the form pertaining to the vote:

TRANSFER FROM:

| | | |
|----------------|------------------|-------------------|
| Human Services | Line 10490-15056 | Amount \$9,150.00 |
|----------------|------------------|-------------------|

TRANSFER TO:

| | | |
|------------------------|------------------|------------------|
| Admin.. Bldg.-Fuel Oil | Line 10460-16065 | Amount \$2567.00 |
|------------------------|------------------|------------------|

| | | |
|---------------|------------------|------------------|
| C.H.-Fuel Oil | Line 10460-16065 | Amount \$2587.00 |
|---------------|------------------|------------------|

| | | |
|----------------|------------------|------------------|
| C.H.-Town Rent | Line 10460-12022 | Amount \$3996.00 |
|----------------|------------------|------------------|

Vote: Passed. Voice vote.

Sullivan County Delegation Meeting Newport, NH 10/17/2002

(Refer to tape-recording 10/17/02)

Representatives Present:

Burling, Rodeschin, Phinizy, Cloutier, S. Harris, J. Harris, Jones, Leone, Flint, Ferland, Odell, Allison, Franklin

Attached to this Report:

Meeting Agenda

Draft from the Sullivan County Board of Commissioners for the Sullivan County Land Use Policy

Actual and Anticipated Revenues Reports from Finance Committee

Report on the Status of the Nursing Home Budget after the first quarter of FY '03 by Bob Hemenway

Report from Gil de Rubio, County Manager, regarding Genesis Nursing Home Sites

Update on short term Specific Recommendations for House of Corrections from Sandra LaPointe, Superintendent

Motion made by Rep. Sandy Harris to televise quarterly meetings

Seconded by Rep. Joseph Harris.

Unanimous Vote in favor of Rep. Sandy Harris to explore and set up possibilities.

Motion by Rep. Rodeschin to table the Sullivan County Land Use Draft until an attorney gets to look at it.

Seconded by Rep. Burling.

Unanimous Vote in favor to table draft.

Submitted by Rep. Sandy Harris. Clerk



Handed out @ 1-27-03
Delegation mtg

SULLIVAN COUNTY DELEGATION
MEETING MINUTES
DECEMBER 12, 2002
TIME: 10:15 A.M.
PLACE: NEWPORT NH - JURY ASSEMBLY ROOM
TAPED MEETING
PUBLIC

PRESENT: Representatives - Jay Phinizy (Chair), Brenda Ferland (Acting Clerk), John Cloutier, Gordon Flint, Beverly Rodeschin, Constance Jones, Richard Leone, Sandy Harris, Peter Burling, Joe Harris, and newly elect Representative Tom Donovan.

OTHERS PRESENT: Ed Gil de Rubio, Senator Elect Bob Odell, Commissioner Don Clarke, Robert Hemenway, and Sharon Johnson-Callum.

Chairman J. Phinizy asked for approval of the revised July 18, 2002 meeting.
Motion made by: Peter Burling.
Motion seconded by: Richard Leone.
Vote: Voice vote ayes.

ELECTIONS OF OFFICERS FOR THE '03 AND '04 TERM WERE AS FOLLOWS:

CHAIR:

Nomination of J. Phinizy by D. Leone. Seconded by P. Burling. Passed on a voice vote.

VICE CHAIR:

Nomination of P. Franklin by J. Harris. Seconded by S. Harris.

Nomination of D. Leone by B. Ferland. Seconded by C. Jones.

By show of hands nine (9) votes for D. Leone and two (2) for P. Franklin.

EXECUTIVE FINANCE - CHAIR:

Nomination of B. Ferland by C. Jones. Seconded by J. Cloutier.

Motion made by P. Burling to close nominations and one vote cast for Rep. Ferland. Seconded by B. Rodeschin.

There was a brief discussion on how many members of the Finance Committee there should be. Based on no statute requirements, the delegation opted for five members to make up the Finance Committee.

A motion was made by G. Flint seconded by P. Burling for the Finance Committee to consist of three other members besides the Chair and Vice Chair.

Voice vote ayes.

EXECUTIVE FINANCE COMMITTEE - VICE CHAIR:

P. Franklin nominated by J. Cloutier. Seconded by P. Burling.

T. Donovan nominated by G. Flint. Seconded by C. Jones.

Hand count ten (10) votes for T. Donovan.

It was noted by J. Cloutier that P. Franklin wished to be on the Finance Committee.

CLERK:

There was a discussion on the position and how to fill it. Statutes require a clerk to be elected from the Delegation members. The pros and cons of an outsider being the recording secretary were discussed.

Rep. B. Rodeschin made a motion to have a committee to look into hiring a secretary. Seconded by D. Leone.

By a show of hands a majority passed the motion.

Chairman Phinzy appointed B. Rodeschin as a committee of one to pursue if someone is available and the cost for future warrant and budget purposes.

CLERK:

Nomination of J. Cloutier by C. Jones. Seconded by G. Flint.

Motion to close nominations by P. Burling. Seconded by C. Jones.

And one (1) ballot was cast.

Motion to go into Executive Session per RSA 91A:3,II made by G. Flint. Seconded by C. Jones.

Roll call vote 9 Yes 0 NO. 11:30 a.m.

Back from Executive Session. With no further business. 11:48

Motion made to adjourn meeting made by Rep. P. Burling. Seconded by Rep. S. Harris.

Aye votes.

Meeting adjourned 11:50 a.m.

*Respectfully submitted,
Rep. Brenda Ferland
Acting Clerk*

**SULLIVAN COUNTY DELEGATION
JANUARY 27, 2003
PLACE: NEWPORT - JURY ASSEMBLY ROOM
TIME: 10:00 A.M.**

DELEGATION MEMBERS PRESENT: Reps. Jay Phinizy, Brenda Ferland, Tom Donovan, Joe and Sandy Harris, Connie Jones, Beverly Rodeschin, Dick Leone, Gordon Flint, Dave Allison, Peter Burling.

ELECTED OFFICIALS AND EMPLOYEES PRESENT: Sheriff Mike Prozzo, Nursing Home Administrator Bob Hemenway, Sharon Johnson-Callum, Commissioner Coordinator Cathy Thurston.

PRESS PRESENT: Eagle Times report Wojtek Staszkiwicz

10:07 Meeting was called order by Chair, Rep. Phinizy.

Rep. Burling moved, Rep. Leone seconded a motion to accept delegation meeting minutes of Oct. 17, 2002.

Rep. Ferland moved, Rep. Jones seconded a motion to accept Sheriff's proposal for lease purchased new vehicles for five payments of \$38,635.40. Motion was approved by a 10-3 roll call vote.

Rep. Leone moved, Rep. Burling seconded a motion to allow Rep. Allison to participate in today's meeting. Motion was approved by 12-1 voice vote.

Rep. Burling moved, Rep. Donovan seconded a motion to accept the draft of the delegation's December 12, 2002 meeting minutes with the suggested change by Rep. Rodeschin. Motion was approved unanimously by voice vote with one abstention by Rep. Franklin, who was not present at the December 12, 2002 meeting.

Meeting was recessed at about 11:50 and was brought out of recess by Rep. Phinizy at 12:00.

Rep. Sandy Harris moved that the delegation go into Executive (non-public) Session under RSA 91-A:31 personnel to discuss the matter concerning Corrections Superintendent Sandra LaPointe.

Rep. Joe Harris moved the question on going into executive session. Motion was approved on 13-0 roll call vote. Question was then called. Delegation then voted 12-1 to go into executive session under RSA 91-A:3 () personnel matters.

Delegation then went into executive session at 12:08 p.m.

*Respectfully submitted,
Rep. John R. Cloutier
Delegation Clerk*

SULLIVAN COUNTY DELEGATION SPECIAL MEETING: JAN. 30, 2003

HOUSE OF REPRESENTATIVES CHAMBER, CONCORD, N.H.

Members Present: Reps. Peter Burling, John Cloutier, Thomas Donovan, Brenda Ferland, Gordon Flint, Peter Franklin, Joesph & Sandra Harris, Constance Jones, Richard Leone, James Phinizy, & Beverly Rodeschin

Members Absent: Rep. David Allison

Meeting was called to order at 12:15 p.m. by the Delegation Chair, Rep. Phinizy.

Meeting was convened at Rep. Sandra Harris' request to again review the proposed lease purchase of four vehicles by the county for the use of county officials on business. A purchase that had been approved by the Finance Committee and full delegation at the Jan. 27, 2003 meeting.

Rep. Harris expressed concern that Sheriff Michael Prozzo, who had requested that the purchase be approved, did not fully explain to her and other delegation members that one of the vehicles was for the use of County Mgr. Ed Gil de Rubio.

The Chair then said he had contacted Sheriff Prozzo about the matter. The Sheriff replied he had not yet signed the lease purchase agreement with the auto dealer in question so that it could be modified or rescinded if a majority of the delegation so wished.

But Rep. Harris added that she had reviewed further information about the County Manger's vehicle in the agreement that the Chair had earlier distributed to delegation members present. (See Jan. 29, 2003 attached Sheriff's Office Fax) She figured that it would be cheaper for the manager to have use of the proposed vehicle rather than to continue paying him for mileage for the use of his personal vehicle on county business. Withdrew her objection to the manager's vehicle, but still concerned about lack of communication between delegation and county officials on the matter.

Reps. Ferland and Flint said that in the past the previous county manager, Robert Hemeneway, and the county commissioners together had at their disposal one vehicle that they could use on county business.

Rep. Burling left meeting at 12:19 p.m.

Rep. Rodeschin left meeting at 12:20 p.m.

Delegation Vice Chair, Rep. Leone, also concerned about recent breakdown in communications between commissioners and delegation. For example, he said he was disturbed to learn recently that one of the delegation members had allegedly known more than him and other members about the dispute between the commissioners and Corrections Supt. Sandra Lapointe before the delegation had discussed the dispute in executive session on Jan. 27, 2003.

Delegation agreed without objection to the Chair's suggestion that he, the Vice Chair, and the Clerk, Rep. Cloutier, sit down with the commissioners as soon as possible to discuss improving communications between them and the commissioners.

Rep. Ferland moved, Rep. Donovan seconded a motion to adjourn at 12:32 p.m.

John R. Cloutier
Rep. John R. Cloutier
Delegation Clerk

Approved 4-25-03
SJC

MEETING TYPE: County Delegation Executive Finance Committee
DATE: April 25, 2003
TIME: 9:00 a.m.
PLACE: Newport - Jury Assembly Room

ATTENDEES

DELEGATION MEMBERS: Reps. Brenda Franklin and Peter Franklin.
OTHERS: Reps. P. Burling; Commissioner Adler, Clarke, and Nelson; Ed Gil de Rubio; Cathy Thurston; and S. Johnson-Callum.

MEETING NOTES

(Gil de Rubio) highlighted his new budget '04 proposal.

Mediation negotiations have been started with the union employees.

*Respectfully submitted,
Rep. Brenda Ferland
Delegation Executive Finance Committee - Chair
Acting Clerk*

MEETING TYPE: County Delegation Meeting
DATE: April 25, 2003
TIME: 10:00 a.m.
PLACE: Newport - Jury Assembly Room

ATTENDEES

DELEGATION MEMBERS: Reps. Jay Phinizy, John Cloutier, Peter Franklin, Brenda Ferland, Dick Leone, Connie Jones, Gordon Flint, Bev Rodeschin, Peter Burling.
(Delegation members absent: Tom Donovan, Joe Harris, and Sandy Harris)
ELECTED OFFICIALS AND EMPLOYEES: Commissioners Ben Nelson, Don Clarke, Rudy Adler, County Manager - Ed Gil de Rubio, County Coordinator - Cathy Thurston, Sharon Johnson-Callum.
PRESS PRESENT: Eagle Times - Rachel Smith-Jones, CCTV's Heidi Kutner
GUEST PRESENT: Brandt Denniston

MEETING NOTES

Rep. Phinizy called meeting to order at 10:10 a.m.

Rep. Ferland moved. Rep. Jones seconded a motion to accept the Jan. 27 meeting minutes. Motion approved unanimously by voice vote.

Rep. Ferland moved. Rep. Jones seconded a motion to accept minutes of Jan. 30 special meeting. Motion approved unanimously by voice vote.

Rep. Franklin moved, Rep. Leone seconded a motion on planning for a county budget backup, if HB663 fails. Discussion then commenced, but finally Rep. Franklin and Leone withdrew their motion and second respectively.

Rep. Ferland moved, Rep. Burling seconded a motion to adjourn at 11:44 a.m.

*Respectfully submitted,
Rep. John Cloutier
Delegation Clerk*

**JOINT BUDGET HEARINGS BETWEEN COMMISSIONERS AND FINANCE COMMITTEE
APRIL 25, 2003, 1:00 P.M.**

FINANCE COMMITTEE MEMBERS PRESENT: Representative Brenda Ferland, Tom Donovan.

OTHER DELEGATION MEMBERS PRESENT: Representatives Connie Jones, John Cloutier.

COUNTY OFFICERS AND EMPLOYEES PRESENT: Commissioners Rudy Adler, Don Clarke,
Manager Ed Gil de Rubio, and Sharon Johnson-Callum.

FINANCE COMMITTEE ABSENT: Representative Peter Franklin

COMMISSIONER ABSENT: Ben Nelson.

Commissioner Adler, in his role as Chair, called meeting to order at 1:00 p.m.

(No action taken by Finance Committee.

Meeting adjourned at 4:15 p.m.

*Respectfully submitted,
John Cloutier
Delegation Clerk*

SULLIVAN COUNTY EXECUTIVE MEETING
MAY 2, 2003
8:00 A.M.

REPRESENTATIVES PRESENT: Brenda Ferland, Tom Donovan and Peter Franklin.

8:00 a.m. Meeting brought to order

(no action taken by Executive Finance Committee members)

10:25 a.m. Meeting adjourned.

Respectfully submitted,
Rep. Brenda Ferland
Clerk

SULLIVAN COUNTY
MAY 5, 2003
NEWPORT NH

COMMISSIONERS ATTENDANCE: Rudy Adler, Don Clarke, and Ben Nelson.
County employees and officials present: Ed Gil de Rubio, Human Services' Sherrie Curtis, Sharon Johnson-Callum.

Finance committee present: Brenda Ferland, Tom Donovan

Delegation members present: John Cloutier

Meeting was called order by Commission Adler at 9:00 a.m.

(no action taken by Executive Finance Committee members)

Hearing was adjourned at 2:52 p.m

Respectfully submitted,
Rep. John R. Cloutier
Clerk

SULLIVAN COUNTY
MAY 12, 2003
NURSING HOME

FINANCE COMMITTEE PRESENT: representatives Brenda Ferland, chair, Tom Donovan

FINANCE COMMITTEE ABSENT: Representative Peter Franklin

DELEGATION MEMBERS PRESENT: Representative John Cloutier
commissioners present: Rudy Adler, Chair, Don Clarke, Ben Nelson
OTHER ELECTED OFFICIALS AND EMPLOYEES PRESENT: Ed Gil de Rubio, Bob Hemenway,
Sharon Johnson-Callum. Dodi Violette attended the afternoon session.

Meeting was called to order at 9:00 am by Commissioner Adler.

(no action taken by Executive Finance Committee members)

Session was adjourned at 3:07 p.m.

*Respectfully submitted,
John R. Cloutier
Delegation Clerk*

**JOINT BUDGET HEARINGS
NEWPORT
MAY 16, 2003**

FINANCE COMMITTEE PRESENT: Reps Brenda Ferland, Tom Donovan
DELEGATION MEMBERS PRESENT: John Cloutier
COMMISSIONERS PRESENT: Rudy Adler, Don Clarke
COMMISSIONERS ABSENT: Ben nelson
COUNTY EMPLOYEES PRESENT: Ed Gil de Rubio, Dodi Violette

Meeting was called to order at 9:03 am by Commissioner Chair Adler.

(no action taken by Executive Finance Committee members)

Session adjourned at 11:59 a.m.

*Rep. John R. Cloutier
Clerk*

**SULLIVAN COUNTY EXECUTIVE COMMITTEE
MAY 19, 2003
9:00 A.M.**

REPRESENTATIVES PRESENT: Brenda Ferland, Tom Donovan and Peter Franklin

Meeting was brought to order @ 9:00 a.m.

(no action taken by Executive Finance Committee members)

Meeting adjourned @ 4:00 p.m.

*Respectfully submitted,
Rep. Brenda Ferland
Acting Clerk*

**SULLIVAN COUNTY DELEGATION EXECUTIVE FINANCE COMMITTEE
MEETING TYPE: JOINT BUDGET WORK SESSION
DATE: MAY 22, 2003
PLACE: NEWPORT**

MORNING SESSION

FINANCE COMMITTEE PRESENT: Rep. Brenda Ferland, Tom Donovan

FINANCE COMMITTEE ABSENT: Rep. Peter Franklin

COMMISSIONERS PRESENT: Rudy Adler, Don Clarke.

OTHER DELEGATION MEMBERS PRESENT: Rep. John Cloutier

Session started at 9:00 a.m. with Mr. Gil de Rubio distributing additional and replacement budget sheets.

Rep. Donovan moved, Rep. Franklin seconded a motion to accept commissioners budget.

All three Finance Committee members voted to also adopt Commissioners budget.

Rep. Donovan moved, Rep. Franklin voted to accept Treasurer's budget of \$4,382. All three Finance Committee members voted to accept Treasurer's budget of \$,382.

Rep. Donovan, Rep. Franklin seconded a motion to accept auditors budget of \$26,600. Motion approved unanimously by all three Finance Committee members.

Rep. Donovan, Rep. Franklin. A motion to not vote on the County Manager's budget at this time, but to take another at a separate meeting after the hearing on the Commissioners budget.

Motion was approved on a 2-0 vote with the chair, Rep. Ferland abstaining. Committee then agreed to defer voting on item until a later meeting.

Broke for lunch at 12:05 p.m.

Afternoon Session at 1:17 p.m.

ATTENDEES:

FINANCE COMMITTEE PRESENT: Rep. Brenda Ferland, Tom Donovan, Peter Franklin

FINANCE COMM.. ABSENT: none

COMMISSIONERS PRESENT: Rudy Adler, Don Clarke, Ben Nelson.

COMMISSIONERS ABSENT: none

OTHER DELEGATION MEMBERS PRESENT: Rep. John Cloutier

COUNTY EMPLOYEES PRESENT: Ed Gil de Rubio, Bob Hemenway, Dodi Violette

(No further action taken)

Rep. Donovan left meeting at 2:22 p.m.

Rep. Franklin left meeting at 2:40 p.m.

Meeting adjourned at around 3:35 p.m.

*Rep. John Cloutier
Delegation Clerk*

JOINT BUDGET SESSION

MAY 27, 2003

NEWPORT

FINANCE COMMITTEE PRESENT: Reps Brenda Ferland, Tom Donovan

FINANCE COMMITTEE ABSENT: Rep. Peter Franklin

OTHER DELEGATION MEMBERS PRESENT: Rep. John Cloutier

commissioners present: Rudy Adler, Don Clarke, Ben Nelson

commissioners absent: none

county employees present: Ed Gil de Rubio, Dodi Violette, Nancy Berry

Session started at about 9:00 a.m.

(No action taken by Executive Finance Committee)

Session ended at 11:17 a.m.

*Respectfully submitted,
John R. Cloutier
Delegation Chair*

**SULLIVAN COUNTY DELEGATION MEETING MINUTES: MAY 29, 2003,
HOUSE OF REPRESENTATIVES HALL, CONCORD, N.H.**

Delegation Members Present: Reps. Peter Burling, Thomas Donovan, John Cloutier, Brenda Ferland, Gordon Flint, Peter Franklin, Joseph Harris, Sandra Harris, Constance Jones, Richard Leone, James Phinizy, & Beverly Rodeschin

Delegation Members Absent: Rep. David Allison

^{Informal}
The meeting was called to order at 1:40 p.m. by the Delegation Chair, Rep. Phinizy

The chair announced that the county commissioners will ^{Budget} hold the public hearing on their proposed Fiscal Year 2004 ^{Thurs.}, June 19 at 7 p.m. in Newport's Superior Courtroom.

He then said the hearing on the delegation **Finance** Committee's proposed budget will be held either June 30 or July 1, probably at the Sugar River Tech. Center in Claremont. He added that the hearing will then probably be recessed for about two weeks when the delegation will ^{then} take a final vote on the budget.

Rep. Ferland, Finance Committee Chair, announced that the total budget request for county grants will only be about \$97,000 in Fiscal Year 2004, Sullivan Academy and Western Regional Development Corporation excluded. The total is because of a vote taken by the delegation in 2002 to limit the total amount of ~~the~~ budget allocated for such grants.

She added that Rep. Donovan, who was not a member of the delegation at the time last year's vote was taken to ~~limit~~ county grants' money, wanted to speak in opposition to the new policy which took effect this year.

Rep. Donovan protested that the new policy could in ^{result} either a number of worthwhile agencies either not receiving any county money or having their grants drastically reduced.

But Rep. Ferland said the delegation last year voted to limit the total county grants allocation to 1% of total general fund budget or about \$97,000 this year. Whereas the commissioners have a total of \$111,000 in county grant allocations or a certain percentage of Fund 10 money. She urged the delegation not to be "wishy-washy" by constantly changing its policy on the total funding of county grant agencies.

Rep. Burling left meeting at 12:47 p.m.

Disagreement then ensued among delegation members with some arguing that the new policy on grants should be ~~revisited~~ and possibly revised.

Both Reps. Harris left at 12:53 p.m.

Delegation then agreed to meet after the Commissioners' public meeting on June 19 to further discuss the the county grants' policy, and consider possible revisions.

Meeting was adjourned by the chair at 12:55 p.m.

John R. Cloutier
Rep. John R. Cloutier
Delegation Clerk

**SULLIVAN COUNTY DELEGATION MEETING MINUTES: JUNE 5, 2003
HOUSE OF REPRESENTATIVES HALL, CONCORD, N.H.**

Delegation Members Present: Reps. John Cloutier, Thomas Donovan, Brenda Ferland, Gordon Flint, Peter Franklin, Joseph Harris, Sandra Harris, Constance Jones, Richard Leone, and James Phinizy

Delegation Members Absent: Reps. David Allison, Peter Burling, and Beverly Rodsechin

The informal meeting was called to order at 6:00 p.m. by the Delegation Chair, Rep. Phinizy

The chair announced that the annual convention of the delegation will be held on Wed., July 2 at 9:00 a.m. in Claremont's Sugar River Technical Center.

He also announced that on Thurs., June 19 at 6:00 p.m. in the Newport commissioners' office ^{State} Sen. Robert Odell will give a briefing on House Bill 663, the county nursing homes' funding bill, as well as various education funding bills. This briefing will be followed by the public hearing on the commissioners' proposed Fiscal Year 2004 Budget at 7:00 p.m. in the Superior Courtroom in Newport.

The chair adjourned the meeting at 6:03 p.m.

John R. Cloutier
Rep. John R. Cloutier
Delegation Clerk

Type of Meeting: Sullivan County Commissioners Public Hearing
Date: June 19, 2003 **Time:** 7:00 p.m.
Place: Newport - County Superior Court Room

DELEGATION MEMBERS PRESENT: All were present except Rep. Burling.

COUNTY OFFICIALS AND EMPLOYEES: Commissioner Adler, Clarke, and Nelson; County Attorney Marc Hathaway; County Treasurer Peter Lovely; County Manager Ed Gil de Rubio; Dodi Violette; County Registrar Sharron King; Sharon Johnson-Callum; Nursing Administrator Robert Hemenway; Cooperative Extension Educator Nancy Berry; Long Term Care Coordinator Patti Koscielniak.

OTHER ELECTED OFFICIALS: Senator Odell.

There were members of the public.

Meeting was called to order by Comm. Adler, Chair, at 6:57 p.m.

(No action taken by Delegation)

Hearing adjourned at 8:33 p.m.

*Rep. John R. Cloutier
Delegation Chair*

Sullivan County
County Tax Apportionment
Fiscal Year 2002

| Town/City | % Proportion of Tax | Dollar Amount of Tax |
|------------------|----------------------------|-----------------------------|
| Acworth | 1.9157 | \$188,523 |
| Charlestown | 6.7873 | \$667,930 |
| Claremont | 20.6702 | \$2,034,126 |
| Cornish | 3.5271 | \$347,102 |
| Croydon | 1.6048 | \$157,922 |
| Goshen | 1.5313 | \$150,697 |
| Grantham | 11.7875 | \$1,159,996 |
| Langdon | 1.3435 | \$132,217 |
| Lempster | 1.8452 | \$181,581 |
| Newport | 10.2908 | \$1,012,704 |
| Plainfield | 6.3625 | \$626,126 |
| Springfield | 3.8331 | \$377,207 |
| Sunapee | 21.8450 | \$2,149,737 |
| Unity | 2.4451 | \$240,618 |
| Washington | 4.2108 | \$414,384 |
| Totals | 100% | \$9,840,870.00 |

*Submitted by:
Peter Lovely
County Treasurer*

SULLIVAN COUNTY NH

DETAIL OF BONDED INDEBTEDNESS AS OF

JUNE 30, 2003

| | Principal Only |
|--|-----------------------|
| N.H. Municipal Bond Bank 5.25% Nursing Home Renovation 1995-2005 | \$570,000 |
| N.H. Dept. of Environmental Services 1.188% Sewer Project 2002-2007 | \$1,099,727 |
| Total Bonded Indebtedness as of 6-30-03 | \$1,669,727.00 |

*Submitted by:
Peter Lovely
County Treasurer*

08/26/03 13:00

Sullivan County

ACTUAL & BUDGETED EXPENSES & ENCUMBRANCE

Report Sequence = Fund+Department

Account = First thru Last; Mask = ##-###-##-#####

Level of Detail = Department; Level = 9

Fund: General Fund

Period: July 2002 to Closing 2003

| Account Number | Account Name | Current Year Budgeted | Period Expenditures | Current Year Expenditures | Encumbrances | Balance Remaining | Percent Left |
|------------------------|------------------------------------|--------------------------|------------------------|------------------------------|--------------|----------------------|-----------------|
| 400 | COMMISSIONERS OFFICE | 178654.00 | 190304.76 | 190304.76 | 0.00 | (11650.76) | (6.52) |
| 401 | TREASURER | 7592.00 | 4267.24 | 4267.24 | 0.00 | 3324.76 | 43.79 |
| 402 | AUDITOR | 25000.00 | 25000.00 | 25000.00 | 0.00 | 0.00 | 0.00 |
| 403 | COUNTY MANAGER | 84855.00 | 81896.08 | 81896.08 | 0.00 | 2958.92 | 3.49 |
| 404 | INCENTIVE | 150781.00 | 150781.00 | 150781.00 | 0.00 | 0.00 | 0.00 |
| 405 | PAYROLL OFFICE | 64863.00 | 64299.84 | 64299.84 | 0.00 | 563.16 | 0.87 |
| 406 | CONSERVATION DISTRICT | 42782.00 | 43224.42 | 43224.42 | 0.00 | (442.42) | (1.03) |
| 407 | EMERGENCY RESERVE FUND | 25000.00 | 0.00 | 0.00 | 0.00 | 25000.00 | 100.00 |
| 410 | COUNTY ATTORNEY | 234836.00 | 225734.42 | 225734.42 | 0.00 | 9101.58 | 3.88 |
| 411 | VICTIM/WITNESS PROGRAM | 49137.00 | 48610.74 | 48610.74 | 0.00 | 526.26 | 1.07 |
| 430 | DEPRECIATION EXPENSE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 440 | SHERIFF'S DEPARTMENT | 366661.00 | 392467.20 | 392467.20 | 0.00 | (25806.20) | (7.04) |
| 443 | DEPUTY SHERIFFS BAILIFFS | 62809.00 | 57253.33 | 57253.33 | 0.00 | 5555.67 | 8.85 |
| 450 | MEDICAL REFEREE | 16500.00 | 21659.30 | 21659.30 | 0.00 | (5159.30) | (31.27) |
| 460 | COURT HOUSE | 97964.00 | 98265.54 | 98265.54 | 0.00 | (301.54) | (0.31) |
| 475 | COOPERATIVE EXTENSION SERVICE | 175300.00 | 171728.53 | 171728.53 | 0.00 | 3571.47 | 2.04 |
| 490 | HUMAN SERVICES | 4272830.00 | 4180224.78 | 4180224.78 | 0.00 | 92605.22 | 2.17 |
| 491 | LONG TERM CARE COORDINATOR | 60304.00 | 59591.80 | 59591.80 | 0.00 | 712.20 | 1.18 |
| 497 | WOODHULL COUNTY COMPLEX | 52766.00 | 52212.72 | 52212.72 | 0.00 | 553.28 | 1.05 |
| 520 | HUMAN RESOURCES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 550 | OPERATION OF PLANT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 600 | DEPARTMENT OF CORRECTION | 2061271.00 | 1974395.73 | 1974395.73 | 0.00 | 86875.27 | 4.21 |
| 700 | FACILITIES | 14062.00 | 13449.94 | 13449.94 | 0.00 | 612.06 | 4.35 |
| 701 | SULLIVAN ACADEMY | 11000.00 | 11000.00 | 11000.00 | 0.00 | 0.00 | 0.00 |
| 861 | COUNTY GRANTS | 111672.00 | 111672.00 | 111672.00 | 0.00 | 0.00 | 0.00 |
| 870 | WESTERN REGIONAL DEVELOPMENT CORP. | 48000.00 | 48000.00 | 48000.00 | 0.00 | 0.00 | 0.00 |
| 900 | INTEREST NOTES | 100000.00 | 21843.83 | 21843.83 | 0.00 | 78156.17 | 78.16 |
| 910 | INTEREST PAYMENT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 920 | INTEREST ON BONDS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 970 | PRINCIPAL & INTEREST ON BOND | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 980 | DELEGATION EXPENSES | 3000.00 | 2117.96 | 2117.96 | 0.00 | 882.04 | 29.40 |
| 990 | DEPRECIATION EXPENSE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 997 | TRANSFER IN/OUT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 998 | PRIOR YEAR DEFICIT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **TOTAL** General Fund | | 8317639.00 | 8050001.16 | 8050001.16 | 0.00 | 267637.84 | 3.22 |

ACTUAL & BUDGETED EXPENSES & ENCUMBRANCE

Report Sequence = Fund+Department

Account = First thru Last; Mask = ##-###-##-#####

Level of Detail = Department; Level = 9

Fund: Register of Deeds

Period: July 2002 to Closing 2003

| Account Number | Account Name | Current Year Budgeted | Period Expenditures | Current Year Expenditures | Encumbrances | Balance Remaining | Percent Left |
|------------------|-------------------|--------------------------|------------------------|------------------------------|--------------|----------------------|-----------------|
| 097 | TRANSFER OUT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 420 | REGISTER OF DEEDS | 385428.00 | 391740.22 | 391740.22 | 0.00 | (6312.22) | (1.64) |
| **TOTAL** | Register of Deeds | 385428.00 | 391740.22 | 391740.22 | 0.00 | (6312.22) | (1.64) |

ACTUAL & BUDGETED EXPENSES & ENCUMBRANCE

Report Sequence = Fund+Department

Account = First thru Last; Mask = ##-###-##-#####

Level of Detail = Department; Level = 9

Fund: Grants

Period: July 2002 to Closing 2003

| Account Number | Account Name | Current Year Budgeted | Period Expenditures | Current Year Expenditures | Encumbrances | Balance Remaining | Percent Left |
|------------------|--|--------------------------|------------------------|------------------------------|--------------|----------------------|-----------------|
| 345 | ENFORCING UNDERAGE DRINKING LAWS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 445 | DOMESTIC VIOLENCE GRANT | 6000.00 | 5893.25 | 5893.25 | 0.00 | 106.75 | 1.78 |
| 545 | COPS GRANT | 25000.00 | 47946.19 | 47946.19 | 0.00 | (22946.19) | (91.78) |
| 645 | HIGHWAY SAFETY/OUTSIDE DETAIL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 700 | FACILITIES | 0.00 | 595.00 | 595.00 | 0.00 | (595.00) | 0.00 |
| 745 | DRUG TASK FORCE GRANT | 69858.00 | 31242.50 | 31242.50 | 0.00 | 38615.50 | 55.28 |
| 845 | RADIO REIMBURSEMENT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 943 | FAMILYSTRENGTH | 0.00 | 2850.00 | 2850.00 | 0.00 | (2850.00) | 0.00 |
| 944 | DISTRICT: CRIMINAL JUSTICE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 945 | DRUG & ALCOHOL ABUSE GRANT | 0.00 | 9438.65 | 9438.65 | 0.00 | (9438.65) | 0.00 |
| 946 | WORKFORCE GRANT | 0.00 | 441.82 | 441.82 | 0.00 | (441.82) | 0.00 |
| 947 | CLAREMONT TEEN RESOURCE CENTER COFFEEHS. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **TOTAL** Grants | | 100858.00 | 98407.41 | 98407.41 | 0.00 | 2450.59 | 2.43 |

ACTUAL & BUDGETED EXPENSES & ENCUMBRANCE

Report Sequence = Fund+Department

Account = First thru Last; Mask = ##-###-##-#####

Level of Detail = Department; Level = 9

Fund: Nursing Home

Period: July 2002 to Closing 2003

| Account Number | Account Name | Current Year Budgeted | Period Expenditures | Current Year Expenditures | Encumbrances | Balance Remaining | Percent Left |
|------------------------|------------------------------|--------------------------|------------------------|------------------------------|--------------|----------------------|-----------------|
| 097 | TRANSFER OUT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 500 | ADMINISTRATION NURSING HOME | 361509.00 | 463172.36 | 463172.36 | 0.00 | (101663.36) | (28.12) |
| 510 | DEPRECIATION EXPENSE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 520 | HUMAN RESOURCES | 108842.00 | 131918.27 | 131918.27 | 0.00 | (23076.27) | (21.20) |
| 530 | DIETARY | 1290859.00 | 1268149.64 | 1268149.64 | 0.00 | 22709.36 | 1.76 |
| 540 | NURSING | 5478728.00 | 4885331.13 | 4885331.13 | 0.00 | 593396.87 | 10.83 |
| 541 | NURSING ON-CALL | 410880.00 | 826410.54 | 826410.54 | 0.00 | (415530.54) | (101.13) |
| 545 | COPS GRANT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 550 | OPERATION OF PLANT | 630766.00 | 649406.19 | 649406.19 | 0.00 | (18640.19) | (2.96) |
| 560 | LAUNDRY & LINEN | 308913.00 | 291902.09 | 291902.09 | 0.00 | 17010.91 | 5.51 |
| 570 | HOUSEKEEPING | 548714.00 | 492042.00 | 492042.00 | 0.00 | 56672.00 | 10.33 |
| 580 | PHYSICIAN & PHARMACY | 18600.00 | 11854.19 | 11854.19 | 0.00 | 6745.81 | 36.27 |
| 585 | MEDICARE PART A | 250000.00 | 70982.82 | 70982.82 | 0.00 | 179017.18 | 71.61 |
| 586 | MEDICARE PART B | 83500.00 | 99729.06 | 99729.06 | 0.00 | (16229.06) | (19.44) |
| 590 | SPECIAL SERVICES | 13240.00 | 15010.00 | 15010.00 | 0.00 | (1770.00) | (13.37) |
| 591 | PHYSICAL THERAPY | 7000.00 | 6350.43 | 6350.43 | 0.00 | 649.57 | 9.28 |
| 592 | OCCUPATIONAL THERAPY | 6000.00 | 5315.74 | 5315.74 | 0.00 | 684.26 | 11.40 |
| 593 | RECREATIONAL THERAPY | 299887.00 | 249494.32 | 249494.32 | 0.00 | 50392.68 | 16.80 |
| 594 | SOCIAL SERVICES | 95749.00 | 93032.00 | 93032.00 | 0.00 | 2717.00 | 2.84 |
| 595 | SPEECH THERAPY | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 596 | DENTAL SERVICE | 21919.00 | 21587.42 | 21587.42 | 0.00 | 331.58 | 1.51 |
| 970 | PRINCIPAL & INTEREST ON BOND | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **TOTAL** Nursing Home | | 9935106.00 | 9581688.20 | 9581688.20 | 0.00 | 353417.80 | 3.56 |

ACTUAL & BUDGETED EXPENSES & ENCUMBRANCE

Report Sequence = Fund+Department

Account = First thru Last; Mask = ##-###-##-#####

Level of Detail = Department; Level = 9

Fund: Capital Improvements

Period: July 2002 to Closing 2003

| Account Number | Account Name | Current Year Budgeted | Period Expenditures | Current Year Expenditures | Encumbrances | Balance Remaining | Percent Left |
|----------------|--------------------------------------|--------------------------|------------------------|------------------------------|--------------|----------------------|-----------------|
| 079 | CAPITAL IMPROVEMENTS: SUBSID.EXPENSE | 0.00 | 0.05 | 0.05 | 0.00 | (0.05) | 0.00 |
| 400 | COMMISSIONERS OFFICE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 402 | AUDITOR | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 403 | COUNTY MANAGER | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 404 | INCENTIVE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 405 | PAYROLL OFFICE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 406 | CONSERVATION DISTRICT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 410 | COUNTY ATTORNEY | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 411 | VICTIM/WITNESS PROGRAM | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 420 | REGISTER OF DEEDS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 440 | SHERIFF'S DEPARTMENT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 442 | *** UNDEFINED SUBACCOUNT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 443 | DEPUTY SHERIFFS BAILIFFS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 445 | DOMESTIC VIOLENCE GRANT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 450 | MEDICAL REFEREE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 460 | COURT HOUSE | 14485.00 | 14484.35 | 14484.35 | 0.00 | 0.65 | 0.00 |
| 475 | COOPERATIVE EXTENSION SERVICE | 8276.00 | 8016.50 | 8016.50 | 0.00 | 259.50 | 3.14 |
| 490 | HUMAN SERVICES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 491 | LONG TERM CARE COORDINATOR | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 497 | WOODHULL COUNTY COMPLEX | 10800.00 | 5326.24 | 5326.24 | 0.00 | 5473.76 | 50.68 |
| 500 | ADMINISTRATION NURSING HOME | 31070.00 | 30969.92 | 30969.92 | 0.00 | 100.08 | 0.32 |
| 510 | DEPRECIATION EXPENSE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 520 | HUMAN RESOURCES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 530 | DIETARY | 9857.00 | 9649.00 | 9649.00 | 0.00 | 208.00 | 2.11 |
| 540 | NURSING | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 541 | NURSING ON-CALL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 545 | COPS GRANT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 550 | OPERATION OF PLANT | 98893.00 | 86314.73 | 86314.73 | 0.00 | 12578.27 | 12.72 |
| 560 | LAUNDRY & LINEN | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 570 | HOUSEKEEPING | 1100.00 | 0.00 | 0.00 | 0.00 | 1100.00 | 100.00 |
| 580 | PHYSICIAN & PHARMACY | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 590 | SPECIAL SERVICES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 591 | PHYSICAL THERAPY | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 592 | OCCUPATIONAL THERAPY | 2800.00 | 2793.33 | 2793.33 | 0.00 | 6.67 | 0.24 |
| 593 | RECREATIONAL THERAPY | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 594 | SOCIAL SERVICES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 595 | SPEECH THERAPY | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 596 | DENTAL SERVICE | 4695.00 | 4695.00 | 4695.00 | 0.00 | 0.00 | 0.00 |
| 597 | BLDG.ADDITION & MAJOR RENOV. | 533870.00 | 528918.64 | 528918.64 | 0.00 | 4951.36 | 0.93 |
| 598 | LONG TERM DEBT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 599 | BLDG.ADDITION & MAJOR RENOV. | 1000.00 | 0.00 | 0.00 | 0.00 | 1000.00 | 100.00 |

ACTUAL & BUDGETED EXPENSES & ENCUMBRANCE

Report Sequence = Fund+Department

Account = First thru Last; Mask = ##-###-##-#####

Level of Detail = Department; Level = 9

Fund: Capital Improvements

Period: July 2002 to Closing 2003

| Account Number | Account Name | Current Year Budgeted | Period Expenditures | Current Year Expenditures | Encumbrances | Balance Remaining | Percent Left |
|------------------------------------|-------------------------------|--------------------------|------------------------|------------------------------|--------------|----------------------|-----------------|
| 600 | DEPARTMENT OF CORRECTION | 158108.00 | 144336.53 | 144336.53 | 0.00 | 13771.47 | 8.71 |
| 645 | HIGHWAY SAFETY/OUTSIDE DETAIL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 700 | FACILITIES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 745 | DRUG TASK FORCE GRANT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **TOTAL** Capital Improvements | | 874954.00 | 835504.29 | 835504.29 | 0.00 | 39449.71 | 4.51 |
| **TOTAL** CONSOLIDATED FUND TOTALS | | 19613985.00 | 18957341.28 | 18957341.28 | 0.00 | 656643.72 | 3.35 |

ACTUAL & ANTICIPATED REVENUES

Report Sequence = Fund+Account

Account = First thru Last; Mask = ##-###-##-#####

Level of Detail = Transaction Detail; Level = 9

Fund: General Fund

Period: July 2002 to Closing 2003

| Account Number | Account Name | Prior Year Ptd Revenues | Current Year Ptd Revenues | Current Year Budgeted | Current Year Ytd Revenues | Balance Uncollected | Percent Left |
|----------------------------|--------------------------------------|----------------------------|------------------------------|--------------------------|------------------------------|------------------------|-----------------|
| SUBSIDIARY REVENUES | | | | | | | |
| 10100-10-04000 | TAXES FROM CITIES & TOWNS | 9718147.00 | 9840870.00 | 9840870.00 | 9840870.00 | 0.00 | 0.00 |
| 10100-10-04001 | INTEREST INCOME & SAVINGS | 68521.12 | 49441.11 | 65000.00 | 49441.11 | 15558.89 | 23.94 |
| 10100-10-04002 | C.D.B.G. REIMBURSEMENT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10100-10-04003 | LATE PAYMENT: COUNTY TAXES | 572.66 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10100-10-04007 | RENT-RECORDS BUILDING | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10100-10-04008 | INSURANCE REFUND | 8961.16 | 7773.20 | 2953.00 | 7773.20 | (4820.20) | (163.23) |
| 10100-10-04009 | PRIOR YEAR SURPLUS | 174350.00 | 967551.82 | 316000.00 | 967551.82 | (651551.82) | (206.19) |
| 10100-10-04015 | MISCELLANEOUS INCOME | 19425.77 | 3875.31 | 3600.00 | 3875.31 | (275.31) | (7.65) |
| 10100-10-06045 | NHDES SEWER GRANT | 14055.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10100-10-07053 | FARM-SALE OF PRODUCE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10100-10-07059 | FARM MISCELLANEOUS | 0.00 | 11.00 | 0.00 | 11.00 | (11.00) | 0.00 |
| 10100-10-08055 | SALE OF TIMBER | 10141.09 | 21451.47 | 6000.00 | 21451.47 | (15451.47) | (257.52) |
| 10100-10-08056 | SALE OF CORD WOOD | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10100-10-08058 | LAND RENTAL | 1154.20 | 1805.10 | 1675.00 | 1805.10 | (130.10) | (7.77) |
| | **TOTAL** SUBSIDIARY REVENUES | 10015328.25 | 10892779.01 | 10236098.00 | 10892779.01 | (656681.01) | (6.42) |
| REVENUE: 5% MONIES | | | | | | | |
| 10404-10-04005 | INCENTIVE | 146226.40 | 150741.20 | 150781.00 | 150741.20 | 39.80 | 0.03 |
| | **TOTAL** REVENUE: 5% MONIES | 146226.40 | 150741.20 | 150781.00 | 150741.20 | 39.80 | 0.03 |
| CTY. ATTORNEY | | | | | | | |
| 10410-10-09081 | EXTRADITION REIMBURSEMENT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | **TOTAL** CTY. ATTORNEY | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| VICTIM/WITNESS | | | | | | | |
| 10411-10-04019 | VICTIM/WITNESS PROGRAM | 33965.16 | 33530.00 | 34000.00 | 33530.00 | 470.00 | 1.38 |
| | **TOTAL** VICTIM/WITNESS | 33965.16 | 33530.00 | 34000.00 | 33530.00 | 470.00 | 1.38 |
| SHERIFF | | | | | | | |
| 10440-10-04006 | H.S.PORTION-SECURED JUV.XPORT | 2096.44 | 1311.76 | 2200.00 | 1311.76 | 888.24 | 40.37 |
| 10440-10-09012 | SHERIFFS WRIT FEES | 56640.99 | 51870.39 | 52500.00 | 51870.39 | 629.61 | 1.20 |
| 10440-10-09013 | SHERIFF: MISCELLANEOUS INCOME | 9106.25 | 11324.54 | 9000.00 | 11324.54 | (2324.54) | (25.83) |
| 10440-10-09081 | EXTRADITION REIMBURSEMENT:SHER | 5144.10 | 9472.05 | 1500.00 | 9472.05 | (7972.05) | (531.47) |

ACTUAL & ANTICIPATED REVENUES

Report Sequence = Fund+Account

Account = First thru Last; Mask = ##-###-##-#####

Level of Detail = Transaction Detail; Level = 9

Fund: General Fund

Period: July 2002 to Closing 2003

| Account Number | Account Name | Prior Year Ptd Revenues | Current Year Ptd Revenues | Current Year Budgeted | Current Year Ytd Revenues | Balance Uncollected | Percent Left |
|----------------------|---------------------------------------|----------------------------|------------------------------|--------------------------|------------------------------|------------------------|-----------------|
| 10440-10-09085 | SECURED JUVENILE TRANSPORTS | 6532.26 | 4034.24 | 6500.00 | 4034.24 | 2465.76 | 37.93 |
| | **TOTAL** SHERIFF | 79520.04 | 78012.98 | 71700.00 | 78012.98 | (6312.98) | (8.80) |
| BAILIFF | | | | | | | |
| 10443-10-09084 | BAILIFF REFUND | 64646.76 | 55121.43 | 62809.00 | 55121.43 | 7687.57 | 12.24 |
| | **TOTAL** BAILIFF | 64646.76 | 55121.43 | 62809.00 | 55121.43 | 7687.57 | 12.24 |
| COURT | | | | | | | |
| 10460-10-04018 | STATE REIMBURSEMENT: COURTS | 176094.01 | 181944.24 | 181944.00 | 181944.24 | (0.24) | 0.00 |
| | **TOTAL** COURT | 176094.01 | 181944.24 | 181944.00 | 181944.24 | (0.24) | 0.00 |
| HUMAN SERVICES | | | | | | | |
| 10490-10-09086 | PARENTAL REIMBURSEMENT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | **TOTAL** HUMAN SERVICES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| LONG TERM CARE | | | | | | | |
| 10491-10-04017 | FEDERAL AND STATE:L.T.CARE | 27000.00 | 27000.00 | 27000.00 | 27000.00 | 0.00 | 0.00 |
| | **TOTAL** LONG TERM CARE | 27000.00 | 27000.00 | 27000.00 | 27000.00 | 0.00 | 0.00 |
| DEPT. OF CORRECTIONS | | | | | | | |
| 10600-10-06040 | COUNTY JAIL INCOME | 67372.40 | 49354.58 | 60000.00 | 49354.58 | 10645.42 | 17.74 |
| 10600-10-06042 | COUNTY JAIL INCOME FROM STATE | 942.19 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10600-10-06044 | COUNTY JAIL INCOME-COMMISSION | 16722.38 | 14147.57 | 10000.00 | 14147.57 | (4147.57) | (41.48) |
| 10600-10-06045 | NHDES SEWER GRANT | 0.00 | 14115.00 | 14115.00 | 14115.00 | 0.00 | 0.00 |
| | **TOTAL** DEPT. OF CORRECTIONS | 85036.97 | 77617.15 | 84115.00 | 77617.15 | 6497.85 | 7.72 |
| | **TOTAL** General Fund | 10627817.59 | 11496746.01 | 10848447.00 | 11496746.01 | (648299.01) | (5.98) |

ACTUAL & ANTICIPATED REVENUES

Report Sequence = Fund+Account

Account = First thru Last; Mask = ##-###-##-#####

Level of Detail = Transaction Detail; Level = 9

Fund: Register of Deeds

Period: July 2002 to Closing 2003

| Account Number | Account Name | Prior Year Ptd Revenues | Current Year Ptd Revenues | Current Year Budgeted | Current Year Ytd Revenues | Balance Uncollected | Percent Left |
|---------------------|--------------------------------|----------------------------|------------------------------|--------------------------|------------------------------|------------------------|-----------------|
| ----- | | | | | | | |
| SUBSIDIARY REVENUES | | | | | | | |
| ----- | | | | | | | |
| 22010-22-02012 | REGISTER OF DEEDS-EQUIP. FUND | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | **TOTAL** SUBSIDIARY REVENUES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| ----- | | | | | | | |
| SUBSIDIARY REVENUES | | | | | | | |
| ----- | | | | | | | |
| 22097-22-03001 | REGISTER OF DEEDS: TRANSFER IN | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | **TOTAL** SUBSIDIARY REVENUES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| ----- | | | | | | | |
| REGISTER OF DEEDS | | | | | | | |
| ----- | | | | | | | |
| 22420-22-02011 | REGISTER OF DEEDS: FEES | 437392.46 | 565626.31 | 350000.00 | 565626.31 | (215626.31) | (61.61) |
| | **TOTAL** REGISTER OF DEEDS | 437392.46 | 565626.31 | 350000.00 | 565626.31 | (215626.31) | (61.61) |
| | **TOTAL** Register of Deeds | 437392.46 | 565626.31 | 350000.00 | 565626.31 | (215626.31) | (61.61) |

ACTUAL & ANTICIPATED REVENUES

Report Sequence = Fund+Account

Account = First thru Last; Mask = ##-###-##-####

Level of Detail = Transaction Detail; Level = 9

Fund: Grants

Period: July 2002 to Closing 2003

| Account Number | Account Name | Prior Year Ptd Revenues | Current Year Ptd Revenues | Current Year Budgeted | Current Year Ytd Revenues | Balance Uncollected | Percent Left |
|---|---|----------------------------|------------------------------|--------------------------|------------------------------|------------------------|-----------------|
| SUBSIDIARY REVENUES | | | | | | | |
| 24010-24-08500 | RADIO REIMBURSEMENT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | **TOTAL** SUBSIDIARY REVENUES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| ENFORCING UNDERAGE DRINKING LAWS | | | | | | | |
| 24345-24-04300 | ENFORCING UNDERAGE DRINKING | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | **TOTAL** ENFORCING UNDERAGE DRINKING LAWS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| VICTIM/WITNESS | | | | | | | |
| 24411-24-04411 | VOCA GRANT VICTIM/WITNESS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | **TOTAL** VICTIM/WITNESS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| DOMESTIC VIOLENCE | | | | | | | |
| 24445-24-03001 | DOMESTIC VIOLENCE: TRANSFER IN | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 24445-24-04500 | STATE REIMBURSEMENT DOM. VIOL. | 5296.14 | 6781.49 | 6000.00 | 6781.49 | (781.49) | (13.02) |
| | **TOTAL** DOMESTIC VIOLENCE | 5296.14 | 6781.49 | 6000.00 | 6781.49 | (781.49) | (13.02) |
| GRANT: NH FISH & GAME | | | | | | | |
| 24500-24-04400 | GRANT-NH FISH & GAME LAND IMP. | 1170.00 | 595.00 | 0.00 | 595.00 | (595.00) | 0.00 |
| | **TOTAL** GRANT: NH FISH & GAME | 1170.00 | 595.00 | 0.00 | 595.00 | (595.00) | 0.00 |
| COPS GRANT | | | | | | | |
| 24545-24-05500 | REIMBURSEMENT-COPS GRANT | 27593.84 | 47947.45 | 25000.00 | 47947.45 | (22947.45) | (91.79) |
| | **TOTAL** COPS GRANT | 27593.84 | 47947.45 | 25000.00 | 47947.45 | (22947.45) | (91.79) |
| 24645-24-06500 | HIGHWAY SAFETY/OUTSIDE DETAIL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| DRUG TASK FORCE | | | | | | | |
| 24745-24-07500 | REIMBURSEMENT-DRUG TASK FORCE | 59892.00 | 31242.32 | 69848.00 | 31242.32 | 38605.68 | 55.27 |

ACTUAL & ANTICIPATED REVENUES

Report Sequence = Fund+Account

Account = First thru Last; Mask = ##-###-##-#####

Level of Detail = Transaction Detail; Level = 9

Fund: Grants

Period: July 2002 to Closing 2003

| Account Number | Account Name | Prior Year Ptd Revenues | Current Year Ptd Revenues | Current Year Budgeted | Current Year Ytd Revenues | Balance Uncollected | Percent Left |
|---|----------------------------|----------------------------|------------------------------|--------------------------|------------------------------|------------------------|-----------------|
| **TOTAL** DRUG TASK FORCE | | 59892.00 | 31242.32 | 69848.00 | 31242.32 | 38605.68 | 55.27 |
| DRUG & ALCOHOL ABUSE GRANT | | | | | | | |
| 24945-24-04800 | DRUG & ALCOHOL ABUSE GRANT | 0.00 | 11167.00 | 0.00 | 11167.00 | (11167.00) | 0.00 |
| **TOTAL** DRUG & ALCOHOL ABUSE GRANT | | 0.00 | 11167.00 | 0.00 | 11167.00 | (11167.00) | 0.00 |
| WORKFORCE GRANT | | | | | | | |
| 24946-24-04900 | WORKFORCE GRANT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **TOTAL** WORKFORCE GRANT | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **TOTAL** Grants | | 93951.98 | 97733.26 | 100848.00 | 97733.26 | 3114.74 | 3.09 |

ACTUAL & ANTICIPATED REVENUES

Report Sequence = Fund+Account

Account = First thru Last; Mask = ##-###-##-#####

Level of Detail = Transaction Detail; Level = 9

Fund: Nursing Home

Period: July 2002 to Closing 2003

| Account Number | Account Name | Prior Year Ptd Revenues | Current Year Ptd Revenues | Current Year Budgeted | Current Year Ytd Revenues | Balance Uncollected | Percent Left |
|-------------------------------|--------------------------------|----------------------------|------------------------------|--------------------------|------------------------------|------------------------|-----------------|
| SUBSIDIARY REVENUES | | | | | | | |
| 40097-40-03001 | HOME GENERAL FUND: TRANSFER IN | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 40097-40-04008 | INSURANCE REFUND | 34672.75 | 52020.54 | 19767.00 | 52020.54 | (32253.54) | (163.17) |
| 40097-40-04020 | GRANT REVENUE: NHDES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 40097-40-05020 | INTEREST INCOME | 142.00 | 80.00 | 0.00 | 80.00 | (80.00) | 0.00 |
| 40097-40-05021 | INCOME STATE MEDICAID | 5569582.18 | 5680150.12 | 5481447.00 | 5680150.12 | (198703.12) | (3.63) |
| 40097-40-05022 | INCOME FROM PRIVATE | 1127460.00 | 835040.00 | 1321580.00 | 835040.00 | 486540.00 | 36.82 |
| 40097-40-05023 | MAPLE HILL-PRIVATE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 40097-40-05024 | CAFETERIA INCOME | 15916.48 | 11784.51 | 16190.00 | 11784.51 | 4405.49 | 27.21 |
| 40097-40-05025 | BAD DEBTS RECOVERED | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 40097-40-05026 | MISCELLANEOUS INCOME | 70735.91 | 1.50 | 5000.00 | 1.50 | 4998.50 | 99.97 |
| 40097-40-05027 | MEDICARE PART A REVENUE | 0.00 | 311875.16 | 250000.00 | 311875.16 | (61875.16) | (24.75) |
| 40097-40-05028 | RENT INCOME | 16808.10 | 19637.50 | 20100.00 | 19637.50 | 462.50 | 2.30 |
| 40097-40-05029 | MEDICARE C/A | 0.00 | (159900.00) | 0.00 | (159900.00) | 159900.00 | 0.00 |
| 40097-40-05030 | LAUNDRY REVENUE: SCNH | 55192.34 | 60459.85 | 74576.00 | 60459.85 | 14116.15 | 18.93 |
| 40097-40-05031 | RESPITE CARE: PRIVATE | 0.00 | 2040.00 | 0.00 | 2040.00 | (2040.00) | 0.00 |
| 40097-40-05032 | MAPLE HILL-WELFARE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 40097-40-05033 | ADMINISTRATIVE SERVICES | 39933.75 | 34124.97 | 28538.00 | 34124.97 | (5586.97) | (19.58) |
| 40097-40-05034 | MEALS REIMBURSEMENT | 419248.40 | 401918.95 | 468113.00 | 401918.95 | 66194.05 | 14.14 |
| 40097-40-05035 | PRIOR YEAR ENCUMBRANCES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 40097-40-05036 | PRIOR YEAR SURPLUS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 40097-40-05037 | RESPITE CARE: HCBC | 15660.00 | 17192.00 | 8000.00 | 17192.00 | (9192.00) | (114.90) |
| 40097-40-05038 | PROPORTIONMENT SHARE FUND | 484706.00 | 324971.00 | 484706.00 | 324971.00 | 159735.00 | 32.96 |
| 40097-40-05039 | MEDICAID ASSESSMENT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 40097-40-05040 | MEDICARE PART B | 0.00 | 173174.15 | 76500.00 | 173174.15 | (96674.15) | (126.37) |
| 40097-40-05041 | MEDICARE PART B OT REVENUE | 0.00 | 30050.00 | 0.00 | 30050.00 | (30050.00) | 0.00 |
| 40097-40-05042 | MEDICARE PART B SPEECH REVENUE | 0.00 | 350.00 | 0.00 | 350.00 | (350.00) | 0.00 |
| 40097-40-06045 | NHDES SEWER GRANT | 59919.75 | 60173.00 | 60173.00 | 60173.00 | 0.00 | 0.00 |
| **TOTAL** SUBSIDIARY REVENUES | | 7909977.66 | 7855143.25 | 8314690.00 | 7855143.25 | 459546.75 | 5.53 |
| **TOTAL** Nursing Home | | 7909977.66 | 7855143.25 | 8314690.00 | 7855143.25 | 459546.75 | 5.53 |

ACTUAL & ANTICIPATED REVENUES

Report Sequence = Fund+Account

Account = First thru Last; Mask = ##-###-##-#####

Level of Detail = Transaction Detail; Level = 9

Fund: Capital Improvements

Period: July 2002 to Closing 2003

| Account Number | Account Name | Prior Year Ptd Revenues | Current Year Ptd Revenues | Current Year Budgeted | Current Year Ytd Revenues | Balance Uncollected | Percent Left |
|---------------------|------------------------------------|----------------------------|------------------------------|--------------------------|------------------------------|------------------------|-----------------|
| CAPITAL PROJECTS | | | | | | | |
| 42079-40-04100 | NURSING HOME ADDITIONS & RENOV | 0.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | **TOTAL** CAPITAL PROJECTS | 0.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SUBSIDIARY REVENUES | | | | | | | |
| 42097-40-05036 | PRIOR YEAR SURPLUS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | **TOTAL** SUBSIDIARY REVENUES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | **TOTAL** Capital Improvements | 0.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | **TOTAL** CONSOLIDATED FUND TOTALS | 19069139.94 | 20015248.83 | 19613985.00 | 20015248.83 | (401263.83) | (2.05) |

REPORT OF TRUST AND CAPITAL RESERVE FUNDS

\$ 13,676.65*****

Please insert the total of ALL funds here

COUNTY OF
Town/City Of: Sullivan NH

For Year Ended: June 30, 2003

CERTIFICATE

This is to certify that the information contained in this report was taken from official records and is correct to the best of our knowledge and belief.

Constance Jones
Constance Jones - Delegation Rep.
Peter Lovely
Peter Lovely, County TREASURER
Rudolf Adler
Rudolf Adler - Commissioner Chair

Signed by the Trustees of Trust Funds

on this date Aug 28, 2003

REMINDERS FOR TRUSTEES

1. **INVESTMENT POLICY** - RSA 31:32 requires the trustees to adopt an investment policy and review and confirm this policy at least annually.

2. **PROFESSIONAL BANKING AND BROKERAGE ASSISTANCE**- RSA 31:38-a enables you to have a professional banking or brokerage firm assist you in performing your trustee duties. Refer to the law for further information.

Attributable expenses may be charged against the trust funds involved, however, please be advised the fees can be taken from income only and not from principal.

3. **WEB SITE** - A trustee handbook can be down loaded from the web site for the Attorney General's Charitable Trust Division. <http://www.state.nh.us/nhdoj/CHARITABLE/char.html>

4. **FAIR VALUE** - Fold and complete page 4 to disclose the fair value (market value) of principal only. This information may be obtained from financial publications or from your professional banker or broker.

5. **CAPITAL RESERVE FUND** - Must be kept in a separate account and not intermingled with any other funds of the municipality (RSA 35:9).

6. **WHEN and WHERE TO FILE** - By March 1 if filing for a calendar year and by September 1 if filing for optional fiscal year. See addresses on page 4 of this form. If you hold funds for the school, the school business administrator will also need a copy fo

FOR DRA USE ONLY

State of New Hampshire
Department of Revenue Administration
Municipal Finance Bureau
PO Box 487, Concord, NH 03302-0487
(603) 271-3397

FY '03 SULLIVAN COUNTY NURSING HOME TRUST FUND REPORT

| DATE OF CREATION | NAME OF TRUST FUND | PURPOSE OF FUND | HOW INVESTED | % | PRINCIPAL | | | | INCOME | | | | | |
|------------------|------------------------|-----------------|--------------|-----|------------------------|-------------------|-------------------|--------------|---------------------|------------------------|--------------------|----------------------|------------------|-----------------------|
| | | | | | BALANCE BEGINNING YEAR | NEW FUNDS CREATED | CASH GAINS/LOSSES | WITH-DRAWALS | BALANCE END OF YEAR | BALANCE BEGINNING YEAR | INCOME DURING YEAR | EXPENDED DURING YEAR | BALANCE END YEAR | GRAND TOTAL PRINCIPAL |
| 1965 | Nursing Home Equipment | Special | Bank | 100 | \$ 1,039.75 | \$ - | \$ - | \$ - | \$ 1,039.75 | \$ 2,689.77 | \$ 35.01 | \$ 791.34 | \$ 1,933.44 | \$ 2,973.19 |
| 1968 | Alix Ungren (CD) | Restricted | Bank | 100 | \$ 3,000.00 | \$ - | \$ - | \$ - | \$ 3,000.00 | \$ 2,901.19 | \$ 26.17 | \$ 0.00 | \$ 2,927.36 | \$ 5,927.36 |
| 1970 | Elsie Hardison (CD) | Restricted | Bank | 100 | \$ 1,072.52 | \$ - | \$ - | \$ - | \$ 1,072.52 | \$ 43.99 | \$ 60.97 | \$ - | \$ 104.96 | \$ 1,177.48 |
| 1970 | Activities Fund | Active | Bank | 100 | | | | | \$ 115.63 | \$ 2,683.25 | \$ 866.26 | \$ 1,932.62 | \$ 1,932.62 | |
| 1985 | SCNH Vending Fund | Special | Bank | 100 | | | | | \$ 1,581.92 | \$ 3,220.83 | \$ 3,136.75 | \$ 1,666.00 | \$ 1,666.00 | |

Equipment Fund: This fund is used for purchasing equipment that the County did not fund. Incls. C. Hatch money.

Alix Ungren Fund: This fund is used to provide for the purchase of materials and supplies used in projects carried on by interested organizations and persons in the nature of recreational and occupational therapy designed to aid residents.

Elsie Hardison Fund: This fund is to assist the needy and worthy residents of the nursing home.

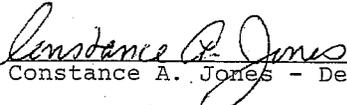
Activity Fund: This fund is used to purchase supplies, materials, programs, etc. that are not purchased through the County Budget for the benefit of the residents.

SCNH Vending Fund: This fund is used for the benefit of the employees. Needs some reimburse from Equip Fund.

This is to certify that the information contained in this report was taken from official records and is correct to the best of our knowledge and belief.

Date: August 28 2003


Peter R. Lovely - County Treasurer


Constance A. Jones - Delegate


Rudolf A. Adler - Commissioner Ch

SULLIVAN COUNTY, NEW HAMPSHIRE

BASIC FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

June 30, 2003

With Independent Auditors' Report



SULLIVAN COUNTY, NEW HAMPSHIRE

June 30, 2003

Table of Contents

| | Page(s) |
|---|----------------|
| Management's Discussion and Analysis | 1 – 11 |
| Independent Auditors' Report | 12 – 13 |
| Basic Financial Statements: | |
| Government-Wide Statements | |
| Statement of Net Assets | 14 |
| Statement of Activities | 15 |
| Fund Statements | |
| Balance Sheet – Governmental Funds | 16 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds | 17 |
| Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 18 |
| Balance Sheet – Proprietary Fund | 19 |
| Statement of Revenues, Expenses, and Changes in Net Deficit – Proprietary Fund | 20 |
| Statement of Cash Flows – Proprietary Fund | 21 |
| Notes to Financial Statements | 22 – 37 |
| Required Supplementary Information: | |
| Schedule 1 – Budgetary Comparison Schedule – Governmental Funds | 38 – 39 |
| Additional Supplementary Information: | |
| Schedule 2 – Combining Statement of Net Assets – Other Governmental Funds | 40 |
| Schedule 3 – Combining Statement of Activities – Other Governmental Funds | 41 |
| Schedule 4 – Budgetary Comparison – Proprietary Fund | 42 |
| Independent Auditors' Report on Compliance and on Internal Control | 43 – 46 |

SULLIVAN COUNTY, NEW HAMPSHIRE

Management's Discussion and Analysis

This section of Sullivan County, New Hampshire's (County) basic financial statements presents our discussion and analysis of the County's financial performance during the fiscal year that ended on June 30, 2003. Please read it in conjunction with the County's financial statements, which follow this section.

Financial Highlights

- The County's total net assets increased significantly over the course of this year's operations. However, while the net deficit of our business-type activities increased \$2.1 million (or nearly 66 percent), this was offset by an increase of \$2.4 million (or 27 percent) in the net assets of our governmental activities.
- During the year, governmental program expenses were \$2.4 million less than the \$9.9 million generated in taxes and other revenues for governmental programs (before special items). This is a decrease from last year, when revenues exceeded expenses by \$3.7 million.
- In the County's business-type activities, revenues remained flat and expenses increased 5 percent.
- The total cost of the County's programs increased by 13 percent from 2002. No new major programs were added this year.
- The general fund reported a surplus this year of \$1 million.
- The resources available for appropriation were \$648,000 more than budgeted for the general fund.

Overview of the Financial Statements

The basic financial statements and supplementary information consist of four parts—*management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that presents budgetary comparison information for the enterprise fund and *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the County government, reporting the County's operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like public welfare were financed in the *short term*, as well as what remains for future spending.
 - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like a business*. This fund currently consists solely of the activities of the County nursing home.

SULLIVAN COUNTY, NEW HAMPSHIRE

Management's Discussion and Analysis

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, which are added together and presented in a single column in the basic financial statements.

Figure A-1
Required Components of
Sample County's Financial Report

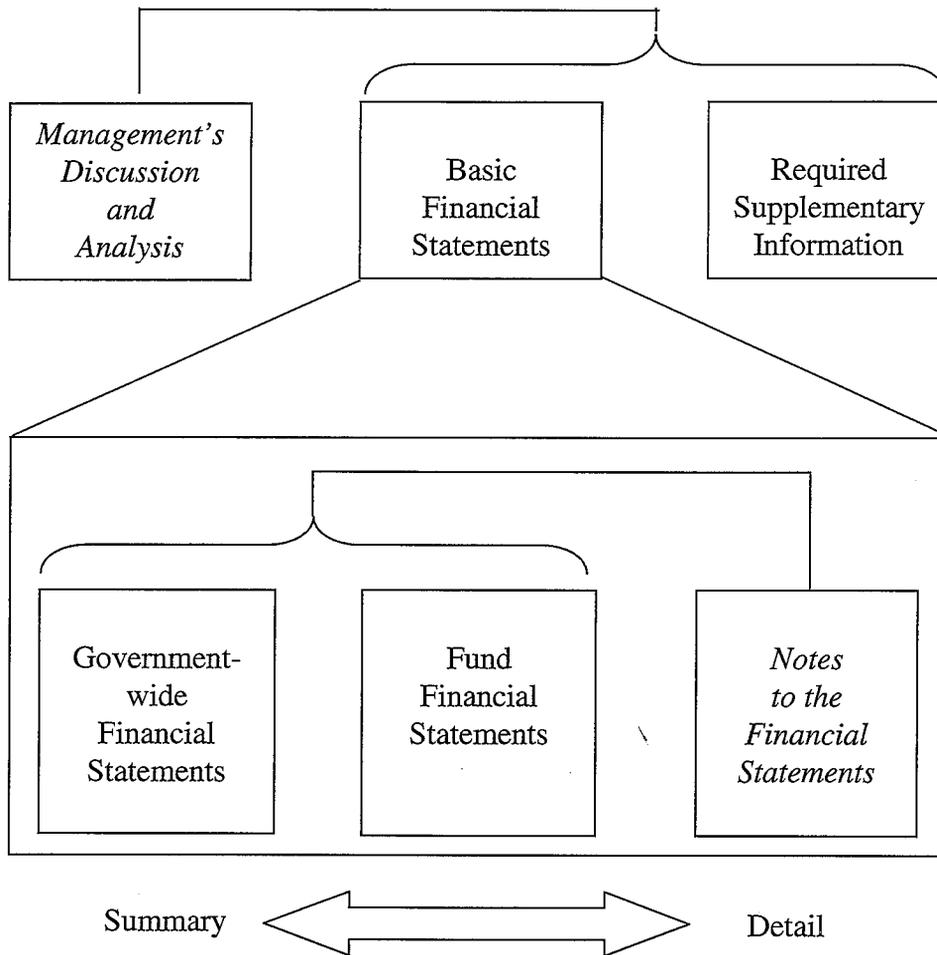


Figure A-2 summarizes the major features of the County's financial statements, including the portions of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

Management's Discussion and Analysis

**Figure A-2
Major Features of Sullivan County's Government-wide and Fund Financial Statements**

| | Government-wide <u>Statements</u> | Fund Statements | |
|--|--|--|---|
| | | <u>Governmental Funds</u> | <u>Proprietary Funds</u> |
| Scope | Entire County's government | The activities of the County that are not proprietary or fiduciary, such as Sheriff, Commissioners, and Public Welfare | Activities in the County that operate similar to private businesses: the nursing home |
| Required financial statements | <ul style="list-style-type: none"> • Statement of net assets • Statement of activities | <ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances | <ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenses, and changes in net deficit • Statement of cash flows |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, and short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included | All assets and liabilities, both financial and capital, and short-term and long-term |
| Type of inflow/outflow information | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during year, regardless of when cash is received or paid |

Government-wide Statements

The government-wide statements report information about the County as a whole using accrual accounting methods prescribed for governmental entities. The statement of net assets includes *all* of the government's assets and liabilities. All of the year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's *net assets* and how they have changed. Net assets—the difference between the County's assets and liabilities—is one way to measure the County's financial health, or *position*.

SULLIVAN COUNTY, NEW HAMPSHIRE

Management's Discussion and Analysis

- Over time, increases or decreases in the County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County you need to consider additional nonfinancial factors such as changes in the County's property tax base and the quality and availability of public services to County residents.

The information in the government-wide financial statements of the County is divided into two categories:

- *Governmental activities*—Most of the County's basic services are included here, such as the Sheriff's office, Commissioners, Registry of Deeds, treasurer, Department of Corrections, and the cooperative extension service. Property taxes, fees, and state and federal grants finance most of these activities.
- *Business-type activities*—The County charges fees to residents to help it cover the costs of certain services it provides. The County nursing home is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant *funds*—not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

Some funds are required by State law and by bond covenants.

The County has two kinds of funds:

- *Governmental funds*—Most of the County's basic services are included in governmental funds, which focus on (1) how *cash* and *other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds*—Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information.

Financial Analysis of the County as a Whole

Net Assets. The County's net assets increased between fiscal year 2002 and 2003. The balance approximated \$6,192,000. (See Table A-1). Looking at the net assets and net expenses of governmental and business-type activities separately, however, two very different stories emerge.

SULLIVAN COUNTY, NEW HAMPSHIRE

Management's Discussion and Analysis

Table A-1
Sullivan County's Net Assets
(in thousands of dollars)

| | Governmental Activities | | Business-type Activities | | Total | | Total Percentage Change 2001-2002 |
|---|----------------------------|------------------|-----------------------------|-------------------|------------------|------------------|--|
| | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 | |
| Current and other assets | \$ 5,345 | \$ 10,059 | \$ 980 | \$ (5,079) | \$ 6,325 | \$ 4,980 | -21.3% |
| Capital assets | 3,040 | 2,942 | 4,640 | 4,568 | 7,680 | 7,510 | -2.2% |
| Total assets | \$ 8,385 | \$ 13,001 | \$ 5,620 | \$ (511) | \$ 14,005 | \$ 12,490 | -10.8% |
| Long-term debt | \$ 351 | \$ 395 | \$ 2,209 | \$ 2,194 | \$ 2,560 | \$ 2,589 | 1.1% |
| Other liabilities | 2,741 | 3,647 | 5,031 | 436 | 7,772 | 4,083 | -47.5% |
| Total liabilities | \$ 3,092 | \$ 4,042 | \$ 7,240 | \$ 2,630 | \$ 10,332 | \$ 6,672 | -35.4% |
| Net assets | | | | | | | |
| Invested in capital assets, net of related debt | \$ 2,689 | \$ 2,617 | \$ 2,431 | \$ 2,620 | \$ 5,120 | \$ 5,237 | 2.3% |
| Restricted | 6 | 6 | 7 | 7 | 13 | 13 | 0.0% |
| Unrestricted | 2,598 | 6,336 | (4,058) | (5,768) | (1,460) | 568 | -138.9% |
| Total net assets | \$ 5,293 | \$ 8,959 | \$ (1,620) | \$ (3,141) | \$ 3,673 | \$ 5,818 | 58.4% |

Net assets of the County's governmental activities increased 38% to \$11 million. Twenty-three percent of the total net assets at year-end are invested in capital assets (buildings, equipment, etc.). The increase in the unrestricted governmental net assets represents revenues in excess of the amounts needed to finance current expenditures and liabilities. This amount also represents amounts needed to cover the decrease in net assets of the business-type activities (the Nursing Home). The total net asset/deficit of the Nursing Home decreased 66% to \$(5,207,000). Negative net assets represents a deficit that indicates the Nursing Home has been unable to self-fund its operations and relies heavily on support from tax revenues.

In total, the government-wide net assets increased 6% to \$6,192,000. Most of this balance is invested in capital assets, net of related debt.

Changes in net assets. The County's total revenues decreased 5% from 2002 to 2003 (see Table A-2). Half of the County's revenues in 2003 came from property taxes. Another 40% was raised from charges for services at both the Nursing Home and in other governmental activities.

The total costs of all programs and services increased 4% from 2002 to 2003. The County's expenses cover a wide range of services, but 53% of expenses in fiscal year 2003 were related to providing Nursing Home services (see Figure A-4). Even with the increase in expenses in the current year, the government as a whole was able to generate enough revenue to cover expenditures. Table A-2 and the narrative that follows consider the operations of governmental and business-type activities separately.

SULLIVAN COUNTY, NEW HAMPSHIRE

Management's Discussion and Analysis

Table A-2
Changes in Sullivan County's Net Assets
(in thousands of dollars)

| | Governmental | | Business-type | | Total | | Total Percentage Change 2002-2003 |
|-----------------------------------|-----------------|-----------------|-------------------|-------------------|-----------------|---------------|--|
| | Activities | | Activities | | | | |
| | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | |
| Revenues | | | | | | | |
| Program revenues | | | | | | | |
| Charges for services | \$ 877 | \$ 978 | \$ 6,696 | \$ 6,871 | \$ 7,573 | \$ 7,849 | 3.6% |
| Federal and State grants | 281 | 290 | 60 | 60 | 341 | 350 | 2.6% |
| Medicaid enhancement funds | - | - | 485 | 325 | 485 | 325 | -33.0% |
| General revenues | | | | | | | |
| Property taxes | 10,884 | 9,841 | - | - | 10,884 | 9,841 | -9.6% |
| Interest | 71 | 49 | - | - | 71 | 49 | -31.0% |
| Other | 47 | 41 | 668 | 599 | 715 | 640 | -10.5% |
| Total revenues | <u>12,160</u> | <u>11,199</u> | <u>7,909</u> | <u>7,855</u> | <u>20,069</u> | <u>19,054</u> | <u>-5.1%</u> |
| Expenses | | | | | | | |
| Commissioners | 244 | 208 | - | - | 244 | 208 | -14.8% |
| Public welfare | 4,518 | 4,575 | - | - | 4,518 | 4,575 | 1.3% |
| Public safety | 589 | 595 | - | - | 589 | 595 | 1.0% |
| Register of Deeds | 329 | 399 | - | - | 329 | 399 | 21.3% |
| General government | 398 | 450 | - | - | 398 | 450 | 13.1% |
| Cooperative Extension | 169 | 176 | - | - | 169 | 176 | 4.1% |
| County Attorney | 209 | 227 | - | - | 209 | 227 | 8.6% |
| Department of Corrections | 1,928 | 2,104 | - | - | 1,928 | 2,104 | 9.1% |
| Interest on long-term debt | 111 | 25 | - | - | 111 | 25 | -77.5% |
| Nursing Home | - | - | 9,431 | 9,922 | 9,431 | 9,922 | 5.2% |
| Total expenses | <u>8,495</u> | <u>8,759</u> | <u>9,431</u> | <u>9,922</u> | <u>17,926</u> | <u>18,681</u> | <u>4.2%</u> |
| Increase (decrease) in net assets | <u>\$ 3,665</u> | <u>\$ 2,440</u> | <u>\$ (1,522)</u> | <u>\$ (2,067)</u> | <u>\$ 2,143</u> | <u>\$ 373</u> | <u>-82.6%</u> |

SULLIVAN COUNTY, NEW HAMPSHIRE

Management's Discussion and Analysis

Figure A-3
Sullivan County, New Hampshire
Sources of Revenue for Fiscal Year 2003

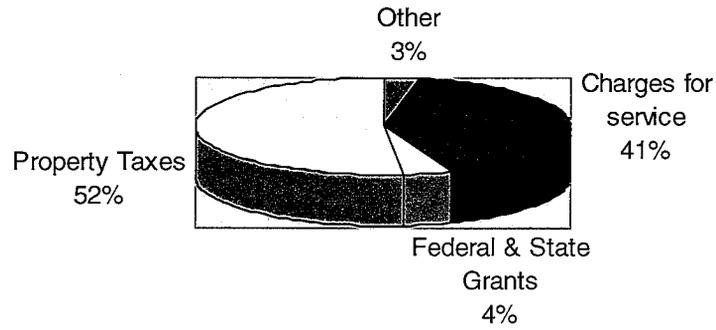
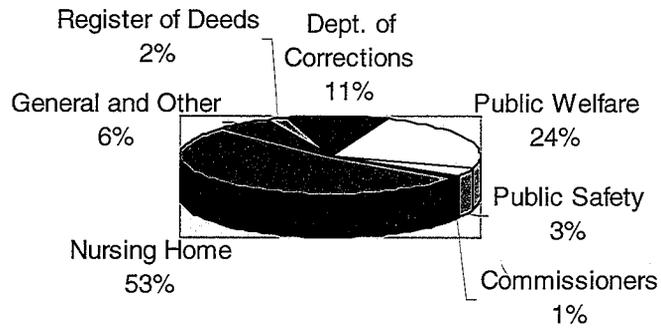


Figure A-4
Sullivan County, New Hampshire
Functional Expenses for Fiscal Year 2003



SULLIVAN COUNTY, NEW HAMPSHIRE

Management's Discussion and Analysis

Governmental Activities

Revenues for the County's governmental activities decreased 8% while total expenses increased 3%. The primary decrease in revenues was a result of the recognition of the 2001 supplemental budget in the 2002 financial statements. Major initiatives within the governmental activities included:

- A 9.6% decrease in the tax rate. This decrease reduced tax revenues \$1,043,000 and they are budgeted to decrease an additional \$504,110 next year.

Table A-3 presents the cost of each of the County's four largest programs—public welfare, Department of Corrections, registry of deeds, and public safety—as well as each program's net costs (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions.

Table A-3
Net Cost of Sullivan County's Governmental Activities
(dollars in thousands)

| | Total Cost of Services | | Percentage Change <u>2002-2003</u> | Net Cost of Services | | Percentage Change <u>2002-2003</u> |
|----------------------|---------------------------|-----------------|--|-------------------------|-----------------|--|
| | <u>2002</u> | <u>2003</u> | | <u>2002</u> | <u>2003</u> | |
| Public Welfare | \$ 4,518 | \$ 4,575 | 1.3 % | \$ 4,345 | \$ 4,397 | 1.2 % |
| Dept. of Corrections | 1,928 | 2,104 | 9.1 | 1,829 | 2,027 | 10.8 |
| Register of Deeds | 329 | 399 | 21.3 | (109) | (167) | -53.2 |
| Public Safety | 589 | 594 | 0.8 | 141 | 148 | 5.0 |
| Total | \$ 7,364 | \$ 7,672 | 4.2 % | \$ 6,206 | \$ 6,405 | 3.2 % |

Business-Type Activities

Revenues of the County's business-type activities remained flat while expenses increased 5 percent to \$7.9 million and \$9.9 million, respectively. (Refer to Table A-2). Factors contributing to these results included:

- Medicaid rates fluctuated throughout the year, starting at \$124.42 on July 1, 2002 and ending at \$124.50 on June 30, 2003.
- The annual census remained consistent throughout the year, with the average census approximating 90%.
- The Nursing Home will be concentrating on the Medicare market this upcoming year. The County is anticipating an increase in Medicare revenue of approximately \$230,000.
- The Current Bargaining Agreement expired on June 30, 2003. Management is currently negotiating a new agreement with the Bargaining Unit. Until a new agreement is reached, the conditions of the expired agreement will be in effect.

SULLIVAN COUNTY, NEW HAMPSHIRE

Management's Discussion and Analysis

Financial Analysis of the County's Funds

County's Budgetary Highlights

Over the course of the year, the County Commissioners and delegation revised the budget several times. These budget amendments fall into two main categories:

- Amendments to individual line items to re-appropriate funds within programs.
- Amendments to individual line items to re-appropriate funds between programs.

At the end of the year, actual revenues had exceeded expenditures by \$1,057,908 for a positive revenue budget variance of \$401,265. The Registry of Deeds experienced an increase in the amount of fees collected which helped that program create a positive revenue variance of \$215,626. The General Fund also has a positive revenue variance, mostly as a result of the prior year surplus.

Expenditures in total were below budget. Within the General Fund, the most notable positive expense variances resulted in the public welfare, county jail, and County attorney departments, as well as the debt service interest line item.

The total County surplus may be available to provide support to the Nursing Home which had a negative budget variance of \$(96,183) for the year, and continues to operate at a loss.

Revenues and expenses recorded on a budgetary basis vary from those recorded in accordance with generally accepted accounting principles due to differences in recording transactions based on the matching of revenues and appropriations to the budget, or matching revenues and expenses to specific occurrence of events for accrual accounting.

The County's change in general fund balance differs from the change in general fund budgetary fund balance reported in the budgetary comparison schedule principally because the change in budgetary fund balance excludes:

- Encumbrances of \$57,356 reported as expenditures for budgetary purposes
- Prior year's surplus of \$967,552 recorded as revenue for budgetary purposes

SULLIVAN COUNTY, NEW HAMPSHIRE

Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital Assets

During 2003, the County invested approximately \$314,000 in a range of capital assets, including general and sheriff's equipment, Department of Correction's building improvements, and Nursing Home equipment. (See Table A-4). This amount represents a net decrease in capital spending of \$72,000 or 19% from last year.

Table A-4
Sullivan County's Capital Assets
(net of depreciation, in thousands of dollars)

| | Governmental Activities | | Business-type Activities | | Total | | Total Percentage Change |
|---------------------------|----------------------------|-----------------|-----------------------------|-----------------|-----------------|-----------------|-------------------------------|
| | <u>2002</u> | <u>2003</u> | <u>2002</u> | <u>2003</u> | <u>2002</u> | <u>2003</u> | <u>2002-2003</u> |
| Building and improvements | \$ 2,634 | \$ 2,577 | \$ 4,386 | \$ 4,205 | \$ 7,020 | \$ 6,782 | (3.39) % |
| Equipment and vehicles | <u>308</u> | <u>287</u> | <u>182</u> | <u>190</u> | <u>490</u> | <u>477</u> | <u>2.65</u> |
| Total | <u>\$ 2,942</u> | <u>\$ 2,864</u> | <u>\$ 4,568</u> | <u>\$ 4,395</u> | <u>\$ 7,510</u> | <u>\$ 7,259</u> | <u>(3.34) %</u> |

The County's fiscal year 2004 capital budget projects spending \$209,859 for capital projects and \$220,000 on a newly funded Capital Reserve Fund.

Long-Term Debt

At year-end, the County had \$1,669,726 in bonds, notes, and capital lease obligations outstanding, a decrease of 25% over last year – as shown in Table A-5. More detailed information on the County's long-term liabilities is presented in Note 5 to the financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

Management's Discussion and Analysis

Table A-5
Sullivan County's Outstanding Debt
(in thousands of dollars)

| | Governmental Activities | | Business-type Activities | | Total | | Total Percentage Change |
|---------------------------|-------------------------|---------------|--------------------------|-----------------|-----------------|-----------------|-------------------------|
| | <u>2002</u> | <u>2003</u> | <u>2002</u> | <u>2003</u> | <u>2002</u> | <u>2003</u> | <u>2002-2003</u> |
| General obligation bonds | \$ - | \$ - | \$ 760 | \$ 570 | \$ 760 | \$ 570 | (25) % |
| Notes payable | 277 | 209 | 1,181 | 891 | 1,458 | 1,100 | (25) |
| Capital lease obligations | 30 | - | 7 | - | 37 | - | (100) |
| Total | \$ 307 | \$ 209 | \$ 1,948 | \$ 1,461 | \$ 2,255 | \$ 1,670 | (26) % |

Economic Factors and Next Year's Budgets and Rates

The above indicators were taken into account when adopting the General Fund budget for 2004. Amounts available for appropriation in the General Fund budget are \$8,797,895, an increase of \$474,992 over the final 2003 budget. Property taxes (\$9,336,760) (benefiting from the 2003 rate increases and increases in assessed valuations), charges for fees and services (\$11,046,876), and grant revenue (\$750,293) are expected to lead the increase. The County will use these increases to finance programs we currently offer.

Budgeted expenditures are expected to rise 7 percent to \$21,174,490. The largest increments are increased wages and cost-of-living adjustments of 3 percent pending on agreement with the union. There are no major new programs or initiatives included in the 2004 budget.

If these estimates are realized, the County's net assets will remain level.

As for the County's business-type activities, we expect that the 2004 results will increase.

The Nursing Home increased private pay rates by \$10 to \$180.00 per day for a semi-private room and \$195.00 per day for private rooms.

Effective August 1, 2003, Medicaid reimbursement rates increased from \$124.50 to \$124.64 per day.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Sullivan County Commissioners Office, 14 Main Street, Newport, NH 03773 or email sucomm@sugar.river.net.



CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Commissioners
Sullivan County, New Hampshire

We have audited the accompanying financial statements of the governmental activities and the business-type activities, each major fund, and the aggregate remaining fund information of Sullivan County, New Hampshire (County) as of and for the year ended June 30, 2003, which collectively comprise the County's basic financial statements, as listed in the accompanying table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sullivan County, New Hampshire, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

Losses incurred by the business-type activities and the resulting deficit of fund balances are supported by tax revenues of the governmental activities.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 2003 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The additional supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Berry, Dunn, McNeil & Parker

Lebanon, New Hampshire
August 4, 2003

SULLIVAN COUNTY, NEW HAMPSHIRE

Statement of Net Assets

June 30, 2003

ASSETS

| | <u>Governmental</u> <u>Activities</u> | <u>Business-type</u> <u>Activities</u> | <u>Total</u> |
|--|--|---|--------------------------|
| Cash | \$ 2,098,121 | \$ 200 | \$ 2,098,321 |
| Accounts receivable, less allowances for doubtful accounts and contractals of \$150,297 | - | 752,933 | 752,933 |
| Internal balances | 8,223,788 | (8,223,788) | - |
| Due from other governments | 7,331 | - | 7,331 |
| Other receivables | 23,840 | - | 23,840 |
| Inventories and prepaid expenses | 150,860 | 34,558 | 185,418 |
| Restricted assets, cash | 221,765 | 109,708 | 331,473 |
| Capital assets, net (Note 3) | <u>2,864,282</u> | <u>4,395,454</u> | <u>7,259,736</u> |
| Total assets | <u>\$ 13,589,987</u> | <u>\$ (2,930,935)</u> | <u>\$ 10,659,052</u> |

LIABILITIES AND NET ASSETS (DEFICIT)

| | | | |
|---|--------------------------|---------------------------|--------------------------|
| Accounts payable | \$ 237,769 | \$ 258,466 | \$ 496,235 |
| Accrued liabilities | 1,358,541 | 208,637 | 1,567,178 |
| Due to other governments | 298,475 | - | 298,475 |
| Due to residents | - | 102,603 | 102,603 |
| Long-term liabilities (Note 5) | | | |
| Due within one year | 156,486 | 729,424 | 885,910 |
| Due in more than one year | <u>140,119</u> | <u>977,350</u> | <u>1,117,469</u> |
| Total liabilities | <u>2,191,390</u> | <u>2,276,480</u> | <u>4,467,870</u> |
| Commitment (Note 8) | | | |
| Net assets (deficit) | | | |
| Invested in capital assets, net of related debt | 2,655,334 | 2,934,676 | 5,590,010 |
| Restricted | | | |
| Expendable | 6,572 | 3,032 | 9,604 |
| Nonexpendable | - | 4,073 | 4,073 |
| Unrestricted (deficit) | <u>8,736,691</u> | <u>(8,149,196)</u> | <u>587,495</u> |
| Total net assets (deficit) | <u>11,398,597</u> | <u>(5,207,415)</u> | <u>6,191,182</u> |
| | <u>\$ 13,589,987</u> | <u>\$ (2,930,935)</u> | <u>\$ 10,659,052</u> |

The accompanying notes are an integral part of these basic financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

Statement of Activities

Year Ended June 30, 2003

| | <u>Expenses</u> | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | |
|---|----------------------|---------------------------------|---|---|--|-------------------------------------|---------------------|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
| Government activities | | | | | | | |
| Public welfare | \$ 4,574,873 | \$ - | \$ 177,741 | \$ - | \$ (4,397,132) | \$ - | \$ (4,397,132) |
| Department of Corrections | 2,104,413 | 63,503 | - | 14,115 | (2,026,795) | - | (2,026,795) |
| Public safety | 594,760 | 348,608 | 97,732 | - | (148,420) | - | (148,420) |
| General government | 450,092 | - | - | - | (450,092) | - | (450,092) |
| Registry of Deeds | 398,556 | 565,626 | - | - | 167,070 | - | 167,070 |
| Commissioner's office | 208,258 | - | - | - | (208,258) | - | (208,258) |
| County attorney | 226,766 | - | - | - | (226,766) | - | (226,766) |
| Cooperative extension service | 175,524 | - | - | - | (175,524) | - | (175,524) |
| Interest on long-term liabilities | 25,133 | - | - | - | (25,133) | - | (25,133) |
| Total governmental activities | <u>8,758,375</u> | <u>977,737</u> | <u>275,473</u> | <u>14,115</u> | <u>(7,491,050)</u> | <u>-</u> | <u>(7,491,050)</u> |
| Business-type activities | | | | | | | |
| Nursing home services | <u>9,921,527</u> | <u>7,398,340</u> | <u>324,971</u> | <u>60,173</u> | <u>-</u> | <u>(2,138,043)</u> | <u>(2,138,043)</u> |
| Total primary government | <u>\$ 18,679,902</u> | <u>\$ 8,376,077</u> | <u>\$ 600,444</u> | <u>\$ 74,288</u> | <u>(7,491,050)</u> | <u>(2,138,043)</u> | <u>(9,629,093)</u> |
| General revenues | | | | | | | |
| Property taxes, levied for general purposes | | | | | 9,840,870 | - | 9,840,870 |
| Interest income | | | | | 49,476 | - | 49,476 |
| Miscellaneous | | | | | 40,819 | 71,663 | 112,482 |
| Total general revenues | | | | | <u>9,931,165</u> | <u>71,663</u> | <u>10,002,828</u> |
| Change in net assets (deficit) | | | | | 2,440,115 | (2,066,380) | 373,735 |
| Net assets (deficit), beginning of year | | | | | <u>8,958,482</u> | <u>(3,141,035)</u> | <u>5,817,447</u> |
| Net assets (deficit), end of year | | | | | <u>\$ 11,398,597</u> | <u>\$ (5,207,415)</u> | <u>\$ 6,191,182</u> |

Interest expense included in the direct Nursing Home services expense amounts to \$49,373.

The accompanying notes are an integral part of these basic financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

Balance Sheet - Governmental Funds

June 30, 2003

| | <u>General</u> | <u>Other Governmental</u> | <u>Total</u> |
|----------------------------|-------------------------|-------------------------------|--------------------------|
| Cash | \$ 1,733,852 | \$ 357,697 | \$ 2,091,549 |
| Internal balances | 7,647,356 | 576,432 | 8,223,788 |
| Due from other governments | 7,331 | - | 7,331 |
| Other receivables | - | 23,840 | 23,840 |
| Prepaid expenses | 150,860 | - | 150,860 |
| Restricted assets – cash | <u>221,765</u> | <u>-</u> | <u>221,765</u> |
| Total assets | <u>\$ 9,761,164</u> | <u>\$ 957,969</u> | <u>\$ 10,719,133</u> |

LIABILITIES AND FUND BALANCES

| | | | |
|---|-------------------------|-----------------------|------------------|
| Liabilities | | | |
| Accounts payable | \$ 237,073 | \$ 696 | \$ 237,769 |
| Accrued liabilities | 1,355,664 | 2,877 | 1,358,541 |
| Due to other governments | <u>-</u> | <u>298,475</u> | <u>298,475</u> |
| Total liabilities | <u>1,592,737</u> | <u>302,048</u> | <u>1,894,785</u> |
| Commitment (Note 8) | | | |
| Fund balances | | | |
| Reserved for prepaid expenses | 150,860 | - | 150,860 |
| Reserved for encumbrances | 61,403 | - | 61,403 |
| Unreserved – undesignated | <u>7,956,164</u> | <u>655,921</u> | <u>8,612,085</u> |
| Total fund balances | <u>8,168,427</u> | <u>655,921</u> | <u>8,824,348</u> |
| Total liabilities and fund balances | <u>\$ 9,761,164</u> | <u>\$ 957,969</u> | |

Amounts reported for governmental activities in the statement of net assets are different because:

| | |
|--|------------------|
| Expendable trust funds without a legally adopted budget are not included here | 6,572 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds | 2,864,282 |
| Certain liabilities are not due and payable in the current period and therefore are not reported in the funds | <u>(296,605)</u> |

Net assets of governmental activities \$ 11,398,597

The accompanying notes are an integral part of these basic financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2003

| | <u>General</u> | <u>Other Governmental</u> | <u>Total</u> |
|-----------------------------------|---------------------|-------------------------------|---------------------|
| Revenues | | | |
| Taxes | \$ 9,840,870 | \$ - | \$ 9,840,870 |
| Fines and fees | 51,870 | 565,626 | 617,496 |
| Grant revenue | 41,115 | 97,732 | 138,847 |
| Charges for products and services | 90,804 | - | 90,804 |
| Intergovernmental | 421,336 | - | 421,336 |
| Interest | 49,441 | - | 49,441 |
| Miscellaneous | <u>33,757</u> | <u>-</u> | <u>33,757</u> |
| Total revenues | <u>10,529,193</u> | <u>663,358</u> | <u>11,192,551</u> |
| Expenditures | | | |
| Current | | | |
| Cooperative extension service | 171,727 | - | 171,727 |
| General government | 389,620 | - | 389,620 |
| Registry of Deeds | - | 396,160 | 396,160 |
| County attorney | 220,276 | - | 220,276 |
| Public safety | 462,099 | - | 462,099 |
| Department of Corrections | 2,005,869 | - | 2,005,869 |
| Health and welfare | 4,573,421 | - | 4,573,421 |
| Grant expenditures | - | 95,568 | 95,568 |
| Commissioners' office | 182,868 | - | 182,868 |
| Capital outlay | 150,235 | 2,839 | 153,074 |
| Debt service | | | |
| Principal retirement | 98,272 | - | 98,272 |
| Interest and fiscal charges | <u>25,133</u> | <u>-</u> | <u>25,133</u> |
| Total expenditures | <u>8,279,520</u> | <u>494,567</u> | <u>8,774,087</u> |
| Net change in fund balances | 2,249,673 | 168,791 | 2,418,464 |
| Fund balances, beginning of year | <u>5,918,754</u> | <u>487,130</u> | <u>6,405,884</u> |
| Fund balances, end of year | \$ <u>8,168,427</u> | \$ <u>655,921</u> | \$ <u>8,824,348</u> |

The accompanying notes are an integral part of these basic financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities

Year Ended June 30, 2003

| | |
|---|---------------------|
| Net change in fund balances – total governmental funds | \$ 2,418,464 |
| Amounts reported for governmental activities in the statement of activities different because: | |
| Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$230,840) exceeded capital outlays (\$153,074) in the current period | (77,766) |
| Repayments of notes and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets | 98,272 |
| Change in non-expendable trusts not included in budgetary accounting | <u>1,145</u> |
| Change in net assets of governmental activities | \$ <u>2,440,115</u> |

The accompanying notes are an integral part of these basic financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

Balance Sheet – Proprietary Fund

June 30, 2003

ASSETS

| | <u>Enterprise Fund</u> |
|---|------------------------|
| | <u>Nursing Home</u> |
| Current assets | |
| Cash | \$ 200 |
| Accounts receivable, less contractual allowances and allowance for doubtful accounts of \$150,297 | 752,933 |
| Inventory | <u>34,558</u> |
| Total current assets | <u>787,691</u> |
| Noncurrent assets | |
| Restricted assets – cash | 109,708 |
| Buildings and improvements | 7,559,165 |
| Equipment | 1,806,889 |
| Accumulated depreciation | <u>(4,970,600)</u> |
| Total noncurrent assets | <u>4,505,162</u> |
| Total assets | \$ <u>5,292,853</u> |

LIABILITIES AND NET DEFICIT

| | |
|---|---------------------|
| Current liabilities | |
| Accounts payable | \$ 258,466 |
| Accrued liabilities | 208,637 |
| Compensated absences payable | 245,996 |
| Internal balances | 8,223,788 |
| Bonds, notes, and leases payable | <u>483,428</u> |
| Total current liabilities | <u>9,420,315</u> |
| Noncurrent liabilities | |
| Due to residents | 102,603 |
| Bonds, notes, and leases payable | <u>977,350</u> |
| Total noncurrent liabilities | <u>1,079,953</u> |
| Total liabilities | <u>10,500,268</u> |
| Commitment (Note 8) | |
| Net assets (deficit) | |
| Invested in capital assets, net of related debt | 2,934,676 |
| Restricted | |
| Nonexpendable | 4,073 |
| Expendable | 3,032 |
| Unrestricted | <u>(8,149,196)</u> |
| Total net deficit | <u>(5,207,415)</u> |
| Total liabilities and net deficit | \$ <u>5,292,853</u> |

The accompanying notes are an integral part of these basic financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

Statement of Revenues, Expenses, and Changes in Net Deficit - Proprietary Fund

Year Ended June 30, 2003

| | <u>Enterprise Fund</u> <u>Nursing Home</u> |
|--|---|
| Operating revenues | |
| Charges for services— state welfare | \$ 5,680,150 |
| — federal support, net of contractual allowances of \$159,900 | 355,549 |
| — private | 835,040 |
| Medicaid enhancement funds | 324,971 |
| Meals reimbursement | 401,919 |
| Miscellaneous | <u>197,345</u> |
| Total operating revenues | <u>7,794,974</u> |
| Operating expenses | |
| Personnel services | 5,504,402 |
| Contractual services | 747,412 |
| Therapy services | 138,843 |
| Supplies and office expenses | 129,751 |
| Medical expenses | 31,869 |
| Utilities | 271,258 |
| Depreciation | 333,685 |
| Payroll and other taxes | 424,680 |
| Food | 433,827 |
| Repairs and maintenance | 95,912 |
| Employee benefits | 1,372,381 |
| Bad debts | 102,918 |
| Telephone | 16,312 |
| Miscellaneous | 10,670 |
| Insurance | 66,770 |
| Medicine | <u>191,464</u> |
| Total operating expenses | <u>9,872,154</u> |
| Operating loss | (2,077,180) |
| Interest expense | (49,373) |
| Grant revenue | <u>60,173</u> |
| Change in net deficit | (2,066,380) |
| Net deficit, beginning of year | <u>(3,141,035)</u> |
| Net deficit, end of year | \$ <u>(5,207,415)</u> |

The accompanying notes are an integral part of these basic financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

Statement of Cash Flows – Proprietary Fund

Year Ended June 30, 2003

| | <u>Enterprise Fund</u> <u>Nursing Home</u> |
|--|---|
| Cash flows from operating activities | |
| Receipts from other funds | \$ 2,320,805 |
| Receipts from customers | 6,707,293 |
| Receipts from interfund services provided | 436,044 |
| Payments to suppliers | (2,437,602) |
| Payments to employees | (6,876,783) |
| Other receipts from State | 324,971 |
| Other receipts | <u>163,140</u> |
| Net cash provided by operating activities | <u>637,868</u> |
| Cash flows from capital and related financing activities | |
| Purchases of capital assets | (161,362) |
| Principal paid on capital debt | (487,306) |
| Capital contributions | 60,173 |
| Payments for interest | <u>(49,373)</u> |
| Net cash used by capital and related financing activities | <u>(637,868)</u> |
| Net increase in cash | - |
| Cash, beginning of year | <u>200</u> |
| Cash, end of year | \$ <u><u>200</u></u> |
| Reconciliation of operating loss to net cash provided by operating activities | |
| Operating loss | \$ (2,077,180) |
| Adjustments to reconcile operating loss to net cash provided by operating activities | |
| Depreciation expense | 333,685 |
| Bad debt expense | 102,918 |
| Increase in | |
| Accounts receivable | (163,446) |
| Restricted cash | (12,602) |
| Increase in | |
| Accounts payable | 101,166 |
| Accrued liabilities | 20,000 |
| Due to residents | 12,522 |
| Due to other funds | <u>2,320,805</u> |
| Net cash provided by operating activities | \$ <u><u>637,868</u></u> |

The accompanying notes are an integral part of these basic financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

Notes to Basic Financial Statements

June 30, 2003

1. Summary of Significant Accounting Policies

Sullivan County, New Hampshire (the County) was established in 1827 and operates under a County Commissioner/Delegation form of government. The County is responsible for the following facilities and services, as authorized by its charter: sheriff's department, nursing home, correctional facility, county farm and woodlands, registry of deeds, and general administrative services for the County.

The accounting policies of the County, as reflected in the accompanying basic financial statements, conform to generally accepted accounting principles applicable to governmental units. The County's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary Funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For Enterprise Funds, GASB Statement Nos. 20 and 34 provide the County the option of electing to apply FASB pronouncements issued after November 30, 1989. The County has elected not to apply those pronouncements. The more significant policies are discussed in subsequent subsections of this note.

A. Reporting Entity

Specific criteria are used in the determination of which funds are included in the basic financial statements of the County and in the definition of the County as a separate reporting entity from any other unit of government. These criteria are: (1) oversight responsibility, which addresses the extent of the governing authority of elected officials, (2) scope of public service, which addresses the type of services provided in the geographic service area, and (3) the existence of any special financing relationships which exist between the County and other entities. Based on these criteria, there are no agencies or entities which should be combined with the basic financial statements of the County.

B. Basis of Presentation

Government-wide Financial Statements

The statement of net assets and statement of activities display information about the County as a whole. They include all funds of the County except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

SULLIVAN COUNTY, NEW HAMPSHIRE

Notes to Basic Financial Statements

June 30, 2003

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Concluded)

Fund Financial Statements

Fund financial statements of the County are organized on a fund basis, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance (deficit), revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the basic financial statements in this report, into two broad fund categories and four generic fund types, as follows:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the County. It is used to account for all financial resources, except those legally or administratively required to be accounted for in other funds.

Other Governmental Fund

Other Governmental Fund consists of the Special Revenue Fund which is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified services.

Proprietary Fund

Enterprise Fund

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises. As such, they are intended to be financed primarily through proceeds from their operations. The Enterprise Fund of the County consists of the Sullivan County Nursing Home (County Home).

The Enterprise Fund includes the Permanent Fund which is used to account for assets that have been designated by the contributor to be held in perpetuity, the income of which is to be used to support Enterprise Fund programs.

SULLIVAN COUNTY, NEW HAMPSHIRE

Notes to Basic Financial Statements

June 30, 2003

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

Measurement Focus

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded, regardless of the measurement focus applied.

In the government-wide statement of net assets and the statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus.

In the fund financial statements, the Governmental Funds utilize a current financial resources focus whereas the Proprietary Fund uses the economic resources measurement focus.

Economic Resources Focus

The accounting objectives of this focus are the determination of operating income, changes in net assets, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with Fund activities are reported. Fund equity is classified as net assets.

Current Financial Resources

Under this measurement focus, only current financial assets and liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances presents sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

SULLIVAN COUNTY, NEW HAMPSHIRE

Notes to Basic Financial Statements

June 30, 2003

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Concluded)

Basis of Accounting (Concluded)

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. County Budget and Budgetary Accounting

The County budgets revenues and expenditures/expenses for Governmental and Proprietary Funds. The County prepares its annual budget on a basis which is different from U.S. generally accepted accounting principles (GAAP basis). To provide a meaningful comparison of actual results with the budget, the Budgetary Comparison Schedules included in Schedules 1 and 4 are presented in accordance with the County's budget (budget basis). The major differences between the budget and GAAP bases are as follows:

- The budget recognizes as revenues (expenditures) surplus (deficits in) unrestricted funds brought forward from prior periods. GAAP records prior year surplus (deficit) in fund balances brought forward.
- The budget expenses outlays for supplies and inventory of the Enterprise Fund when purchased. GAAP expenses these items when consumed.

SULLIVAN COUNTY, NEW HAMPSHIRE

Notes to Basic Financial Statements

June 30, 2003

1. Summary of Significant Accounting Policies (Continued)

E. County Budget and Budgetary Accounting (Continued)

- The budget expenses outlays for capital additions. GAAP capitalizes these outlays.
- The budget does not provide for depreciation of fixed assets. GAAP provides for depreciation of these assets.
- The budget expenses compensated absences when paid. GAAP expenses compensated absences when earned by employees.
- The budget recognizes proceeds from debt issuance as revenue and payments on debt and capital lease obligations as expenditures. For GAAP purposes, proceeds and payments on these obligations are recorded as increases and decreases in liabilities, as appropriate.
- The budget records cash received on sale of assets as revenue. GAAP records a gain or loss based on the cash, cost, and accumulated depreciation at the time of sale.
- The budget records expenditures for commitments to acquire goods or services not yet received. For GAAP purposes, these amounts are recorded as encumbrances (reserved fund balance).

Budgets

The County follows the following procedures establishing the budgetary data reflected in the general purpose financial statements:

Prior to May 1st, the County departments submit to the County Commissioners a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.

Hearings are conducted by the County Commissioners prior to the County's budget meeting to discuss the proposed budget.

The budget is legally enacted by the County Delegation prior to September 1st.

Appropriations for certain projects and specific items not fully expended at the fiscal year-end are carried forward as continued appropriations to the new fiscal year in which they supplement the appropriations of that year.

SULLIVAN COUNTY, NEW HAMPSHIRE

Notes to Basic Financial Statements

June 30, 2003

1. Summary of Significant Accounting Policies (Continued)

E. County Budget and Budgetary Accounting (Concluded)

The budgets for all departments and operations of the County are prepared under the direction of the County Commissioners. Original appropriations are acted upon by the County Delegation vote.

A copy of the budget is published in the Annual Report of Sullivan County, New Hampshire.

In summary form, the approved budgets for the General, Other Governmental, and Proprietary Funds for the year ended June 30, 2003 were as follows:

| | |
|-----------------------|-----------------------|
| Budgeted revenue | \$ 19,613,985 |
| Budgeted expenditures | <u>19,613,985</u> |
| Budgeted surplus | \$ <u> -</u> |

F. Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

Notes to Basic Financial Statements

June 30, 2003

1. Summary of Significant Accounting Policies (Continued)

G. Fund Balances

Fund balances of Governmental and Proprietary Funds are classified in three separate categories. The categories, if applicable, and their general meanings are as follows:

Reserved Fund Balance

Indicates that portion of fund equity which is generally not appropriable for expenditure or is legally segregated for specific purposes. Reserved fund balance is used to fund certain appropriations only after unreserved funds are depleted.

Unreserved – Designated Fund Balance

Indicates that portion of fund equity for which the County has made tentative plans.

Unreserved – Undesignated Fund Balance

Indicates that portion of fund equity which is available for appropriation and expenditure in future periods.

H. Revenues

Operating Revenues

Operating revenues in the Proprietary Fund are those that result from providing services. It also includes all revenue not related to capital and related financing, noncapital financing, or investing activities.

Grants

Revenues from federal, state, and other grants, designated for payment of specific County expenditures, are recognized in the governmental activities when the related expenditures are incurred.

SULLIVAN COUNTY, NEW HAMPSHIRE

Notes to Basic Financial Statements

June 30, 2003

1. Summary of Significant Accounting Policies (Continued)

H. Revenues (Concluded)

Property Taxes

Taxes are levied annually and are due by the first business day following December 17. After such date, interest is accrued until the date of payment. The County bills and collects the property taxes from each town within the County. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end. Due to the immaterial amount of any additional property taxes receivable after the 60-day period, no additional accrual is made in the government-wide financial statements.

I. Compensated Absences

The County has an earned time program, combining traditional vacation, personal, holiday, and sick time benefits into one bank of earned time hours. Consequently, earned time, up to the maximum as specified by the program, is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

J. Inventory

Only the Enterprise Fund records inventory which consists of linen and supplies. Inventory is recorded at cost.

K. Internal Balances

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. The amounts have been eliminated in the statement of net assets.

L. Restricted Cash

Restricted cash in the statement of net assets represents amounts that are not available for general use of the County.

The business-type activity funds represent amounts held on behalf of residents and restricted trust funds, income of which is to be used for specific activities at the Nursing Home.

SULLIVAN COUNTY, NEW HAMPSHIRE

Notes to Basic Financial Statements

June 30, 2003

1. Summary of Significant Accounting Policies (Concluded)

L. Restricted Cash (Concluded)

Within the governmental activity funds, restricted cash represents funds set aside to pay health coverage costs.

2. Cash

The cash deposits in the County's Funds, including restricted cash, at year-end consisted of the following:

| | <u>Carrying Amount</u> | <u>Bank Balance</u> |
|---|----------------------------|-------------------------|
| Insured (FDIC) | \$ 200,000 | \$ 200,000 |
| Uninsured, collateralized by U.S. Government and other short-term securities | 1,905,950 | 1,849,270 |
| Uninsured, no collateral held | <u>322,869</u> | <u>820,281</u> |
| | \$ <u>2,428,819</u> | \$ <u>2,869,551</u> |

The above amount does not include petty cash funds of \$975.

3. Capital Assets

The changes in capital assets were as follows:

| | <u>Balance July 1, 2002</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2003</u> |
|--|---------------------------------|--------------------|------------------|----------------------------------|
| Governmental activities | | | | |
| Capital assets | | | | |
| Land improvements | \$ 359,986 | \$ - | \$ - | \$ 359,986 |
| Building and improvements | 3,835,683 | 89,010 | - | 3,924,693 |
| Equipment and vehicles | <u>921,528</u> | <u>64,064</u> | - | <u>985,592</u> |
| | <u>5,117,197</u> | <u>153,074</u> | - | <u>5,270,271</u> |
| Less accumulated depreciation | | | | |
| Land improvements | 17,999 | 17,999 | - | 35,998 |
| Buildings and improvements | 1,543,528 | 127,842 | - | 1,671,370 |
| Equipment and vehicles | <u>613,622</u> | <u>84,999</u> | - | <u>698,621</u> |
| Total accumulated depreciation | <u>2,175,149</u> | <u>230,840</u> | - | <u>2,405,989</u> |
| Governmental activities capital assets, net | \$ <u>2,942,048</u> | \$ <u>(77,766)</u> | \$ - | \$ <u>2,864,282</u> |

SULLIVAN COUNTY, NEW HAMPSHIRE

Notes to Basic Financial Statements

June 30, 2003

3. Capital Assets (Concluded)

Depreciation expense was charged to governmental activities as follows:

| | |
|------------------------------------|----------|
| Governmental activities | |
| Registry of Deeds | \$ 2,396 |
| Public safety/sheriff's department | 37,093 |
| Public welfare | 1,452 |
| County attorney | 6,490 |
| Department of Corrections | 112,576 |
| Commissioner's office | 11,358 |
| Cooperative extension service | 3,797 |
| General government | 55,678 |

| | <u>Balance</u> <u>July 1, 2002</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2003</u> |
|--|---------------------------------------|---------------------|------------------|--|
| Business-type activities | | | | |
| Capital assets | | | | |
| Buildings and improvements | \$ 7,480,610 | \$ 78,555 | \$ - | \$ 7,559,165 |
| Equipment | 1,617,440 | 82,807 | - | 1,700,247 |
| Vehicles | <u>106,642</u> | <u>-</u> | <u>-</u> | <u>106,642</u> |
| Total other capital assets at historical cost | <u>9,204,692</u> | <u>161,362</u> | <u>-</u> | <u>9,366,054</u> |
| Less accumulated depreciation for | | | | |
| Buildings and improvements | 3,094,556 | 260,008 | - | 3,354,564 |
| Equipment | 1,451,327 | 60,855 | - | 1,512,182 |
| Vehicles | <u>91,032</u> | <u>12,822</u> | <u>-</u> | <u>103,854</u> |
| Total accumulated depreciation | <u>4,636,915</u> | <u>333,685</u> | <u>-</u> | <u>4,970,600</u> |
| Business-type activities capital assets, net | <u>\$ 4,567,777</u> | <u>\$ (172,323)</u> | <u>\$ -</u> | <u>\$ 4,395,454</u> |

SULLIVAN COUNTY, NEW HAMPSHIRE

Notes to Basic Financial Statements

June 30, 2003

4. Short-Term Debt

The County issues tax anticipation notes in advance of County tax collections, depositing the proceeds in its General Fund. These notes are necessary because the County begins to incur operating expenses prior to the December 17 due date.

Short-term debt activity for the year ended June 30, 2003 was as follows:

| | <u>Beginning</u> | | <u>Issued</u> | <u>Redeemed</u> | <u>Ending</u> |
|------------------------|------------------|--|---------------|-----------------|----------------|
| | <u>Balance</u> | | | | <u>Balance</u> |
| Tax anticipation notes | \$ - | | \$ 3,000,000 | \$ (3,000,000) | \$ - |

5. Changes in Long-Term Debt

Long-term liability activity for the year ended June 30, 2003 was as follows:

| | <u>Balance</u> | | | <u>Balance</u> | <u>Amounts</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>July 1,</u> | <u>Additions</u> | <u>Reductions</u> | <u>June 30,</u> | <u>Due</u> |
| | <u>2002</u> | | | <u>2003</u> | <u>Within</u> |
| | | | | | <u>One Year</u> |
| Governmental activities | | | | | |
| Notes and leases payable | | | | | |
| Uncollateralized revolving fund sewer project loan, proceeds paid throughout the project. Payments of \$71,250 due annually through 2006, including interest at 1.19% | \$ 276,969 | \$ - | \$ 68,021 | \$ 208,948 | \$ 68,829 |
| Capital lease – sheriff’s department | 23,789 | - | 23,789 | - | - |
| Capital lease – cargo van | <u>6,462</u> | <u>-</u> | <u>6,462</u> | <u>-</u> | <u>-</u> |
| Total notes and leases payable | 307,220 | - | 98,272 | 208,948 | 68,829 |
| Other liabilities | | | | | |
| Compensated absences payable | <u>87,657</u> | <u>123,951</u> | <u>123,951</u> | <u>87,657</u> | <u>87,657</u> |
| Governmental activities long-term liabilities | \$ <u>394,877</u> | \$ <u>123,951</u> | \$ <u>222,223</u> | \$ <u>296,605</u> | \$ <u>156,486</u> |

SULLIVAN COUNTY, NEW HAMPSHIRE

Notes to Basic Financial Statements

June 30, 2003

5. Changes in Long-Term Debt (Continued)

| | Balance July 1, <u>2002</u> | <u>Additions</u> | <u>Reductions</u> | Balance June 30, <u>2003</u> | Amounts Due Within <u>One Year</u> |
|--|-----------------------------------|-------------------|-------------------|------------------------------------|---|
| Business-type activities | | | | | |
| Bonds, notes, and leases payable | | | | | |
| \$1,900,000 capital improvement bond (issue date July 20, 1995), principal due in annual installments of \$190,000 through 2006. Interest is payable semiannually at 5.25% | \$ 760,000 | \$ - | \$ 190,000 | \$ 570,000 | \$ 190,000 |
| Uncollateralized revolving fund sewer project loan, proceeds paid throughout the project. Payments of \$ 303,750 due annually through 2006, including interest at 1.19% | 1,180,764 | - | 289,986 | 890,778 | 293,428 |
| Capital lease – club wagon | <u>7,320</u> | <u>-</u> | <u>7,320</u> | <u>-</u> | <u>-</u> |
| Total bonds, notes, and leases payable | 1,948,084 | - | 487,306 | 1,460,778 | 483,428 |
| Other liabilities | | | | | |
| Compensated absences | <u>245,996</u> | <u>350,041</u> | <u>350,041</u> | <u>245,996</u> | <u>245,996</u> |
| | \$ <u>2,194,080</u> | \$ <u>350,041</u> | \$ <u>837,347</u> | \$ <u>1,706,774</u> | \$ <u>729,424</u> |

The capital improvement bonds are backed by the full faith and credit of Sullivan County.

Debt service requirements as of June 30, 2003 are as follows:

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | | |
|------|--------------------------------|-----------------|--|------------------|----------------------|------------------|
| | <u>Sewer Project</u> | | <u>Capital Improvement Bond – Nursing Home</u> | | <u>Sewer Project</u> | |
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2004 | \$ 68,829 | \$ 2,481 | \$ 190,000 | \$ 24,938 | \$ 293,428 | \$ 10,578 |
| 2005 | 69,646 | 1,664 | 190,000 | 14,963 | 296,913 | 7,093 |
| 2006 | <u>70,473</u> | <u>837</u> | <u>190,000</u> | <u>4,988</u> | <u>300,437</u> | <u>3,568</u> |
| | \$ <u>208,948</u> | \$ <u>4,982</u> | \$ <u>570,000</u> | \$ <u>44,889</u> | \$ <u>890,778</u> | \$ <u>21,239</u> |

SULLIVAN COUNTY, NEW HAMPSHIRE

Notes to Basic Financial Statements

June 30, 2003

5. Changes in Long-Term Debt (Concluded)

Assets related to the County's capital leases are as follows:

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> |
|---------------------------|------------------------------------|-------------------------------------|
| Cost included in vehicles | \$ 118,100 | \$ 34,650 |
| Accumulated depreciation | <u>(70,860)</u> | <u>(34,650)</u> |
| Net book value | \$ <u>47,240</u> | \$ <u>-</u> |

In July 2003, the County entered into a capital lease for nine vehicles. The additional lease liability approximates \$193,000 (including interest of \$19,600) and is due in annual payments of \$39,000 through July 2007.

Operating Leases

The County has entered into a number of operating leases which contain cancellation provisions and are subject to annual appropriations. For the year ended June 30, 2003, rent expenditures approximated \$6,600 for all types of leases. These expenditures were made primarily from the General and Proprietary Funds.

6. Interfund Receivables and Payables

Interfund receivables and payables have been recorded in the statement of activities for amounts due between funds. Because operating cash is held by the General Fund, all accounts payable and receivable transactions have been recorded in that Fund, as well as transactions resulting from charges for services. The County does not segregate balances due to or from each fund; therefore, detail has not been provided here.

SULLIVAN COUNTY, NEW HAMPSHIRE

Notes to Basic Financial Statements

June 30, 2003

7. Taxes

Taxes were received from each of the following municipalities in the proportionate share as determined by the New Hampshire Department of Revenue Administration based on an equalized assessed valuation:

| <u>Municipality</u> | <u>Percentage</u> | <u>Amount</u> |
|---------------------|-------------------|---------------------|
| Acworth | 1.9% | \$ 188,523 |
| Charlestown | 6.8 | 667,930 |
| Claremont | 20.7 | 2,034,126 |
| Cornish | 3.5 | 347,102 |
| Croydon | 1.6 | 157,922 |
| Goshen | 1.5 | 150,697 |
| Grantham | 11.8 | 1,159,996 |
| Langdon | 1.3 | 132,217 |
| Lempster | 1.9 | 181,581 |
| Newport | 10.3 | 1,012,704 |
| Plainfield | 6.4 | 626,126 |
| Springfield | 3.8 | 377,207 |
| Sunapee | 21.8 | 2,149,737 |
| Unity | 2.5 | 240,618 |
| Washington | <u>4.2</u> | <u>414,384</u> |
| | <u>100.0%</u> | <u>\$ 9,840,870</u> |

8. Retirement System

Plan Description

The County contributes to the New Hampshire Retirement System (NHRS), a cost-sharing multiple-employer contributory defined benefit pension plan. NHRS provides service, disability, death, and vested retirement benefits to plan members and beneficiaries. NHRS is administered by a 13-member Board of Trustees. The Board of Trustees formulates administrative policies and procedures and authorizes benefit payments to members and their beneficiaries. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New Hampshire Retirement System, 4 Chenell Drive, Concord, NH 03301-8509 or by calling (603) 271-3351.

SULLIVAN COUNTY, NEW HAMPSHIRE

Notes to Basic Financial Statements

June 30, 2003

8. Retirement System (Concluded)

Funding Policy

Sheriff's deputies and correctional office plan members and all other employee plan members are required to contribute 9.3% and 5%, respectively, of their annual covered salary and the County is required to contribute at an actuarially determined rate. The current rate for sheriff's deputies and correctional officers is 7.87% of annual covered payroll. The current rate for all other employees is 5.90% of annual covered payroll. The contribution requirements of plan members are fixed by statute. The County's contributions to NHRS for the years ended June 30, 2003, 2002, and 2001 were \$235,980, \$225,751, and \$220,186, respectively, equal to the required contributions for each year.

9. Significant Concentration

Approximately 76% of the residents of the Sullivan County Nursing Home served during 2003 were beneficiaries of the New Hampshire Medicaid program. Under this program, the provider is reimbursed for the care of qualified residents at specified interim contractual rates during the year.

Effective February 1, 1999, the New Hampshire Department of Health and Human Services implemented an acuity-based nursing facility reimbursement system. Providers of services to nursing care residents eligible for Medicaid benefits are paid on a prospective basis, with no retrospective settlement. The prospective payment is based on each facility's acuity and allowable cost incurred for its fiscal year ended in 2000. Base year allowable costs are subject to certain rate setting cost containment provisions of the New Hampshire Acuity-Based Nursing Facility Reimbursement Systems.

Effective September 15, 2002, the County Home enrolled as a certified facility for Medicare purposes. This certification allowed the County Home to be reimbursed for services to Medicare beneficiaries. Services provided to Medicare beneficiaries are paid on a prospective basis, with no retrospective settlement. The prospective payment is based on the scoring attributed to the acuity level of the resident at a rate determined by federal guidelines.

The mix of revenues from residents and third-party payors for the year ended June 30, 2003 was as follows:

| | |
|----------|-------------|
| Medicaid | 76% |
| Private | 11 |
| Medicare | 5 |
| Other | <u>8</u> |
| | <u>100%</u> |

SULLIVAN COUNTY, NEW HAMPSHIRE

Notes to Basic Financial Statements

June 30, 2003

9. Significant Concentration (Concluded)

Due to the large concentration of residents who receive benefits from the Medicaid reimbursement program, the County is highly dependent upon regulatory authorities' establishing reimbursement rates that are adequate to sustain the Sullivan County Nursing Home's operations.

10. Risk Management

The County is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County and other municipalities and other qualified political subdivisions of New Hampshire are members of the Public Risk Management Exchange (Primex³), a Trust organized to provide property and liability insurance coverage to its members. The County pays an annual premium to Primex³ for its property and liability insurance coverage. The premium paid in 2003 was \$95,100.

The coverage includes a retrospective contribution endorsement under which the County may receive a portion of its premiums back based on a loss ratio as defined in the agreement.

11. Accrual for Self-funded Insurance

The County participates in the New Hampshire Municipal Association Health Insurance Trust Self-Funding Plus Program (Program) which provides medical health benefits to its eligible employees and their eligible dependents. The Program is self-funded and amounts collected from premiums, net of claims paid on behalf of participants, are maintained in a separate cash account and are reflected on the balance sheet as general fund "restricted cash". Claims relating to the year ended June 30, 2003, which have not been paid, have been recorded as a liability as of June 30, 2003. The County is insured above a stop-loss amount of approximately \$257,000 on individual and aggregate claims as of June 30, 2003.

SULLIVAN COUNTY, NEW HAMPSHIRE

Schedule 1

Budgetary Comparison Schedule – Governmental Funds

Year Ended June 30, 2003

| | General Fund | | | | Other Governmental Funds | | | |
|---|------------------|--------------|-------------------|-------------------------|--------------------------|------------|------------|-------------------------|
| | Budgeted Amounts | | Actual | Variance | Budgeted Amounts | | Actual | Variance |
| | Original | Final | (Budgetary Basis) | Favorable (Unfavorable) | Original | Final | Actual | Favorable (Unfavorable) |
| Budgetary fund balance, July 1 | \$ 5,283,813 | \$ 5,325,166 | \$ 5,872,024 | \$ 546,858 | \$ 295,704 | \$ 296,165 | \$ 472,005 | \$ 175,840 |
| Resources (inflows) | | | | | | | | |
| Registry of deeds – fees | - | - | - | - | 350,000 | 350,000 | 565,626 | 215,626 |
| Domestic violence | - | - | - | - | 6,000 | 6,000 | 6,781 | 781 |
| Cops grant | - | - | - | - | 25,000 | 25,000 | 47,947 | 22,947 |
| Drug Task Force | - | - | - | - | 69,848 | 69,848 | 31,242 | (38,606) |
| Drug and alcohol | - | - | - | - | - | - | 11,167 | 11,167 |
| NH Fish and game grant | - | - | - | - | - | - | 595 | 595 |
| Sheriff's writ fees | 52,500 | 52,500 | 51,870 | (630) | - | - | - | - |
| Miscellaneous income | 3,600 | 3,600 | 3,875 | 275 | - | - | - | - |
| State reimbursement - courts | 181,944 | 181,944 | 181,944 | - | - | - | - | - |
| Victim witness program | 34,000 | 34,000 | 33,530 | (470) | - | - | - | - |
| County jail income | 60,000 | 60,000 | 49,355 | (10,645) | - | - | - | - |
| County jail income from commission accounts | 10,000 | 10,000 | 14,148 | 4,148 | - | - | - | - |
| County farm income - other | 6,000 | 6,000 | 21,462 | 15,462 | - | - | - | - |
| Interest income | 65,000 | 65,000 | 49,441 | (15,559) | - | - | - | - |
| State incentive monies | 150,781 | 150,781 | 150,741 | (40) | - | - | - | - |
| Extradition reimbursement | 1,500 | 1,500 | 9,472 | 7,972 | - | - | - | - |
| Insurance refunds | 2,953 | 2,953 | 7,773 | 4,820 | - | - | - | - |
| Sheriff's miscellaneous income | 9,000 | 9,000 | 11,325 | 2,325 | - | - | - | - |
| Bailiff refund | 62,809 | 62,809 | 55,121 | (7,688) | - | - | - | - |
| Taxes | 9,840,870 | 9,840,870 | 9,840,870 | - | - | - | - | - |
| Prior year surplus | 316,000 | 316,000 | 967,552 | 651,552 | - | - | - | - |
| Land rental | 1,675 | 1,675 | 1,805 | 130 | - | - | - | - |
| Secured juvenile travel | 8,700 | 8,700 | 5,346 | (3,354) | - | - | - | - |
| Grant revenue | 14,115 | 14,115 | 14,115 | - | - | - | - | - |
| Federal and state long-term care | 27,000 | 27,000 | 27,000 | - | - | - | - | - |
| Total revenues | 10,848,447 | 10,848,447 | 11,496,745 | 648,298 | 450,848 | 450,848 | 663,358 | 212,510 |

Charges to appropriations (outflows)

General government

| | | | | | | | | |
|-------------------------------|------------------|------------------|------------------|-----------------|----------------|----------------|----------------|------------|
| Commissioners' office | 175,254 | 175,418 | 187,377 | (11,959) | - | - | - | - |
| Treasurer | 92,447 | 92,297 | 86,164 | 6,133 | - | - | - | - |
| Auditors | 25,000 | 25,000 | 25,000 | - | - | - | - | - |
| 5% monies | 150,781 | 150,781 | 150,781 | - | - | - | - | - |
| Payroll | 64,863 | 64,907 | 64,302 | 605 | - | - | - | - |
| Conservation district clerk | 42,782 | 42,830 | 43,225 | (395) | - | - | - | - |
| County attorney | 229,376 | 235,376 | 220,276 | 15,100 | - | - | - | - |
| Victim witness | 49,137 | 49,197 | 48,612 | 585 | - | - | - | - |
| Registry of Deeds | - | - | - | - | 385,428 | 390,163 | 391,739 | (1,576) |
| Cooperative extension service | 175,300 | 175,300 | 171,727 | 3,573 | - | - | - | - |
| Sheriff's department | 335,410 | 335,410 | 329,670 | 5,740 | - | - | - | - |
| Deputy sheriff's bailiffs | 62,809 | 62,809 | 57,254 | 5,555 | - | - | - | - |
| Medical referee | 16,500 | 16,500 | 21,660 | (5,160) | - | - | - | - |
| Woodhull County complex | 52,766 | 52,218 | 52,214 | 4 | - | - | - | - |
| Maintenance of courthouse | 97,964 | 97,964 | 98,267 | (303) | - | - | - | - |
| Public welfare | 4,332,634 | 4,332,781 | 4,239,318 | 93,463 | - | - | - | - |
| Sheriff's grants | - | - | - | - | 100,858 | 100,858 | 98,407 | 2,451 |
| County jail | 2,061,271 | 2,066,770 | 1,974,381 | 92,389 | - | - | - | - |
| County farm and woodlands | 14,062 | 14,062 | 13,450 | 612 | - | - | - | - |
| County grants | 170,672 | 170,672 | 170,672 | - | - | - | - | - |
| Debt service | | | | | | | | |
| Interest | 103,438 | 97,438 | 25,133 | 72,305 | - | - | - | - |
| Principal - bonded debt | 101,356 | 101,356 | 98,272 | 3,084 | - | - | - | - |
| Delegation expenses | 3,000 | 3,000 | 2,118 | 882 | - | - | - | - |
| Emergency funds | 25,000 | 25,000 | - | 25,000 | - | - | - | - |
| Capital outlay | <u>127,486</u> | <u>127,486</u> | <u>142,291</u> | <u>(14,805)</u> | - | - | - | - |
| Total expenditures/expenses | <u>8,509,308</u> | <u>8,514,572</u> | <u>8,222,164</u> | <u>292,408</u> | <u>486,286</u> | <u>491,021</u> | <u>490,146</u> | <u>875</u> |

Excess of resources over (under)
expenditures

| | | | | | | | | |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>2,339,139</u> | <u>2,333,875</u> | <u>3,274,581</u> | <u>940,706</u> | <u>(35,438)</u> | <u>(40,173)</u> | <u>173,212</u> | <u>213,385</u> |
| Budgetary fund balance, June 30 | \$ <u>7,622,952</u> | \$ <u>7,659,041</u> | \$ <u>9,146,605</u> | \$ <u>1,487,564</u> | \$ <u>260,266</u> | \$ <u>255,992</u> | \$ <u>645,217</u> | \$ <u>389,225</u> |

See accompanying note to budgetary comparison schedules.

SULLIVAN COUNTY, NEW HAMPSHIRE

Schedule 1
(Concluded)

Note to Budgetary Comparison Schedules

Year Ended June 30, 2003

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with GAAP follows:

| | <u>General Fund</u> | <u>Other Governmental Fund</u> | <u>Total</u> |
|---|-------------------------|--|---------------------|
| Excess of revenues over expenditures – budget basis | \$ 3,274,581 | \$ 173,212 | \$ 3,447,793 |
| Prior year surplus is a budgetary resource but is not revenue for financial reporting purposes | (967,552) | - | (967,552) |
| Encumbrances for supplies and services ordered but not received are reported in the year the order is placed for budgetary purposes, and in the year the supplies are received for financial reporting purposes | <u>(57,356)</u> | <u>(4,421)</u> | <u>(61,777)</u> |
| Excess of revenues over expenditures – modified accrual basis | \$ <u>2,249,673</u> | \$ <u>168,791</u> | \$ <u>2,418,464</u> |

SULLIVAN COUNTY, NEW HAMPSHIRE

Schedule 2

Combining Statement of Net Assets – Other Governmental Funds

June 30, 2003

| | Expendable Trust Fund | Registry of Deeds | Sheriff's Grants | Total |
|------------------------------------|-----------------------------|----------------------|---------------------|---------------------|
| ASSETS | | | | |
| Cash | \$ 6,572 | \$ 357,697 | \$ - | \$ 364,269 |
| Internal balances | - | 598,060 | - | 598,060 |
| Other receivables | - | - | 23,840 | 23,840 |
| Capital assets, net | <u>-</u> | <u>12,065</u> | <u>4,648</u> | <u>16,713</u> |
| Total assets | <u>\$ 6,572</u> | <u>\$ 967,822</u> | <u>\$ 28,488</u> | <u>\$ 1,002,882</u> |
| LIABILITIES AND FUND EQUITY | | | | |
| Liabilities | | | | |
| Accounts payable | \$ - | \$ 696 | \$ - | \$ 696 |
| Due to other governments | - | 298,475 | - | 298,475 |
| Internal balances | - | - | 21,628 | 21,628 |
| Accrued liabilities | <u>-</u> | <u>10,704</u> | <u>2,877</u> | <u>13,581</u> |
| Total liabilities | <u>-</u> | <u>309,875</u> | <u>24,505</u> | <u>334,380</u> |
| Fund equity | | | | |
| Reserve for encumbrances | - | - | - | - |
| Undesignated | <u>6,572</u> | <u>657,947</u> | <u>3,983</u> | <u>668,502</u> |
| Total fund equity | <u>6,572</u> | <u>657,947</u> | <u>3,983</u> | <u>668,502</u> |
| Total liabilities and fund equity | <u>\$ 6,572</u> | <u>\$ 967,822</u> | <u>\$ 28,488</u> | <u>\$ 1,002,882</u> |

Combining Statement of Activities – Other Governmental Funds

Year Ended June 30, 2003

| | Expendable Trust Fund | Registry of Deeds | Sheriff's Grants | Total |
|--------------------------------------|-----------------------------|----------------------|---------------------|-------------------|
| Revenue | | | | |
| Fines and fees | \$ - | \$ 565,626 | \$ - | \$ 565,626 |
| Other income | 5,939 | - | - | 5,939 |
| Grant revenue | - | - | 97,732 | 97,732 |
| Total revenue | <u>5,939</u> | <u>565,626</u> | <u>97,732</u> | <u>669,297</u> |
| Expenditures | | | | |
| Current | | | | |
| Grant expenditures | - | - | 97,151 | 97,151 |
| General government | <u>4,794</u> | <u>398,556</u> | <u>-</u> | <u>403,350</u> |
| Total expenditures | <u>4,794</u> | <u>398,556</u> | <u>97,151</u> | <u>500,501</u> |
| Excess of revenues over expenditures | \$ <u>1,145</u> | \$ <u>167,070</u> | \$ <u>581</u> | \$ <u>168,796</u> |

Adjustments necessary to convert the results of operations for the year from a GAAP basis to the modified accrual basis of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds are as follows:

| | |
|---|-------------------|
| Excess of revenues over expenditures | \$ 168,796 |
| Expendable trust fund not included under modified accrual basis | (1,145) |
| Capital outlays recognized as expenditures | (2,839) |
| Depreciation | <u>3,979</u> |
| | \$ <u>168,791</u> |

Budgetary Comparison Schedule – Proprietary Fund

Year Ended June 30, 2003

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance Favorable (Unfavorable) |
|---------------------------|-----------------------|-----------------------|--------------------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Residents' fees | | | | |
| Medicaid | \$ 5,481,447 | \$ 5,481,447 | \$ 5,680,150 | \$ 198,703 |
| Medicare | 326,500 | 326,500 | 355,549 | 29,049 |
| Private | 1,321,580 | 1,321,580 | 835,040 | (486,540) |
| Proportionment share fund | 484,706 | 484,706 | 324,971 | (159,735) |
| Meals reimbursement | 468,113 | 468,113 | 401,919 | (66,194) |
| Insurance refunds | 19,767 | 19,767 | 52,021 | 32,254 |
| Laundry income | 74,576 | 74,576 | 60,460 | (14,116) |
| Grants | 60,173 | 60,173 | 60,173 | - |
| Administrative services | 28,538 | 28,538 | 34,125 | 5,587 |
| Cafeteria | 16,190 | 16,190 | 11,785 | (4,405) |
| Rent income | 20,100 | 20,100 | 19,638 | (462) |
| Respite care | 8,000 | 8,000 | 19,232 | 11,232 |
| Miscellaneous income | 5,000 | 5,000 | 84 | (4,916) |
| Total revenues | <u>8,314,690</u> | <u>8,314,690</u> | <u>7,855,147</u> | <u>(459,543)</u> |
| Expenses | | | | |
| Administration | 361,509 | 379,563 | 463,173 | (83,610) |
| Human resources | 108,842 | 128,828 | 131,918 | (3,090) |
| Dietary | 1,290,859 | 1,291,658 | 1,268,151 | 23,507 |
| Nursing care | 5,872,415 | 5,800,484 | 5,677,043 | 123,441 |
| Operation of plant | 630,766 | 648,876 | 649,406 | (530) |
| Housekeeping | 548,714 | 540,055 | 492,042 | 48,013 |
| Laundry and linen | 308,098 | 308,310 | 291,132 | 17,178 |
| Physician and pharmacy | 18,600 | 18,600 | 11,854 | 6,746 |
| Special services | 35,159 | 35,159 | 36,597 | (1,438) |
| Social services | 95,749 | 95,872 | 93,031 | 2,841 |
| Therapy | 646,387 | 642,207 | 431,874 | 210,333 |
| Interest | 49,980 | 49,980 | 49,373 | 607 |
| Principal – bonded debt | 493,675 | 493,675 | 487,306 | 6,369 |
| Capital outlay | 157,638 | 175,125 | 162,132 | 12,993 |
| Total expenses | <u>10,618,391</u> | <u>10,608,392</u> | <u>10,245,032</u> | <u>363,360</u> |
| Decrease in net assets | \$ <u>(2,303,701)</u> | \$ <u>(2,293,702)</u> | \$ <u>(2,389,885)</u> | \$ <u>(96,183)</u> |

Adjustments necessary to convert the results of operations for the year to a GAAP basis from budget basis are as follows:

| | |
|---|-----------------------|
| Decrease in net assets, budgetary basis | \$ (2,389,885) |
| Long-term debt payment not recognized as expenditure | 487,306 |
| Capital outlays not recognized as expenditure | 162,132 |
| Depreciation | (333,685) |
| Encumbrances | <u>7,752</u> |
| Decrease in net assets, GAAP basis | \$ <u>(2,066,380)</u> |



CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Commissioners
Sullivan County, New Hampshire

We have audited the financial statements of Sullivan County, New Hampshire (County) as of and for the year ended June 30, 2003, and have issued our report thereon dated August 4, 2003. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the following paragraphs.

Purchasing System

In the County's current purchase order (PO) system, PO's are routinely generated and approved after the items have been purchased and/or received. PO's for unencumbered items (those that are expensed immediately) are not numerically tracked, and no reliable system exists to account for outstanding and unrecorded PO's. Currently, there is not a second review of printed checks against the check manifest or invoices before they are sealed in envelopes and no second signature is required for checks over a specific dollar amount. These procedures represent controls that could be in place to provide segregation of duties in the disbursement system. Segregation of duties in any reporting process ensures that any one individual is not responsible for all aspects of a transaction. Segregation of duties provides protection for the County and its employees should an unintentional misstatement be recorded.

We understand that management has revised the PO system whereby a PO must be generated and approved before items may be purchased. This system is being implemented at the Nursing Home, with other departments to follow suit. We strongly recommend that all departments adopt this policy to help ensure proper control and authorization over purchases. We also recommend assigning purchase order numbers to PO's for unencumbered items to ensure that management is aware of all outstanding obligations at any point during the year. In addition, we recommend an appropriate individual review the check-run against both the manifest and related invoices to help ensure proper control over the check writing process. A second-signature policy should also be adopted for checks over a pre-determined dollar amount.

Revenue Recognition

While documenting the County's internal control system, we noted a lack of segregation of duties in the recording of revenues from elected officials. Because elected officials are not employees of the County, they manage the operation of their position independently of other County departments.

During the reporting period, the elected officials oversee the collection of revenues in their department, including cash collections, billing (if applicable), and bank reconciliation. At the end of the month, the revenues are reported to the administrative office for inclusion in the records of the County. Management of the County has no process for reconciling the amounts provided. Since the elected officials who are collecting revenues record them in a system designed for their position, we recommend that this revenue report be provided to the County when cash receipts are deposited. Instituting this procedure will allow management of the County to reconcile revenues with cash receipts.

Accounts Receivable

While auditing the Nursing Home's accounts receivable, we noted the following conditions.

In the prior year, we noted a number of Medicaid credit balances in the Nursing Home and uncashed checks being written off by the County. Our recommendation was to make every effort to resolve the credit balances and, with the help of the County Attorney, to ensure the County is complying with State abandoned property laws related to uncashed checks.

Although management has made progress related to this issue, in the current year we continue to note multiple credit balances in the nursing home accounts receivable. The exact reason for the credit balances has not yet been researched. In discussions with management, it was learned that some of these balances may be due to private pay service days that were paid, but never billed, prior to the resident becoming eligible for Medicaid coverage.

We recommend that management conduct thorough reviews of these credit balances. We also recommend that management work with the County Attorney to determine the proper resolution of the funds.

Since receiving Medicare certification in September 2002, the Nursing Home has not recorded the contractual allowances related to Medicare revenues, nor has it estimated any allowance against Medicare accounts receivable balances.

For purposes of valuation and accuracy in financial reporting, we recommend management record the appropriate contractual allowances when Medicare remittances are received and develop a process for estimating the contractual allowance for outstanding Medicare claims. The estimate could be based on the logged history of Medicare remittances and the related percentage of contractual allowances.

We also noted a considerable shift in the Medicaid and private pay accounts receivable aging from the current to the greater-than-120-day category. In discussions with management, it was learned that a number of aged balances relate to patient liabilities, some of which have been in dispute for one or more years.

We understand management is in the process of investigating the nature of these aged balances in an effort to address the negative aging trend in the Medicaid and private pay accounts receivable. We recommend management continue its efforts to monitor the aging analysis for timely investigation of aged accounts and to develop appropriate estimates for amounts estimated to be uncollectible throughout the year.

Fixed Assets

While auditing the County's fixed assets, we noted multiple inconsistencies between the recording of capital purchases and payments in the general ledger system and capitalization of related payments in the fixed asset detail, including two assets that were duplicated within the fixed asset detail, and annual debt and lease payments that were posted to the fixed asset detail. Currently, there is no routine reconciliation of current year capital acquisitions to fixed asset detail.

We recommend that reconciliations be performed periodically throughout the year and at year end. We also recommend that a control be used within BMSI (the fixed asset system) to prevent the system from creating assets with the same asset ID number. Additionally, we recommend that there be proper determination of capital assets versus lease or debt payments. When a capital asset is put into service, the entire balance of the asset should be capitalized. The lease and debt payments made on these assets in future years should not be added as additions to the fixed asset system. In previous years, lease and debt payments had been maintained in their own general ledger expense account, aiding in the separation of various payment types. If a lease arrangement is not determined to be a capital asset in accordance with generally accepted accounting principles, the regular lease payments should be expensed each year and should not be added to the fixed asset detail. An example of such an arrangement would be many copier lease arrangements. We continue to recommend the fixed asset detail be reviewed at least annually for removal of any assets disposed of during

the year. Instituting these procedures will help ensure the County's capital asset detail is accurate throughout the year and reduce reconciliation time at year end.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to management of the County in a separate letter dated August 4, 2003.

This report is intended solely for the information and use of Sullivan County Commissioners and management and is not intended to be and should not be used by anyone other than these specified parties.

Berry, Dunn, McNeil & Parker

Lebanon, New Hampshire
August 4, 2003