

SULLIVAN
COUNTY
New Hampshire



Annual Report
Of the
Board of Commissioners,
Other Elected Officials and
Department Heads

Fiscal Year 2004

TABLE OF CONTENTS

Sullivan County NH Annual Report Of the Board of Commissioners

Page 1 Report Dedication

Page 2 – 4 Sullivan County Department Directory & Other Officials

Page 5 – 8 Sullivan County Facts Page

Reports of:

Page 9 – 10 County Manager

Page 11 County Attorney

Page 12 Sheriff's Office

Page 13 – 14 Nursing Home Administrator

Page 15 Department of Corrections

Page 16 – 18 Human Services

Page 19 – 20 Sullivan County Conservation District

Page 21-25 UNH Cooperative Extension

Page 26 Long Term Care Coordinator

County Convention

Page 27 Directory of Sullivan County Convention Representatives

Page 28 – 60 Convention Meeting Minutes

County Treasurer's Reports

Page 61 County Tax Apportionment

Page 62 Detail of Bonded Indebtedness

Page 63 – 64 Report of Nursing Home Trust Fund Committee MS-9

Page 65 – 75 County Budget Summary: Revenues & Expenses

Auditor's Reports

Page 76 - 84 Management Letter

Page 85 - 120 Auditors Annual Financial Statements

DEDICATION

This year the County annual report is being dedicated in honor of the men and women of Sullivan County serving in the armed forces and in particular to our County Treasurer, **Peter R. Lovely**, who has served his country and county communities, in so many ways.

The role of the County Treasurer is of the utmost importance to NH counties. Since Peter Lovely took his first oath of office in January 1975, when he replaced former County Treasurer James Saggiotes, and in the following 30 years, he has kept the best interest of the County and it's people up front. As Treasurer, a part time elected official, Peter has made himself available on a daily basis providing support for the Commissioners Office staff and advise for Department Heads and other elected officials regarding County financial matters. His tasks included monitoring the County's accounts, searching for the best interest rates when the County needs to go out for bid, and drawing from his wealth of financial experience, accumulated from his work at the First National Bank and Lake Sunapee Bank.

From Boy Scouts to ROTC to a four-year stint in the U.S. Army, Peter continues to serve his community on the Lake Sunapee Bank Board of Directors and is an active member of the American Legion (38 years), the Newport Lions Club (34 years), the Newport Town Trustee of Trust Funds and the Governor's Advisory Board for Community Development Block Grants (20 years). In the past, Peter has served as an assistant scoutmaster, a little league coach and was active in: the Jaycees, United Way of Sullivan County, the Newport Chamber of Commerce, Newport Rotary, Newport Opera House, National Association of County Treasurers and Financê Officers and Sullivan County Nursing Home Trust Fund Committee. In the 1970's he served on the Newport Hospital Board of Trustees (6 years) and later Valley Regional Hospital (9 years). He has been the president of the Newport Area Chamber of Commerce, where he continues to be a life member and has chaired the Newport Revitalization Committee (22 years).

We will certainly miss his stories of travels with his wife, Martha, abroad and throughout the United States; of his children - daughter Lisa and son PJ, along with his grandchildren Riley, Jared, Gavin, Ryder and Jagger. We wish you the best, Peter, and hope you get another "hole-in-one" on the 16th green (his second hole-in-one in Newport), another king salmon or walleye on the line and more time with the family!

SULLIVAN COUNTY DEPARTMENT DIRECTORY & OTHER OFFICIALS

Alphabetical Listing

BOARD OF COMMISSIONERS OFFICETel. 603-863-2560

.....Fax. 603-863-9314

.....E-mail: commissioners@sullivancountynh.gov

.....Address: 14 Main Street, Newport NH 03773

*Rudolf Adler - Chair** (District 3: Serving 4 Yr Term Eff '01)

*Donald S. Clarke - Vice-Chair** (District 1: Serving 4 Yr Term Eff '03)

*Bennie C. Nelson - Clerk** (District 2: Serving 2 Yr Term Eff '03)

Ed Gil de Rubio - County Manager

*Peter Lovely - Treasurer**

CONSERVATION DEPARTMENT.....Tel. 603-863-4297

.....Fax. 603-863-4730

.....E-mail: janice.heighes@email.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 (Sunapee)

Associate Supervisor: Richard Elsesser (Acworth)

COOPERATIVE EXTENSION.....Tel. 603-863-9200

.....Fax. 603-863-4730

.....E-mail: nancy.berry@unh.edu

.....Web site: <http://ceinfo.unh.edu>

.....Address: 24 Main Street, Newport NH 03773

Educators & Program Associates:

4-H Youth Development – Nancy Berry and Robin Luther

Agricultural Resources & Environmental Stewardship – Seth Wilner

Family and Consumer Resources – Gail Kennedy

Nutrition Connections - Sandy Trybulski

COUNTY ATTORNEY OFFICETel. 603-863-7950/9365

.....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 & OPERATIONSTel. 603-542-9511

.....Fax. 603-542-9214

.....Address: 5 Nursing Home Drive, Claremont NH 03743

Gregory Chanis – Director

DEPARTMENT OF CORRECTIONSTel. 603-542-8717

.....Fax. 603-542-4311

.....E-mail: scotth@sullivancountynh.gov

.....Address: 103 County Farm Road, Claremont NH 03743

Scott Hagar - Superintendent

HUMAN RESOURCE DEPARTMENT.....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

.....Address: 5 Nursing Home Drive, Claremont NH 03743

Sherrie Curtis - Human Services Coordinator

SULLIVAN COUNTY DEPARTMENT DIRECTORY & OTHER OFFICIALS

Alphabetical Listing - Continued ...

NURSING HOMETel. 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 DEEDSTel. 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 OFFICETel. 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

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

COURTS:

Superior CourtTel. 603-863-3450
Arthur Brennan - Judge
Peter Wolfe - Clerk

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

Claremont District CourtTel. 603-542-6064
John Yazinski - Justice

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

SULLIVAN COUNTY DEPARTMENT DIRECTORY & OTHER OFFICIALS

Directory Listing – Continued ...

The following three programs are programs funded by the *Governors Commission on Alcohol and Drug Abuse Prevention, Intervention and Treatment*. The County Manager through the Sullivan County Commissioners' Office in Newport administers the grant funding. **Details of these programs may be attained through the Sullivan County Commissioners' Office at 14 Main Street Newport NH.**

DISTRICT COURT DIVERSION

Program Director – Mike Kemp
West Central Behavioral Services
.....Tel. 603.542-2578

STRENGTHENING FAMILIES PROGRAM 10-14

Program Co-Directors – Nancy Berry / Gail Kennedy of UNH
Cooperative Extension
.....Tel. 603-863-9200

SULLIVAN COUNTY LADAC

Program Director – Ramona Berman
.....Tel. 603.863-2414

The *Workforce Opportunity Council* and the *Office of Juvenile Justice* provides funding for the following two youth programs, which the County Manager, through the Sullivan County Commissioners' Office also provides financial administration of. **Details of these programs may be attained through the Sullivan County Commissioners' Office at 14 Main Street Newport NH.**

CLAREMONT YOUTH COLLABORATIVE: THE RED ELEPHANT

Program Director – Pam Humphrey
.....Tel. 603. 542-9096

NEWPORT ENRICHMENT TEAM

Program Director – Sam Clough
.....Tel. 603.863-0765

* 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 thirteen elected Representatives. The role of the County Delegation is to approve the necessary funds to operate the County. The Delegation Executive Finance Committee 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, payroll / 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 is made up of three Commissioners, representing towns that fall under the following districts: District 1 - Claremont, District 2 - Cornish, Croydon, Grantham, Newport, Plainfield and Springfield, and District 3 - Acworth, Charlestown, Goshen, Langdon, Lempster, Sunapee, Unity and Washington. 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 *capiases* & 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 MANAGER'S REPORT

Fiscal Year 2004

The governmental entity of Sullivan County continues its quest for change and improvement. Focusing on structural integrity, the Commissioners and the County Manager have been actively encouraging department heads through enhanced training and policy revisions. Part of this vision is to insure a system that is collaborative and has a consensus approach to management. Fortunately for the citizens of Sullivan County it's elected and appointed officials mutually acknowledge and execute their organizational responsibilities. This was evident during this year's budget process. Both the Board of Commissioners, the County Delegation in conjunction with the Finance Committee worked closely and in a timely manner to maximize the efficiency and effectiveness of this entire process. Kudos are in order to Chairpersons Adler, Phinizy and Ferland for their cooperative efforts.

The Board of Commissioners continue to focus on the "Big Picture" and bring county government to the forefront in the state legislative process. It was a banner year for county government and a major reason for this was because of hard work and diligence put forth by our Board of Commissioners.

County Attorney Marc Hathaway received the New Hampshire County Attorney award this year from the New Hampshire Association of Counties. Attorney Hathaway and his staff are truly amazing and continue to make the terms justice and integrity synonymous with Sullivan County.

High Sheriff Mike Prozzo has worked closely with all of the County's local public safety \ emergency service managers, the Board of Commissioners and the County Manager to constructively capitalize on Homeland Security Grant money on a county wide basis. Using a regional approach (common throughout the nation, not so common in New Hampshire) has insured that Sullivan County can achieve some badly needed equipment and training.

The Registrar of Deeds Office continues to generate additional revenue and improvements for the County. Sharron King has provided on-line services for the citizens and users of the Registrar of Deeds. This service has made the Registrar of Deeds readily available and has generated some cost savings.

The Department of Corrections (DOC) continues on a path of restructuring. Scott Hagar after serving as the Interim Superintendent for six months was appointed Superintendent this past January. The Superintendent was successful in reopening the Transitional Housing Unit (THU) this past winter. The THU is a different approach to corrections. Pre screened inmates are living away from the DOC in a dormitory setting. Under a para-military environment, the inmate is instructed in the various disciplines of life. Through the perseverance of the Superintendent, the entire staff of the DOC especially Sgt. Roberts; the Sullivan County Transitional Housing Unit has become a model example for other correctional facilities to emulate. Other changes in the DOC are: the

initiation of an inmate community work crew program, inmate transitional programs, employee grooming policy, revised Standards of Operations Procedures, redesigned hiring and recruitment procedures, implemented medical / dental co-pay system for inmates, designed facility organizational chart, the creation of a agency mission statement, the implementation of uniform standards for correctional officers.

This past January saw the resignation of Luther Morway as Facilities Manager. After a thorough search throughout the North East, Greg Chanis from Keene New Hampshire was appointed the new Facilities Manager. Greg brings to Sullivan County many years of experience in property management. Greg will be focusing on many areas such as land management and planning, maintenance and repairs, central purchasing and capital improvements. Additionally, Greg oversees under the direct supervision of Heather Presch, Assistant Facilities Manager laundry and housekeeping at the Nursing Home.

This year marked the end of Sullivan County providing services through our Long Term Care Coordinator. Unfortunately for the residents of Sullivan County, the State of New Hampshire decided not to renew its contract with Sullivan County. Thus, the county residents will no longer have local assistance to guide them through the maze of long term care. It was definitely a low point in State government when this decision was made. Not only will the logistical services be missed but the economic savings to the county will no longer be generated through this department. Patti Koscielniak saved the county approximately \$1.3 million in human service costs during her tenure at Sullivan County. The Commissioners and I would like to thank Patti for her hard work and enthusiasm and wish her the best of luck.

The Nursing Home continues to make great strides in providing acute care services. Working closely with outside health agencies, the administrator still struggles with issues that nationally plague the nursing home industry. Thanks to the diligent work from some of our state elected officials like Senator Bob Odell and the congressional effort put forth by Senator Sununu the Nursing Home has been able to recoup some of the Medicaid funding that the State in its infinite wisdom has skimmed off of the local property tax.

I would like to thank my staff for their hard work and dedication throughout this past year. Without their help my job would be an insurmountable task. Additionally, I would like to express my appreciation to the citizens of Sullivan County for guidance and confidence.

Respectfully Submitted,
Ed Gil de Rubio
County Manager

SULLIVAN COUNTY ATTORNEY'S OFFICE REPORT
Fiscal Year 2004

The past year has been a busy one for the Sullivan County Attorney's Office. In the Sullivan County Superior Court this office is handling 290 new cases as well as dealing with 325 re-entries. In addition to the work in the Superior Court, we continue to work closely with area law enforcement by providing legal advice in criminal investigations and prosecution services in the District Court, as circumstances require.

We welcome Assistant Sullivan County Attorney, Richard B. Anderson to our staff. He fills the position of Assistant County Attorney Alexander W. Scott who left to assume the challenging position of Chief of Police in Claremont, New Hampshire.

Our prosecutorial duties are made easier by the competent and compassionate work of our Victim/Witness Coordinator, Cindy Vezina. What is more important, however, is that Ms. Vezina's efforts insure that the concerns and questions of those involved in the criminal system as victims and/or witnesses are addressed promptly and professionally. Ms. Vezina also plays a major role in our continued commitment to the victims of violence. Each year she works with area law enforcement and Women's Supportive Services to organize the domestic violence training program we provide Sullivan County law enforcement.

While the prosecutorial duties of the Sullivan County Attorney's Office take up the majority of our time and resources, we continue to provide County Government with quality legal representation.

The delivery of quality, cost-effective legal representation to the citizens of Sullivan County is a continuing challenge. A major initiative is our 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. We have also taken advantage of presentations offered by vendors to enhance our database needs. By taking advantage of this new cost-effective technology, we will be able to keep pace with an ever-expanding workload.

The major threat to the safety of our community remains substance abuse. Heroin, Oxycontin, Cocaine, along with other drugs and alcohol play a prominent role in the majority of our criminal cases. The continued efforts of law enforcement, coupled with effective prosecution and sentences that recognize the need for both punishment and treatment, remain the most effective response to this problem.

In closing, I would like to thank the citizens of Sullivan County, the County Commissioners and the members of the Sullivan County Delegation for their continued support. My entire staff and I 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 2004

To the Honorable Commissioners of Sullivan County:

The Sheriff's Office has completed another very active, and successful year. In the past 11 years, from July 1993 to July 2004, our budget has increased by 31%. However, during that same time our revenue has increased by 102%. In comparison, the workload has increased significantly, by more than 50%. We have seen the greatest increase in prisoner, and juvenile transports, and this greatly increases the miles driven.

The only decrease the department has seen is in staffing. During the 11 years, the full-time staff has decreased by 15%, while the part-time staff has decreased by 50%. Yet, the Sheriff's Office has been able to continue to offer more services to the citizens of Sullivan County.

As in the past, we continue to work closely with the other law enforcement agencies in Sullivan County. We have obtained another \$30,000 grant for the "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.

For the past year we have been a member of the Western New Hampshire Special Operations Unit (SOU), and have joined forces with other local agencies, working to combat drug abuse in Sullivan County.

The Sheriff's Office remains pro-active in receiving grants from the Federal and State Government. We have received more than **\$837,000** 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. Last year we were asked to assist, and put together a proposal for the Town of Unity for police coverage, and in January 2004 we began providing that coverage. I feel this is an appropriate roll for the Sheriff's Office to perform, by enhancing service to the town, and also reducing their cost for law enforcement services, thus producing revenue for the County.

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

MLPjr./bes

NURSING HOME REPORT Fiscal Year 2004

This year has been another exciting year for the Nursing Home as we continue to change its operational characteristics. On September 16, 2003, we changed our Medicare certification to dually certify all 156 beds. This now allows us to utilize the entire Nursing Home for either Medicaid or Medicare residents. As a result of this change, we increased our average number of Medicare residents from 2.29 per day, to 4.99 residents. This has netted us an un-audited \$421,306 profit.

Another area where we have made a significant change in our operations is our approach to admissions. Our marketing of the Nursing Home has been increased by a number of positive articles in the local newspapers. The impact that this has made is the increased number of private pay residents that have entered the Nursing Home. Our census in this area has increased from 13.57 private residents per day in FY '03, to 15.40 this year. With the increase in our Private Pay Rates effective July 1, 2003 to a private room at \$195 per day and semi-private to \$180 per day, the increase in census has also helped us financially.

On December 4, 2003, the Department of Health & Human Services conducted its annual survey of the Nursing home to ensure compliance with Federal and State regulations. This was another good year in that we only received two minor deficiencies. On February 6, 2004, we were re-surveyed and clear of all deficiencies. This was another positive sign that the quality of care to our residents is above the national standard.

Staffing over this year has stayed rather consistent. There were no major changes in the Department Heads at the Nursing Home. Linda Stavely was promoted in the Fitz, Vogt Company and Linda Foisy has replaced her. Linda Stavely continues to supervise this account for Fitz, Vogt and Associates. The Nursing Department has continued to be under the pressure of the nursing crisis across the Country. We have made some headway and have been able to reduce the number of hours of Agency Nursing over the last half of the year. Again, marketing, attending Job Fairs around the area and at colleges, and conducting our own LNA classes has helped us to attract new staff.

Our Medicaid Rate has continued to fluctuate throughout the year. At the start of the year our rate was \$124.50. On August 1, 2003, our rate changed to \$124.69 and on February 1, 2004, it changed again to 125.30.

Our census this year averaged 143.11 residents per day. A breakdown of our census follows:

	MEDICAID DAYS	PRIVATE DAYS	MEDICARE DAYS	HCBC RESPITE	PRIVATE RESPITE	LEAVE DAYS	TOTAL DAYS FILLED
1ST QUARTER	11,151	1,132	332	96	33	35	12,744
2ND QUARTER	11,627	1,179	397	7	0	41	13,210
3RD QUARTER	11,373	1,499	447	0	25	56	13,344
4TH QUARTER	10,560	1,827	649	3	42	81	13,081
FY '04 TOTAL	44,711	5,637	1,825	106	100	213	52,379

I would like to recognize the work of the staff over this last year. They have worked under a lot of pressure having to deal with changes in the way we approach our business and the national staffing shortages that has also had it's impact on Sullivan County Nursing Home. They have pulled together as a team and have helped us work our way through these issues. They deserve all the credit for the changes we have made and the continued high quality of care we provide our residents.

Volunteers have also played a big role in the care we provide our residents and the image we present to the community. Without their personal contributions, we could not have moved forward as fast as we have. Thank You!

Robert A. Hemenway
Administrator

SULLIVAN COUNTY DEPARTMENT OF CORRECTIONS
ANNUAL REPORT
Fiscal Year 2004

The Department of Corrections has completed an exciting and very active year. We have undergone numerous changes, both organizationally and operationally in an ongoing effort to improve our service to the constituents of Sullivan County. The majority of last year was spent studying the employee salary scale, remodeling the employee recruitment and hiring process and drafting new policy and procedures. Safety and security concerns were addressed and a considerable amount of effort was put forth by staff to improve the professional image of the department.

Since July 2003 a significant amount of effort has been put into staff training and development. In the past year, correctional officers received an average of 115.26 hours of training. The average number of training hours per officer in 2002 was 36.25. A yearly training calendar was also implemented and shared with Sullivan County departments and local law enforcement in an effort to provide additional training opportunities and resources.

On October 26, 2003 Doug Roberts was promoted to Director of Inmate Programs and was tasked with opening the Sullivan County Transitional Housing Unit. In addition to managing the daily operations of the Transitional Housing Unit, Sergeant Roberts and his THU staff are responsible for juvenile tours and inmate programming like the Inmate Work Release program, the Inmate Community Service program and the newly implemented Electronic Monitoring and Home Confinement program.

Since July 2003, the multiple maintenance and technology issues have been addressed within the Department's main building. Doors in Unit 3 and Unit 1 have been replaced, a new inmate phone system was installed, and an aggressive painting plan was implemented for the entire facility.

Inspections were conducted by the Sullivan County Board of Commissioners, the NH Board of Pharmacy, and the United States Marshals Service. On each occasion, the Department of Corrections received positive marks. Specifically, comments were made about the high level of cleanliness, cooperation and professionalism.

In closing, I would like to thank my entire staff for their hard work and dedication during this time of transition. Without hesitation or complaint they worked long hours while we overcame staff shortages. Our success has truly been a cooperative effort.

Respectfully submitted,

Scott R. Hagar
Superintendent

**DEPARTMENT OF HUMAN SERVICES
ANNUAL REPORT
Fiscal Year 2004**

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 200 active cases. The cost for this service for FY 04 was \$452,329.00.

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 509 active cases. The cost for this service for FY 04 was \$681,725.00.

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 62 active cases. The cost for this service for FY 04 was \$34,210.00.

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 363 active cases. The cost for this service for FY 04 was \$266,757.00

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 299 recipients in nursing homes. The cost for FY 04 was \$1,974,560.00.

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 04 was \$858,117.00.

The Sullivan County Incentive Funds were awarded at our annual review day. Total funds received for FY 04 were \$141,550.00. 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, Big Brother-Big Sister Program.

Respectfully submitted,

Sherrie Curtis, Administrator

DEPARTMENT OF HUMAN SERVICES CITY/TOWN EXPENSE REPORT FY'04

TOWN/CITY	# CASES	OAA & MEDICAL	# CASES	APTD & MEDICAL	# CASES	NURSING CARE	# CASES	CHILDREN FAMILIES	# CASES	HCBC	# CASES	PPMT	TOTAL
ACWORTH	0	\$ -	3	\$ 3,282.00	2	\$ 8,930.00	1	\$ 640.00	2	\$ 8,389.00	6	\$ 4,517.00	\$ 25,758.00
CHARLESTOWN	7	\$ 4,006.00	34	\$ 44,229.00	32	\$ 227,043.00	26	\$ 126,197.00	34	\$ 73,789.00	66	\$ 84,117.00	\$ 559,381.00
CLAREMONT	31	\$11,360.00	213	\$130,392.00	145	\$ 991,255.00	195	\$ 513,160.00	91	\$ 187,287.00	235	\$ 398,437.00	\$2,231,891.00
CORNISH	2	\$ 1,686.00	2	\$ 1,807.00	7	\$ 32,077.00	1	\$ 1,073.00	0	\$ -	6	\$ 3,733.00	\$ 40,376.00
CROYDON	0	\$ -	2	\$ 720.00	0	\$ -	2	\$ 18,537.00	4	\$ 6,322.00	4	\$ 7,762.00	\$ 33,341.00
GOSHEN	2	\$ 2,472.00	3	\$ 913.00	6	\$ 47,030.00	3	\$ 12,812.00	5	\$ 6,849.00	12	\$ 19,596.00	\$ 89,672.00
GRANTHAM	0	\$ -	2	\$ 1,627.00	7	\$ 54,763.00	1	\$ 3,380.00	1	\$ 2,609.00	9	\$ 6,609.00	\$ 68,988.00
LANGDON	0	\$ -	2	\$ 2,250.00	3	\$ 18,905.00	0	\$ -	1	\$ 3,729.00	4	\$ 4,999.00	\$ 29,883.00
LEMPSTER	1	\$ 114.00	4	\$ 1,903.00	3	\$ 22,706.00	0	\$ -	1	\$ 6,855.00	5	\$ 4,181.00	\$ 35,759.00
NEWPORT	15	\$12,170.00	72	\$ 51,199.00	53	\$ 347,428.00	59	\$ 144,877.00	48	\$ 119,067.00	99	\$ 102,749.00	\$ 777,490.00
PLAINFIELD	0	\$ -	6	\$ 2,936.00	4	\$ 35,864.00	3	\$ 9,954.00	1	\$ 4,067.00	6	\$ 3,616.00	\$ 56,437.00
SPRINGFIELD	1	\$ 473.00	3	\$ 740.00	1	\$ 10,069.00	1	\$ 12,251.00	0	\$ -	4	\$ 405.00	\$ 23,938.00
SUNAPEE	0	\$ -	5	\$ 13,155.00	8	\$ 31,858.00	7	\$ 6,471.00	5	\$ 21,157.00	12	\$ 10,114.00	\$ 82,755.00
UNITY	0	\$ -	4	\$ 4,194.00	3	\$ 18,297.00	0	\$ -	1	\$ (9.00)	3	\$ 510.00	\$ 22,992.00
WASHINGTON	1	\$ 810.00	6	\$ 5,340.00	5	\$ 26,861.00	1	\$ 9.00	3	\$ 5,185.00	7	\$ 11,034.00	\$ 49,239.00
OTHER	2	\$ 1,119.00	3	\$ 2,070.00	20	\$ 101,474.00	10	\$ 8,756.00	3	\$ 7,033.00	31	\$ 19,346.00	\$ 139,798.00
TOTALS	62	\$34,210.00	364	\$266,757.00	299	\$ 1,974,560.00	310	\$ 858,117.00	200	\$ 452,329.00	509	\$ 681,725.00	\$4,267,698.00



SULLIVAN COUNTY CONSERVATION DISTRICT
24 Main Street, Newport, NH 03773 Tel. (603) 863-4297

ANNUAL REPORT
Fiscal Year 2004

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 (NRCS).

The services to Sullivan County included:

- **TECHNICAL ASSISTANCE** – Technical assistance was provided to 739 landowners in Sullivan County either directly by the District Manager or through our technical partner, the USDA Natural Resources Conservation Service (NRCS). Assistance was also provided to 12 towns and one city, 3 county schools, 9 non-profit organizations, 15 private consultants and there were three assists to state and federal agencies. The following is a listing of services and acreage affected within Sullivan County:
 - ✓ 432 Acres of Nutrient Management planning
 - ✓ 3 Comprehensive Nutrient Management plans were written
 - ✓ 151 Acres of Grazing Management assistance
 - ✓ 4 Wildlife Habitat plans written – one completed
 - ✓ 3 Agricultural Waste Management and Compost Systems designed
 - ✓ 40 Acres of Invasive Plant Control
 - ✓ 406 Acreage under new Conservation Plans
 - ✓ 2 Milkhouse Waste Systems were designed
 - ✓ 1 Rock lined Waterway was installed.
 - ✓ 4 Plans were written for woods roads
 - ✓ 3,400 feet of woods roads were installed
 - ✓ 2 projects were completed to exclude livestock from streambanks
 - ✓ Soil Capability information for 102 individual parcels of land
 - ✓ Soil Potential Indexes for Farmland in Current Use and Current Use information to 37 landowners
 - ✓ Wetland permitting information and/or permit preparation to 61 landowners
 - ✓ Conservation Tree and Shrub distribution – 2,010 conservation plants, fruit trees and bushes were sold to 81 landowners
 - ✓ Assessments and recommendations for 33 landowners with natural resource concerns

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

Nineteen applications were received for Farm Bill cost share programs. Out of those 19, 10 were approved for funding for a total of \$254,460. Eight Environmental Quality Incentives Program (EQIP) applications were approved for a total of \$237,919. This year, Sullivan County received the highest amount of EQIP funds of all ten New Hampshire counties. Two Wildlife Habitat Incentive Program applications were approved which totaled \$16,541. All technical assistance necessary to implement Farm Bill programs is provided by NRCS at no additional cost to the landowner. Assistance includes surveys, designs, and conservation plans.

- **EDUCATION:**
 - ✓ **Septic System Designers and Installers Workshop** - A workshop was held at the Unity Complex for septic system designers and installers in partnership with the New Hampshire Septic Designers and Installers Association. NRCS provided a soil scientist who gave a presentation on soil capabilities as they apply to septic systems and interpreted soil profiles at test pits. Sullivan County Soil Surveys were provided to all who registered for the workshop.
 - ✓ **Back Yard Conservation Display** – The display with accompanying video was set up at the Cornish Fair, County Government Day and the County Commissioners Pancake Breakfast.
 - ✓ **Enviroscape Model Demonstration** - A presentation was given to Cub Scouts using the Enviroscape Model which demonstrates, with a “hands on” approach, how non-source point pollution affects our streams and public waters.

- **MEETINGS:**
 - ✓ **Local Led Workgroup Meeting** - A joint Local Led Workgroup meeting was held by Sullivan and Cheshire County Conservation Districts in February to establish priorities and issues that should be addressed through the USDA Environmental Quality Incentives Program (EQIP). Participants included local town officials, UNH Cooperative Extension, Farm Bureau, and USDA Natural Resources Conservation Service personnel. This yearly meeting allows for local input and recommendations regarding how EQIP cost share dollars should be allocated and in what areas based on local needs.
 - ✓ **Annual Meeting** – Our annual awards dinner/meeting was held in May at The Fort at #4 in Charlestown. The meeting included a tour of the newly installed riparian buffer area along the Connecticut River at the site. Awards were presented to Francis Isabelle of Plainfield for outstanding conservation efforts on his land and also to Stevens High School teacher Joanna Bitter for her dedication to the NH Envirothon Program. This year there were four teams from Stevens High School at the Envirothon competition, one of which was sponsored by the Conservation District.

Our sincere gratitude and appreciation goes to our technical partner, the USDA Natural Resources Conservation Service for their continuing technical assistance to Sullivan County Conservation District. The dedication and commitment of our NRCS staff allows us to carry out our mission of assisting Sullivan County landowners with the conservation of their soil and water resources.

Respectfully submitted,

*Janice E. Heighes
District Manager*

**UNH COOPERATIVE EXTENSION, SULLIVAN COUNTY
2003-04 ANNUAL 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 1700 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 Sullivan County UNH Cooperative Extension Agricultural Resources program area assisted commercial and non-commercial growers in all phases of agricultural production and management. This includes crop production methods, pest management, farm management, financial management, animal husbandry, risk management, nutrient management, and marketing.
- * Five major areas of agricultural programming were offered to growers this past year, these include: agricultural business management, agricultural marketing, grass farming/pasture management, whole farm planning/holistic management, and advancing sustainable agricultural practices.
- * In addition to these outcome based educational programs, 176 farm visits were made, and 305 phone calls were responded to. To assist on some of these farm visits, 16 different agricultural specialists were brought to Sullivan County to assist producers with their farming practices. Additionally, five grants were funded this past year resulting in over \$15,000 worth of materials or expertise brought into Sullivan County. Grant writing assistance was also provided to two farms seeking funding for projects.

- * Sullivan County UNH Cooperative Extension office has provided support to the agricultural community in diverse areas including: agricultural engineering, nutrient management, home gardening, organic production methods, pesticide re-certification credits, on-farm research projects, and support for new and beginning farmers groups.
- * The Sullivan County Master Gardener Program continued to expand over the past year. An active core of 20 Master Gardeners was augmented by four new interns in May 2004. Sullivan County Master Gardeners have conducted educational programs around the county.
- * In addition to the activities listed above, the Agricultural Resources educator provided support to Sullivan County Farm Bureau, the Cold Pond Community Land Trust, NOFA-NH, County Garden Clubs, the Newport revitalization Committee, the Sugar River Vocational Technical School, Stevens High School, the Cornish Fair and other county organizations. He also has worked to help producers deal with production problems and implement new technologies.
- * The activities listed above have resulted in increased farm profits, increased efficiency, improved environmental conditions, and a more robust agricultural community here in Sullivan County.

4-H YOUTH DEVELOPMENT PROGRAM

- * With the help of 92 volunteer leaders, the 4-H Youth Development Program fostered life skill development in youth. This year 307 youth took part in 26 community clubs and 2 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: Cornish Fair (155 members showed their 4-H projects), Rally and Awards Night (175 adults and youth), International Foods Day (178 members and leaders), County Activities Day (117 youth and adults) and the 4-H Fashion Show in which 47 boys and girls participated and about 100 more audience members attended.
- * An "Issues Identification" meeting was held in October and people were invited to participate from all over Sullivan County. The event was a great success with 21 adults and 10 teens voicing what they felt were the top needs in Sullivan County. Some of the recommendations have started to become reality this year. Youth needs were a high priority. A Claremont Teen Center opened this past year with some support from Extension. A Newport Teen Center is scheduled to open soon as part of the Newport Enrichment Team grant. (This grant was a collaborative effort spearheaded by Extension and currently funds a full time director for out-of-school programs and several part-time program supervisors.) Another identified need was for financial education for teens. Two teams of teens from Newport and the Claremont area were formed and competed in

the state Life Smarts Contest in March. The contest focused on financial and consumer literacy.

- * A multi county training in Youth and Adult Partnerships was offered in March. Three teams of youth and adults (14 people) from Sullivan County participated in the day long training. Two of the teams were from the Claremont Teen Center. Participants reported that the day inspired them to continue working to develop a teen center and gave them the enthusiasm and confidence to voice their opinions to their peers as well as adults.
- * The Sullivan County 4-H Teen Club continued to meet monthly and grow in popularity. The club hosted 18 4-H teens from Franklin County, Pennsylvania for a week in July. We took our visitors to Concord, Hampton Beach, canoeing on the Connecticut River as well as to Boston. This past year was spent raising funds for seventeen teens to travel to Pennsylvania as the second part of the 4-H Teen Exchange program. The Teen Club also hosted 31 4-H teens from NH for a Teen Winter Day in January.

FAMILY & CONSUMER RESOURCES PROGRAM

- * A total of 455 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.
- * *Food Safety* programs were attended by 41 food handlers.
- * *Strengthening Families Program*, the 7-session drug and alcohol prevention program for parents/care givers and their 10-14 yr. olds reached 11 families in Sunapee this past year who said the program had strengthened their families and made a difference in their lives.
- * Two *National Satellite Conferences on Parenting & Bullying* were downlinked to Sullivan County and attended by 17 area educators, health and social service providers.
- * *UNHCE* money management programs were offered around the county. *Making Money Work for You* five session, money management program series reached 35 Sullivan Academy Alternative Sentencing Program members referred. *Planning Ahead/Staying Ahead* money management program was offered at Sullivan County House of Corrections Transitional Housing Program to the inmates. *Taking Charge of Your Finances* reached a total of 10 individuals and couples in Sullivan County saddled by consumer debt and looking to save more money. A *Legal Check-up* Seminar reached 20 people who are making sure their "legal health" is on track as they continue to plan for their future financial security.
- * *Planning Ahead/Staying Ahead* nutrition and money management agency training program reached 14 providers from health, social service, and educational agencies who

will now use the program resources to help their caseloads in the areas of budgeting, food safety, nutrition and efficient use of their limited food resources.

- * *Sullivan County Drug & Alcohol Symposium* two session strategic planning meetings were jointly planned with County Manager and West Central Behavioral Health and facilitated by UNHCE Family & Consumer Resources gathering people from diverse backgrounds, but all with the same concern, to discuss drug and alcohol threats in our communities, programs currently available and programs needed throughout the county. Follow up has been ongoing.
- * *Sullivan County Strengthening Families Program 10-14 (SFP 10-14) Project* was designed by Family & Consumer Resources and 4-H Youth Development Educator and successfully funded for \$30,000 through the Governor's Drug Abuse Prevention, Intervention and Treatment Fund. The primary goal of the project is to train & support teams of people to teach Strengthening Families 10-14 Programs (SFP 10-14) in different locations around Sullivan County. SFP 10-14 is a family strengthening program that involves youth ages 10-14 and their parents/caregivers meeting for seven consecutive weeks and has been shown to be effective at preventing alcohol and drug abuse in youth.

NUTRITION CONNECTIONS PROGRAM

- * Limited income residents from Claremont, Newport, and Charlestown participated in a series of food and nutrition or basic money management lessons. 42 people participated in lessons either in a group series, the home study course or individual visits.
- * Using a series of lessons, Nutrition Connections programming in schools reached 359 youth from Claremont, Newport and Charlestown. The North Walpole School serves students from Cheshire and Sullivan counties and the lessons are co-taught with Christine Parshall, program associate from Cheshire County. Additional programming reached 42 preschoolers in Claremont and Newport Head Start 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 state-wide Smart Choices Newsletter.
- * A series of nutrition and money management lessons were presented to the Claremont Homeless Shelter, the County Jail Transitional Housing program, and Senior Housing partnering with Gail Kennedy, Family and Consumer Resources Educator.
- * Planning Ahead...Staying Ahead training for agencies was presented to 9 participants from four different agencies, with follow-up sessions. This program is a series of lessons on money management and nutrition for agencies to use with the people they serve and was presented with Gail Kennedy, Family and Consumer Resources Educator.

- * 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 Claremont, Enfield, Lebanon, Newport, Orford, Springfield, 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.
- * Many parents referred to the Family Lifeskills Program have children with disabilities. The addition of lessons that assist parents with recognizing and appreciating children's unique differences and learning styles, helped parents to have a greater understanding of the parental challenges they've faced within their home and with the educational system. A review of learning styles, supporting learning and Individual Education Plans (IEP) equips parents with much of the information needed to meet their children's educational needs and to feel comfortable advocating on their behalf. Participants have commented that the information covered in these lessons helped them to become more sensitive to their child's difficulties with learning and less critical and frustrated with school. With the knowledge gained from these lessons, some participants were prompted to take different approaches to assisting their children with their homework and became more involved in what was going on at school. All participants receive information about the IEP process, 504 Plan's and resources they can contact.
- * 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 obtain their GED and some have taken college level classes to enhance their employability. Most are closer to their employment objectives and managing better on their limited resources. Others have begun working with other job readiness programs 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.

*Respectfully submitted,
Nancy Berry – Educator
UNH Cooperative Extension*

SULLIVAN COUNTY LONG TERM CARE COORDINATOR REPORT
Fiscal Year 2004

It is with a combination of pride and sadness that I write this last report as the Long Term Care Coordinator for Sullivan County. Sadness is felt because the New Hampshire Department of Health and Human Services has decided to contract a different way for long term care decisions and the position was eliminated on June 30, 2004. Pride is felt because as the Long Term Care Coordinator I know that I have assisted hundreds of citizens of Sullivan County to receive the services that they require, have educated families (many from out of state), about service options available to their loved-ones in Sullivan County, and have enabled individuals to remain safely in their homes and communities.

During this past year I performed 194 face-to-face evaluations with both elderly and disabled consumers. 13 visits were to provide education only about service options, perform safety evaluations and/or discuss housing options or social program qualifications. 164 visits were to approve individuals for Nursing Facility Level of Care. 17 visits were to approve individuals for the Home and Community Based Care (HCBC) Waiver program. These "diversions" out of Nursing Facilities saved taxpayers \$1,085,875 in Nursing Facility costs for the 2003-2004 fiscal year and \$4,410,295 in four years. It is important to note that these are not total cost savings as they don't account for the cost of other services provided, yet they are savings of Nursing Facility costs. It is also important to note that the psychological and social benefits to an individual remaining in their home and community are immeasurable.

Visits were made to 3 residents of Washington, 4 residents of Unity, 2 residents of Goshen, 1 resident of Lempster, 32 residents of Newport, 6 residents of Sunapee, 4 residents of Grantham, 86 residents of Claremont, 15 residents of Charlestown, 2 residents of Cornish, 1 resident of Acworth, 32 individuals from out of Sullivan County and 6 individuals that moved into Sullivan County from out of state.

I also served on the advisory board for Sullivan County ServiceLink, the statewide ServiceLink Quality Council, The board of directors of Developmental services of Sullivan County and the board of directors for Volunteer NH!, a position appointed by the Governor and Council.

It has been an honor and a privilege to serve as the Long Term care Coordinator for Sullivan County.

Respectfully submitted,
Patti S. Koscielniak, RN, BS

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>
Phinizy, James <i>Delegation Chair</i>	23	Box 175, Black North Road, Acworth NH 03601 E-mail: phinizy@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
State / County Delegation
Meeting Minutes**

The following pages reflect the minutes of all meetings held by the full Delegation during Fiscal Year 04, and

The meeting dates shown are:

Jul 02, 2003	Annual Convention: FY 04 Budget Review
Aug 28, 2003	Annual Convention: Reconvened for FY 04 Budget Review
Oct 31, 2003	Full Delegation Quarterly Meeting
Dec 5, 2003	Full Delegation Special Meeting: Review of Union Contract
Jan 30, 2004	Full Delegation Quarterly Meeting
Apr 16, 2004	Full Delegation Quarterly Meeting
May 24, 2004	Full Delegation Special Meeting: Elected Official Salary Review
Jun 17, 2004	Public Hearing: Presentation of County Commissioners Proposed FY 05 Budget
Jun 29, 2004	Annual Convention: FY 05 Budget Review

The original signed minutes and minutes from the Executive Finance Committee can be viewed by the public at the Sullivan County Commissioners' Office, Monday through Friday during regular office hours 8:00 a.m. – 4:00 p.m.

**SULLIVAN COUNTY ANNUAL CONVENTION
JULY 2, 2003
SUGAR RIVER VALLEY TECHNICAL CENTER, CLAREMONT, NH**

Revised Draft

PRESENT WERE: Rep. Jay Phinizy, John Cloutier, Brenda Ferland, David Allison, Joe Harris, Sandy Harris, Connie Jones, Richard Leone, Tom Donovan, Gordon Flint, Peter Franklin. Beverly Rodeschin arrived at 9:47 a.m.
Absent was Rep. Peter Burling

COMMISSIONERS WHICH WERE PRESENT: Rudolf Adler, Don Clarke & Ben Nelson. County Manager Ed Gil de Rubio. Other county employees present were County Attorney Marc Hathaway, Dodi Violette, Nancy Berry, Jan Heighes, Robert Hemenway, Patti Koscielniak, Sherrie Curtis and Cathy Thurston.

9:07 a.m. Meeting came to order by Representative Jay Phinizy, delegation chair

Commissioner Adler led the pledge of allegiance at chair's request.

Rep. Jones moved, Rep. Ferland seconded a motion to accept minutes of June 19, 2003 meeting. Motion adopted unanimously by voice vote.

Comm. Adler, chair of the commissioners gave a report on the commissioners behalf.

Comm. Clarke thanked the delegates for unanimously supporting HB663, which will provide additional funding for county nursing homes.

Rep. Allison also noted that delegation also unanimously voted to override the governor's veto of HB1, the operating budget, which the commissioner also supported.

Mr. Gil de Rubio gave the county manager's report and discussed replacement for the former assistant County Attorney, Alex Scott in the Commissioners FY'04 proposed budget. Mr. Gil de Rubio asked that a line item transfer of \$5,000 from line item 10400-10-12020 to line item 10410-10-10001 for the new assistant county attorney. Mr. Gil de Rubio also introduced the new interim Corrections Superintendent Scott Hager, who will take office on July 15, 2003. Mr. Gil de Rubio reported that the county is now in mediation with unionized employees, mediation has not been set and now expects to go to fact-finding by end of July. ~~has so far failed.~~

Auditors have begun the process of auditing the county's books, and should be done by the end of July.

~~He noted that this budget is his first, he is ambitious and he needs a full 12 months to implement it. Urged delegation to pass a budget today, despite some outstanding issues such as the state operating and negotiations with unionized employees.~~

Rep. Cloutier announced funding for the Monadnock State Office Building repair work has been approved in this year capital budget. Money is put in for design work for addition to Claremont Community Technical College library. (In the state budget)

Ethel Jarvis of Unity criticized small decrease in her town's share of county taxes. Also questioned the proposed raise for county manager and funding for Western Regional Development Corp (WRDC)

Comm. Adler described county manager's duties in more detail.

Mrs. Jarvis questioned 38% increase in county manager's salary in comparison to proposed increase of only 3% for other county employees.

Finance Committee Chair, Brenda Ferland explained 38% seems large because salary is for 12 months not the smaller period when the manager was first hired. She added the 38% increase is Commissioners' proposal and delegation has final authority to set manager's salary. Also despite Mr. Gil de Rubio's urging, she said delegation is not ready to pass a budget today because the Finance Committee is not ready to recommend a budget to the full delegation.

Comm. Clarke defended the proposed increase, saying that Gil de Rubio has done an outstanding job, it is not all salary because benefits are included and said commissioners could give him a lower raise because final figure has not been determined.

Mrs. Jarvis also questioned need for funding WRDC, and asked whether organization was just a conduit for funneling a lot of money through the area.

Rep. Ferland explained that economic development is important for the county, that the director, Mr. Richard Seaman, has been trying to spend the money the county gives it more frugally, and eventually plans to become self-sufficient so it will no longer need county grant money.

Comm. Adler also defended funding of WRDC.

Rep. Leone asked for more accountability from WRDC and said delegation shouldn't "just rubber stamp" its county grant request.

Comm. Nelson further defended WRDC funding.

Mrs. Jarvis asked whether copies of agreements between WRDC and the economic development agencies for the counties three largest communities (Claremont, Charlestown and Newport) had been received by delegation.

Rep. Franklin replied that he had received such copies and he believed all other delegation members had also received copies.

Mrs. Jarvis also asked whether funding for other county grant agencies had yet been determined.

Rep. Ferland responded that a policy on the funding of county grants was passed by the delegation last year, and that according to this policy some cuts may be made. But added that final decision will be made by the full delegation; not just three members of the finance committee.

Mrs. Jarvis complained that Claremont Soup Kitchen only receives \$5,000 in funding for the hungry people and has to be more accountable for it's grant than WRDC with \$48,000 for it's grant.

Rep. Donovan announced he would not be voting on human services county grants because he has a conflict of interest.

County Attorney Marc Hathaway urged the delegation to pass a county budget despite some outstanding issues.

Jan Bunnell from the Claremont Soup Kitchen stated that her agency has to file quarterly reports now, as well as additional backup information. At Rep. Phinizy's request explained how Soup Kitchen operates now. She said her agency is open to all county residents; has seen an increase in demand.

Chair declared a 10 minute recess at 10:15 a.m.

Delegation meeting resumed at 10:33 a.m.

Rep. Ferland reviewed requests for funding of county grants by various agencies, agency by agency and invited reps. of the requesting agencies to talk about their agencies. Reps. included

1. Dawn Ranney, Community Transportation
2. Deborah Mozden, Women's Supportive Services

No other reps. except Jan Bunnell of Claremont Soup Kitchen who spoke earlier were present.

Rep. Allison made a pitch for the county funding for Good Beginnings program, which has recently lost some state funding. He said Good Beginnings has been involved with education programs such as Parents or teachers.

Sen. Bob Odell entered meeting at 10:51 a.m.

Rep. Donovan urged delegation members, if they haven't visited all of the requesting grant agencies yet to take advantage of the opportunity before voting on county budget.

Rep. Franklin said despite the policy passed by the delegation last year, that the county grant agencies be adequately funded. Concerned that these agencies will be expected to pick up the slack this year for cutbacks in state human service programs.

Rep. Phinizy stated that state is deliberately cutting back on state programs, figuring counties and local agencies will pick up the slack.

Rep. Flint, like Rep. Franklin, said that though he voted for last year's county grant funding policy, he has changed his mind based on what the policy would result in for the grant agencies.

Rep. Ferland responded that though the delegation can change it's mind, some caps on total funding ought to be put in place for the sake of taxpayers.

Comm. Adler explained the new policy adopted earlier this year by the Commissioners on funding of county grants.

Rep. Donovan praised the Commissioners for their policy. Rep. Donovan who was not a member of the delegation when the policy was adopted last year, said delegation's policy should be more flexible depending on the fiscal and economic times.

Rep. Sandy Harris said grant agencies should have a chance at funding based on certain criteria, but that there should be a cap based on the fact that taxpayers can only afford so much. Suggested delegation should follow commissioners policy on grants, including the 1.3% cap.

Rep. Harris moved, Rep. Rodeschin seconded a motion that delegation accept the 1.3% index of the commissioners proposed general fund budget or \$111,672 for FY 2004 budget. Motion was then withdrawn.

Discussion continued until a five minute recess was declared by Rep. Phinizy at 11:24 a.m. so motion could be properly worded. Meeting resumed at 11:35 a.m.

Rep. Sandy Harris moved, Rep. Rodeschin seconded that grant monies be distributed from the county budget for 1.3% of the total commissioners approved general fund budget or \$111,672.

Rep. Flint moved, Rep. Franklin seconded an amended to Rep. Sandy Harris motion that the cap on the total grant agencies funding be limited in the Fiscal Year 2004 County Budget to \$125,000.

Rep. Donovan said he would be against the cap because he thinks it is too low. Said he would only abstain from voting for individual grant agency requests.

Rep. Flint said his amendment was intended to exclude Sullivan Academy and WRDC. Rep. Flint amendment carried on an 8-4 roll call vote. Yes: Allison, Burling, Cloutier, Ferland, Flint, Franklin, Jones, Leone, and Phinizy. No: Donovan, J. Harris, S. Harris, and Rodeschin.

Amended motion was then approved on 8-4 voice vote.

Chair adjourned meeting at 11:49 a.m. for lunch and said meeting would resume at 1:00 p.m.

Meeting resumed at 1:03 p.m.

Rep. Ferland, Finance Committee chair reported on the budget, as approved by her committee and the commissioners. First she reviewed revenues, then reviewed expenditures starting with capital expenditures of \$1,159,912.

Rep. Ferland said total capital expenditures of \$1,159,152 included \$209,859 (for FY04) for capital reserve fund.

Mr. Gil de Rubio later clarified statement that close to \$900,000 for capital reserve, the rest of the \$1,159,912 is for various capital expenditures.

Questions pertaining to County manager were asked.

Mr. Gil de Rubio said his salary for the last 12 months has been \$75,000 and doesn't include benefits or other county manager expenses.

Comm. Adler said Mr. Gil de Rubio has passed his first year anniversary and is due a job review.

Rep. Ferland said that though original salary figure in the FY'2003 budget was \$65,000, the actual salary was \$75,000 for FY'2003. Commissioners proposed salary is for \$87,000. Salary figures do not include benefits or his office expenses.

Rep. Ferland explained \$75,000 figure included an additional \$10,000 carried over from FY'2002 budget. Money authorized to help pay the county manager's salary.

Comm. Clarke defended the salary paid for the county manager, saying Mr. Gil de Rubio "is a great find" for Sullivan County, and said there was no deliberate confusion by commissioners over manager's salary.

Rep. Sandy Harris responded that she and some other delegation member's as well as some of her constituents had questions about manager's salary.

Rep. Flint asked whether the finance committee had a budget figure for FY' 2004 that they would recommend to the full delegation. Rep. Ferland responded that she and the rest of the finance committee were not comfortable recommending a proposed FY' 2004 budget as of today.

Rep. Rodeschin and Rep. Jones questioned nature of capital reserve fund and what delegation can legally do with such funds.

Comm. Adler further explained capital improvement budget, including specific projects as well as amount put into capital reserve.

Rep. Leone questioned value of new full time county manager as the previous system of a part time county manager with assistance of county coordinator.

Comm. Clarke urged delegation to look at the big picture, the challenge faced by the county, and if they didn't think the Commissioners' budget wasn't "totally crazy" that they should pass it.

Rep. Phinzy said delegation has cast "no aspiration" on commissioners budget, but have some concerns about parts of budget, and how county can be more efficiently run.

Comm. Clarke said upcoming audit will let us know if there are financial irregularities in how capital improvements are accounted for in the future.

Comm. Clarke said nursing home budget does not take into account HB 663, regarding nursing home funding, which has just become law.

He urged the delegation to invest \$615,855 on both the expense and revenue side in the FY'2004 budget as a result of HB 663, based on an estimate from the NH Association of Counties.

The chair declared a five minute recess at 2:15 p.m. to converse, upon the request of Rep. Rodeschin's to caucus.

Meeting resumed at 2:23 p.m.

Rep. Phinzy reminded everybody that the delegation has the ultimate fiduciary responsibility on budget.

Comm. Adler said all their budget sessions have been open to the public, including delegation members. Frustrated at all the last minute concerns and questions.

Rep. Ferland moved, Rep. Franklin seconded to authorize county commissioners to apply for, receive and expend federal and state grants which become available during the course of the year, and also accept and expend money from any other governmental unit or private source to be used for purposes:

- salaries & wages as per FY '03 budget,
- benefits,
- essential purchases,
- accept and disburse grant monies,

for which the county may legally appropriate money. Motion carried. Yes: 12. No. 0. 1 absent.

Reps. Donovan, Franklin, Phinzy and Allison defended this motion saying that there are a number of uncertain factors such as the lack of a state operating budget, concerns about unionized employees salaries that could later affect the budget's bottom line.

Mr. Gil de Rubio said if delegation doesn't approve budget by the end of August, the Commissioners' proposal will automatically take effect.

Rep. Ferland announced that the Finance Committee will hold a meeting on Thursday, July 10, 2003 at 9:00 a.m. in Newport, to work on the budget.

Rep. Rodeschin moved, Rep. Allison seconded a motion to adjourn at 2:44 p.m. Motion failed on 11-1 divisions vote.

Rep. Leone expressed his appreciation for all Mr. Gil de Rubio and Commissioners' efforts, but said possible downshifting of state expenses onto counties makes him more cautious about passing a county budget.

Rep. Flint moved, Rep. Allison seconded a motion to recess at 2:45 p.m. Motion passed.

John R. Cloutier
Delegation Clerk

JRC/dv

Sullivan County Delegation

Type of Meeting: Annual convention reconvened from July 2, 2003

Date/Time: August 28, 2003

Place: Sugar River Technical center, Lou Thompson Room, Newport, NH.

Delegation Members Present: Rep. Peter Burling, John Cloutier, Tom Donovan, Brenda Ferland, Gordon Flint, Peter Franklin, Connie Jones, Dick Leone, Jay Phinizy, Beverly Rodeschin.

Delegation Members Absent: Rep. David Allison

Delegation Members Arriving Late: Joe Harris, and Sandra Harris

Commissioners Present: Rudolf A. Adler, Donald S. Clarke

Commissioners Arriving Late: Bennie C. Nelson

Meeting was called to order at 9:04 am. By Delegation Chair Rep. Phinizy.
Rep. Phinizy said Rep. Allison was absent due to illness.

County Manager Ed Gil de Rubio led the Pledge of Allegiance.

Rep. Brenda Ferland, Finance Committee Chair reviewed proposed changes in the commissioner's budget made by her committee.

Rep. Joe Harris and Sandra Harris entered meeting at 9:13 am.

Rep. Ferland answered questions about her committee's changes from the delegation.

Mr. Gil de Rubio during question time introduced Mr. Scott Hager, the new interim Dept. of Correction Superintendent. Among the questions asked was one by Rep. Flint about the amount of money allocated to each of the county grant agencies. Rep. Ferlands cuts were made to most of the requests so the total could comply with \$125,000 cap set by the delegation on 7-2-03.

Rep. Leone asked a question about the proposed grant money for Western Regional Development Corp., which for FY 2004 totals \$48,000.00. He said, he was concerned about giving the corporation the entire amount all at once.

Rep. Burling asked, why Sullivan Academy's funding was eliminated from FY 2004 budget. Rep. Ferland said, elimination was partly because of resent change in providers from West Central Services to Community Improvement Associates.

Rep. Rodeschin said, state now fully funds Sullivan Academy. Rep. Franklin added that, County Atty. Marc Hathaway recently told him that county funding of the academy is no longer needed.

Sheriff Mike Prozzo entered meeting at about 9:30 am.

Rep. Sandra Harris questioned funding under county grants for Girls Inc. she asked, whether Girls Inc. was based in Sullivan County.

Rep. Donovan responded that organization was not based in the county, but it provides services to county residents. Rep. Franklin added that organization's local director lives in the county though Rep. Sandra Harris still expresses concern about funding an organization based outside county.

Rep. Sandra Harris also questioned proposed raise in County Managers salary.

In a response to a question by delegation chair, Comm. Adler said commissioners voted to raise Mr. Gil de Rubio's annual salary from \$75,000 to \$83,000 after employee evaluation is done. Nevertheless, Rep. Sandra Harris expressed concern about approving a nearly 11% salary increase for a County Manager when many workers are only getting 3-4% increase.

Rep. Ferland defended salary increase because County Manager has a demanding position, to which he is still fairly new. Commissioner Clarke also defended salary increase saying it was based on Mr. Gil de Rubio's performance, and also is fairly in line with what city and town managers in the county earn.

Reps. Leone and Franklin also questioned total costs of county administration, not just Mr. Gil de Rubio's positions.

Commissioner Nelson entered meeting at 9:56 am.

Commissioner Adler also defended recent changes in County Gov't. including the creation of a County Mngr. and the hiring of Mr. Gil de Rubio.

Rep. Ferland answered further question about Fund 24 grants, which are in and out, grants. Also she said, bad debts which total \$126,156 are mainly Medicare and Medicaid moneys spent on Sullivan County Nursing Home (SCNH) residents, but which are never collected from federal gov't. Consequently county property taxpayers are forced to pick up the amount.

Rep. Cloutier questioned under the dietary budget why the food service contract hasn't been bid out for several years. Mr. Gil de Rubio responded that food service contract will definitely be bid out this year, but couldn't answer why food services haven't been bid out in the past.

Rep. Ferland reviewed nursing section of the SCNH budget. SCNH Administrator Bob Hemenway helped answer questions about the budget. Comm. Adler added that reduction in nursing in part are because of recommendations made by Genesis report. She finished reviewing rest of budget.

The delegation chair then declared a five-minute recess at 10:32 am.

Meeting resumed at 10:43 am. with Rep. Ferland reviewing and explaining Capital Reserve budget totaling \$220,000.00

Rep. Franklin questioned how Capital Reserve budget would work, Mr. Gil de Rubio said he has met with auditors and they said the present budget proposal is legal and added that budget items have a five-year window.

Rep. Rodeschin also questioned proposed Capital Reserve budget and said certain maintenance items such as painting buildings should not be in such a budget.

Rep. Ferland emphasized that the Capital Reserve is a savings account that will be used to take care of emergencies and needs as they happen.

Mr. Gil de Rubio expressed frustration that the delegation was continually "moving the target" on how the Capital Reserve will be established at the expense of his time.

Comm. Clarke explained how Capital Reserve budget saying it was like a household putting aside money for certain expenses in designated envelopes. Also complained that commissioners never received copies of finance committee's proposal on Capital Reserve in advance to today's meeting.

Comm. Nelson also said, that auditors had said, the Capital Reserve budget was established correctly according to auditors in their exit interview.

Rep. Ferland and Rep. Phinizy said, copies of the finance committee proposal on Capital Reserve were available to commissioners before today's meeting in the Newport office.

Rep Ferland said the amount of County taxes to be raised to pay FY 2004 budget would total \$9,336,760.00

In response to Rep. Burling's question Comm. Adler said, he believed the FY 2004 proposal is probably "double" but at least \$500,000 is shaky depending on state funding that may not come through in the end.

Comm. Adler also expressed concern that the finance committee's proposed Capital Reserve fund is a step backward from the commissioner's goal of separating capital from operating expenses.

Comm. Clarke concurred with Comm. Adler's above concern but added that the commissioners had no real concern about the finance committee's total FY 2004 budget proposal. But expressed concern about the delegation's entire budget process, and suggested that the delegation and commissioners sit down in the next few months in an attempt to discuss ways of improving the process and how to improve communications and delegation.

Comm. Nelson concurred with Comm. Clarke's last suggestion

Rep. Leone moved Rep. Rodeschin seconded an amendment to remove \$220,00 in Capital Reserve funds from the total FY 2004 budget.

Motion was approved on a 7-5 roll call vote (see voting sheet) and \$220,000 was removed.

Rep. Burling moved Rep. Donovan then seconded an amendment to increase the total FY 2004 budget to restore the \$220,000 in capital reserve fund with a long-term capital reserve committee to be set up including three delegates and three commissioners.

Rep. Phinizy then declared a five-minute recess at 11:45 am. for the purpose of having Rep. Burling and Donovan draft an understandable amendment.

Meeting resumed at 11:56 am. when Rep. Burling completed the draft of his amendment on the capital reserve fund.

Rep. Burling made a motion seconded by Rep. Donovan to amend the proposed FY 2004 county budget. Motion was approved on an 8-4 roll call vote (see voting sheet)

Rep. Sandy Harris moved. Rep. Joe Harris seconded an amendment to reduce county managers salary to include only a 5% increase. Amendment failed on an 8-4 roll call vote.

Vote was then taken on approval of FY 2004 budget of \$21,174,490 with capital reserve amendment.

Motion carried on a 9-3 roll call vote (see sheet)

Rep. Phinizy then appointed Reps. Leone, Rodeschin and Franklin to a long-term capital reserve committee.

Delegation agreed by consensus that letters ought to be sent to our state's congressional delegation demanding that they do more to retrieve so far uncollected Medicaid and Medicare money from the federal gov't for the counties.

Working on waste (wow) Rep. Katie Lajoie of Charlestown outlined her organization's proposal to close the Wheelabrator incinerator in Claremont and distributed a written handout to the delegation.

Rep. Phinizy announced a Sullivan County Farm Bureau Agriculture Issues forum for Sept. 16th sponsored by Sullivan County Farm Bureau.

Meeting Adjourned at 12:38 pm.

Rep. John R. Cloutier
Delegation Clerk

These minutes were approved @ the Dec 5, 2003 Full Delegation Meeting

Sullivan County NH

Type of Meeting: **Sullivan County Delegation – Quarterly Meeting**

Date / Time: October 31, 2003; 9:30 AM

Place: Newport – Sullivan County Jury Assembly Room

DELEGATION MEMBERS PRESENT: Representative David Allison, John Cloutier, Tom Donovan, Joe Harris, Sandy Harris, Brenda Ferland, Gordon Flint, Peter Franklin, Constance Jones, Richard Leone, Jay Phinizy and Beverly Rodeschin.

DELEGATION MEMBERS ABSENT: Representative Peter Burling

COMMISSIONERS PRESENT: Rudolf Adler, Don Clarke, and Bennie Nelson.

OTHER EMPLOYEES AND ELECTED OFFICIALS: Ed Gil de Rubio – County Manager, Robert Hemenway – Nursing Home Administrator, Dodi Violette, and Sharon Johnson-Callum.

The meeting was called to order at 9:34 a.m. by Rep. Phinizy, Delegation Chair.

Commissioner Adler updated the delegation on the negotiation between the Commissioners and Union representatives county employees for a new contract. Mr. Adler said negotiations have not yet given final approval to contract due to some concerns. He also said Commissioners are doing review of County's current facilities and future needs working on committee with Rep. Donovan rep. delegations.

Mr. Gil de Rubio updated delegation on County's Criminal Justice Coordinating Committee.

Rep. Ferland, Executive Finance Committee Chair, received Quarterly FY '04 budget figures. Said only bad news is that state is behind on it's proportional share payment to County. Otherwise figures are as budgeted. She then reviewed proposed FY '05 Budget schedule as proposed by Mr. Gil de Rubio and Commissioners (See 10-31-03 memo from Mr. Gil de Rubio)

Mr. Gil de Rubio answered questions on quarterly figures by Rep. Joe Harris and Rep. Rodeschin.

Rep. Donovan moved, Rep. Leone seconded a motion to accept first quarter FY '04 budget figures. Motion approved unanimously by voice vote.

Mr. Gil de Rubio continued an overall review of the County operations in first quarter.

Mr. Richard Seaman, of Western Regional Development Corporation (WRDC), then spoke to delegation about his agency and economic development. He then answered questions about economic development from delegation members.

Rep. Phinizy then appointed Rep. Sandy Harris to represent delegation at WRDC meetings.

Comm. Adler, who along with Comm. Clarke is a member of WRDC Board of Directors, said the agency is trying to de-politicize itself and wean itself way from public funding.

Rep. Leone then updated on the work of the Capital Improvement Program Committee of which he chairs. He said the committee has so far met three times.

Rep. Cloutier, the Clerk, asked delegation to approve June 19, 2003 meeting minutes.

Rep. Ferland moved, Rep. Jones seconded motion to approve June 19 meeting minutes of Finance Committee and Delegation minutes of Finance Committee and Delegation.

He apologized for any oversight of not asking approval of such minutes earlier.

Rep. Cloutier updated delegates on HB145 and a proposed amendment to it, which has been already approved by a sub-committee of the House Judiciary Committee. Bill would prevent consolidating of Claremont and Newport District Courts, provided Claremont pays for construction of a new District Court under a lease purchase agreement. Full Judiciary Committee is scheduled to vote on amended bill Nov 13. Answered concerns from delegation members including Rep. Rodeschin and Rep. Franklin and Commissioners.

Rep. Franklin, under RSA 91-A:3,II personnel, moved delegation go into executive session to discuss negotiation of employee contract between commissioner and union. Rep. Joe Harris seconded motion. Rep. Rodeschin questioned whether motion was appropriate at this time, and said she would oppose motion. Roll call vote was then taken, and motion lost on a 6-6 tie vote.

Meeting was then adjourned at 11:45 a.m.

Respectfully submitted,

*Rep. John Cloutier, Clerk
Sullivan County Delegation*

JC/s.j-c.

These minutes were approved @ the Dec 5, 2004 Full Delegation Meeting

Minutes of Meeting: Sullivan County State Delegation

Date / Time: December 5, 2003; 1:30 PM

Place: Newport – Jury Assembly Room

DELEGATION MEMBERS PRESENT: Representatives. Dick Leone, Brenda Ferland, Connie Jones, David Allison, Beverly Rodeschin, Joe Harris, Peter Franklin, Gordon Flint, John Cloutier, and Tom Donovan.

DELEGATION MEMBERS ABSENT: Representatives Jay Phinizy, Peter Burling, and Sandy Harris.

OTHER ELECTED OFFICIALS AND EMPLOYEES PRESENT: Marc Hathaway – County Attorney, Ed Gil de Rubio – County Manager, Peter Farrand – County Human Resource Director, Sharon Johnson-Callum. Bennie Nelson arrived later.

Meeting was called to order by Vice Chair, Rep. Leone, at 1:35 p.m.

County Manager, Gil de Rubio, said the purpose of this meeting is to approve new employment contract recently approved by the employee's union and the commissioners.

County Attorney, Marc Hathaway, reviewed the new contract's impact on the 2004 budget of \$41,409 and how that figure was reached. Also reviewed the contract's impact on budget after 2004 in regard to employee salaries based on the step system (See Pg. 9 of the contract).

Mr. Gil de Rubio said there will be a wage re-opener at the end of the June 2004 to examine the current salaries.

Rep. Ferland questioned why the delegation had to be concerned about salary step system stating that she believed that was the commissioners' responsibility.

Mr. Hathaway said that technically step system was commissioners' responsibility, but wanted delegation to be aware of new step system that will take effect.

Mr. Gil de Rubio added that both management and labor will participate in wage-opener study.

Mr. Hathaway suggested a roll call vote on approval of the contract.

Mr. Gil de Rubio reviewed his Dec 5, 2003 memo to the delegation describing where the \$41,409 in additional funding to pay for the new contract (See attached memo)

Mr. Gil de Rubio introduced Elizabeth Koski, employee's union president.

Ms. Koski said new contract was approved by a 79-11 vote by her union.

Rep. Ferland moved, Rep. Jones seconded a motion to accept the new employment contract as is, and to pay for the new contract's increased expenses in the FY 2004 budget out of Fund 40. Mr. Hathaway said the multi-year contract will have a fiscal impact on future county budgets. **Motion was approved on 10-0 roll call vote.**

Rep. Ferland moved, Rep. Jones approved a motion to accept the minutes of the August 28, 2003 meeting. Motion approved unanimously by voice vote.

Rep. Allison left at 2:18 p.m.

Rep. Ferland moved, Rep. Rodeschin seconded a motion to approve the minutes of the Oct. 31st meeting as amended at Rep. Rodeschin's request. Motion approved unanimously by voice vote.

Rep. Flint expressed concern about continued funding of the Western Region Development Corp (WRDC) in light of some concerns recently expressed in the media.

Mr. Gil de Rubio said \$10,000 out of the total \$48,000 grant to WRDC in FY 2004 was paid by Commissioners. Further money will not be paid until some of the concerns are resolved to Commissioners' satisfaction.

Suggestions were made by several delegation members that WRDC be put on the agenda for further discussion by delegation at their next regular meeting, possibly even inviting its director, Richard Seamans. No further actions was taken on the suggestions.

Rep. Joe Harris announced that he has learned from Rep. Sandy Harris that Sullivan County Extension Service has applied for a small grant of \$4,600.

Rep. Ferland read a request from Rep. Phinizy, who was ill, that the delegation approves of him writing a letter to Gov. Benson asking him to work with other New England governors to secure funding for commemorating the French and Indian War's 250th anniversary, especially in regard to Old Fort No. 4 in Charlestown. **Request was approved without objection.**

Mr. Gil de Rubio announced some important upcoming events, including an important meeting on December 16 at 1:30 p.m.

Meeting was adjourned at 2:39 p.m. by Vice Chair Leone.

Respectfully submitted,

John R. Cloutier
Clerk

JC/s,j-c.
These minutes were approved @ the January 30, 2004 Full Delegation Meeting

Sullivan County Delegation

Type of Meeting: Sullivan County Delegation

Date/Time: January 30, 2004 10:00 am.

Place: Jury Assembly Room

Members Present: Rep. Jay Phinizy, Brenda Ferland, John Cloutier, Peter Franklin, Connie Jones, Dick Leone, Tom Donovan, and Gordon Flint.

Members Absent: Rep. Peter Burling, Dave Allison, Bev Rodeschin, Joe and Sandy Harris.

Commissioners Present: Commissioner Rudy Adler, Ben Nelson, and Don Clarke.

Other Elected Officials and County Employees Present: Sheriff Prozzo; *County Manager* – Ed Gil de Rubio; SCNH Administrator Bob Hemenway; Sharon Johnson – Callum.

Rep. Phinizy delegation chair opened meeting at 10:07 a.m.

The minutes of the Dec. 5, 2003 delegation meeting were reviewed.

Motion by Rep Jones seconded by Rep. Ferland to accept the minutes of the Dec. 5, 2003 delegation meeting. Motion approved unanimously by voice vote.

Comm. Adler reported on the activities of the N.H. Assoc. of Counties, an organization which he chairs.

Noted HB 1939 which would designate a portion of the tobacco settlement funds for nursing homes.

Mr. Adler noted that he was pleased with recent improvements at the Dept. of Corrections.

In response to a question from the chair, Mr. Adler said HB 1339 has so far been voted ITC by a subcommittee of the House Fin. Comm. He then answered further questions from delegation members about bill.

Mr. Gil de Rubio reviewed his 1-30-04 memo with delegations and especially noted recent developments with WRDC renting county office space and Long-Term Coordinator Patti moving out of that same space and working out of her Goshen home. Said that WRDC has been made aware that is “now on thin ice” with commissioners and delegation.

Comm. Clarke added that WRDC’s relationship with county is just on an “interim basis” said only a quarter of their county grant has been distributed rest has been frozen until satisfactory changes to commissioners are made by WRDC.

Mr. Gil de Rubio noted that Long-Term Coordinator's move into her home was voluntary, on a trial basis, and will take in March.

Comm. Clarke and Mr. Gil de Rubio responded to several questions by delegation members about the WRDC and its recent developments.

Mr. Gil de Rubio said that the general public should notice no changes in Long-Term Care.

Registrar of Deeds Sharron King reported on her department she said department is now on-line at NHDEEDS.com making its services more convenient for the public.

Sen. Bob Odell entered meeting at 10:48 a.m.

Rep Ferland noted during the Registrar's report that her entire staff was awarded Employees of the Year.

Finance Comm. Chair Rep. Ferland reported on the second Qtr. FY 04 report said budget hearings for FY 05 Budget until start on April 5.

Also briefly discussed minor problems at nursing home with on-call nursing line item being recently spent. Noted that the situation should improve shortly though.

Rep. Rodeschin entered meeting at 10:57 a.m.

Rep. Ferland discussed video conferencing equipment that Cooperative Extension Service will purchase.

Rep Donovan moved Rep. Franklin seconded a motion to accept 2nd Qtr. FY 04 financial report motion approved unanimously by voice vote.

Rep. Leone, Chair of the CIP Committee reported on his committees draft recommendations for the establishment of a Capital Improvement /Capital Reserve Fund. Said his committee was not in complete agreement on all recommendations.

General discussion by CIP Committee members and other delegation members on various ways of setting up a Capital Reserve Fund or Capital Improvement Program.

Rep Franklin, a CIP Comm. member, expressed concern that the issue be resolved during their budget year because capital improvements are now in a security fund, which he believes is not proper.

Rep. Ferland noted concern about Item # 2 on pg. 4 and possibly confusing wording.

Sen. Odell reported on the issue of keeping the Claremont and Newport District Court separate. Issue, which is now part of SB 436, a bill which will be heard before the Senate Economic Development Committee on Tues., Feb. 3 at 3 p.m.

Asked that the delegation present a united front on this issue when it is heard on Feb. 3.

Also distributed a proposed amendment to SB 391, which will change the date of the Claremont School District elections from Nov. 2004 to March, 2005 bill could be voted on by Senate on early as next week.

Rep. Franklin still expressed some concerns about SB 436. Suggested the bill could be amended in the House to meet some of his concerns.

Charlestown's Katie Lajoie of WOW reported of the situation with the Wheelabrator incinerator in Claremont.

Briefed on the initial process to normally dissolve the solid waste project and close the incinerator by 2007.

Ms. Lajoie promised to keep delegation informed.

The chair noted that Rep. Joe Harris is delegation Rep. on this issue. But Rep. Cloutier said he represented delegation at 1-22-04 meeting on this issue because Rep. Harris and Phinizy were absent. Said he told meeting that delegation stands ready to help and told leaders to keep delegation informed.

Rep. Donovan moved Rep. Jones seconded a motion to support SB 436. Rep. Cloutier emphasized delegation should be united on this issue. Motion approved unanimously by voice vote.

Rep. Flint moved Rep. Ferland seconded motion to adjourn meeting at 11:48 a.m.

Rep. John R. Cloutier
Delegation Clerk

JC/lg

Sullivan County Delegation

Type of Meeting: Sullivan County Delegation

Date/Time: April 16, 2004

Place: Jury Assembly Room

Members Present: Rep. Brenda Ferland, Peter Franklin, Tom Donovan, John Cloutier, Peter Burling, Jay Phinizy, Dick Leone and Rep. Rodeschin.

Members Absent: Rep. Sandy Harris, Rep. Joe Harris, Rep. Allison, Rep. Jones and Rep. Flint.

Commissioners Present: Commissioner Rudy Adler, Don Clarke, and Ben Nelson.

Other Elected Officials and County Employees Present: Ed Gil de Rubio, Sharron King, Nancy Berry, Bob Hemenway, and Sharon Johnson-Callum.

Meeting was called to order by Rep. Phinizy, Delegation chair at 9:41 a.m.

Rep. Ferland moved Rep. Donovan seconded a motion to accept the minutes of the January 30, 2004 delegation meeting. Motion approved unanimously by voice vote.

Commissioner Adler gave the Commissioners' report. Said counties' revenue situation, statewide is currently uncertain.

Rep. Jones entered meeting at 9:45 a.m.

Mr. Adler said he was very proud of the delegation for strong support of HB 1339, which would have entitled all counties to a share of tobacco settlement funds.

Reps. Burling and Rodeschin then discussed overall legislative situation about funding for county recurring home situation with rest of delegation.

Mr. Gil de Rubio gave County Manager's report. Announced that Facilities Manager Luther Morway has resigned and a search is now under way. Said Commissioners budget process which started on 4/5/04 is going well.

Cooperative Extension's Nancy Berry and Arthur Bastian, a Unity landowner, then discussed situation about forestry consultant position that was recently vacated by Steve Wood. Asked for increased county funding of the position, so that county would fund 75% of the position, with the rest coming from other public and private sources. More county funding that Mr. Gil de Rubio has recommended.

Ms. Berry said that currently other counties are coming in to fill the gap while the forestry position remains vacant. She said having only a part-time position or contracting out work to private party is not her preferred option.

Said forest management is important since 82% of Sullivan County is wooded. A packet on the whole timberland issue was then distributed. General discussion on the whole issue followed.

Rep. Burling moved Rep. Franklin seconded a resolution to demand that the Cooperative Extension Program be fully and adequately funded in the next biennial budget of the University of New Hampshire and that every opportunity be taken to insure that forestry services be uniformly afforded across the state and its several counties. Resolution was approved by voice vote of all delegation members present with the exception of Rep. Rodeschin who abstained.

Arthur Bastian discussed the issue of the forestry position further. Said Cheshire and Merrimack counties are currently helping to fill in doing the work of the vacant forestry position.

Mr. Bastian further discussed timberland market. Said he would look in to temporarily hiring a retired forestry person on an interim basis.

Ms. Berry said she would keep delegation informed about situation and seek its input and or approval for any temporary solution.

Delegation then discussed Capital Improvement Program (CIP) committee work with Rep. Leone, committee chair.

Rep. Leone said his committee has met several times in the last few months, but has yet to reach a recommendation acceptable to the majority of the committee members on the issue of capital improvements and capital reserve funds.

Rep. Franklin, Ferland and Jones discussed their concerns about the whole issue. Rep. Burling and Leone also joined in the discussion.

Rep. Flint entered the meeting at 10:45 a.m.

Rep. Burling left the meeting at 10:55 a.m.

Mr. Gil de Rubio discussed events to be held celebrating County Government week on April 20, 2004 in a sheet that was distributed to the delegation.

Rep. Phinzy announced that delegation will hold a special meeting on Monday, May 24 in the morning to set the elected county officials salaries.

Nursing Home Administrator Bob Hemenway then reviewed Nursing Home finances as well as census, and answered questions from the delegation.

Mr. Hemenway said the quality of care at the Nursing Home has not yet decreased despite cuts in staff.

Rep. Ferland, Finance Committee chair, reviewed third quarter financial figures with delegation.

Rep. Donovan moved Rep. Franklin seconded a motion to have committee accept third quarter figures. Motion was approved unanimously by voice vote.

Rep. Rodeschin then discussed bill now being reviewed by Finance committee, of which she is a member, to allow prisons to grant medical paroles to ailing prisoners. She said bill is amended to insure that county prisons will be to financially hurt by this bill.

Rep. Ferland also announced that Finance Committee will meet on May 10 to review Commissioners' proposed budget for FY, 2005 and to recommend level of elected officials salaries.

Also she said that delegation will hold a special meeting on May 24 in Newport to set elected officials salaries.

Rep. Flint asked that 1/30/04 minutes be corrected to note that he was present at the meeting.

Commissioner Adler also said delegation members should be aware of a bill in Municipal and County Government about county property tax assessments among various communities. Said unnumbered bill may be amended to include Coos and Sullivan Counties in a pilot program on the issue.

Rep. Cloutier and Rodeschin discussed Senate Bill 436, which is tentatively scheduled for April 20 at 10:00 a.m. before House Finance Committee.

Meeting was adjourned at 10:42 a.m.

Respectfully submitted,

Rep. John Cloutier
Clerk

JC/lg

These minutes were approved at the 5-24-04 full Delegation meeting.

C:\My Documents\Delegation\Delegat 4 16 04.doc

Sullivan County Delegation

Type of Meeting: Sullivan County Delegation

Date/Time: May 24, 2004

Place: Jury Assembly Room

Members Present: Reps. Jay Phinizy, Brenda Ferland, John Cloutier, Gordon Flint, Peter Franklin, and Richard Leone.

Members Absent: Reps. Beverly Rodeschin, David Allison, Joe and Sandy Harris, Peter Burling, Connie Jones, Tom Donovan.

Commissioners Present: Commissioner Don Clarke, Rudy Adler and Ben Nelson.

Other Elected Officials and County Employees Present: Ed Gil de Rubio, Sharon Johnson-Callum, Sheriff Mike Prozzo, Registrar of Deeds Sharron King, and County Attorney Marc Hathaway.

Meeting was called to order at 1:28 p.m. by Delegation chair Rep. Phinizy.

The chair announced approval of the April 16 meeting minutes to the next meeting would be waived until the next meeting because a lack of quorum.

Finance Committee chair Rep. Ferland reviewed elected county officials' current salaries vs. the proposed increases as recommended by her committee. (See attached three sheets)

Delegation discussed salaries in general among themselves and with Mr. Gil de Rubio. Mr. Gil de Rubio recommended the following salaries for officials:

Commissioners, Chair	\$ 8,140
Other Commissioners	\$ 7,933
Attorney	\$66,950
Sheriff	\$51,500
Registrar of Deeds	\$41,200
Treasurer	\$ 4,542

County Attorney Hathaway advised delegation that elected officials must be fixed for two years at a certain figure. Said delegation could give fixed cost of living (COLA) increase for next two years. He added that if delegation doesn't act on proposed salary increases than they stay the same for the next two years.

Mr. Gil de Rubio made a strong pitch for COLA increases for commissioners praising the high quality work of current commissioners. Sheriff Prozzo seconded Mr. Gil de Rubio's comments. Rep. Donovan entered meeting at 1:55 p.m. thus making a quorum to conduct business according to the chair.

Rep. Ferland then quickly briefed Rep. Donovan on what had been discussed at the meeting so far.

Rep. Flint remarked that Fiscal committee only gave state employees 1% pay raise.

Attorney Hathaway said he has been in his present position since 1987. Non-bargaining unit's official's salaries have increased 69.5%. Elected officials salaries have increase 32.8%. Mr. Hathaway salary in 1987 was \$40,000.

He emphasized that salaries must be fixed at a flat figure or flat percentage for a two-year term.

Register of Deeds King spoke in favor of Commissioners proposed salary for her position. Said her office is a big moneymaker for county.

Said under the finance committee proposals she, as a female elected official would be receiving a lower salary increase than the male elected officials.

Attorney Hathaway said that recent elections for county positions have been uncontested because incumbent have been doing a good job and also because of low salaries.

Rep. Ferland moved, Rep. Cloutier seconded motion to approve the Finance Committee's salary increases in the FY 05 budget with a 3% increase in the FY 06 budget for the Attorney, Sheriff and Register of Deeds only.

Rep. Flint moved, Rep. Leone seconded an amendment we accept the finance committee figures for FY 05 and the Commissioners proposal for FY 06 for the full time officials be accepted.

Discussion ensued on Flint amendment.

Rep. Flint called the question. Motion approved.

Flint amendment was defeated on 4-3 roll call vote with 6 absences.

Discussion ensued on Rep. Ferland main motion.

Motion adopted on a 5-2 roll call vote with 6 absences.

Rep. Ferland moved that the executive committee's proposed salary increase of \$7,903 for the chair, \$7,702 for Clerk and Vice Chair and \$4,410 for the treasurer.

Rep. Flint moved, Rep. Donovan seconded as motion to amend the motion that they be given a 3% salary increase in the second year.

Discussion ensued on the amendment among delegation and Commissioner Clarke and Reg. of Deeds.

Flint amendment was approved on a 4-3 roll call vote, with 6 absences.

**Discussion then ensued on the main motion with the Flint amendment added.
Motion approved on a 5-2 roll call vote.**

Rep. Flint moved Rep. Leone seconded a motion to adopt the April 16, 2004 meeting minutes.

Meeting adjourned at about 2:55 p.m.

Respectfully submitted,

Rep. John R. Cloutier
Clerk

JC/lg

Sullivan County NH

Full Delegation Public Hearing - Commissioners' Proposed FY 05 Budget

Date: 6-17-04

Place: Newport Superior Court

Delegation Members Present: Representatives Tom Donovan, Gordon Flint, Beverly Rodeschin, Constance Jones, Dick Leone, Jay Phinizy, John Cloutier, Peter Franklin, and Brenda Ferland.

Delegation Members Absent: Representatives Peter Burling, David Allison, Joe Harris, and Sandy Harris

Commissioners Present: Comm. Ben Nelson, and Donald Clarke

Other Elected Officials and Employees Present: Ed Gil de Rubio-*County Manager*, Marc Hathaway – *County Attorney*, Michael Prozzo – *High Sheriff*, Peter Lovely – *Treasurer*, Robert Hemenway – *Administrator*, Dodi Violette, Sharon Johnson-Callum

Opened hearing at 7:04 pm.

After leading those present in the Pledge of Allegiance Comm. Clarke said Comm. Adler regretted not being present, but was out-of-state on family business.

He reviewed some recent N.H. legislations, which will affect County government, including medicaid bill SB 376, and loss of tobacco settlement bill.

He gave a general overview of budget, including discussions not to replace retired County Forester Steve Wood.

He announced that Commissioners in an effort to help keep County taxes down would not be funding Capital Reserve fund this year.

Praised County employees, Delegation members, and Senator Odell for their cooperation in helping him and the rest of Commissioners in the management of County Government.

He then turned over presentation to County Manager Ed Gil de Rubio (See written copy of video power point presentation.)

After power point presentation was finished, Comm. Clarke and Mr. Gil de Rubio took questions from the public and Delegation members.

Also Rep. Rodeschin expressed surprise that medical benefits for County employees only increased 15%, while state's increases were 29%.

Rep. Franklin questioned why no revenues for Fund 42 (Capital Reserve Fund) Comm. Clarke said \$83,082.00 would come directly from taxpayers.

He added that Capital Reserve Fund is currently funded the amount of \$220,000 in the budget.

Treasurer Lovely attempted to further answer Rep. Franklin's questions about Capital Reserve Fund.

Also Ms. Violette also attempted to answer Rep. Franklin's questions.

Rep. Cloutier asked questions about the WRDC (Western Region Development Corporation) grant. Comm. Clarke said WRDC has only received \$17,000 out of FY 04 grant of \$48,000 so far. He said \$24,000 WRDC grant for FY 05 is for a CEDS (Comprehensive Economic Development Strategy) grant, which will be used to attract other federal grants etc.

Comm. Nelson added that WRDC's FY 05 grant is expected to be its last, and that it will not request any funds in the FY 06 Budget.

Comm. Clarke answered questions from Rep. Phinzy about not filling county foresters position. Mr. Clarke said funding for new forester to replace Steve Wood isn't now available because of lack of state funding state's university system.

Comm. Clarke said Sullivan County is now sharing a part-time forester who also works for other Counties.

Nancy Berry from Cooperative Extension Service urged Delegation members to fight for more state funding for a full-time forester, said issue is important because our County is now 82% forested and new property owners are constantly moving in and need help with forestry related issues.

Representatives Flint and Franklin asked questions about the composition of the WRDC Board.

Hearing was adjourned by Comm. Clarke at 8:08 pm.

Respectfully submitted,

Rep. John R. Cloutier
Clerk

JC/lg

These minutes were approved @ the 6-29-04 Full Delegation Meeting

Sullivan County Annual Convention

June 29, 2004

Sugar River Tech Center

Claremont, NH

DRAFT

Delegation Members present: Reps. Jay Phinizy, Brenda Ferland, John Cloutier, Dick Leone, Gordon Flint, and Beverly Rodeschin.

Delegation members absent: Rep. Allison, Peter Burling, Tom Donovan, Peter Franklin, Joe and Sandy Harris and Connie Jones.

Commissioners present were: Don Clarke, Rudy Adler and Ben Nelson.

Meeting called to order at 9:33 am by the Delegation chair Rep. Phinizy.

Sheriff Mike Prozzo led the Pledge of Allegiance.

The chair noted the absence of Rep. Jones, who cannot attend because of illness. Also noted the absence of Reps. Joe and Sandy Harris, who are still recovering from their March 18 auto accident.

Rep. Donovan entered the meeting at 9:38 am.

The chair then praised various members of the delegation who are retiring including Reps. Burling, Allison, Flint, Leone and Jones.

Rep. Ferland moved Rep. Leone seconded a motion to approve the May 24 delegation meeting minutes. Motion was approved on a 6-0 voice vote with one abstention by Rep. Rodeschin, who was not present.

Rep. Leone moved Rep. Ferland seconded a motion to approve June 17 Public Hearing minutes. Motion was approved unanimously by voice vote.

Without objection, delegation approved minor technical changes to Jan. 30, 2004 delegation minutes at Rep. Ferland's request.

Rep. Donovan moved Rep. Flint seconded a motion to approve June 17 Finance Committee meeting minutes. Motion approved on 6-0 voice vote, with Rep. Rodeschin abstaining.

Rep. Ferland, the Finance Committee chair, then did an overall review of the county Commissioner's proposed FY 2005 budget.

Rep. Allison entered meeting at 9:52 a.m.

Delegation members asked several questions about Incentive Funds program. Human Services administrator Sherrie Curtis helped Rep. Ferland answer questions about Incentive Funds.

Rep. Ferland then continued her review of FY 2005 Budget.

Rep. Franklin entered meeting at 10:03 a.m.

There was discussion on the subject of the commissioners not replacing County Forester Steve Wood, who retired last year. Commissioner Clarke defended their action because of lack of state support in helping the county to hire a new forester. He said the County lost about \$61,000 in state funds through the University system funds that could help pay for a new county forester. He said the commissioners didn't want the state to force the county to pick up the slack because of lack of state support.

Rep. Ferland added that she has proposed that the delegation add in enough money to hire a full time forester.

Commissioner Nelson said commissioners have put in \$25,000 into the budget to help pay for a part-time forester, who might be shared with other counties.

Commissioner Adler added that the University System is working with County and State governments to continue to provide forestry services to county residents. He warned that fully funding the forester's position through county funds only could weaken the county's negotiations with the state.

The issue of county forester elicited discussion from several delegation members including Reps. Flint, Franklin and Leone.

Rep. Ferland then continued with the overall budget presentation. She explained that the Commissioners put \$24,000 in the Western Regional Development Corp's (WRDC) budget so it could be part of the Comprehensive Economic Development Strategies (CEDS) program so as to enable it to apply for federal economic development grants.

She also reviewed the proposed total of \$125,000 in County Grants which this year will be distributed in various amounts among eight different human service agencies.

Next, Rep. Ferland discussed the various revenues coming into Fund 10, the County's general fund.

In response to Rep. Rodeschin question, County Manager Ed Gil de Rubio said there is now an approximate \$400,000 surplus in Fund 10 partly because of pro share money from state.

While reviewing Fund 40, the Nursing Home budget, Rep. Ferland said the Long Term Care Coordinator Patti Koscielniak's position has been eliminated due to state budget cuts. County budget calls for the creation of a new Marketing position. Ms. Koscielniak was offered this new position, but declined it.

Rep. Ferland then noted that no new money has been put into Fund 42 of FY 2005 budget for capital improvements because capital improvements budget has yet been adopted by delegation this year.

The chair then opened up the meeting for public comment on the proposed FY 2005 budget.

Nancy Berry of the Cooperative Extension Service then spoke in support of adding at least \$25,000 in budget as proposed by the Commissioners to help pay for a county forester. She added negotiations are now in progress with state to get funding for a full time forester in next year.

Arthur Bastian of Claremont a member of the Cooperative Extensions advisory board and a tree farmer echoed Ms. Berry's comments in support of retaining a county forester.

Dick Gassett of Newport also spoke in support of county forester.

Jim Zullo a member of the NH Timberland Owner's Association also spoke in support.

Sunapee's Kevin Cooney of the Community Alliance of Human Services spoke against cuts in various human service programs in the proposed FY2005 budget, especially in the County Grants program. Distributed about 35% decrease in the Alliance's county grants.

Mr. Cooney said Alliance's total budget is about \$1.3 million and youth serves program is about \$130,000.

Unity's Ethel Jarvis requested that WRDC's \$24,000 grant request be removed from the FY 2005 budget. Mrs. Jarvis said \$24,000 to be allocated to WRDC could be used to help fund a county forester or increase for human service programs like Mr. Cooney's.

Mrs. Jarvis then answered questions from delegation members such as Mr. Leone.

The chair then closed the public comment portion of the meeting at 11:25 a.m.

Rep. Ferland announced that the total FY 2005 budget is proposed at \$21,231,928.00 with expenditures equaling revenues.

The chair then recessed the meeting for a 10 minute break at 11:30 a.m.

The meeting reconvened at 11:43 a.m.

Rep. Ferland reported that FY2004 budget was \$20,174,490.00
She said Commissioners proposed budget is \$21,213,928.00

Mr. Gil de Rubio said county is expecting about \$800,000 in proposed stat pro share money.

Rep. Franklin moved, Rep. Cloutier seconded a motion to amend the proposed FY 2005 budget to remove \$24,000 appropriation to the Western Regional Development Corporation (WRDC)

Rep. Franklin spoke in favor of his motion, saying that WRDC claimed that its FY 2004 grant would be its last, and that it didn't do what it had claimed it would do last year.

Rep. Ferland spoke in opposition and said WRDC never made certain claims to help municipal economic development last year as Rep. Franklin claimed.

Rep. Leone and Cloutier spoke in support of the amendment and Rep. Cloutier requested a roll call.

Motion passed on a 7-2 roll call vote, with 4 absences.

Meeting was adjourned for lunch at around noon.

Meeting reconvened after lunch at 1:03 p.m.

Rep. Rodeschin moved, Rep. Leone seconded a motion to adopt a total budget as listed above, taking into consideration the amendment that just passed before lunch and having it open to further amendments.

Rep. Ferland emphasized again that \$25,000 to help pay for a county forester is in the above listed total.

Rep. Flint questioned inclusion of \$25,000 to pay for a forester. He asked whether other finance committee members recommended it into the budget.

Rep. Ferland replied she had inserted \$25,000 for discussion after talking with several delegation members, but didn't get other finance committee members to official vote to recommend the money. But finance committee members, Rep. Franklin and Rep. Donovan, said they did support the insertion.

Rep. Allison moved, Rep. Franklin seconded a motion to add \$63,000 to the Sullivan County Adult Tutorial program, which the delegation had just learned from Director Heidi Kuttner had been cut by the state by \$63,000.

Discussion ensued on the motion by delegation and a roll call vote was requested on the motion by Rep. Franklin.

Rep. Allison then spoke and asked to withdraw his motion and Rep. Franklin withdrew his second in favor of a resolution.

Rep. Ferland responded to the motion by saying the Commissioners didn't add any extra money for capital improvements in the FY 2005 budget. Said Commissioners have proposed spending about \$83,082 of \$220,000 mentioned. No policy on spending capital improvement funds has yet been established she added.

Mr. Gil de Rubio then announced in order to spend the \$83,082 or any other capital improvement funds the delegation could only authorize spending such funds after a legally warned delegation meeting that specified on which items the funds would be spent.

Rep. Rodeschin spoke in opposition to the motion and explained her opposition.

Rep. Franklin then requested a roll call on his motion and the motion was defeated on 6-3 vote with 4 absences.

Rep. Franklin then questioned various items in capital improvement projects budget. Rep. Ferland then responded to Rep. Franklin's question.

Rep. Ferland said most of the proposed capital improvements, except for those at the Cooperative Extension service at the Nursing Home.

Continued to answer questions from Rep. Leone.

Mr. Gil de Rubio then explained further how Fund 42 the part of the budget that deals with capital improvements operation. While he was making an explanation a written handout dated 6/14/04 proposing a possible capital improvement program was distributed.

In a response to a question from Rep. Franklin, Mr. Gil de Rubio said that County Attorney Hathaway had told him orally on June 14 that a proposal to spend any money from the Capital Reserve Fund would have to be approved at a properly warned County Delegation meeting.

Also, he answered questions from Rep. Leone about any alleged "slush" funds.

Commissioner Clarke defended Mr. Gil de Rubio and the other Commissioners actions in regard to Capital Improvements. He denied that there were any slush funds.

Rep. Ferland then reviewed list of agencies that applied for county grants in the FY 2005 budget.

Question vote on the FY 2005 budget totaling \$21,207,928 was then called.

Motion was then approved on a 7-2 roll call vote with 4 absences.

Rep. Leone, chair of the Capital Improvements sub committee of the delegation talked about a proposed policy on capital improvements. He said he regretted not adopting any policy and any misunderstandings with Commissioners and Mr. Gil de Rubio.

Rep. Rodeschin said a proposed capital improvement policy as outlined in the 6-14-04 handout is the best compromise possible. Rep. Franklin and Ferland raised questions about the proposal.

Rep. Ferland moved Rep. Phinzy seconded that the proposed capital improvement policy in the 6-14-04 handout be tabled for further discussion. Motion was approved on a voice vote with Rep. Rodeschin in opposition.

Rep. Allison's motion on the state fully funding State County Adult Tutorial was approved unanimously by voice vote.

Rep. Ferland reminded delegation members that today is the first day to sign to run for re-election on state rep.

Rep. Rodeschin moved the meeting adjourn at 2:22 p.m.

Also the chair thanked the commissioners, staff and all delegation members for all their hard work the past year.

Rep. John Cloutier
Delegation Clerk

Sullivan County
County Tax Apportionment
Fiscal Year 2004

Town/City	% Proportion of Tax	Dollar Amount of Tax
Acworth	2.0083	\$187,506
Charlestown	7.1926	\$671,558
Claremont	19.0589	\$1,779,488
Cornish	3.6675	\$342,423
Croydon	1.6535	\$154,384
Goshen	1.7192	\$160,513
Grantham	12.7618	\$1,191,535
Langdon	1.2351	\$115,317
Lempster	2.1032	\$196,372
Newport	9.6454	\$900,565
Plainfield	6.2570	\$584,204
Springfield	4.6878	\$437,686
Sunapee	20.9276	\$1,953,962
Unity	2.6398	\$246,470
Washington	4.4424	\$414,777
Totals	100%	\$9,336,760.00

*Submitted by:
Peter Lovely
County Treasurer*

SULLIVAN COUNTY NH

DETAIL OF BONDED INDEBTEDNESS AS OF

JUNE 30, 2004

	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	\$737,470.42
Total Bonded Indebtedness as of 6-30-04	\$1,307,470.42

*Submitted by:
Peter Lovely
County Treasurer*

REPORT OF TRUST AND CAPITAL RESERVE FUNDS

\$ 18,985.21

Please insert the total of ALL funds here

County Of
Town/City Of: Sullivan NH **For Year Ended:** June 30, 2004

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.

Bennie Nelson
Bennie Nelson - Commissioner Clerk

Constance G. Jones
Constance Jones - Delegation Rep.

Peter Lovely
Peter Lovely - County Treasurer

Signed by the Trustees of Trust Funds

on this date Aug 6, 2004

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 '04 SULLIVAN COUNTY NURSING HOME TRUST FUND REPORT

DATE OF CREATION	NAME OF TRUST FUND	PURPOSE OF FUND	HOW INVESTED	%	PRINCIPAL				BALANCE END OF YEAR	BALANCE BEGINNING YEAR	INCOME		BALANCE END YEAR	GRAND TOTAL PRINCIPAL
					BALANCE BEGINNING YEAR	NEW FUNDS CREATED	CASH GAINS/LOSSES	WITH-DRAWALS			INCOME DURING YEAR	EXPENDED DURING YEAR		
1965	Nursing Home Equipment	Special	Bank	100	\$ 1,039.75	\$ -	\$ -	\$ -	\$ 1,039.75	\$ 1,933.44	\$ 14.56	\$ -	\$ 1,948.00	\$ 2,987.75
1968	Alix Ungren (CD)	Restricted	Bank	100	\$ 3,000.00	\$ -	\$ -	\$ -	\$ 3,000.00	\$ 2,927.36	\$ 10.41	\$ 0.00	\$ 2,937.77	\$ 5,937.77
1970	Elsie Hardison (CD)	Restricted	Bank	100	\$ 1,072.52	\$ -	\$ -	\$ -	\$ 1,072.52	\$ 104.96	\$ 83.04	\$ 21.56	\$ 166.44	\$ 1,238.96
1998	SCNH Book Fund (CD)	Restricted	Bank	100	\$ 1,000.00	\$ -	\$ -	\$ -	\$ 1,000.00	\$ 1,578.75	\$ 15.62	\$ -	\$ 1,594.37	\$ 2,594.37
1970	Activities Fund	Active	Bank	100						\$ 1,932.62	\$ 5,243.30	\$ 3,282.95	\$ 3,892.97	\$ 3,892.97
1985	SCNH Vending Fund	Special	Bank	100						\$ 1,666.00	\$ 4,354.30	\$ 4,414.26	\$ 1,606.04	\$ 1,606.04
2001	SCNH Resident Store	Active	Bank	100						\$ 575.48	\$ 434.55	\$ 734.84	\$ 275.19	\$ 275.19
2004	SCNH Hospice Program	Active	Bank	100						\$ 225.00	\$ 355.60	\$ 128.44	\$ 452.16	\$ 452.16

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.

SCNH Book Fund: This fund is used to provide reading materials for the 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.

Resident Store: A small store within the Nursing Home for residents to make purchases such as clothing, greeting cards, postage stamps, cosmetics, etc.

Hospice Program: Used for purchases for residents on hospice

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: Aug 6 2004

Peter R. Lovely
Peter R. Lovely - County Treasurer

Constance A. Jones
Constance A. Jones - Delegate

Bennie Nelson
Bennie Nelson - Commissioner Clerk

ACTUAL & ANTICIPATED REVENUES

Report Sequence =

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

Level of Detail = Account; Level = 9

Fund: General Fund

Period: July 2003 to Closing 2004

Account Number	Account Name	Prior Year Ptd Revenues	Current Year Ptd Revenues	Current Year Budgeted	Current Year Ytd Revenues	Balance Uncollected	Percent Left
10100	SUBSIDIARY REVENUES	10892779.01	9408858.95	9896961.00	9408858.95	488102.05	4.93
10404	REVENUE: 5% MONIES	150741.20	141549.92	150781.00	141549.92	9231.08	6.12
10410	CTY. ATTORNEY	0.00	7422.30	3500.00	7422.30	(3922.30)	(112.07)
10411	VICTIM/WITNESS	33530.00	33787.73	34000.00	33787.73	212.27	0.62
10440	SHERIFF	78012.98	80549.37	67500.00	80549.37	(13049.37)	(19.33)
10443	BAILIFF	55121.43	61447.18	62329.00	61447.18	881.82	1.41
10460	COURT	181944.24	185583.12	185583.00	185583.12	(0.12)	0.00
10490	HUMAN SERVICES	0.00	7945.98	15000.00	7945.98	7054.02	47.03
10491	LONG TERM CARE	27000.00	27000.00	27000.00	27000.00	0.00	0.00
10600	DEPT. OF CORRECTIONS	77617.15	108090.10	86115.00	108090.10	(21975.10)	(25.52)
10870	SCEDC	0.00	525.00	0.00	525.00	(525.00)	0.00
10995	TRANSFER IN	0.00	197094.19	0.00	197094.19	(197094.19)	0.00
TOTAL General Fund		11496746.01	10259853.84	10528769.00	10259853.84	268915.16	2.55

A C T U A L & A N T I C I P A T E D R E V E N U E S

Report Sequence =

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

Level of Detail = Account; Level = 9

Fund: Register of Deeds

Period: July 2003 to Closing 2004

Account Number	Account Name	Prior Year Ptd Revenues	Current Year Ptd Revenues	Current Year Budgeted	Current Year Ytd Revenues	Balance Uncollected	Percent Left
22010	SUBSIDIARY REVENUES	0.00	30001.62	0.00	30001.62	(30001.62)	0.00
22097	SUBSIDIARY REVENUES	0.00	0.00	0.00	0.00	0.00	0.00
22420	REGISTER OF DEEDS	565626.31	541323.66	450000.00	541323.66	(91323.66)	(20.29)
TOTAL Register of Deeds		565626.31	571325.28	450000.00	571325.28	(121325.28)	(26.96)

A C T U A L & A N T I C I P A T E D R E V E N U E S

Report Sequence =

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

Level of Detail = Account; Level = 9

Fund: Grants

Period: July 2003 to Closing 2004

Account Number	Account Name	Prior Year Ptd Revenues	Current Year Ptd Revenues	Current Year Budgeted	Current Year Ytd Revenues	Balance Uncollected	Percent Left
24010	SUBSIDIARY REVENUES	0.00	0.00	0.00	0.00	0.00	0.00
24225	HEALTH & HUMAN SERVICES	0.00	20107.69	0.00	20107.69	(20107.69)	0.00
24345	ENFORCING UNDERAGE DRINKING LAWS	0.00	20760.63	30000.00	20760.63	9239.37	30.80
24411	VICTIM/WITNESS	0.00	0.00	0.00	0.00	0.00	0.00
24445	DOMESTIC VIOLENCE	6781.49	2114.15	6000.00	2114.15	3885.85	64.76
24475	COOPERATIVE EXTENSION	0.00	0.00	0.00	0.00	0.00	0.00
24500	GRANT: NH FISH & GAME	595.00	765.00	2000.00	765.00	1235.00	61.75
24525	HOMELAND SECURITY	0.00	5156.00	0.00	5156.00	(5156.00)	0.00
24526	WNHSOU	0.00	0.00	0.00	0.00	0.00	0.00
24545	COPS GRANT	47947.45	36818.59	44224.00	36818.59	7405.41	16.75
24645	HIGHWAY SAFETY/OUTSIDE DETAIL	0.00	80727.51	0.00	80727.51	(80727.51)	0.00
24725	EMERGENCY PLANNING	0.00	0.00	0.00	0.00	0.00	0.00
24745	DRUG TASK FORCE	31242.32	32102.10	34000.00	32102.10	1897.90	5.58
24943	STRENGTHENING FAMILIES GRANT	0.00	7023.00	20000.00	7023.00	12977.00	64.89
24944	CRIMINAL JUSTICE GRANT	0.00	29911.14	39000.00	29911.14	9088.86	23.30
24945	DRUG & ALCOHOL ABUSE GRANT	11167.00	58680.86	75000.00	58680.86	16319.14	21.76
24946	WORKFORCE GRANT	0.00	114056.21	500069.00	114056.21	386012.79	77.19
***TOTAL** Grants		97733.26	408222.88	750293.00	408222.88	342070.12	45.59

A C T U A L & A N T I C I P A T E D R E V E N U E S

Report Sequence =

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

Level of Detail = Account; Level = 9

Fund: Nursing Home

Period: July 2003 to Closing 2004

Account Number	Account Name	Prior Year Ptd Revenues	Current Year Ptd Revenues	Current Year Budgeted	Current Year Ytd Revenues	Balance Uncollected	Percent Left
40097	SUBSIDIARY REVENUES	7855143.25	11675323.79	9395428.00	11675323.79	(2279895.79)	(24.27)
	TOTAL Nursing Home	7855143.25	11675323.79	9395428.00	11675323.79	(2279895.79)	(24.27)

A C T U A L & A N T I C I P A T E D R E V E N U E S

Report Sequence =

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

Level of Detail = Account; Level = 9

Fund: Capital Improvements

Period: July 2003 to Closing 2004

Account Number	Account Name	Prior Year Ptd Revenues	Current Year Ptd Revenues	Current Year Budgeted	Current Year Ytd Revenues	Balance Uncollected	Percent Left
42079	CAPITAL PROJECTS	0.00	0.00	0.00	0.00	0.00	0.00
42097	SUBSIDIARY REVENUES	0.00	220000.00	50000.00	220000.00	(170000.00)	(340.00)
	TOTAL Capital Improvements	0.00	220000.00	50000.00	220000.00	(170000.00)	(340.00)
	TOTAL CONSOLIDATED FUND TOTALS	20015248.83	23134725.79	21174490.00	23134725.79	(1960235.79)	(9.26)

A C T U A L & B U D G E T E D E X P E N S E S & E N C U M B R A N C E

Report Sequence = Fund or Acct Group

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

Level of Detail = Department; Level = 9

Fund: General Fund

Period: July 2003 to Closing 2004

Account Number	Account Name	Current Year Budgeted	Period Expenditures	Current Year Expenditures	Encumbrances	Balance Remaining	Percent Left
10400	COMMISSIONERS OFFICE	226628.00	220359.99	220359.99	0.00	6268.01	2.77
10401	TREASURER	4382.00	4378.09	4378.09	0.00	3.91	0.09
10402	AUDITOR	26000.00	29391.95	29391.95	0.00	(3391.95)	(13.05)
10403	COUNTY MANAGER	121108.00	122024.60	122024.60	0.00	(916.60)	(0.76)
10404	INCENTIVE	150781.00	163926.00	163926.00	0.00	(13145.00)	(8.72)
10405	PAYROLL OFFICE	69665.00	69564.28	69564.28	0.00	100.72	0.14
10406	CONSERVATION DISTRICT	44530.00	44527.53	44527.53	0.00	2.47	0.01
10407	EMERGENCY RESERVE FUND	25000.00	0.00	0.00	0.00	25000.00	100.00
10410	COUNTY ATTORNEY	272415.00	235788.73	235788.73	0.00	36626.27	13.45
10411	VICTIM/WITNESS PROGRAM	51293.00	54508.30	54508.30	0.00	(3215.30)	(6.27)
10430	DEPRECIATION EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00
10440	SHERIFF'S DEPARTMENT	392951.00	391326.26	391326.26	0.00	1624.74	0.41
10442	DEPUTY SHERIFF	0.00	0.00	0.00	0.00	0.00	0.00
10443	DEPUTY SHERIFFS BAILIFFS	62329.00	61282.86	61282.86	0.00	1046.14	1.68
10450	MEDICAL REFEREE	23200.00	9551.75	9551.75	0.00	13648.25	58.83
10460	COURT HOUSE	113173.00	123443.78	123443.78	0.00	(10270.78)	(9.08)
10475	COOPERATIVE EXTENSION SERVICE	195078.00	195713.34	195713.34	0.00	(635.34)	(0.33)
10490	HUMAN SERVICES	4338207.00	4061405.68	4061405.68	0.00	276801.32	6.38
10491	LONG TERM CARE	63913.00	64263.15	64263.15	0.00	(350.15)	(0.55)
10497	WOODHULL COUNTY COMPLEX	56410.00	103799.80	103799.80	0.00	(47389.80)	(84.01)
10520	HUMAN RESOURCES	29545.00	29545.00	29545.00	0.00	0.00	0.00
10550	OPERATION OF PLANT	86078.00	86078.00	86078.00	0.00	0.00	0.00
10600	DEPARTMENT OF CORRECTION	2220141.00	2238589.74	2238589.74	0.00	(18448.74)	(0.83)
10700	FACILITIES	12068.00	12287.48	12287.48	0.00	(219.48)	(1.82)
10701	SULLIVAN ACADEMY	0.00	0.00	0.00	0.00	0.00	0.00
10860	GRANT	0.00	0.00	0.00	0.00	0.00	0.00
10861	COUNTY GRANTS	125000.00	125000.00	125000.00	0.00	0.00	0.00
10870	WESTERN REGIONAL DEVELOPMENT CORP.	48000.00	46000.00	46000.00	0.00	2000.00	4.17
10900	INTEREST NOTES	35000.00	20342.46	20342.46	0.00	14657.54	41.88
10910	INTEREST PAYMENT	0.00	0.00	0.00	0.00	0.00	0.00
10920	INTEREST ON BONDS	0.00	0.00	0.00	0.00	0.00	0.00
10970	PRINCIPAL & INTEREST ON BOND	0.00	0.00	0.00	0.00	0.00	0.00
10980	DELEGATION EXPENSES	5000.00	4553.17	4553.17	0.00	446.83	8.94
10985	MISCELLANEOUS: PER AUDITORS	0.00	5485.00	5485.00	0.00	(5485.00)	0.00
10990	DEPRECIATION EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00
10997	TRANSFER IN/OUT	0.00	1711154.00	1711154.00	0.00	(1711154.00)	0.00
10998	PRIOR YEAR DEFICIT	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL General Fund		8797895.00	10234290.94	10234290.94	0.00	(1436395.94)	(16.33)

A C T U A L & B U D G E T E D E X P E N S E S & E N C U M B R A N C E

Report Sequence = Fund or Acct Group

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

Level of Detail = Department; Level = 9

Fund: Register of Deeds

Period: July 2003 to Closing 2004

Account Number	Account Name	Current Year Budgeted	Period Expenditures	Current Year Expenditures	Encumbrances	Balance Remaining	Percent Left
22097	TRANSFER OUT	0.00	197094.19	197094.19	0.00	(197094.19)	0.00
22420	REGISTER OF DEEDS	359426.00	344229.47	344229.47	0.00	15196.53	4.23
TOTAL Register of Deeds		359426.00	541323.66	541323.66	0.00	(181897.66)	(50.61)

A C T U A L & B U D G E T E D E X P E N S E S & E N C U M B R A N C E

Report Sequence = Fund or Acct Group

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

Level of Detail = Department; Level = 9

Fund: Grants

Period: July 2003 to Closing 2004

Account Number	Account Name	Current Year Budgeted	Period Expenditures	Current Year Expenditures	Encumbrances	Balance Remaining	Percent Left
24225	HEALTH & HUMAN SERVICES	0.00	0.00	0.00	0.00	0.00	0.00
24345	ENFORCING UNDERAGE DRINKING LAWS	30000.00	20658.07	20658.07	0.00	9341.93	31.14
24445	DOMESTIC VIOLENCE GRANT	6000.00	2483.34	2483.34	0.00	3516.66	58.61
24475	COOPERATIVE EXTENSION SERVICE	0.00	0.00	0.00	0.00	0.00	0.00
24525	HOMELAND SECURITY: AHERN BLDG	0.00	0.00	0.00	0.00	0.00	0.00
24526	WHNSOU	0.00	0.00	0.00	0.00	0.00	0.00
24545	COPS GRANT	44224.00	46380.98	46380.98	0.00	(2156.98)	(4.88)
24645	HIGHWAY SAFETY/OUTSIDE DETAIL	0.00	70160.76	70160.76	0.00	(70160.76)	0.00
24700	FACILITIES	2000.00	765.00	765.00	0.00	1235.00	61.75
24725	EMERGENCY PLANNING	0.00	0.00	0.00	0.00	0.00	0.00
24745	DRUG TASK FORCE GRANT	34000.00	32476.72	32476.72	0.00	1523.28	4.48
24845	RADIO REIMBURSEMENT	0.00	0.00	0.00	0.00	0.00	0.00
24943	STRENGTHENING FAMILIES PROG 3	20000.00	4172.94	4172.94	0.00	15827.06	79.14
24944	S.CTY. INTERVENTION PROG 2	39000.00	35844.05	35844.05	0.00	3155.95	8.09
24945	LADAC, WORKFORCE GRANT	75000.00	53783.55	53783.55	0.00	21216.45	28.29
24946	WORKFORCE GRANT	216295.00	40962.90	40962.90	0.00	175332.10	81.06
24947	CLAREMONT TEEN RESOURCE CENTER COFFEEHS.	283774.00	83879.56	83879.56	0.00	199894.44	70.44
TOTAL Grants		750293.00	391567.87	391567.87	0.00	358725.13	47.81

A C T U A L & B U D G E T E D E X P E N S E S & E N C U M B R A N C E

Report Sequence = Fund or Acct Group

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

Level of Detail = Department; Level = 9

Fund: Nursing Home

Period: July 2003 to Closing 2004

Account Number	Account Name	Current Year Budgeted	Period Expenditures	Current Year Expenditures	Encumbrances	Balance Remaining	Percent Left
40097	TRANSFER OUT	0.00	372489.35	372489.35	0.00	(372489.35)	0.00
40492	MARKETING	0.00	0.00	0.00	0.00	0.00	0.00
40500	ADMINISTRATION NURSING HOME	1129678.00	268629.46	268629.46	0.00	861048.54	76.22
40510	DEPRECIATION EXPENSE	0.00	327780.72	327780.72	0.00	(327780.72)	0.00
40520	HUMAN RESOURCES	118181.00	112362.13	112362.13	0.00	5818.87	4.92
40530	DIETARY	1284490.00	1297567.93	1297567.93	0.00	(13077.93)	(1.02)
40540	NURSING	4898436.00	4776860.93	4776860.93	0.00	121575.07	2.48
40541	NURSING ON-CALL	734394.00	1225718.74	1225718.74	0.00	(491324.74)	(66.90)
40545	COPS GRANT	0.00	0.00	0.00	0.00	0.00	0.00
40550	OPERATION OF PLANT	768765.00	811108.91	811108.91	0.00	(42343.91)	(5.51)
40560	LAUNDRY & LINEN	286959.00	273680.26	273680.26	0.00	13278.74	4.63
40570	HOUSEKEEPING	556950.00	546343.68	546343.68	0.00	10606.32	1.90
40580	PHYSICIAN & PHARMACY	19100.00	11253.99	11253.99	0.00	7846.01	41.08
40585	MEDICARE PART A	125987.00	163294.46	163294.46	0.00	(37307.46)	(29.61)
40586	MEDICARE PART B	155852.00	102697.60	102697.60	0.00	53154.40	34.11
40590	SPECIAL SERVICES	0.00	0.00	0.00	0.00	0.00	0.00
40591	PHYSICAL THERAPY	8250.00	4902.77	4902.77	0.00	3347.23	40.57
40592	OCCUPATIONAL THERAPY	7000.00	2861.95	2861.95	0.00	4138.05	59.12
40593	RECREATIONAL THERAPY	283673.00	245670.36	245670.36	0.00	38002.64	13.40
40594	SOCIAL SERVICES	128296.00	126491.60	126491.60	0.00	1804.40	1.41
40595	SPEECH THERAPY	0.00	0.00	0.00	0.00	0.00	0.00
40596	DENTAL SERVICE	21919.00	30446.63	30446.63	0.00	(8527.63)	(38.91)
40970	PRINCIPAL & INTEREST ON BOND	518946.00	35515.63	35515.63	0.00	483430.37	93.16
	TOTAL Nursing Home	11046876.00	10735677.10	10735677.10	0.00	311198.90	2.82

A C T U A L & B U D G E T E D E X P E N S E S & E N C U M B R A N C E

Report Sequence = Fund or Acct Group

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

Level of Detail = Department; Level = 9

Fund: Capital Improvements

Period: July 2003 to Closing 2004

Account Number	Account Name	Current Year Budgeted	Period Expenditures	Current Year Expenditures	Encumbrances	Balance Remaining	Percent Left
42079	CAPITAL IMPROVEMENTS: SUBSID.EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00
42100	RESERVE:CAP. IMPROVEMENTS	0.00	0.00	0.00	0.00	0.00	0.00
42400	COMMISSIONERS OFFICE	6904.00	0.00	0.00	0.00	6904.00	100.00
42402	AUDITOR	0.00	0.00	0.00	0.00	0.00	0.00
42403	COUNTY MANAGER	520.00	0.00	0.00	0.00	520.00	100.00
42404	INCENTIVE	0.00	0.00	0.00	0.00	0.00	0.00
42405	PAYROLL OFFICE	0.00	0.00	0.00	0.00	0.00	0.00
42406	CONSERVATION DISTRICT	0.00	0.00	0.00	0.00	0.00	0.00
42410	COUNTY ATTORNEY	0.00	0.00	0.00	0.00	0.00	0.00
42411	VICTIM/WITNESS PROGRAM	0.00	0.00	0.00	0.00	0.00	0.00
42420	REGISTER OF DEEDS	0.00	0.00	0.00	0.00	0.00	0.00
42440	SHERIFF'S DEPARTMENT	8694.00	0.00	0.00	0.00	8694.00	100.00
42442	DEPUTY SHERIFF	0.00	0.00	0.00	0.00	0.00	0.00
42443	DEPUTY SHERIFFS BAILIFFS	0.00	0.00	0.00	0.00	0.00	0.00
42445	DOMESTIC VIOLENCE GRANT	0.00	0.00	0.00	0.00	0.00	0.00
42450	MEDICAL REFEREE	0.00	0.00	0.00	0.00	0.00	0.00
42460	COURT HOUSE	0.00	0.00	0.00	0.00	0.00	0.00
42475	COOPERATIVE EXTENSION SERVICE	6200.00	0.00	0.00	0.00	6200.00	100.00
42490	HUMAN SERVICES	0.00	0.00	0.00	0.00	0.00	0.00
42491	LONG TERM CARE	0.00	0.00	0.00	0.00	0.00	0.00
42497	WOODHULL COUNTY COMPLEX	0.00	0.00	0.00	0.00	0.00	0.00
42500	ADMINISTRATION NURSING HOME	520.00	0.00	0.00	0.00	520.00	100.00
42510	DEPRECIATION EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00
42520	HUMAN RESOURCES	0.00	0.00	0.00	0.00	0.00	0.00
42530	DIETARY	15416.00	0.00	0.00	0.00	15416.00	100.00
42540	NURSING	0.00	0.00	0.00	0.00	0.00	0.00
42541	NURSING ON-CALL	0.00	0.00	0.00	0.00	0.00	0.00
42545	COPS GRANT	0.00	0.00	0.00	0.00	0.00	0.00
42550	OPERATION OF PLANT	123985.00	0.00	0.00	0.00	123985.00	100.00
42560	LAUNDRY & LINEN	17155.00	0.00	0.00	0.00	17155.00	100.00
42570	HOUSEKEEPING	3218.00	0.00	0.00	0.00	3218.00	100.00
42580	PHYSICIAN & PHARMACY	0.00	0.00	0.00	0.00	0.00	0.00
42590	SPECIAL SERVICES	0.00	0.00	0.00	0.00	0.00	0.00
42591	PHYSICAL THERAPY	0.00	0.00	0.00	0.00	0.00	0.00
42592	OCCUPATIONAL THERAPY	0.00	0.00	0.00	0.00	0.00	0.00
42593	RECREATIONAL THERAPY	0.00	0.00	0.00	0.00	0.00	0.00
42594	SOCIAL SERVICES	0.00	0.00	0.00	0.00	0.00	0.00
42595	SPEECH THERAPY	0.00	0.00	0.00	0.00	0.00	0.00
42596	DENTAL SERVICE	0.00	0.00	0.00	0.00	0.00	0.00
42597	BLDG.ADDITION & MAJOR RENOV.	0.00	0.00	0.00	0.00	0.00	0.00
42598	LONG TERM DEBT	0.00	0.00	0.00	0.00	0.00	0.00

ACTUAL & BUDGETED EXPENSES & ENCUMBRANCE

Report Sequence = Fund or Acct Group

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

Level of Detail = Department; Level = 9

Fund: Capital Improvements

Period: July 2003 to Closing 2004

Account Number	Account Name	Current Year Budgeted	Period Expenditures	Current Year Expenditures	Encumbrances	Balance Remaining	Percent Left
42599	BLDG.ADDITION & MAJOR RENOV.	0.00	0.00	0.00	0.00	0.00	0.00
42600	DEPARTMENT OF CORRECTION	33688.00	0.00	0.00	0.00	33688.00	100.00
42645	HIGHWAY SAFETY/OUTSIDE DETAIL	0.00	0.00	0.00	0.00	0.00	0.00
42700	FACILITIES	3700.00	0.00	0.00	0.00	3700.00	100.00
42745	DRUG TASK FORCE GRANT	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL Capital Improvements		220000.00	0.00	0.00	0.00	220000.00	100.00
TOTAL CONSOLIDATED FUND TOTALS		21174490.00	21902859.57	21902859.57	0.00	(728369.57)	(3.44)

SULLIVAN COUNTY, NEW HAMPSHIRE

Management Letter

For the Year Ended June 30, 2004

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY LETTER	1
1. Improve Controls Over Various Cash Accounts (Reportable Condition)	3
2. Revise Various Accounting Procedures	3
A. Record Budgeted Transfers	4
B. Avoid Posting Directly to Fund Balance Accounts	4
C. Reconcile General Ledger to Appropriation Board	4
D. Revise Method of Recording Budget Transfers	4
E. Segregate Year-End Disbursements By Year	5
F. Close Year-End Surplus/Deficit in Registry Fund	5
G. Reconcile Miscellaneous Ledger Balances	5
3. Void Printer Alignment Checks	6
4. Maintain Log of Checks Used	6
5. Improve Year-End Reporting at the Nursing Home	6
6. Improve Segregation of Duties Over Inmate Account	7



MELANSON HEATH & COMPANY, PC

CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT ADVISORS

11 Trafalgar Square • Suite 101
Nashua, NH 03063-1974
Tel (603)882-1111 • Fax (603)882-9456
melansomheath.com

Honorable Mayor and County Council
Sullivan County
Somersworth, New Hampshire

We have audited the financial statements of Sullivan County, New Hampshire, as of and for the year ended June 30, 2004, and have issued our report thereon dated August 3, 2004. As part of our audit, we made a study and evaluation of the County's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. Under these standards, the purposes of such evaluations are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing, and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements.

The management of Sullivan County, New Hampshire is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by them are required to assess the expected benefits and related costs of control procedures. The objectives of such a system are to provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with required authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may still occur without being detected. Also, projection of any evaluation of the system to future periods is subject to the risks that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the

American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the County's ability to record, process, summarize and report financial data in a manner that is consistent with the assertions of management in the financial statements. This issue is noted as a reportable condition in the table of contents and in the comment headings.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce, to a relatively low level, the risk that errors or irregularities in amounts that would be material in relation to the 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is a material weakness.

Our study and evaluation was not designed for the purpose of expressing an opinion on the internal accounting control and would not necessarily disclose all weaknesses in the system. However, as a result of our study and evaluation, and in an effort to be of assistance to the County, we are submitting for your consideration comments and recommendations intended to improve operations and internal accounting control.

After you have an opportunity to consider our findings and recommendations, we shall be pleased to discuss them further with you. We would like to thank the County officials and staff for the cooperation and courtesy given to our firm during the course of the engagement.

Melanson, Heath + Company P.C.

Nashua, New Hampshire
August 3, 2004

1. Improve Controls Over Various Cash Accounts (Reportable Condition)

During our testing, we noted that there are various cash accounts which are not currently tracked in the County's general ledger, including a Registry checking account, a Sheriff's grant checking account, various Nursing Home trust accounts, and a capital reserve account. The previous year's audit management letter identified this situation as "a lack of segregation of duties" because most of these accounts are administered by elected officials and others, with no oversight from the Treasurer or Administrative Office. As a result, there is an increased risk that errors or irregularities could occur and go undetected.

We recommend all County cash accounts be brought under the control of the Treasurer, and that all related activity be reported in the County's general ledger. This will improve oversight, accountability, and control over these accounts, thereby minimizing the risk of errors or irregularities occurring.

2. Revise Various Accounting Procedures

Although the most critical information included in the County's general ledger reconciled at year end, we noted that various accounting practices currently followed either do not conform with generally accepted accounting practices or result in inefficient practices. Our observations and recommendations follow:

- A. Record Budgeted Transfers: Each year when the budget is authorized and tax rate is set, the overall County budget balances, however, budgeted revenues do not match the budgeted appropriately for individual funds (e.g., the Nursing Home Enterprise Fund, the Registry Special Revenue Fund, and the General Fund). The differences represent budgeted surplus/deficits of the Registry/Nursing Home that impact the General Fund's tax rate. The County historically has not actually moved money between funds to record these budgeted transfers. As a result, the general ledger reflects large cumulative interfund balances due between funds. For example, at June 30, 2003, the General Fund reported a cumulative balance due from the Nursing

Home of \$ 8,223,788, for which the Nursing Home has no funds to repay.

We recommend that when the tax rate is set, budgeted surplus/ deficits for the Registry and Nursing Home be recorded as actual transfers between funds. This will result in improved accountability of each fund, and will comply with generally accepted accounting principles.

- B. Avoid Posting Directly to Fund Balance Accounts: We noted that occasionally transactions are posted directly to fund balance accounts, and that a "prior year revenue" account is recorded in the revenue report. Generally accepted accounting principles do not permit such transactions, which also complicate the audit and MS-45 preparation process.

We recommend the County preclude from posting directly to fund balance accounts and using "prior year revenue" accounts. This will simplify the accounting records.

- C. Reconcile General Ledger to Appropriation Report: We noted that the County uses an appropriation report to track and control activity for Fund 24 grants, and for the Capital Improvements Fund. We also noted, however, that the ending balances in the appropriation reports did not correspond to the general ledger at June 30, 2004. This could result in errors or inaccurate information being used as a basis of control over these funds.

We recommend the general ledger fund balance in these funds be reconciled with appropriation report balances on a monthly basis. This will improve checks and balances to assure that both the general ledger and appropriation reports reflect accurate balances.

- D. Revise Method of Recording Budget Transfers: During fiscal 2004 the Commissioners authorized a transfer from several available appropriation balances to establish a capital reserve fund. To accomplish this, we noted that instead of reducing the appropriations from the funding sources (i.e., amending the budget), that actual expenditures were

charged to these accounts. This results in misleading budget reports, and could complicate future budgets that rely on fiscal 2004 expenditures as a base.

We recommend that future budget transfers be recorded by reducing the appropriation amount from the funding sources, and increasing the appropriation amount for the proposed use. This will result in more accurate expenditure reports.

- E. Segregate Year-End Disbursements By Year: In the beginning of a new fiscal year (July), the County processes bills related to both the previous year and the new year. We noted that these disbursements are combined in the vendor check runs processed in July. This complicates the year-end cut-off process, as well as the audit.

We recommend July bills be segregated into separate check runs by fiscal year. This will simplify the processing of year-end activity and will help assure a proper cut-off occurs.

- F. Close Year-End Surplus/Deficit in Registry Fund: Because there is no legal purpose to retain a separate fund balance in the Registry Special Revenue Fund, we recommend the year-end balance (other than equipment reserves) be closed to the General Fund. This will result in more accurate amounts reported in the General Fund general ledger.

- G. Reconcile Miscellaneous Ledger Balances: We noted various general ledger accounts that reflected no current year activity, and for which there was not support. We also noted that various non-enterprise funds included general ledger balances for capital assets and long-term debt. Generally accepted accounting principles do not permit long-term assets and liabilities to be accounted for in such funds.

We recommend that on a quarterly basis, all general ledger accounts be reconciled to support, and all inactive accounts be evaluated for closure. We also recommend that capital assets and related debt no longer be recorded in the non-enterprise funds. This will result in a more accurate general ledger.

3. Void Printer Alignment Checks

Typically, when checks are printed, there are a few checks that are not issued at the beginning of the run because they are used for the check printer alignment. The County currently saves these checks to be used as manual checks at a later date. As a result, the check sequence of checks clearing the bank is not always chronological. This results in a poor audit trail, and can complicate the cash reconciliation process.

We recommend the County void all unused "printer alignment" checks immediately. This will provide an improved audit trail and should simplify the bank reconciliation process.

4. Maintain Log of Checks Used

The County currently does not maintain a log of issued or voided checks. The purpose of such a log is to maintain the sequential integrity of checks used. A log which lists all checks issued and voided provides additional assurance that all checks are accounted for and reduces the risk that checks will be used inappropriately without being detected.

We recommend the County establish a log to track all checks issued and voided. This will provide additional control over cash disbursements.

5. Improve Year-End Reporting at the Nursing Home

As part of our fiscal year 2004 audit of the Nursing Home Enterprise Fund, it was necessary to make the following adjustments:

- Write-off bad debts identified by the Nursing Home.
- Adjust resident cash, and the offsetting liability to residents, to the correct balance at June 30, 2004.
- Adjust restricted cash to reconciled balances.

- Adjust inventory to agree with physical count.
- Adjust payroll accruals.
- Adjust accounts payable.
- Reverse billings for July 2004, posted to FY 2004.
- Reclassify expenses to fixed assets and record depreciation.

As a result of the above adjustments, the Nursing Home's audited financial statements are significantly different than their internal year-end financial reports.

We recommend that in the future, these adjustments be made part of the Nursing Home's year-end closing entries, rather than being left to the annual audit. Also, adjustments such as bad debt write-offs should be made throughout the year and all balance sheet accounts should be regularly reviewed, and adjustments made, as needed. This will provide the Nursing Home with more accurate financial information in a timely manner.

6. Improve Segregation of Duties Over Inmate Account

The County Correctional Facility maintains a checking account on behalf of inmates to be used for personal toiletries, etc. We noted that the secretary at the facility, who is currently responsible for recording all activity and reconciling the account, is also an authorized check signer. This results in a lack of segregation of duties.

We recommend that the secretary be removed as an authorized check signer, and that copies of bank statements and reconciliations be provided to the Treasurer on a monthly basis. This will improve oversight and controls, thereby reducing the risk of errors or irregularities occurring and going undetected.

SULLIVAN COUNTY, NEW HAMPSHIRE

Annual Financial Statements

For the Year Ended June 30, 2004

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Assets	10
Statement of Activities	11
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	12
Statement of Revenues, Expenditures, and Changes in Fund Balances	13
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities in the Statement of Net Assets	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Revenues and Other Sources, and Expenditures and Other Uses - Budget and Actual - General Fund	16
Proprietary Funds:	
Statement of Net Assets	17
Statement of Revenues, Expenses, and Changes in Fund Net Assets	18
Statement of Cash Flows	19
Fiduciary Funds:	
Statement of Fiduciary Net Assets	20
Notes to the Financial Statements	21



MELANSON HEATH & COMPANY, PC

CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT ADVISORS

11 Trefalgar Square • Suite 101
Nashua, NH 03063-1974
Tel (603)882-1111 • Fax (603)882-0450
melansonheath.com

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Sullivan County
Newport, New Hampshire 03773

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sullivan County, New Hampshire, as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Sullivan 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 auditing standards generally accepted in the United States of America. 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, appearing on the following pages, is not a required part of the basic financial statements but is supplementary information required by the *Governmental Accounting Standards Board*. We have applied certain limited procedures, which consisted principally of inquiries of management

regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Melanson, Heath + Company P.C.

Nashua, New Hampshire
August 3, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Sullivan County, we offer readers this narrative overview and analysis of the financial activities of Sullivan County for the fiscal year ended June 30, 2004.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The statement of net assets presents information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, County Attorney's office, Commissioners office, public safety, corrections, County nursing home, health and welfare, cooperative extension and Register of Deeds. The business-type activities include nursing home activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be

divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for nursing home operations.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the nursing home operations, which is considered to be a major fund.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by the *Governmental Accounting Standards Board*.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$ 7,232,994 (i.e., net assets), an increase of \$ 1,073,313 in comparison to the prior year, as restated.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$ 659,154, an increase of \$ 292,220 in comparison with the prior year, as restated.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$ 361,159, an increase of \$ 25,563 in comparison with the prior year, as restated.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$ 1,117,469, a decrease of \$ (552,257) in comparison to the prior year.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide financial data for the current and prior fiscal years. All amounts are presented in thousands.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Current and other assets	\$ 2,433	\$ 10,726	\$ 1,869	\$ (7,326)	\$ 4,302	\$ 3,400
Capital assets	<u>2,803</u>	<u>2,864</u>	<u>4,176</u>	<u>4,395</u>	<u>6,979</u>	<u>7,259</u>
Total assets	5,236	13,590	6,045	(2,931)	11,281	10,659
Long-term liabilities outstanding	277	140	720	977	997	1,117
Other liabilities	<u>1,891</u>	<u>2,051</u>	<u>1,160</u>	<u>1,299</u>	<u>3,051</u>	<u>3,350</u>
Total liabilities	2,168	2,191	1,880	2,276	4,048	4,467
Net assets:						
Invested in capital assets, net	2,515	2,655	3,199	2,935	5,714	5,590
Unrestricted	<u>5,334</u>	<u>8,744</u>	<u>966</u>	<u>(8,142)</u>	<u>1,519</u>	<u>602</u>
Total net assets	\$ <u>3,068</u>	\$ <u>11,399</u>	\$ <u>4,165</u>	\$ <u>(5,207)</u>	\$ <u>7,233</u>	\$ <u>6,192</u>

CHANGES IN NET ASSETS

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues:						
Charges for services	\$ 952	\$ 978	\$ 9,730	\$ 7,398	\$ 10,682	\$ 8,376
Operating grants	369	276	60	325	429	601
Capital grants	-	14	-	61	-	75
County tax	9,337	9,841	-	-	9,337	9,841
Grants and contributions	327	-	-	-	327	-
Investment income	21	49	-	-	21	49
Other	<u>39</u>	<u>41</u>	<u>-</u>	<u>72</u>	<u>39</u>	<u>113</u>
Total revenues	11,045	11,199	9,790	7,856	20,835	19,055
Expenses:						
General government	718	450	-	-	718	450
County Attorney	234	227	-	-	234	227
Commissioners office	221	208	-	-	221	208
Public safety	781	595	-	-	781	595
Corrections	2,310	2,129	-	-	2,310	2,129
County Nursing Home	65	-	10,341	9,922	10,406	9,922
Health and welfare	4,457	4,575	-	-	4,457	4,575
Cooperative extension	290	175	-	-	290	175
Register of Deeds	<u>345</u>	<u>399</u>	<u>-</u>	<u>-</u>	<u>345</u>	<u>399</u>
Total expenses	<u>9,421</u>	<u>8,758</u>	<u>10,341</u>	<u>9,922</u>	<u>19,762</u>	<u>18,680</u>
Change in net assets before transfers	1,624	2,441	(551)	(2,066)	1,073	375
Transfers in (out)	<u>(1,491)</u>	<u>-</u>	<u>1,491</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase in net assets	133	2,441	940	(2,066)	1,073	375
Net assets - beginning of year (as restated)	<u>2,935</u>	<u>8,958</u>	<u>3,225</u>	<u>(3,141)</u>	<u>6,160</u>	<u>5,817</u>
Net assets - end of year	<u>\$ 3,068</u>	<u>\$ 11,399</u>	<u>\$ 4,165</u>	<u>\$ (5,207)</u>	<u>\$ 7,233</u>	<u>\$ 6,192</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net assets were \$ 7,232,994, an increase of \$ 1,073,313 from the prior year, as restated.

The largest portion of net assets \$ 5,713,607 reflects our investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of unrestricted net assets \$ 1,519,387 may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental activities. Governmental activities for the year resulted in an increase in net assets of \$ 133,666. Key elements of this increase are as follows:

	<u>Governmental Activities</u>
Excess of general fund revenues over budget	\$ 133,992
Budgetary appropriations unspent by departments	432,724
Use of fund balance as a funding source	(541,153)
Special revenue fund revenues exceeding expenditures	236,655
Major funds - Register of Deeds fund revenues exceeding expenditures	30,002
Capital assets purchased using tax levy	63,984
Excess depreciation expense over current year bond maturities	(204,405)
Other timing issues	(18,133)
Total	\$ <u>133,666</u>

Business-type activities. Business-type activities for the year resulted in an increase in net assets of \$ 939,647. Most of this increase is attributed to the receipt of unanticipated Proshare funds.

D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$ 659,154, an increase of \$ 292,220 in comparison with the prior year. Key elements of this increase are as follows:

	Governmental Funds
Excess of general fund revenues over budget	\$ 133,992
Budgetary appropriations unspent by departments	432,724
Use of fund balance as a funding source	(541,153)
Special revenue fund revenues exceeding expenditures	236,655
Major funds - Register of Deeds fund revenues exceeding expenditures	<u>30,002</u>
Total	\$ <u>292,220</u>

The general fund is the chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was \$ 361,159. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance at June 30, 2004 represents 4.2 percent of total general fund expenditures.

The fund balance of the general fund increased by \$ 25,563 during the current fiscal year. Key factors in this change are as follows:

	General Fund
Excess of general fund revenues over budget	\$ 133,992
Budgetary appropriations unspent by departments	432,724
Use of fund balance as a funding source	<u>(541,153)</u>
Total	\$ <u>25,563</u>

Proprietary funds. Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise funds at the end of the year amounted to \$ 966,023, an increase of \$ 675,629 in comparison with the prior year, as restated. Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

E. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year end amounted to \$ 6,979,185 (net of accumulated depreciation), a decrease of \$ (278,366) from the prior year. This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment.

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding was \$ 1,117,469, all of which was backed by the full faith and credit of the government.

Additional information on capital assets and long-term debt can be found in the footnotes to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Board of Commissioners
Sullivan County
14 Main Street
Newport, New Hampshire 03773

SULLIVAN COUNTY, NEW HAMPSHIRE

STATEMENT OF NET ASSETS

JUNE 30, 2004

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current:			
Cash and short-term investments	\$ 2,659,527	\$ 200	\$ 2,659,727
Restricted cash	-	114,813	114,813
Investments (capital reserve)	220,000	-	220,000
Receivables:			
Departmental and other	3,128	1,103,183	1,106,311
Intergovernmental	16,993	-	16,993
Internal balances	(617,618)	617,618	-
Prepaid expenses	150,860	-	150,860
Inventory	-	32,669	32,669
Noncurrent:			
Capital assets, net of accumulated depreciation	<u>2,803,141</u>	<u>4,176,044</u>	<u>6,979,185</u>
TOTAL ASSETS	5,236,031	6,044,527	11,280,558
LIABILITIES			
Current:			
Accounts payable	1,239,412	366,419	1,605,831
Accrued liabilities	243,411	204,976	448,387
Intergovernmental payable	298,976	-	298,976
Due to residents	-	101,886	101,886
Current portion of long-term liabilities:			
Bonds payable	69,646	486,913	556,559
Other liabilities	38,903	-	38,903
Noncurrent:			
Bonds payable, net of current portion	70,473	490,437	560,910
Other liabilities, net of current portion	<u>206,933</u>	<u>229,179</u>	<u>436,112</u>
TOTAL LIABILITIES	2,167,754	1,879,810	4,047,564
NET ASSETS			
Invested in capital assets, net of related debt	2,514,913	3,198,694	5,713,607
Unrestricted	<u>553,364</u>	<u>966,023</u>	<u>1,519,387</u>
TOTAL NET ASSETS	\$ <u>3,068,277</u>	\$ <u>4,164,717</u>	\$ <u>7,232,994</u>

See notes to financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2004

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Assets</u>		
		<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>
Governmental Activities:							
General government	\$ 718,064	\$ -	\$ -	\$ -	\$ (718,064)	\$ -	\$ (718,064)
County Attorney's office	233,501	7,326	-	-	(226,175)	-	(226,175)
Commissioners office	220,737	-	-	-	(220,737)	-	(220,737)
Public safety	781,158	373,128	121,704	-	(286,326)	-	(286,326)
Corrections	2,310,010	-	-	-	(2,310,010)	-	(2,310,010)
County Nursing Home	64,482	-	27,000	-	(37,482)	-	(37,482)
Health and welfare	4,457,276	-	219,906	-	(4,237,370)	-	(4,237,370)
Cooperative extension	290,031	-	-	-	(290,031)	-	(290,031)
Register of Deeds	344,557	571,325	-	-	226,768	-	226,768
Total Governmental Activities	<u>9,419,816</u>	<u>951,779</u>	<u>368,610</u>	<u>-</u>	<u>(8,099,427)</u>	<u>-</u>	<u>(8,099,427)</u>
Business-Type Activities:							
Nursing Home	10,341,230	9,729,549	60,174	-	-	(551,507)	(551,507)
Total Business-Type Activities	<u>10,341,230</u>	<u>9,729,549</u>	<u>60,174</u>	<u>-</u>	<u>-</u>	<u>(551,507)</u>	<u>(551,507)</u>
Total	<u>\$ 19,761,046</u>	<u>\$ 10,681,328</u>	<u>\$ 428,784</u>	<u>\$ -</u>	<u>(8,099,427)</u>	<u>(551,507)</u>	<u>(8,650,934)</u>
General Revenues:							
County Tax					9,336,760	-	9,336,760
Grants and contributions not restricted to specific programs					327,133	-	327,133
Investment income					20,959	-	20,959
Miscellaneous					39,395	-	39,395
Transfers, net					(1,491,154)	1,491,154	-
Total general revenues and transfers					<u>8,233,093</u>	<u>1,491,154</u>	<u>9,724,247</u>
Change in Net Assets					133,666	939,647	1,073,313
Net Assets:							
Beginning of year, as restated					<u>2,934,611</u>	<u>3,225,070</u>	<u>6,159,681</u>
End of year					<u>\$ 3,068,277</u>	<u>\$ 4,164,717</u>	<u>\$ 7,232,994</u>

See notes to financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2004

ASSETS	<u>General</u>	<u>Register of Deeds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and short-term investments	\$ 2,276,976	\$ 382,552	\$ -	\$ 2,659,528
Investments (capital reserve)	-	-	220,000	220,000
Accounts receivable	3,128	-	-	3,128
Intergovernmental receivable	-	-	16,993	16,993
Due from other funds	-	6,359	-	6,359
Other assets	<u>150,860</u>	<u>-</u>	<u>-</u>	<u>150,860</u>
TOTAL ASSETS	<u>\$ 2,430,964</u>	<u>\$ 388,911</u>	<u>\$ 236,993</u>	<u>\$ 3,056,868</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,226,430	\$ 4,199	\$ 8,783	\$ 1,239,412
Accrued liabilities	231,628	2,160	1,561	235,349
Due to other funds	611,747	-	12,230	623,977
Intergovernmental payable	-	298,976	-	298,976
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	2,069,805	305,335	22,574	2,397,714
Fund Balances:				
Unreserved:				
Undesignated, reported in:				
General fund	361,159	-	-	361,159
Special revenue funds	<u>-</u>	<u>83,576</u>	<u>214,419</u>	<u>297,995</u>
TOTAL FUND BALANCES	<u>361,159</u>	<u>83,576</u>	<u>214,419</u>	<u>659,154</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,430,964</u>	<u>\$ 388,911</u>	<u>\$ 236,993</u>	<u>\$ 3,056,868</u>

See notes to financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2004

	<u>General</u>	<u>Register of Deeds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
County taxes	\$ 9,336,760	\$ -	\$ -	\$ 9,336,760
Charges for services	292,304	541,323	80,727	914,354
Intergovernmental	190,087	-	327,495	517,582
Investment income	20,959	-	-	20,959
Miscellaneous	224,978	30,002	-	254,980
Total Revenues	<u>10,065,088</u>	<u>571,325</u>	<u>408,222</u>	<u>11,044,635</u>
Expenditures:				
Current:				
General government	657,153	-	-	657,153
County Attorney's office	223,538	-	-	223,538
Commissioners office	220,160	-	-	220,160
Public safety	452,609	-	286,625	739,234
Corrections	2,179,567	-	-	2,179,567
County Nursing Home	64,263	-	-	64,263
Health and welfare	4,350,332	-	104,942	4,455,274
Cooperative extension	286,191	-	-	286,191
Register of Deeds	-	344,229	-	344,229
Debt service	91,652	-	-	91,652
Total Expenditures	<u>8,525,465</u>	<u>344,229</u>	<u>391,567</u>	<u>9,261,261</u>
Excess (deficiency) of revenues over expenditures	1,539,623	227,096	16,655	1,783,374
Other Financing Sources (Uses):				
Operating transfers in	197,094	-	220,000	417,094
Operating transfers out	(1,711,154)	(197,094)	-	(1,908,248)
Total Other Financing Sources (Uses)	<u>(1,514,060)</u>	<u>(197,094)</u>	<u>220,000</u>	<u>(1,491,154)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	25,563	30,002	236,655	292,220
Fund Equity, at Beginning of Year, as restated	<u>335,596</u>	<u>53,574</u>	<u>(22,236)</u>	<u>366,934</u>
Fund Equity, at End of Year	<u>\$ 361,159</u>	<u>\$ 83,576</u>	<u>\$ 214,419</u>	<u>\$ 659,154</u>

See notes to financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET ASSETS OF GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET ASSETS

JUNE 30, 2004

Total governmental fund balances	\$ 659,154
<ul style="list-style-type: none">• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,803,141
<ul style="list-style-type: none">• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(8,063)
<ul style="list-style-type: none">• Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(<u>385,955</u>)
Net assets of governmental activities	\$ <u>3,068,277</u>

See notes to financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2004

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 292,220
<ul style="list-style-type: none">Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay purchases	21,553
Depreciation	(273,234)
<ul style="list-style-type: none">The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets:	
Repayments of debt	111,260
<ul style="list-style-type: none">In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(8,036)
<ul style="list-style-type: none">Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(10,070)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ <u>133,666</u>

See notes to financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

GENERAL FUND

STATEMENT OF REVENUES AND OTHER SOURCES, AND EXPENDITURES AND OTHER USES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues and Other Sources:				
County taxes	\$ 9,336,760	\$ 9,336,760	\$ 9,336,760	\$ -
Charges for services	256,829	256,829	292,304	35,475
Intergovernmental	195,396	195,396	190,087	(5,309)
Investment income	50,000	50,000	20,959	(29,041)
Miscellaneous	198,631	198,631	224,978	26,347
Transfers in	90,574	90,574	197,094	106,520
Other sources	<u>541,153</u>	<u>541,153</u>	<u>541,153</u>	<u>-</u>
Total Revenues and Other Sources	10,669,343	10,669,343	10,803,335	133,992
Expenditures and Other Uses:				
General government	585,854	585,854	657,153	(71,299)
County Attorney's office	272,415	272,415	223,538	48,877
Commissioners office	226,628	226,628	220,160	6,468
Public safety	455,280	455,280	452,609	2,671
Corrections	2,160,899	2,160,899	2,179,567	(18,668)
County Nursing Home	63,913	63,913	64,263	(350)
Health and welfare	4,613,988	4,613,988	4,350,332	263,656
Cooperative extension	287,608	287,608	286,191	1,417
Transfers out	1,896,448	1,896,448	1,711,154	185,294
Other uses	<u>106,310</u>	<u>106,310</u>	<u>91,652</u>	<u>14,658</u>
Total Expenditures and Other Uses	<u>10,669,343</u>	<u>10,669,343</u>	<u>10,236,619</u>	<u>432,724</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>566,716</u>	\$ <u>566,716</u>

See notes to financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

PROPRIETARY FUND

STATEMENT OF NET ASSETS

JUNE 30, 2004

Business-Type Activities
Enterprise Fund
Nursing
Home

ASSETS

Current:	
Cash and short-term investments	\$ 200
Accounts receivable, net of contractual allowances	1,103,183
Internal balances	617,618
Inventory	<u>32,669</u>
Total current assets	1,753,670
Noncurrent:	
Other assets	114,813
Capital assets, net of accumulated depreciation	<u>4,176,044</u>
Total noncurrent assets	<u>4,290,857</u>
TOTAL ASSETS	6,044,527

LIABILITIES

Current:	
Accounts payable	366,419
Accrued and other liabilities	204,976
Due to residents	101,886
Current portion of long-term liabilities:	
Bonds payable	<u>486,913</u>
Total current liabilities	1,160,194
Noncurrent:	
Bonds payable, net of current portion	490,437
Compensated absences	<u>229,179</u>
Total noncurrent liabilities	<u>719,616</u>
TOTAL LIABILITIES	1,879,810

NET ASSETS

Invested in capital assets, net of related debt	3,198,694
Unrestricted	<u>966,023</u>
TOTAL NET ASSETS	\$ <u>4,164,717</u>

See notes to financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2004

	Business-Type Activities Enterprise Fund
	<u>Nursing Home</u>
Operating Revenues:	
Charges for services	\$ 9,547,393
Miscellaneous	<u>182,156</u>
Total Operating Revenues	9,729,549
Operating Expenses:	
Personnel services	5,120,605
Contractual services	1,159,462
Therapy services	198,490
Supplies and office expense	140,503
Medical expenses	67,502
Utilities	290,852
Depreciation	327,781
Payroll and other taxes	416,636
Food	472,234
Repairs and maintenance	261,534
Employee benefits	1,536,138
Telephone	20,038
Miscellaneous	29,998
Insurance	63,323
Medicine	<u>200,618</u>
Total Operating Expenses	<u>10,305,714</u>
Operating Income (Loss)	(576,165)
Nonoperating Revenues (Expenses):	
Intergovernmental revenue	60,174
Interest expense	<u>(35,516)</u>
Total Nonoperating Revenues (Expenses), Net	<u>24,658</u>
Income (Loss) Before Transfers	(551,507)
Transfers:	
Operating transfers in	<u>1,491,154</u>
Change in Net Assets	939,647
Net Assets at Beginning of Year, as restated	<u>3,225,070</u>
Net Assets at End of Year	<u>\$ 4,164,717</u>

See notes to financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

PROPRIETARY FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2004

	<u>Business-Type Activities</u> <u>Enterprise Funds</u>
	<u>Nursing</u> <u>Home</u>
<u>Cash Flows From Operating Activities:</u>	
Receipts for services provided	\$ 9,144,443
Miscellaneous receipts	182,156
Payments for personnel and related costs	(8,448,148)
Payments for goods and services	<u>(1,447,293)</u>
Net Cash Provided By (Used For) Operating Activities	(568,842)
<u>Cash Flows From Noncapital Financing Activities:</u>	
Operating transfers in	1,491,154
Repayment of internal balances	(355,171)
Intergovernmental grant	<u>60,174</u>
Net Cash (Used For) Noncapital Financing Activities	1,196,157
<u>Cash Flows From Capital and Related Financing Activities:</u>	
Acquisition and construction of capital assets	(108,371)
Principal payments on bonds and notes	(483,428)
Interest expense	<u>(35,516)</u>
Net Cash (Used For) Capital and Related Financing Activities	<u>(627,315)</u>
Net Change in Cash and Short-Term Investments	-
Cash and Short Term Investments, Beginning of Year	<u>200</u>
Cash and Short Term Investments, End of Year	<u>\$ 200</u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by (Used For) Operating Activities:</u>	
Operating income (loss)	\$ (576,165)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	327,781
Changes in assets and liabilities:	(404,717)
Accounts receivable	1,889
Inventory	(5,105)
Other assets	107,953
Accounts payable	(3,661)
Accrued and other liabilities	<u>(16,817)</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (568,842)</u>

See notes to financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2004

	Agency Funds
<u>ASSETS</u>	
Cash and short-term investments	\$ <u>49,660</u>
Total Assets	49,660
<u>LIABILITIES AND NET ASSETS</u>	
Other liabilities	<u>49,660</u>
Total Liabilities	<u>49,660</u>
<u>NET ASSETS</u>	\$ <u><u> -</u></u>

See notes to financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of Sullivan County, New Hampshire (the County) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The government is a municipal corporation governed by an elected Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual govern-

mental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Generally, all other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental funds:

- The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- *Register of Deeds* consists of the Special Revenue Fund which is used to account for the proceeds of specific revenue sources and related expenditures that are associated with registry activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

The government reports the County Nursing Home as a major proprietary fund.

D. Cash and Short-Term Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments". The interest earnings attributable to each fund type is included under investment income.

For purpose of the statement of cash flows, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

E. Investments

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. Non-fiduciary fund

investments can be made in securities issued by or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of one year or less from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

F. Interfund Receivables and Payables

Transactions between funds that are representative of lending/ borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans).

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (for enterprise funds only) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$ 200 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Vehicles	5
Office equipment	5
Computer equipment	5

H. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary and

fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

K. Use of Estimates

The preparation of basic 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 disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

The County follows the following procedures establishing the budgetary data reflected in the basic 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.
- 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.

B. Budgetary Basis

The General Fund final appropriation appearing on the "Budget and Actual" page of the fund financial statements represents the final amended budget after all reserve fund transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison with budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>General Fund</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP basis)	\$ 10,065,088	\$ 8,525,465
Other financing sources/uses (GAAP basis)	<u>197,094</u>	<u>1,711,154</u>
Subtotal (GAAP Basis)	10,262,182	10,236,619
Record use of fund balance	<u>541,153</u>	<u>-</u>
Budgetary basis	\$ <u>10,803,335</u>	\$ <u>10,236,619</u>

D. Deficit Fund Equity

The following funds had deficits as of June 30, 2004:

Sullivan County State Reimbursement	\$ (59)
Drug Task Force	(682)
Workforce Grant - Newport	(11,185)
Claremont Teen Resource Center	
Coffee House	(710)
Total	\$ <u>(12,636)</u>

The deficits in these funds will be eliminated through future departmental revenues, and transfers from other funds.

3. Cash and Short-Term Investments

The carrying amount of the County's deposits with financial institutions at June 30, 2004 was \$ 2,824,200. The bank balances, which do not include reconciling items such as deposits in transit and outstanding checks, are categorized as follows:

	<u>County Deposits</u> <u>June 30, 2004</u>
Amount insured by the FDIC and DIF, or collateralized with securities held by the County in its name	\$ 330,774
Amount collateralized with securities held by the pledging financial institution's trust department in the County's name	1,642,044
Uncollateralized	<u>1,312,969</u>
Total Bank Balance	\$ <u>3,285,787</u>

4. Investments

At year end, the government's investment balances were as follows:

CD with maturities in excess of 3 months	\$ <u>220,000</u>
Total Investments	\$ <u>220,000</u>

5. Allowance for Doubtful Accounts

The receivables reported in the accompanying entity-wide financial statements reflect the following estimated allowances for doubtful accounts:

	<u>Business-Type</u>
Nursing Home	\$ 361,809

6. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2004.

7. Interfund Fund Receivables/Payables

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is an analysis of the June 30, 2004 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ -	\$ 611,747
Special Revenue Funds:		
Registry of Deeds	6,359	-
Grants	-	12,230
Enterprise Funds:		
Nursing Home	<u>617,618</u>	<u>-</u>
Total	<u>\$ 623,977</u>	<u>\$ 623,977</u>

8. Capital Assets

Capital asset activity for the year ended June 30, 2004 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 3,925	\$ -	\$ -	\$ 3,925
Equipment and vehicles	985	212	-	1,197
Land improvements	<u>360</u>	<u>-</u>	<u>-</u>	<u>360</u>
Total capital assets, being depreciated	5,270	212	-	5,482

(continued)

(continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,671)	(130)	-	(1,801)
Equipment and vehicles	(699)	(125)	-	(824)
Land improvements	(36)	(18)	-	(54)
Total accumulated depreciation	<u>(2,406)</u>	<u>(273)</u>	<u>-</u>	<u>(2,679)</u>
Governmental activities capital assets, net	<u>\$ 2,864</u>	<u>\$ (61)</u>	<u>\$ -</u>	<u>\$ 2,803</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 7,559	\$ 57	\$ -	\$ 7,616
Equipment	1,700	52	-	1,752
Vehicles	<u>107</u>	<u>-</u>	<u>-</u>	<u>107</u>
Total capital assets, being depreciated	9,366	109	-	9,475
Less accumulated depreciation for:				
Buildings and improvements	(3,355)	(261)	-	(3,616)
Equipment	(1,512)	(63)	-	(1,575)
Vehicles	(104)	(4)	-	(108)
Total accumulated depreciation	<u>(4,971)</u>	<u>(328)</u>	<u>-</u>	<u>(5,299)</u>
Business-type activities capital assets, net	<u>\$ 4,395</u>	<u>\$ (219)</u>	<u>\$ -</u>	<u>\$ 4,176</u>

Depreciation expense was charged to functions of the County as follows (in thousands):

Governmental Activities:	
General government	\$ 75
Public safety	78
Public welfare	1
Department of Corrections	115
Cooperative extension	<u>4</u>
Total depreciation expense - governmental activities	<u>\$ 273</u>
Business-Type Activities:	
Nursing home	<u>\$ 328</u>
Total depreciation expense - business-type activities	<u>\$ 328</u>

9. Accounts Payable

Accounts payable represent additional 2004 expenditures paid after June 30, 2004.

10. Anticipation Notes Payable

The following summarizes activity in notes payable during fiscal year 2004:

	<u>Balance Beginning of Year</u>	<u>New Issues</u>	<u>Maturities</u>	<u>Balance End of Year</u>
Revenue anticipation	\$ <u>-</u>	\$ <u>4,000,000</u>	\$ <u>4,000,000</u>	\$ <u>-</u>

11. Long-Term Debt

A. General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds currently outstanding are as follows:

<u>Governmental Activities:</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s)%</u>	<u>Amount Outstanding as of June 30, 2004</u>
Sewer Project (19%)	04/01/06	1.1875%	\$ <u>140,119</u>
Total Governmental Activities:			\$ <u>140,119</u>
 <u>Business-Type Activities:</u>			
Sewer Project (81%)	04/01/06	1.1875%	\$ 597,350
Capital Improvements	08/15/05	5.483%	<u>380,000</u>
Total Business-Type Activities:			\$ <u>977,350</u>

B. Future Debt Service

The annual principal payments to retire all general obligation long-term debt outstanding as of June 30, 2004 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 69,646	\$ 1,664	\$ 71,310
2006	<u>70,473</u>	<u>837</u>	<u>71,310</u>
Total	\$ <u>140,119</u>	\$ <u>2,501</u>	\$ <u>142,620</u>
 <u>Business-Type</u>			
2005	\$ 486,913	\$ 22,056	\$ 508,969
2006	<u>490,437</u>	<u>8,556</u>	<u>498,993</u>
Total	\$ <u>977,350</u>	\$ <u>30,612</u>	\$ <u>1,007,962</u>

C. Changes in General Long-Term Liabilities

During the year ended June 30, 2004, the following changes occurred in long-term liabilities (in thousands):

	Total Balance <u>7/1/03</u>	<u>Additions</u>	<u>Reductions</u>	Total Balance <u>6/30/04</u>	Less Current Portion	Equals Long-Term Portion <u>6/30/04</u>
<u>Governmental Activities</u>						
Bonds payable	\$ 209	\$ -	\$ (69)	\$ 140	\$ (70)	\$ 70
Other:						
Accrued employee benefits	88	10	-	98	(5)	93
Capital leases	<u>-</u>	<u>190</u>	<u>(42)</u>	<u>148</u>	<u>(34)</u>	<u>114</u>
Totals	\$ <u>297</u>	\$ <u>200</u>	\$ <u>(111)</u>	\$ <u>386</u>	\$ <u>(109)</u>	\$ <u>277</u>
<u>Business-Type Activities</u>						
Bonds payable	\$ 1,461	\$ -	\$ (483)	\$ 978	\$ (487)	\$ 491
Other:						
Accrued employee benefits	<u>246</u>	<u>-</u>	<u>(17)</u>	<u>229</u>	<u>-</u>	<u>229</u>
Totals	\$ <u>1,707</u>	\$ <u>-</u>	\$ <u>(500)</u>	\$ <u>1,207</u>	\$ <u>(487)</u>	\$ <u>720</u>

12. Capital Lease Obligations

The County is the lessee of certain equipment under capital leases expiring in various years through 2008. Future minimum lease payments under the capital leases consisted of the following as of June 30, 2004:

2005	\$ 42,431
2006	42,432
2007	42,432
2008	<u>42,430</u>
Total minimum lease payments	169,725
Less amount representing interest	<u>(21,616)</u>
Present Value of Minimum Lease Payments	\$ <u>148,109</u>

13. Restricted Net Assets

The accompanying entity-wide financial statements report restricted net assets when external constraints from grantors or contributors are placed on net assets.

Permanent fund restricted net assets are segregated between nonexpendable and expendable. The nonexpendable portion represents the original restricted principal contribution, and the expendable represents accumulated earnings which are available to be spent based on donor restrictions.

14. Reserves and Designations of Fund Equity

"Reserves" of fund equity are established to segregate fund balances which are either not available for expenditure in the future or are legally set aside for a specific future use.

15. Commitments and Contingencies

Outstanding Lawsuits - There are several pending lawsuits in which the County is involved. The County's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

16. Pension Plan

The County follows the provisions of GASB Statement No. 27, *Accounting for Pensions for State and Local Government Employees*, with respect to the employees' retirement funds.

A. 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 and 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.

B. 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, 2004, 2003 and 2002 were \$ 225,751, \$ 220,186 and \$ 360,889, respectively, equal to the required contributions for each year.

17. Self 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, 2004, which have not been paid, have been recorded as a liability as of June 30, 2004. The County is insured above a stop-loss amount of approximately \$ 225,860 on individual and aggregate claims as of June 30, 2004.

Workers Compensation

The County contracts with an insurance consultant for claims processing of the County's workers compensation policy, which has no excess liability coverage for any employees. The Workers Compensation claims liability represents an estimate of future costs based on a historical analysis of similar claims for all employees excluding public safety. The County is unable to make any reasonable estimate of its liability for public safety employees.

18. 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 2004 was \$ 92,476.

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.

19. Beginning Fund Balance Net Assets Restatement

The beginning (July 1, 2003) fund balances of the County have been restated as follows:

Government-Wide Financial Statements:

	<u>Governmental Activities</u>	<u>Nursing Home</u>	<u>Total</u>
As previously reported	\$ 11,398,597	\$(5,207,415)	\$ 6,191,182
Write off of interfund accounts	(8,478,613)	8,478,613	-
Write off of capital assets	(16,713)	-	(16,713)
Reclassification of equipment fund	53,574	-	53,574
Remove advanced billing from revenue	-	(52,700)	(52,700)
Reclassification of expendable trust funds	(6,572)	6,572	-
Other	<u>(15,662)</u>	<u>-</u>	<u>(15,662)</u>
As restated	<u>\$ 2,934,611</u>	<u>\$ 3,225,070</u>	<u>\$ 6,159,681</u>

Fund Basis Financial Statements:

	<u>General Fund</u>	<u>Register of Deeds</u>	<u>Nonmajor Funds</u>	<u>Total</u>
As previously reported	\$ 8,168,427	\$ -	\$ 655,921	\$ 8,824,348
Write off of interfund accounts	(7,832,831)	-	(645,782)	(8,478,613)
Write off of capital assets	-	-	(16,713)	(16,713)
Reclassification of equipment fund	-	53,574	-	53,574
Reclassification of expendable trust funds	-	-	(6,572)	(6,572)
Other	<u>-</u>	<u>-</u>	<u>(9,090)</u>	<u>(9,090)</u>
As restated	<u>\$ 335,596</u>	<u>\$ 53,574</u>	<u>\$ (22,236)</u>	<u>\$ 366,934</u>