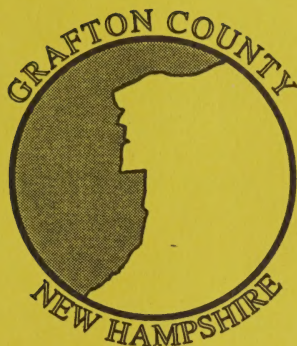


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## **GRAFTON COUNTY REPORT**

**FISCAL YEAR 2003**

**July 1, 2002 - June 30, 2003**

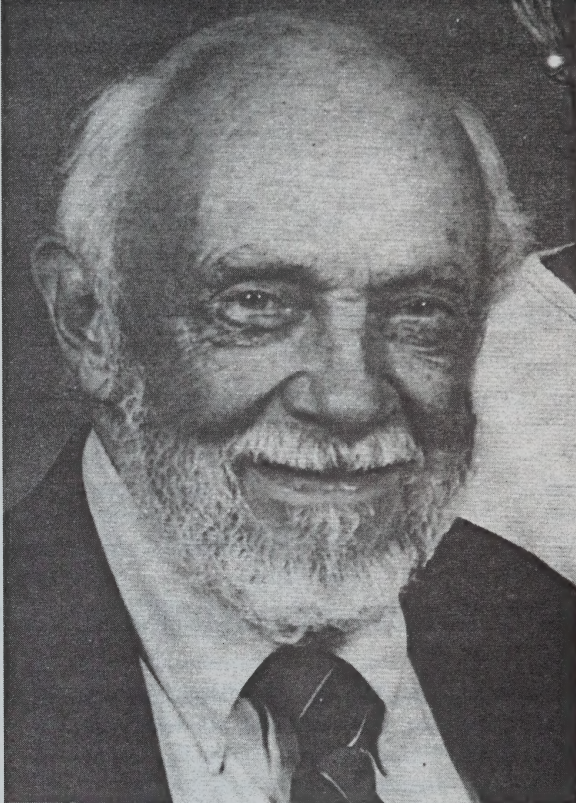
GRAFTON COUNTY TELEPHONE DIRECTORY  
COUNTY SEAT  
ROUTE 10  
NORTH HAVERHILL, NH 03774

Commissioners' Office	787-6941
Treasurer's Office	787-6941
Human Resources Department	787-6971
Nursing Home	787-6971
Grafton County Farm	787-6971
Department of Corrections	787-6767
Human Services Department	787-2033
Cooperative Extension Office	787-6944
Sheriff's Department	787-6911
	and 800-564-6911
County Attorney's Office	787-6968
Victim/Witness Department	787-2193
Register of Deeds	787-6921
Clerk of Superior Court (State)	787-6961
Register of Probate (State)	787-6931
Probation & Parole (State)	787-6900
Haverhill District Court (State)	787-6626
Haverhill Family Court (State)	787-6820
Grafton County Conservation District (Located on Swiftwater Road, Woodsville)	747-2001

**ANNUAL REPORT  
OF THE  
GRAFTON COUNTY COMMISSIONERS**

**Together with the Reports of the Treasurer, Auditors,  
Administrator, Superintendent, Attorney, Sheriff,  
Victim/Witness Director, Human Resources,  
Human Services, Physicians,  
Register of Deeds, Conservation District, Farm,  
and Cooperative Extension**

**For the Year July 1, 2002 - June 30, 2003**



**WILLIAM FOSTER BATCHELDER**

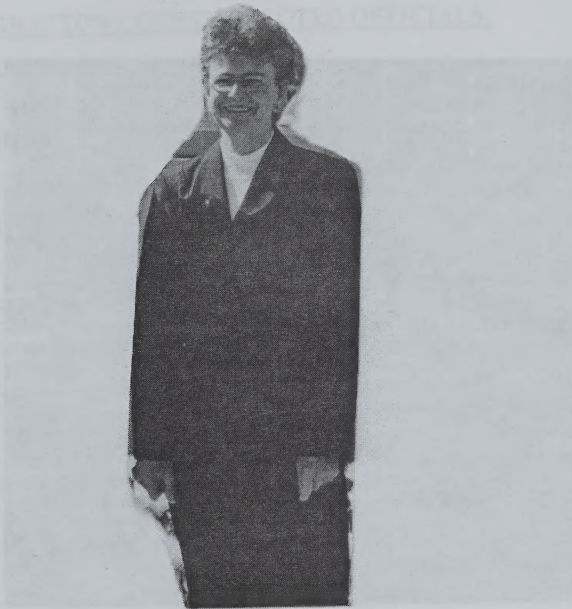
Justice Batchelder, born in Plymouth, New Hampshire, received his B. A. degree from the University of New Hampshire in 1949 and his J. D. degree from Boston University Law School in 1952. In that same year, he was admitted to the Massachusetts and New Hampshire Bars.

Justice Batchelder engaged in a general trial practice in Plymouth, New Hampshire in 1952 until his appointment as an Associate Justice of the Superior Court in August, 1970. He was appointed to the Supreme Court in July, 1981.

During his years of trial practice, Justice Batchelder was associated with the law firm of Batchelder and Murphy, and for the period 1959 to 1964 was prosecuting attorney for Grafton County. During his years of private practice, Justice Batchelder was President and Trustee of the Squam Lake Science Center.

Justice Batchelder has been the recipient of the Granite State Award for Community Service. He is one of the recipients of the New Hampshire Bar Association's Professionalism Award, and in 1996 he received the New Hampshire Bar Association's President's Award for Service to the Profession, among a host of other well-deserved awards.

Justice Batchelder and his wife, Elizabeth, presently reside in Plymouth, New Hampshire.

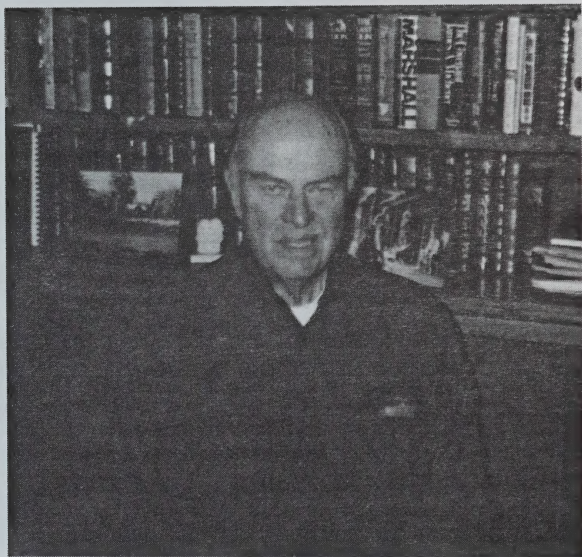


### FLO TAYLOR

Flo is a treasure. She has been a volunteer for the Grafton County Thresholds Program for many years. This Program helps the County Corrections inmates to become productive, useful citizens once they are released from their incarceration. For some inmates, having the volunteers spend time with them to give them the necessary life skills may be the first time someone has cared about them as individuals. Many inmates have stated this upon their release.

Flo gives tirelessly and unselfishly of her time in all areas of her life, whether it be to her family and friends and community, or to our Thresholds Program here at the Grafton County Complex. She is a modest, private person and would never speak about the good deeds that she does. Someone must therefore do this for her!

People like Flo usually pass through life doing good deeds and are unrecognized. We felt it was about time that you all knew what a special person Flo Taylor is and how lucky we all are to have her here at Grafton County. If any of you happen to meet Flo in the course of your day, please be sure to "tip your hat" to her and give her the warm thanks that she so richly deserves. As a personal message from all of us to Flo, we hope that she realizes that it is true, one person CAN make a difference!



### SAM DOYLE

Doctor Sam Doyle is a 50-year resident of Hanover. He retired as a physician in 1987.

Sam served on the Hanover Conservation Commission for eight years and worked for the Grafton County Conservation District for 12 years. He served for many years on the State of New Hampshire's Conservation Committee and as Chairperson for two years. For six years, Sam worked with Grafton County UNH Cooperative Extension. Sam also served for many years on the State Cooperative Extension Council, and as Chairperson for two.

Sam has a lifetime of interest in the outdoors and integration of wildlife habitat and timber management.

Sam is well respected and liked by his peers, community, friends, family, and all of us here at the Grafton County Complex, and we are proud to dedicate this Report to him.

GRAFTON COUNTY ELECTED OFFICIALS:

COUNTY COMMISSIONERS:

District 1: Michael J. Cryans (Hanover)

District 2: Raymond S. Burton (Bath)

District 3: Steve Panagoulis (Plymouth)

SHERIFF

Charles E. Barry (N. Haverhill)

COUNTY ATTORNEY

Ricardo St. Hillaire (Plymouth)

COUNTY TREASURER

Carol A. Elliott (Plymouth)

REGISTER OF DEEDS

Joel Dupuis (N. Haverhill)

LEGISLATIVE DELEGATION - EXECUTIVE COMMITTEE

Rep. John Alger, Chair (Rumney)

Rep. Burton Williams, Vice-Chair (Bristol)

Rep. Susan Almy, Clerk (Lebanon)

Rep. Terry Dudley (West Lebanon)

Rep. Hilda Sokol (Hanover)

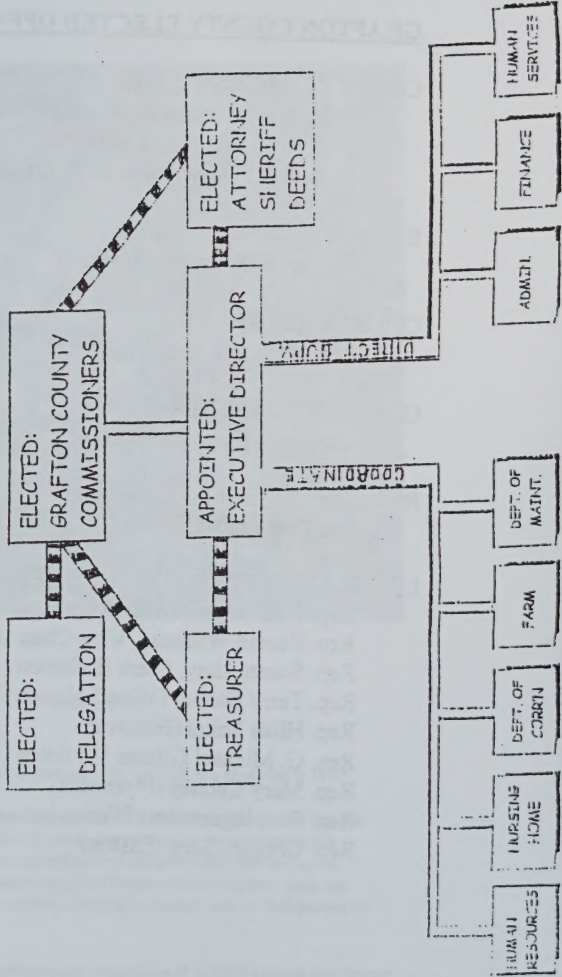
Rep. G. Michael Gilman (Littleton)

Rep. Mary Cooney (Plymouth)

Rep. Paul Ingbreton (Pike)

Rep. Gregory Sorg (Easton)

# ORGANIZATION CHART OF GRAFTON COUNTY





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COMMISSIONERS' REPORT  
FISCAL YEAR 2003

The Grafton County Commissioners present the following reports and financial statements for the period of July 01, 2002 – June 30, 2003. We hope that they will increase your understanding of Grafton County finances and operations and assure our citizens that their tax dollars are being spent wisely.

Financially, Fiscal Year 2003 was another good year for the County. Revenue received for the fiscal year was \$20,828,739.79 and the total expended was \$19,968,912.84 with \$10,948,197 being raised in County taxes. The budget process for FY 2004 was somewhat more challenging than other years have been. With a great deal of uncertainty from the State of NH with their budget process there were many unanswered questions. In addition, the County had many increases that were unforeseeable and beyond control. However, the County did pass a budget, which, contained an increase of \$2,724,842, or 13.74%, with a tax increase of 1,469,782.

On September 16, 2002 the groundbreaking ceremony was held which was the beginning of construction on our capital project. Since that point, significant work has been accomplished on the new addition for the Nursing Home. The first phase of the project is scheduled for completion in early October 2003. We are eagerly anticipating this opening. The building is a beautiful, state-of-the-art facility that will be such an asset to all the residents of Grafton County. The second phase of the project, which will include a renovation of the 1969 building will begin upon completion of the first phase and will take approximately six to nine months. We anticipate that by the beginning of FY 2005 the Nursing Home will be united again in one building.

June 30, 2003 marked the expiration of our first Collective Bargaining Agreement with the United Electrical Workers, which represented units at both the Nursing Home and Department of Corrections. During the month of June many members of the Department of Corrections unit chose to withdraw membership and with that came the withdrawal of the UE from the Department of Corrections. Those employees returned to employee council status as of July 01, 2003. The Nursing Home unit is negotiating with the County team at this time.

During the 2002 NHAC Annual Conference last fall, Eileen Bolander was named "Nursing Home Administrator of the Year" – congratulations to her on a job well done. The Nursing Home also received a deficiency free survey last fall from the State survey team. Congratulations to the entire Nursing Home staff!

The Grafton County Economic Development Council was again approved for funding this year.

The Barbara B. Hill Fun(d) continues to help less fortunate children in Grafton County with FUN activities. During this year a fund drive was held to collect money for the

Barbara B. Hill Fun(d), to date we have collected \$6,980.00. As always donations are welcome at any time.

During the past year concerns were raised regarding the County Farm's financial status. To address these concerns a Farm Task Force was developed and met several times throughout the course of the winter months to make some recommendations regarding the farm. One of the recommendations made was to establish a Farm Advisory Committee, which has been set up and is in its infancy. This Committee will work through suggestions and develop ideas that will be brought forward to the Commissioners. The hope is to get some diversity at the farm, as many are aware, the dairy farming industry is experiencing some very difficult times. We are taking steps to address this issue to sustain the Farm as a viable and vital part of Grafton County for future generations.

Grafton County has completed another successful year and have much to look forward to in the coming year. **We are thankful for the excellent employees that we have and extend a heartfelt thanks to each of them. Without all of you Grafton County would not function!**

The Grafton County Commissioners hold regular weekly meetings at the County Administrative Building on Dartmouth College Highway in North Haverhill, with periodic tours of the Nursing Home, Department of Corrections, County Farm and Courthouse. The Commissioners also attend monthly meetings of the Grafton County Executive Committee. All meetings are public. Please call the Commissioners' Office to confirm date, time and schedule.

Respectfully submitted,

Steve Panagoulis, Chair (District 3)  
Michael J. Cryans, Vice-Chair (District 1)  
Raymond S. Burton, Clerk (District 2)

GRAFTON COUNTY  
ELECTED AND APPOINTED OFFICIALS  
January 1, 2003 - June 30, 2003

COMMISSIONERS

Steve Panagoulis, Plymouth, District #3  
Michael J. Cryans, District #1  
Raymond S. Burton, District #2

TREASURER

Carol Elliott, Plymouth

EXECUTIVE DIRECTOR

Julie L. Clough, North Haverhill

COUNTY ATTORNEY

Ricardo St. Hilaire, Plymouth

SHERIFF

Charles E. Barry, No. Haverhill

HUMAN RESOURCES DIRECTOR

Joanne K. Mann, Woodsville

CLERK OF COURT

Robert B. Muh, Littleton

JUDGE OF PROBATE

Gary W. Boyle, Littleton

REGISTER OF PROBATE

Rebecca Wyman, Woodsville

REGISTER OF DEEDS

Joel Dupuis, North Haverhill

ADMINISTRATOR, NURSING HOME

Eileen Bolander, Bradford, VT

SUPERINTENDENT, CORRECTIONS

Glenn Libby, Piermont

MANAGER, COUNTY FARM

Donald Kimball, No. Haverhill

SUPERINTENDENT, MAINTENANCE

Wayne B. Whitney, North Haverhill

CHAPLAINS

All Denominations

MEDICAL DIRECTOR

Frederick Kelsey

AUDITORS

Mason & Rich Professional Association, Concord

GRAFTON COUNTY DELEGATION

January 1, 2003 - June 30, 2003

District #9

Stephanie Eaton, Littleton  
\*G. Michael Gilman, Littleton

District #10

"Ned" Edward Densmore

District #11

\*Gregory M. Sorg, Easton  
Edmond Gionet, Lincoln

District #12

Bonnie D. Ham, Woodstock

District #13

\*Paul Ingbretson, Pike  
Robert Giuda, Warren

District #14

\*John R. M. Alger, Rumney  
Robert Barker, Campton

District #15

Debra Naro, Plymouth  
\*Mary Cooney, Plymouth

District #16

\*Burton Williams, Bristol  
Andrew L. Dorsett, Ashland  
Margie Maybeck, Holderness

District #17

Nancy Scovner, Enfield  
\*Hilda Sokol, Hanover  
Sharon Nordgren, Hanover  
Bernard Benn, Hanover  
Ruth Bleyler, Lyme  
"Pete" E. Solomon, Canaan  
Estelle Diamond, Hanover

District #18

Ralph L. Akins, Lebanon  
\*Terri C. Dudley, West Lebanon  
\*Susan W. Almy, Lebanon  
Lee Hammond, Lebanon

\*Executive Committee

GRAFTON COUNTY DELEGATION  
December 2000 - December 2002

District #1

Stephanie Eaton, Littleton  
\*Brien L. Ward, Littleton  
G. Michael Gilman, Littleton

District #2

\*Gene B. Marshall, Lisbon

District #3

Robert Giuda, Warren

District #4

Bonnie D. Ham, No. Woodstock

District #5

Douglass P. Teschner, Pike  
\*John S. Cobb, Woodsville

District #6

Robert Barker, Campton  
"Sid" Lovett, Holderness

District #7

Debra Naro, Plymouth  
Mary Cooney, Plymouth

District #8

\*Burton Williams, Bristol  
Bill Gabler, Hebron

District #9

\*John R. M. Alger, Rumney

District #10

Sharon L. Nordgren, Hanover  
\*Martha Solow, Hanover  
\*Hilda W. Sokol, Hanover  
Bernard Benn, Hanover

District #11

David M. Scanlan, Canaan  
\*Charles Sova, Canaan

District #12

Paul M. Mirski, Enfield

District #13

Nancy Scovner, Enfield

District #14

Terri C. Dudley, West Lebanon  
\*Susan W. Almy, Lebanon  
Ralph Akins, Lebanon  
Marion Pawlek, West Lebanon

GRAFTON COUNTY BUDGET  
07/01/02-06/30/03

EXPENDITURES:

Administration & Treasurer	\$257,810.00
County Attorney	\$377,947.00
Victim/Witness Advocate	\$96,029.00
Medical Referee	\$30,000.00
Delegation Expenses	\$7,500.00
Register of Deeds	\$445,437.00
Human Resources	\$29,282.00
Sheriff's Department	\$859,611.00
Dispatch	\$546,619.00
Courthouse Maintenance (Allocated to Depts)	
Court System Maintenance Allocation	\$146,945.00
Human Services	\$5,443,718.00
GCEDC	\$25,000.00
Extension	\$241,356.00
Social Svc	\$485,300.00
Interest	\$17,893.00
Payment on Bonds & Notes	\$140,000.00
Capital Outlay	\$239,294.00
Wage/Benefit Adjustment	\$141,942.00
Juvenile Detention	\$100.00
Contingency	\$20,500.00
Unemployment	\$5,000.00
Nursing Home	\$7,797,392.00
Jail	\$2,088,452.00
Farm	\$345,897.00
Conservation Dist	\$40,371.00
North Country	\$500.00
<b>TOTAL EXPENSES</b>	<b>\$19,829,895.00</b>
<b>LESS REVENUE</b>	<b>\$7,881,698.00</b>
<b>LESS SURPLUS TO REDUCE TAXES</b>	<b>\$1,000,000.00</b>
<b>AMOUNT TO BE RAISED BY TAXES</b>	<b>\$10,948,197.00</b>



GRAFTON COUNTY BUDGET  
07/01/02-06/30/03

REVENUE:

County Nursing Home	\$5,392,255.00
County Jail	\$62,500.00
County Farm	\$346,000.00
Building Rental	\$281,177.00
Register of Deeds	\$801,000.00
6% Alternative Program	\$221,218.00
Sheriff's Dept Fees	\$130,000.00
Sheriff's Dispatch & Misc	\$460,548.00
Extension Svc	\$8,000.00
Misc Revenue	\$13,000.00
Interest Earned	\$75,500.00
Federal in Lieu of Taxes	\$32,500.00
Victim/Witness Advocate	\$25,000.00
Attorney's Fees	\$0.00
Capital Reserve-Farm/Dispatch/Nursing	\$33,000.00
<b>TOTAL REVENUE</b>	<b>\$7,881,698.00</b>

DELEGATION EXPENSES

07/01/02-06/30/03

Stephanie Eaton	\$ 85.25
G. Michael Gilman	\$ 278.95
Brien L. Ward	\$ 170.40
Gene B. Marshall	\$ 102.95
Bonnie Ham	\$ 91.40
John S. Cobb	\$ 150.00
John R.M. Alger	\$ 673.84
Martha Solow	\$ 106.28
Paul Mirski	\$ 56.05
Susan Almy	\$ 669.28
Ralph Akins	\$ 101.75
Terri C. Dudley	\$ 290.58
Debra Naro	\$ 56.05
Mary Cooney	\$ 428.00
Burton Williams	\$ 694.58
Charles Sova	\$ 229.72
Bernard Benn	\$ 90.02
Hilda Sokol	\$ 546.21
Nancy Scovner	\$ 120.38
Gregory Sorg	\$ 259.66
Paul Ingbretson	\$ 171.45
Robert Barker	\$ 161.94
Sidney Lovett	\$ 60.19
Bill Gabler	\$ 58.12
Sharon Nordgren	\$ 45.01
Marion Pawlek	\$ 47.77
Ed Densmore	\$ 41.56
Ed Gionet	\$ 45.70
Andrew Dorsett	\$ 57.43
Margie Maybeck	\$ 49.49
Ruth Bleyler	\$ 38.80
Lee Hammond	\$ 56.39
Sharon Nordgren	\$ 55.01
Pete Solomon	\$ 52.60
Estelle Diamond	\$ 45.01
Supplies	\$ 76.22
	<hr/>
	\$ 6355.17

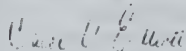
TREASURER'S REPORT  
GRAFTON COUNTY  
FISCAL YEAR 2003

It has been a pleasure serving the residents of Grafton County this year in my new position as Treasurer. It has been a year of learning in a totally different phase of county government from the Registry of Deeds where I served for so many years.

I have tried to follow the practices of my predecessor, Kathleen Ward, and have therefore given all of the banks in Grafton County the opportunity to share in the investment of county funds. The county checking accounts for day- to- day and payroll needs as well as special capital reserve accounts for the County Nursing Home, Sheriff's Dispatch and the County Farm are also spread out among several banks in Grafton County. The county realized \$92,786.87 in interest income in Fiscal Year 2003.

Grafton County made its first bond payment on the new nursing home addition in September of this year. This is a state of the art facility and it is hoped that when all phases of construction are complete, approximately July of 2004, patient census can be increased which will result in increased revenue. Hopefully, future county tax rates will reflect this effort as well as the constant search to generate revenue and hold the line on costs.

Respectfully submitted,



Carol A. Elliott  
Grafton County Treasurer

## Annual Report of the Office of the Grafton County Attorney

County Attorney Ricardo A. St. Hilaire has built a new and outstanding team consisting of Deputy County Attorney Nancy Gray, Assistant County Attorney Melinda Cookinham, Office Administrator Alison Farina and Legal Secretary Laura Upton. In addition, veteran Administrative Assistant Christine Ash gives the team exceptional institutional memory and provides office know-how to the GCAO.

One of County Attorney St. Hilaire's primary goals is to give victims a voice in the criminal justice process. To that end, the GCAO has brought the Victim/Witness Program back under the auspices of the County Attorney in order to effectively enforce the Victim's Bill of Rights. Director Carin Chivell and Assistant to the Director Sabra Carroll continue to work tirelessly to uphold the County Attorney's policy of informing crime victims and witnesses about what is happening in the court system and to give a victims of crime an opportunity to provide meaningful input in the justice process.

The entire GCAO staff deserves recognition for investing long hours and much hard work over these past months.

The caseload expectedly increased when County Attorney St. Hilaire took office on January 8, 2003 as police departments referred more cases for prosecution to the GCAO. As of September 2003, over 300 open criminal cases were being prosecuted by the GCAO—well ahead of last year's totals. At least 602 charges have been filed in the court in 8 ½ months, again sharply ahead of last year's reported total of 490 charges. The office receives a greater number of cases for review and possible indictment. Moreover, 143 cases are currently scheduled in order to address post-conviction legal issues. The GCAO has completed legal and other proceedings on 244 open files from January through mid-September. In addition, the GCAO has reviewed many unprosecuted case files from past years. Pre-2002 cases involving death, crimes against children or senior citizens, and property crimes over \$10,000 have been routinely reviewed for possible criminal charges. Already some of these older cases, where evidence is still viable, have been taken from the "closed" case file and placed in "active" prosecution status.

Caseloads are divided between the three attorneys. The GCAO's attorneys have worked hard on their cases, each carrying a workload comparable to 1 ½ - 2 lawyers each. Planning is currently underway in an effort to find ways to alleviate these large workloads. Having the resources to provide meaningful safety and services to Grafton County's 82,000 citizens is an important goal for the next fiscal year.

A goal of great importance to County Attorney St. Hilaire is the establishment of a child advocacy center, designed to assist children who are victims of crime. Working in partnership with Sullivan County Attorney Marc Hathaway and with the Dartmouth Hitchcock Medical Center, the GCAO is prepared to inaugurate this new service for Grafton County by the end of 2003.

The GCAO has instituted a 24 hour, seven days per week on-call program so that every attorney can provide legal advice to police. The most serious crimes require notification of the GCAO so that its attorneys can direct or assist with felony investigations; coordinate county, state, local and federal resources; and assess untimely deaths. As of September 2003, the GCAO received over 70 untimely death calls.

The GCAO has focused much energy in the preceding months toward improving communications with police and citizens. The GCAO expanded office hours to 5 p.m., embarked on a systematic program of bi-monthly meetings with chiefs of police, initiated office hours at local police departments to review investigative files, brought internet and email to the office, and more. Communicating with the citizens and police of the county will continue to be a high priority.

The GCAO thanks Grafton County Commissioners Steve Panagoulis, Michael Cryans and Ray Burton for supporting this office. The Grafton County Sheriff's Department deserves special recognition for accommodating the many criminal record requests the GCAO makes. The men and women of law enforcement also are recognized for risking their lives so that we may be more secure. Finally, thanks are given to those citizens of Grafton County who contribute their time and energy to making our county a safe place to live and work.

Respectfully submitted by the attorneys and staff of the Office of the Grafton County Attorney,

A handwritten signature in black ink, appearing to read "Ricardo A. St. Hilaire". The signature is fluid and cursive, with the first name being the most prominent.

Grafton County Attorney Ricardo A. St. Hilaire

GRAFTON COUNTY SHERIFF'S DEPARTMENT  
Report of the Grafton County High Sheriff

To the Honorable Executive Director, Board of County Commissioners, members of the County Delegation and the citizens of Grafton County:

It is with great pleasure that I submit the Report of the Grafton County High Sheriff for fiscal year 2003.

With the threat of terrorism, both international and domestic, still present, the Sheriff's Department continued to train and be vigilant toward any suspicious activity throughout the county. The Department continued to provide on-site protection to the hydro power generating system along the Connecticut River.

This past year saw two of the senior members of the department retire after long careers with the department. It is most fortunate that highly qualified police officers were hired to replace them.

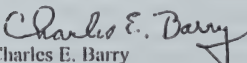
The Department continued to render acts of assistance to local police departments throughout the county with 300 acts being recorded. Many of the smaller communities rely on the department and I am pleased the department is able to help these towns.

Of special note is the department's participation in the Central New Hampshire Operations Unit. This newly formed law enforcement team has been formed to respond to sensitive law enforcement related incidents where the special training and capability of this unit is needed. I am proud to announce that one of the Sheriff's Department members is the Assistant Commander.

The Grafton County Communications Center continued to expand with several new member towns now being dispatched by the Center. A major equipment upgrade is nearly complete with plans being formulated to install new computer software which will replace the old outmoded system now in place.

In conclusion, I want to thank the supervisors and employees of the Sheriff's Department, the Executive Director, the Board of Commissioners and the members of the County Delegation for their individual and collective support. As the High Sheriff, it is my continuing goal, as it is of all the members of the Department to recognize and be responsive to the needs of the people in a way that is efficient and reflects favorably on the Department and government of Grafton County.

Respectfully submitted,

  
Charles E. Barry  
High Sheriff  
Grafton County

**GRAFTON COUNTY SHERIFF'S DEPARTMENT**  
**Activities Report - July 1, 2002 through June 30, 2003**

FY 2002      FY 2003

<u>CIVIL DEPARTMENT</u>		
•Civil Writs Served	3,271	3,233
•Civil Service Revenue	\$127,611	\$126,116
<u>EXTRADITIONS</u>		
•Defendants returned to Grafton County from other states:	26	30
Returned from VT, FL, NJ, RI, TN, OR, AR, MA, MN, IN, ND, VA, NY, MD and CT		
<u>WANTED PERSONS</u>		
•Criminal Orders of Arrest served	153	171
<u>PRISONERS &amp; PATIENT TRANSPORTS</u>		
•Adult & juveniles transported to court, penal & medical treatment facilities	2,574	2,450
<u>CRIMINAL INVESTIGATIONS CONDUCTED</u>		
•Investigations	398	467
•Criminal complaints filed in courts	140	135
<u>PERSONS HELD IN TEMPORARY DETENTION AT SHERIFF'S DEPARTMENT</u>		
•Persons held awaiting court action	663	647
<u>PERSONS ENTERING THE COURTHOUSE</u>		
•Persons entering on business in all County & State offices	49,705	45,907
<u>COMMUNICATIONS CENTER</u>		
•Total in-coming telephone calls	104,038	112,308
<u>ASSISTANCE RENDERED TO AREA POLICE DEPARTMENTS</u>		
•Assistance rendered (number of times)	286	30

## REPORT OF THE HUMAN RESOURCES DEPARTMENT

July 1, 2002 - June 30, 2003

During the past year the Human Resources Department has become increasingly busy. The department's primary activities have included education and training for managers and staff, providing information and services to employees, assisting supervisors with personnel issues, interpreting statutes and policies for management and staff, conducting interviews, hiring and orienting new employees, and ensuring that departments comply with all federal and state labor / employment laws and follow county personnel policies and procedures. We have also expanded our role in the administration of fringe benefits.

In June, our 3<sup>rd</sup> annual benefits fair was held and was well attended by vendors and employees. This continues to be a popular event.

In the course of FY 03 all non-bargaining unit employees transitioned off the old wage scales onto new wage scales, as recommend by the consulting firm that conducted our compensation and classification study. It is hoped that all bargaining unit employees will transition onto the new scales in FY 04. Job descriptions for all of our positions have been reviewed and revised.

Employee handbooks were revised and issued to all non-bargaining unit employees in October 2002. In the near future, we hope to have a separate handbook available for probationary bargaining unit employees.

Our department continues to represent the County at community events such as job fairs, school career days, etc.

During the next year we will have to vacate our offices and move to temporary quarters for several months while the 1930 building is being renovated. We are looking forward to completion of these renovations so we can expand the cramped quarters we have occupied for the last several years. We applaud the Commissioners and Delegation for supporting this much needed construction project.

In closing, I would like to commend Karen Clough, our HR Assistant for the fine work she does day in and day out. Thanks go to the many dedicated county employees, the various department heads and the Commissioners' office staff for their efforts and cooperation this past year. Thanks also to the Board of Commissioners and the Delegation for their faithful support of our mission and our employees.

Respectfully submitted,



Joanne K. Mann, Director  
Human Resources Department



Grafton County Registry of Deeds  
Annual Report  
Fiscal Year 2003

To the Grafton County Commissioners, Grafton County Delegation and the Citizens of Grafton County:

It is a great honor and privilege to present my first annual report as Grafton County Register of Deeds.

Fiscal year 2003 was an extremely busy one for the Registry due to record low interest rates and the continued strong housing market in Grafton County. During fiscal year 2003 interest rates dropped to 45 year lows resulting in recording refinancing. The workload at the Registry was at levels never before seen. Many days saw document page counts in excess of 1,000 pages. As a result revenue for the fiscal year was in excess of \$1.3 million.

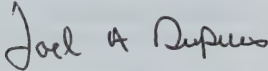
One of the most difficult issues facing me this year as the new Register of Deeds was whether or not to post the Registry's records on the internet. A number of counties in New Hampshire have already done so. I have decided not to go on line at this time and I would like to explain my reasons. Many of the documents filed with us contain personal information such as, Social Security numbers, dates of birth, and mother's maiden names. There is a huge and growing problem in this county with identity theft. In many cases all one needs to access this information is a person's Social Security number. There is currently legislation that may restrict or severely limit the Registry from posting this personal information on the internet. It would be next to impossible to identify all the documents in this Registry that contain this type of personal information. I feel that identity theft is a very serious issue. Thus, until there is some solution to this issue I will refuse requests to provide documents at this Registry over the internet. I am encouraging all people to closely examine all records before they are brought to the Registry. There is absolutely no reason for anything recorded at this office to contain a Social Security number, date of birth, or a mother's maiden name.

As I mentioned above, the workload at the Registry has been phenomenal. Our workload is up over 5 times compared to just a few years ago. However, we are doing it with the same staffing level. I would like to thank the Registry staff for helping to make it a great place to work and for all their efforts. I think that it is important to recognize them by name: Mary Derosia, Brenda Dodge, George Morris, Elizabeth Pierson, Judith Sellinger,

Leah Smith and Beth Wyman; thanks to each and everyone one of you for your support and all of your hard work and efforts!

I would also like to thank Executive Director Julie Clough and her entire staff for helping me with all of my inquiries. And last but not least, thank you to former Register of Deeds and now Grafton County Treasurer Carol Elliott for all of her continued support.

Respectfully submitted,

A handwritten signature in black ink that reads "Joel A. Dupuis". The signature is written in a cursive style with a large initial 'J'.

Joel A. Dupuis  
Grafton County Register of Deeds

# ANNUAL REPORT

## GRAFTON COUNTY NURSING HOME

Grafton County Nursing Home has had a very eventful year. Our census increased and was maintained above the budgeted projection. We also saw an increase in the numbers of residents we were able to discharge home. Our active restorative nursing and rehabilitation staff helped greatly in making discharges to home a successful endeavor.

Collaborative activities continue between the nursing home and other area providers to assure optimum health care options and services for county residents. The nursing home seeks out opportunities that will enrich our residents lives and opportunities that offer a greater understanding of nursing home life. The Volunteer department and the Activities department are particularly pro-active in this regard. We have noted an increase in inter-generational and spiritual activities and opportunities this year.

There have been several major endeavors this year that remain ongoing: the new addition construction, compliance with the federally mandated Health Information Portability and Accountability Act and computer software work-arounds. These issues have involved a great deal of staff participation. These issues have also been challenging at times.

Ongoing staff education remains a top priority for the facility. The County continues to assist employees in this area. There are several employees studying to become nurses, one employee completing her degree in human services, one receiving her certification in Activities, and one nurse is now a certified wound, ostomy and continence specialist. All RNs are now IV certified and LPNs are beginning their certification process. The attainment of these goals has a very positive impact on resident care.

Highlights this year include the birthday celebration of New Hampshire's oldest citizen who is a resident of our facility, groundbreaking for the new addition, the purchase of a resident bus, a deficiency free survey, recognition for having the Administrator of the Year from the New Hampshire Association of Counties and the Circle of Excellence Award from the National Director of Nurses Association presented to Renee Shields, Director of Nurses.

It is an honor and a privilege to care for the elderly. Although the challenges are great at times the rewards are greater. The employees of the nursing home provide excellent care to the residents. Sometimes this care is difficult. Most of the employees go above and beyond the call of duty, each and every day. It is this fact that makes the Grafton County Nursing Home a place that Grafton County citizens can be most proud.

Sincerely,



Eileen M. Bolander  
Administrator

**GRAFTON COUNTY FARM  
FY 2003**

Fiscal Year 2003 was another challenging year for the Farm. We are still dealing with low milk prices and the high cost of feed and fuel. The Farm now has a vegetable stand that has done very well in its first year. We will have even more produce for the coming year.

Grafton County's 4-H Day, Pumpkin Day and Family Day are always very popular occasions at the County Farm.

Working with the County Jail, the Farm now has a Farm employee-community service that works with the inmates doing special jobs around the Farm and community.

In submitting this report, I would like to thank my staff for their support and dedication as well as all other County Departments that continue to assist and support our Farm. I would especially like to thank Superintendent Glenn Libby and his staff for their continued support and assistance with inmate labor. I would also like to thank the Board of Commissioners and Executive Director Julie Clough.

Respectfully submitted,

Donald Kimball  
Farm Manager

**Grafton County Department of Corrections  
Annual Report for FY03**

**To the Citizens of Grafton County, the County Commissioners and  
Grafton County Delegation members:**

**I present the following report for Fiscal Year 2003 on behalf of the  
Grafton County Department of Corrections.**

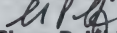
**The facility averaged 85.95 inmates per day for a total of 32,105  
inmate days. The average daily population increased again over that of  
FY02. Nineteen (19) inmates participated in the Electronic Monitoring  
Program and fourteen (14) participated in the Daily Work Release  
Program resulting in savings to the County by reducing the number of  
days inmates were incarcerated.**

**Our Thresholds and Decision Program (a partnership with the Grafton  
County Retired Seniors Volunteer Program - RSVP) received another  
National honor this past year. The program continues to assist inmates  
with decision-making skills. Flo Taylor and Evelyn Smith have done a  
tremendous job with this program as well as all the volunteer mentors.  
Thanks.**

**The correctional staff once again performed their respective duties  
with professionalism. With training in the future designed to improve  
physical fitness and overall health by providing realistic interactive  
scenarios our staff should be better prepared to deal with the  
complexities of the corrections profession. It takes special people to  
do this job and Grafton County is fortunate to have more than a few.  
Thank you staff.**

**Grafton County continues to be extremely fortunate to have a group of  
Commissioners who promote teamwork and cooperation. We are also  
very fortunate to have an outstanding working relationship with State  
and Local law enforcement agencies especially with Sheriff Barry and  
the Grafton County Sheriffs Department. To everyone, especially our  
outstanding volunteers, support staff, counselors, visitors, and other  
County employees we say, Thank you.**

**Respectfully submitted,**

  
**Glenn P. Libby, Superintendent**

## GRAFTON COUNTY CONSERVATION DISTRICT 2002 Highlights

### COMMUNITY CONSERVATION:

- The Woodsville Field Office was able to assist many landowners with soils information in 2002. Grafton County towns have been updating their Current Use records and most towns have required landowners to provide more information, including locating land on topographic maps and soil maps. The Grafton County Conservation District (GCCD) now has access to ArcView software through their partnership with Natural Resources Conservation Service (NRCS) and can locate land on digitized orthophotos. This has been very well received with landowners.
- The number of SPI's (Soil Potential Index) requested for 2002 has increased greatly. The District was able to provide SPI's for a Farmland Protection application that conserved over 800 acres of prime farmland in the upper Connecticut River valley.
- The Annual Meeting was held at Warner's Gallery in April. Guest speakers from the Upper Valley Land Trust, Jeanie McIntyre and Nathan Merrill, spoke about conservation easements and efforts to conserve Connecticut Valley farmland. Nory Parr, Grafton County UNH Cooperative Extension (UNH CE) Forester, presented the Forest Steward of the Year award to Dave and Tanya Tellman, and Calvin Perkins, District Chair, presented the Cooperator of the Year award to Howard Hatch, owner of Hatchland Dairy.
- Grafton County fifth graders competed in the District's *The Gift of Trees* poster contest. Alicia Swain, Haverhill Cooperative Middle School, won. GCCD also assisted in judging the 4-H poster contest with UNH Cooperative Extension.
- The District provided milk donated by Hatchland Dairy and ice cream at the Conservation Field Day held at the Grafton County Farm, and had a display at the North Haverhill Fair.
- The Page Conservation Scholarship Fund was able to assist a Littleton area Boy Scout with tuition for Philmont Scout Reservation in New Mexico. The fund also received a generous contribution in the name of Gary and Sandy Peters.
- A Pond Clinic was held at John O'Brien's Tree Farm in Orford on one of the few rainy evenings in August. J.J. Newman, UNH CE Aquaculture Specialist, answered questions about pond and fish health at the August Pond Clinic. This workshop was co-sponsored with UNH CE and NRCS. GCCD sold 925 brook and rainbow trout to area pond owners in 2002.
- The District monitors four conservation easements in Grafton County and conducts an easement tour each year. This year's tour identified the need for boundary identification and updated forest management plans on the conserved properties.
- The Local Work Group, comprised of representatives from GCCD, NRCS, Grafton County UNH CE and Farm Service Agency (FSA), met to determine county needs and the ranking process used for Environmental Quality Incentives Program (EQIP).
- GCCD welcomed seven new Cooperators in 2002.
- The NH DES wetland application for the erosion control project on the Baker River was approved and construction was completed in two phases. The submerged bendway weirs were installed to deflect the water to the center of the streambed, moving the destructive erosive force of the water away from the bank. The sharp bend at the site was reinforced with riprap and vegetation will be planted for stability.
- The District's Tree and Shrub Sale offered a variety of conservation plants, selling over 5,000 plants to more than 100 landowners. These plants were used for wildlife plantings, wind breaks and vegetative buffers.
- Planting and pruning techniques for Christmas trees and apple trees were demonstrated at our workshop by Dana Blais, forester and NH Tree Farmer, and GCCD Supervisor, Dick Fabrizio at Windy Ridge Orchard in North Haverhill.

GRAFTON COUNTY DELEGATION  
EXECUTIVE COMMITTEE MEETING  
BOARD OF COMMISSIONERS' OFFICE  
NORTH HAVERHILL, NH  
MONDAY, SEPTEMBER 16, 2002

PRESENT: Reps. Brien Ward, John Alger, Hilda Sokol, Gene Marshall,  
John Cobb, Burton Williams, Susan Almy, and Charles Sova.  
Commissioners Steve Panagoulis and Michael Cryans.  
Executive Director Julie Clough. Secretary Sam Sorrentino.

EXCUSED: Rep. Martha Solow. Commissioner Raymond Burton.  
Treasurer Kathleen Ward.

Chair Ward called the Meeting to order at 9:00 AM.

Rep. Alger moved to approve the Minutes of the June 24, 2002 Meeting, as amended. Rep. Williams seconded the motion. All in favor.

Executive Director Clough gave the Treasurer's Report. Cash is dwindling. The Executive Director will meet with the Treasurer later today to discuss borrowing money.

Rep. Alger moved to approve the Treasurer's Report, as presented. Rep. Sova seconded the motion. All in favor.

Commissioner Chair Panagoulis presented the Commissioners' Report. We are now two months into the new fiscal year's budget and running high on the expenditures side, which always happens at the beginning of a new fiscal year. Also, the former Executive Director, Ernest Towne, retired in the present fiscal year, and his payout was a large one. However, Revenue looks very good.

Executive Director Clough noted that one piece of good news for the Revenue side is that as of August 1, the Nursing Home received an increase of \$4.40 per day in its Medicaid reimbursement rate, making the new per diem rate \$129.42.

EXECUTIVE COMMITTEE MEETING  
MONDAY, SEPTEMBER 16, 2002  
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Rep. Almy noted that the County Attorney's budget seems to be spending more than planned. Chair Panagoulis said this is a concern, but it is difficult as to how much this office can control those expenditures. A brief discussion on this followed.

Rep. Williams asked about the former Executive Director's payout, and if this had been budgeted. Executive Director Clough explained that it had indeed been budgeted, and that the County tries to budget in the money if it knows that a long-term employee will be retiring.

Rep. Marshall moved to approve the Commissioners' Report as presented; Rep. Sova seconded the motion. All in favor.

Executive Director Clough reminded the Executive Committee that the groundbreaking on the new Nursing Home wing will take place this morning at 10:00; she added that as the Executive Committee members can see, site work has begun. Everything seems to be proceeding very nicely. The concrete should be poured by the end of this month or beginning of October, with the steel work being started by the middle part of November. Chair Panagoulis added that hopefully, a year from this December, the new building will be completed. The Executive Director explained that then the residents from the 1969 Building will be moved into the new building, the 1969 Building will be closed down for renovations. When that has been done, the residents from the 1930 Building will be moved into the 1969 Building. The 1930 Building will then be renovated into office space.

Chair Ward asked if construction is on budget; Commissioner Chair Panagoulis said that hopefully the project will come in under budget.

Executive Director Clough informed the Executive Committee that the sale of bonds for this project is tomorrow. Citizens Bank, the County's financial advisor, has projected 4.2% as the high.



EXECUTIVE COMMITTEE MEETING

MONDAY, SEPTEMBER 16, 2002

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Rep. Alger asked about the status of the enhanced PSP money. Executive Director Clough explained that the first payment has been disallowed by the federal government. This decision is being appealed by New Hampshire, with an attorney from Washington, DC. The second payment has not been disallowed as yet. Both payments have been set aside in an account until a final decision is made. A discussion followed.

Rep. Williams asked about the construction project with respect to the 1969 Building. Executive Director Clough explained this phase, which will include adding a pitched roof and other renovations.

Rep. Cobb moved to adjourn; Rep. Marshall seconded the motion. All in favor.

The Meeting adjourned at 9:25 AM. The Executive Committee then attended the groundbreaking for the new addition at the Nursing Home.

Respectfully submitted,

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Martha Solow, Clerk

GRAFTON COUNTY DELEGATION  
EXECUTIVE COMMITTEE MEETING  
BOARD OF COMMISSIONERS' OFFICE  
NORTH HAVERHILL, NH  
MONDAY, OCTOBER 21, 2002

PRESENT: Reps. Brien Ward, John Alger, Martha Solow, Hilda Sokol, John Cobb, Burton Williams, Susan Almy, and Charles Sova. Commissioners Steve Panagoulis and Michael Cryans. Executive Director Julie Clough. Secretary Sam Sorrentino.

EXCUSED: Rep. Gene Marshall. Commissioner Raymond Burton. Treasurer Kathleen Ward.

Chair Ward called the Meeting to order at 9:00 AM.

Rep. Sova moved to approve the Minutes of the September 16, 2002 Executive Committee Meeting, as circulated. Rep. Williams seconded the motion. All in favor.

Executive Director Clough presented the Treasurer's Report. The paperwork for the Tax Anticipatory Notes (TANs) is all ready, with a line of credit at 2.50% from Woodsville Guaranty Savings Bank. The Executive Director also mentioned the investment account for the capital project's \$14,500,000. The bonds for this project were sold on September 17 at a rate of 3.85%, which is the lowest rate in New Hampshire this year: we were very fortunate, and saved quite a bit of money, since the County had projected a rate of 4.2%. This investment account is liquid and gaining 2.4% interest at Citizens Bank. This is a gain of over \$1,000 per day. Chair Ward asked if the \$14.5 million could be invested in other ways, such as CDs. Executive Director Clough said that yes, it could be, but right now, the best interest rates are in the overnight sweeps. The County will continue to watch to see where the best interest rates are at all times.

Executive Director Clough reported that cash is low. The County will be borrowing from its line of credit in November. The next State bill will be over \$500,000, and the County's Human Services Administrator predicts that these bills will continue to be just as expensive. The Executive Director added that the tax bills will be going out to the towns by the end of the week.

Rep. Sokol asked about the Cash Management Report - why do some of the items not show any interest gained. Executive Director Clough explained that there is interest gained there on those items, but the County does not receive a monthly statement for them - for example, some are CDs put away for six months or a year, and we do not receive monthly statements on that interest. Chair Ward pointed out that last fiscal year, interest income was over \$89,000.

Rep. Almy referred to the State bills, which will continue to grow larger, as stated by the Executive Director. Executive Director Clough explained that this is mostly because of

EXECUTIVE COMMITTEE MEETING

MONDAY, OCTOBER 21, 2002

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increased provider payments.

Rep. Almy said that since the tax bills will be going out to the towns, it is safe to assume that the County received the tax apportionment list from the Department of Revenue Administration. Executive Director Clough said that is correct. The Executive Committee then requested copies of that list.

A discussion followed on the County's policy of borrowing. Other counties, it was mentioned, borrow even before their budgets are approved, and then have to borrow a second time. Executive Director Clough said that the County will most likely borrow \$1.5 to \$1.7 million this year, probably within the next two weeks.

Rep. Sova moved to approve the Treasurer's Report, as presented. Rep. Almy seconded the motion. All in favor.

Commissioner Chair Panagoulis gave the Commissioners' Report. He said that we are now one-quarter of the way through the current Fiscal Year, and slightly ahead on Revenue, but this is less than 1%. In Expenses, however, we are a full point behind what we had anticipated, due to some early purchases at Deeds, and various other reasons. Hopefully this will work itself out. Executive Director Clough said she felt it would work itself out as we move through the current Fiscal Year. Chair Ward pointed out that there are Revenues that do not show up every single month, but will catch up with the Report.

Executive Director Clough said that the good news is, the Nursing Home's Medicaid rate recently went up to \$129.42 per day; also, the Nursing Home census is now up to 112. Rep. Almy said that the cost per day at the Nursing Home is now up to \$218.16 as of last month, and this continues to rise. The Executive Director explained that this was an average for the month of September. Rep. Sokol asked how the shortfall is made up - Executive Director Clough replied that it is made up through the taxpayers. Hopefully, she said, this cost will come back down as we move through the Fiscal Year.

The Executive Director then explained that all insurance for the County is paid at the beginning of every Fiscal Year, as well as employees receiving their increases then, and the health insurance increasing. This skews these figures at the beginning of any Fiscal Year.

Rep. Alger said he would like for Administrator Bolander to attend next month's Executive Committee Meeting to discuss various issues. Commissioner Chair Panagoulis said he was proud to announce that Eileen had been named "Nursing Home Administrator of the Year" at this month's Annual New Hampshire Association of Counties' Conference. Rep. Solow said that the Executive Committee should recognize Eileen through a resolution. Everyone agreed.

EXECUTIVE COMMITTEE MEETING

MONDAY, OCTOBER 21, 2002

Page 3

Commissioner Chair Panagoulis reported on the construction of the Nursing Home's new wing, which the Executive Committee noted when they drove in this morning. The Commissioners met the new Clerk of the Works last week, Mr. Ron Baillargeon, who will be meeting with the Commissioners on a monthly basis. Ron is now at the job site. The good news is, the new wing is expected to be completed within one year, which is three to four months ahead of schedule.

Commissioner Chair Panagoulis said that at the NHAC Conference this month, Treasurer Kathleen Ward was recognized with the Edna McKenna Award; Treasurer Ward was not in attendance, however, and she does not know yet she will be receiving this Award; this will be presented to her at a later date.

Rep. Almy mentioned the Farm's bad position right now. She asked if there is a long-term plan for the County Farm. Executive Director Clough said that part of this is due to the low milk prices, which are not expected to rise any time soon. Typically, the Farm does not do well at the beginning of the Fiscal Year. Rep. Alger said we should look at doing a five-year plan for the Farm, and perhaps look at something other than dairy farming, since dairy farms are not doing well in general. Commissioner Chair Panagoulis said the County has over 800 acres and certainly we have the land and capacity to do other types of farming. Rep. Alger suggested contacting Steve Taylor, Commissioner of NH Agriculture.

Rep. Williams moved to approve the Commissioners' Report as presented; Rep. Alger seconded the motion. All in favor.

Rep. Williams then moved for the County to come up with a long-range study of the County Farm and that the Commissioners should present a proposal in February to the new Executive Committee who will then be in office, to look at the future of the type of farming to be done at the County Farm. Under "discussion", Rep. Almy said this will relate to all farming done in the County, as well. She added she would hope the County would seek assistance from the University of New Hampshire through Cooperative Extension, as well. Rep. Solow said this really refers to the general land use for the County Complex; she would not like to see it used for industrial purposes. Rep. Williams said there are a lot of intangibles at the Farm that do not carry a money value. Executive Director Clough agreed with this.

With further under "discussion" of the motion, Rep. Cobb mentioned possibly doing retail sales at the County Farm for milk, as Hatchland Dairy does.

Commissioner Cryans said that at the annual meeting of Cooperative Extension, they mentioned they are looking into "niche farming". It would make sense, he said, to look to Extension for advice and assistance. We could also look at what Coos and Cheshire Counties do with their County Farms.

EXECUTIVE COMMITTEE MEETING

MONDAY, OCTOBER 21, 2002

Page 4

Commissioner Chair Panagoulis mentioned that inmates assist at the County Farm, and this is rehabilitative for many of them. He added that we have to look harder at what would make money at the Farm.

Chair Ward repeated that the Commissioners should come to the new Executive Committee in February with the mentioned proposal: there is no point for the present Executive Committee to become too involved with this, as some members are at the end of their tenure, including himself.

Rep. Almy said that the proposal should list all of the objectives we have for the Farm and to prioritize. The Farm should serve as a guide for the farmers in the region, which is not being done at this point.

Rep. Williams said Quebec has a lot of tremendous dairy farms; what are they doing right that we are not? Chair Ward said that Canada subsidizes. Commissioner Cryans said that even in northern Vermont, there are huge dairy farms. Commissioner Chair Panagoulis said that farming here is important to our heritage. Rep. Williams agreed, but added that we have to be able to make it work.

Commissioner Cryans said that a big concern of Commissioner Burton's is the fire hazard at the County Farm; and as the new addition will be even closer to the barns, this is definitely of concern.

Rep. Solow said that as the Farm is part of our cultural heritage, perhaps there is funding for this study of how to do things better. Rep. Almy said perhaps the USDA could be contacted about funding.

Commissioner Chair Panagoulis said perhaps tree farming could be considered here.

A vote was taken on the motion to present a proposal on the Farm use, to the newly-elected Executive Committee in February of 2003; all in favor.

Chair Ward asked for an update on the Proportionate Share Payment money that was set aside, pending a decision by the federal government as to whether or not the counties can keep that money. Commissioner Cryans said that Grafton County will have a representative in the lawsuit against the federal government. This was mentioned at this month's Annual NHAC Conference. Rep. Almy asked if the suit will be on behalf of all 16 states involved in this issue. Commissioner Cryans said he did not know.

Rep. Solow said that, as she retires from public office, she is concerned about the new people who will be coming in as members of the Executive Committee. She suggested some orientation/training sessions. Commissioner Chair Panagoulis said the Board has always

EXECUTIVE COMMITTEE MEETING  
MONDAY, OCTOBER 21, 2002  
Page 5

offered tours of the County Complex and any assistance we can give to new members, to show them the County portion of their position. Often, the members do not even realize there is a County portion.

Rep. Solow repeated that she felt training sessions would be very beneficial, to explain the various reports the members will be receiving, and the various departments at the County Complex which the members will be discussing on a monthly basis at their meetings. Executive Director Clough agreed this would be an excellent idea.

Redistricting was discussed, with regard to the make-up of the future Executive Committees. In the past, it has always been to choose the nine-member Committee by selecting three members from each of the three Commissioner Districts. Now, with the redistricting, this will not be possible.

A discussion was held regarding the bond repayment for the capital project.

Executive Director Clough briefly discussed the final Auditor's Report, which was given to each Executive Committee member. This Report verifies the County's financial figures for the year. Rep. Sovo suggested this Report should be placed on next month's Agenda for discussion, after the members have had a chance to review it. Chair Ward pointed out that even with the decrease in the census at the Nursing Home last Fiscal Year, we still came out in solid financial shape.

Executive Director Clough said that per State Statute, the second Wednesday in December will be the date of the reorganizational meeting of the Delegation - this year, that falls on December 11 - at which time the nine members of the Executive Committee will be selected. Therefore, the present Executive Committee will only meet once more - on November 18, 2002.

Rep. Alger said we should all look at changing auditors after a period of time - he pointed out what happened at ENRON. Auditors can get set in their ways, he said. Chair Ward pointed out that this County has never utilized its auditors for financial advice. Rep. Alger said this should be so stated in the Minutes. He added that the County should stay on top of this entire issue and not become complacent with its auditors. Executive Director Clough said that the firm of Mason + Rich has been the County's auditing firm for the past 12 years.

Rep. Sovo said we should find out if this would apply to public entities such as ourselves, or just private enterprises, such as ENRON was - public entities call for public information, whereas private enterprises do not.

EXECUTIVE COMMITTEE MEETING

MONDAY, OCTOBER 21, 2002

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Rep. Sova then moved to adjourn; Rep. Cobb seconded the motion. All in favor.

The Meeting adjourned at 10:10 AM.

Respectfully submitted,

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Martha Solow, Clerk

GRAFTON COUNTY DELEGATION -  
EXECUTIVE COMMITTEE MEETING  
BOARD OF COMMISSIONERS' OFFICE  
NORTH HAVERHILL, NH  
MONDAY, NOVEMBER 18, 2002

PRESENT: Reps. Brien Ward, John Alger, Gene Marshall, John Cobb, Susan Almy, and Charles Sova. Commissioners Michael Cryans and Raymond Burton. Executive Director Julie Clough. Secretary Sam Sorrentino.

EXCUSED: Reps. Hilda Sokol, Burton Williams, and Martha Solow. Commissioner Steve Panagoulis. Treasurer Kathleen Ward.

Chair Ward called the Meeting to order at 10 AM.

Rep. Sova moved to approve the Minutes of October 21, 2002, as amended. Rep. Almy seconded the motion. All in favor.

Executive Director Clough presented the Treasurer's Report. The County borrowed from its line of credit two weeks ago in order to meet payroll.

Two tax checks have been received so far; taxes are due at the Commissioners' Office December 17. The County anticipates drawing down on the TANs money once more before taxes are received.

Rep. Cobb moved approval of the Treasurer's Report, as presented. Rep. Marshall seconded the motion. All in favor.

Commissioner Cryans then presented the Commissioners' Report. Last week, Ruth Griffin and Jean White presented Treasurer Ward with the Edna B. McKenna Award. This Award was announced at the October Annual NHAC Conference but the Treasurer was not in attendance due to ill health. The Treasurer was very pleased to receive this Award.

Commissioner Cryans mentioned the ongoing progress of the construction project at the Nursing Home. Thus far, \$555,000 has been expended. The County hired a Clerk of the Works to be the eyes and ears for this Office. He has alot of experience in this type of work, and came highly recommended.

Today, the Nursing Home census is 107; it has been running as high as 112.

On the financial reports, Executive Director Clough reported that for Revenue, the County is up a little. At this time in the fiscal year, the County should be at 33.33% but it is at 35.90%, up close to \$500,000 due to the Revenue being up for the Nursing Home and Register of Deeds. On the Expense side, the County is running just slightly over, by about \$63,000.



GRAFTON COUNTY EXECUTIVE COMMITTEE MEETING  
MONDAY, NOVEMBER 18, 2002 - PAGE 2

The cost per patient day came down quite a bit this month. Everything has been reviewed as per the Executive Committee's request and an error was found on the last report; this has now been corrected.

For August and September, the numbers will always be the highest for the fiscal year since there are three payrolls in August and the County pays the property/liability insurance up front as well as employee raises and health insurance premiums. The Executive Director said she would anticipate these numbers will level off.

Rep. Alger said that this morning he had asked Grafton County Human Services Administrator Nancy Bishop about the 200 +/- other patients for whom the County is responsible and who are not living at the County Nursing Home - what the cost per day would be. N. Bishop told him that this is complicated. Executive Director Clough agreed, as there are so many different types of facilities. Commissioner Cryans pointed out that the level of care varies, also.

Chair Ward said that the County is in much better shape on the Revenue side than last year. Rep. Alger agreed with this.

The Executive Director discussed the Capital Reserve accounts. By State Statute, the County can establish these accounts for specific purposes, such as construction or capital improvements. But the Capital Reserve Accounts cannot be used to make bond payments. This is not within the law. The County is now investigating other options. A discussion followed.

10:25 AM - Administrator Eileen Bolander joined the Meeting.

Commissioner Cryans said that as a result of a request from the Executive Committee regarding the future of the County Farm operation, Commissioner Burton has set up a task force which will meet on December 10. Commissioner Burton then read the list of those who have been invited. Former Rep. Bill Williams has also been invited and agreed to serve on this task force; he will be researching the National Dairy Compact and will be discussing this at that meeting.

Commissioner Burton then explained that on January 21, 2003, a video conference will be held on various issues pertaining to the Connecticut River counties. He then asked if the Executive Committee had any ideas or comments. Rep. Almy asked if Nory Parr will be representing 4-H. Commissioner Burton said yes, as well as Cooperative Extension. Rep. Almy asked if there are any associations of niche farming that could be invited. Commissioner Burton said that for one, he felt that D. McLure would represent a niche, and if anyone knows of any other such representatives, to let the Commissioners know. Commissioner Cryans added that Cooperative Extension has done quite a bit of work with niche farming and would know of different groups. Commissioner Burton added that Steve

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Taylor, the NH Commissioner of Agriculture, is very interested in this subject and will attend the December 10 meeting.

Chair Ward said he would recommend asking the new Executive Committee if any member would like to serve on the task force to be able to report back to the full Delegation. Rep. Alger said he would like to attend. Commissioner Burton said the goal is to come back to the Commissioners in January with a report in order to prepare a report for the Executive Committee. Executive Director Clough said the goal is to report to the new Executive Committee at their February, 2003 Meeting.

Commissioner Burton briefly discussed Corrections, which is a growing business. There is a vacant building - the Adams Building - at Glencliff. He said he will be asking the State DOC as well as the State Health & Human Services Department about the future of that building and others at Glencliff. The Adams Building is not in compliance with anything right now and would have to be renovated. Commissioner Burton said he will be gathering information on the female inmates issue. This population is growing with few places to put them. This goal is a long way off, but he said he wanted to bring it up for informational purposes.

Rep. Cobb moved to approve the Commissioners' Report, as presented. Rep. Marshall seconded the motion. All in favor.

Chair Ward congratulated Admin. Bolander for having received the "County Administrator of the Year" Award at the Annual NHAC Conference.

Admin. Bolander gave her report:

Today's Grafton County Nursing Home census is 107. It has been up as high as 112 - 113. She then distributed a sheet showing admissions, discharges, and deaths through November, 2002.

Admin. Bolander discussed a Revenue opportunity for the Nursing Home - outpatient rehabilitation. This will be tabled until the new building is completed. Under New Hampshire Statute, the Nursing Home can do this. It is also a possibility to have employee rehab done at the Nursing Home, as well. Also, the Director of Human Resources is investigating if the Nursing Home could also do Worker's Comp rehab there. The Home would start with the County employees who otherwise would have to travel a distance for their rehab.

Admin. Bolander then discussed the fact that Congress failed to act on a bill and as a result, for every Medicare Part A, the County will lost about \$35/day in reimbursement. Since we have been doing an increase in Medicare Part A billing, this is not good news. In 2004, this trend will continue and there will be further drops in Medicare reimbursement for the residents.

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Admin. Bolander then discussed the Elder Justice Act being introduced in 2003 which would require FBI checks on all employees working in health care. This would cost the County \$40 per employee. This is not something for which the Nursing Home has budgeted. Rep. Cobb said it is incumbent upon them as legislators to contact our federal legislators about paying for this. All agreed it is yet another unfunded mandate.

Admin. Bolander added that this type of investigation will take a much longer time to conduct, since it is through the FBI, and it will put off the hiring date of new employees.

Admin. Bolander told the Executive Committee they can be proud of the fact that New Hampshire is recognized as providing excellent nursing home care.

Admin. Bolander informed the Executive Committee that the Nursing Home dog, Whiskey, passed away suddenly. It was a tremendous loss to all. Another dog has been adopted - Tina, a three-year-old yellow Labrador Retriever.

The first Filipino nurse who has arrived, Rowena Galang, is working in the Activities Department until her certification comes through. Admin. Bolander, Human Resources Director J. Mann, and Rowena will be interviewed soon by New Hampshire Public Radio on the experience of interviewing Filipino candidates for work here at Grafton County, moving here, etc.

Chair Ward told Administrator Bolander that the Executive Committee had been commenting prior to her arrival on the fact that things seem to have stabilized at the Nursing Home. Admin. Bolander said yes, this is true.

Admin. Bolander then distributed an analysis of the first three months of the current Fiscal Year and then she reviewed the cost-per-patient day.

Admin. Bolander remained at the Meeting while the Executive Committee reviewed the Auditor's Final Report.

Rep. Sova moved to adjourn; it was jointly seconded by Reps. Cobb and Marshall. All in favor. The Meeting adjourned at 11:25 AM with a luncheon and recognition certificates for those five Representatives from the Executive Committee who will not be returning for another term. Also, this year's Grafton County Annual Report was dedicated to Delegation Chair Brien Ward.

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Clerk, Executive Committee

GRAFTON COUNTY DELEGATION  
EXECUTIVE COMMITTEE MEETING  
BOARD OF COMMISSIONERS' OFFICE  
NORTH HAVERHILL, NH  
MONDAY, JANUARY 27, 2003

PRESENT: Reps. John Alger, Burton Williams, Susan Almy, Hilda Sokol, Paul Ingbretson, G. Michael Gilman, Gregory Sorg, and Mary Cooney. Commissioners Steve Panagoulis, Michael Cryans, and Raymond Burton. Executive Director Julie Clough. Treasurer Carol Elliott. Secretary Sam Sorrentino.

EXCUSED: Rep. Terri Dudley.

GUESTS: Senator Carl Johnson. Kevin Shyne, member of Leadership NH.

Chair Alger called the Meeting to order at 9:00 AM. He congratulated Carol Elliott on being elected the County Treasurer, and he welcomed Senator Carl Johnson, who will be sitting in at today's Meeting and touring the Jail and Nursing Home with the Executive Committee, followed by a luncheon at the Superior Courthouse hosted by Judge Jean Burling. Chair Alger mentioned that all three Senators were invited to attend today.

Rep. Williams moved to approve the Minutes of the December 11, 2002 Delegation Reorganizational Meeting, as circulated. Rep. Almy seconded the motion. All in favor.

Treasurer Elliott presented her monthly report. She said she was happy to report that all tax collections for FY03 have been completed from the towns in Grafton County, and this totals \$10,948,197. Also, all Tax Anticipation Notes have been repaid. Former Treasurer Kathleen Ward invested \$7,500,000 of this tax money into six CD's, with interest ranging from 1.44% to 1.75%.

The Nursing Home construction project is on budget through December, 2002.

Treasurer Elliott said that she has negotiated with the various banks regarding the interest on the Nursing Home Capital Reserve Account and has been able to improve those interest rates on the CD's for this Account in some cases.

Chair Alger distributed a cash management report he had prepared for the period of November 30, 2002 through December 31, 2002. He explained that the County only receives taxes once a year. It would be great if there could be a change in the laws so that the County could collect taxes twice a year so that it would not have to borrow, yet the towns would not like this. He said he apologized to the Treasurer for not having discussed his report with her prior to this Meeting.

Commissioner Cryans said that on the flip side of having low interest rates is the fact that the County was able to borrow for the Nursing Home expansion project bond at the lowest rate received in NH - 3.85%.

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Commissioner Chair Panagoulis said the County had to borrow earlier in 2002 than in any other previous year. He added that the County may have a higher interest expense this year than interest income because we are tightening the County's Budget more and more, and then this results in a shortfall - we then have to borrow.

Rep. Almy said she likes the so-called "Alger Report" and hopes it will continue.

Rep. Almy asked for a discussion on the difficulties of using the Nursing Home Capital Reserve Fund for paying the bond. Executive Director Clough said that the County cannot use the \$1,350,000 in the Nursing Home Capital Reserve Account to offset bond principal payments over the future years. The DRA will not allow this. The auditors have told the County that there is the option of closing out the existing Capital Reserve Account, take some of the money in as Revenue for FY04 to offset some of the bond payment, but just for that Fiscal Year. However, this would, of course, cause a tax spike for FY05 because of taking this Revenue. We will need to investigate that in this year's Budget (FY04) and what we want to do. This Account was set up by the Delegation for the purpose of capital improvements to the Nursing Home. The County cannot now use that money to make bond payments on the capital project. Perhaps the County should not have bonded the entire amount, but even if we had kept \$1 million aside, we would still be facing large principal payments even at \$13 million instead of the \$14 million for the current capital project. A discussion followed.

Rep. Almy asked if the County could dissolve the Nursing Home Capital Reserve Account and use it for the regular expenses and then put Revenue into a smaller Capital Reserve Account each year. Executive Director Clough said no, we cannot keep closing out the Capital Reserve Accounts and bringing them in as Revenue. Commissioner Cryans asked if we could use the interest from the Account on bond payments. The Executive Director said yes, we can, that was part of the original Delegation motion for the Account. We will use that for the payment in March of this year, as that payment was not part of our Budget.

Rep. Almy asked why there was no percentage of interest listed for Woodsville Guaranty Savings Bank in the report. Executive Director Clough replied that the account at Woodsville was not opened until January 8, 2003. It was opened by our new Treasurer, and the interest will be 1.60%.

Rep. Williams moved to approve the Treasurer's Report, as circulated. Rep. Ingretson seconded the motion. All in favor.

Commissioner Chair Panagoulis welcomed everyone and then gave his Commissioners' Report. He said he hopes the Commissioners' Report will be clear for everyone, and that the Board is trying to change some of the reports for better clarification. Today the Executive Committee and Commissioners and guests will be touring the Jail and Nursing Home, followed by lunch at the Superior Courthouse hosted by Judge Jean Burling. This will be an occasion

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for the State to discuss security measures for the Courthouse.

Commissioner Burton introduced his guest - Mr. Kevin Shyne, a participant in Leadership New Hampshire. Part of Mr. Shyne's assignments for LNH is to shadow an elected official, which he is doing today. Chair Alger then welcomed Mr. Shyne.

Commissioner Chair Panagoulis then presented a County pin, Annual Report, and pencils to each of the new members of the Executive Committee, and guests.

Commissioner Chair Panagoulis discussed the Revenue and Expense summaries, as well as the individual departments' Revenues and Expenses, which he briefly explained. He said that these reports show clearly which departments are on line with their budgets, and which may be overexpended. Right now, the County is ahead by a bit on the Revenue side and a bit below on the Budget as a whole - we stand at 49.78%.

The pro-rated fund balance as of December 31, 2002, was \$994,733.03. A year earlier, at December 31, 2001, the fund balance was \$1,977,063. We will probably end up with only \$500,000 in our fund balance to offset taxes, so we are starting out on our new FY04 Budget by being \$500,000 short.

Chair Alger said he understood how the Budget has been squeezed and squeezed over the years and now is behind. He stated that he had inherited this from former Chair Brien Ward and would like Brien to come back this Fall to see how these numbers come out. Commissioner Chair Panagoulis said that interest rates have a lot to do with this, even in our interest income. And now, we have even less money to invest. We are going from \$200,000 in interest income last year to under \$50,000 this year. So, there is another shortfall we will have to make up. As mentioned, the County had to borrow earlier than ever before, so there are more expenses because of this. Commissioner Chair Panagoulis added that the SB409 issue does not help, and we have some real concerns.

Chair Alger mentioned to the Executive Committee that Commissioner Chair Panagoulis is a former President of the New Hampshire Association of Counties. Chair Alger then distributed a booklet called "County Funding of Long-Term Care Services", regarding SB409. He said that this Bill sunsets in July of this year and if the Delegation does nothing, they will be heroes at the County, but "bums" at the State level. He urged everyone to study the booklet, which has a lot of thought put into it. He added that Senator Johnson, who is present today, is working on a Bill to amend SB409. He also reminded the Executive Committee members that all Bills they have at the State level will impact the County, so we need County level input. Commissioner Chair Panagoulis urged everyone to contact the NHAC which does a fantastic job of representing the counties and the State. There is a wealth of information available there. He added that the County's biggest expense is at the Nursing Home, and we pick up more of the cost every day. The gap between the Medicaid reimbursement per day and what it actually costs the County per day is widening. The

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reimbursement rate is going down on February 1, 2003, and yet the County's acuity level is going up. Therefore, it will cost the County more per day to provide the same services as before.

Rep. Almy said that the booklet just distributed does not tackle how we fund the in-home care services and what would happen to the County Budget if we had properly funded it. The entire idea was to properly fund this.

Commissioner Chair Panagoulis said we are not investing enough money into the System, especially on home health care. The larger counties, which are not rural as we are here, have more services. By law, we cannot send these people home if there are no services provided for them. The only way is to put more money into the System. Chair Alger said the Committee could work with Executive Director Clough on this and make a chart to see what the State was supposed to pay, and what it actually is paying.

Chair Alger added that they had all voted on SB409 and thought it would save us some money. Commissioner Chair Panagoulis said that all ten counties had to vote in favor of that Bill in order for it to pass, and it did; however, he said, he could guarantee not all ten counties would vote in favor of extending it. Rep. Almy said the Finance Committee must act because there is no way the State can raise enough money to pay for the County share, too.

Rep. Cooney said that since the State did not pay the counties what it should have paid, then how do we hold the State accountable for that? Commissioner Chair Panagoulis said the State has been in a financial squeeze so if they decide to cut the State Budget, then we have to live with that. Of course, the money has to come from someone, and it is always the taxpayer. Rep. Cooney said it then renders the whole agreement pointless. Commissioner Chair Panagoulis said we have no choice on some things such as taking care of seniors in our Nursing Home and another 200+ seniors who are from Grafton County and residing in other nursing facilities, for whom we have to pay. We cannot just wash our hands of them, by law.

Rep. Sokol said that there seems to be a point where there is no money coming from the State and the counties might want to disband, if they have no money to do what they are required to do. Commissioner Chair Panagoulis said that the counties are the taxing arm of the State Government. Whatever they cut back on, we cannot cut, and we must provide the services, by State Statute. Rep. Almy said that those here today, as Legislators in Concord, would be the ones to vote if the counties wanted to disband; and, they, as Legislators in Concord, are voting that the counties do not get enough money to do what they are required to do.

A discussion followed on obtaining additional monies from Medicaid, from the federal government.

Chair Alger said he likes the idea of voting at the County level as well as at the State level so that "we don't bleed the County dry."

Commissioner Cryans said that although interest rates are very low, on the reverse side, the Register of Deeds' Department finds this very beneficial. Their Revenue has been phenomenal on refinancing and purchasing of homes. Treasurer Elliott explained that the County receives 4% of the State Transfer Tax and 100% of the recording fees.

Rep. Almy mentioned the Ways and Means Committee - the DRA feels that the real estate boom is leveling off. However, some individuals feel that new home sales and new construction will take off. A lot of towns are pushing back because of the school problems.

Chair Alger said that the more we can learn about the County's Budget, the better. The Commissioners are in charge of the Budget, it is not the job of the Delegation or Executive Committee; however, the Executive Committee must be able to convince the rest of the Delegation to vote in favor of the County's Budget in June.

Chair Alger then mentioned that for the upcoming FY04 County Budget, there is a schedule of meetings when the Commissioners meet with each department head to go over the various departments' proposed Budgets. A copy of that schedule was then distributed to everyone.

Commissioner Chair Panagoulis said that the Board of Commissioners will be reporting to the Executive Committee at the February Meeting about the results from the County Farm Task Force meetings, with recommendations. This was a charge given to the Board by the former Grafton County Executive Committee/Delegation.

Executive Director Clough distributed copies of this year's Budget and explained the Budget process in order to familiarize new members of the Executive Committee with this process. This is the FY03 Budget which was approved by the former Delegation in June of 2002. It includes Revenue and Expense Summaries.

Chair Alger asked the Executive Director to explain the surplus again. She said that the fund balance is the money from which the County draws, and that is not at \$1 million right now. It stands at \$1 million less than the previous year. This is a direct result of tightening and tightening over the last few years. If it were not for the fine Revenue brought in by Deeds and the Nursing Home, this picture would be a lot bleaker. Hopefully, this Revenue will continue.

Rep. Almy asked if the Revenue coming in at the Nursing Home is because we are managing to keep the census up. Executive Director Clough said this is correct. The County budgeted for 107 residents, and we now have about 110. The Nursing Home also received an increase last year in the reimbursement rate that was not budgeted for, so the decrease in February of this year will not hurt as much. We will be going from \$129.42 per day to \$129.16 per



day, but our acuity level is higher than ever; therefore, it costs more to take care of these residents, while our reimbursement is going down. In answer to a question, the Executive Director replied that the private pays are paying \$165 per day.

Rep. Almy told the new Executive Committee members that the County has a lot of fixed costs whether we have 130 people at our Nursing Home, or 105. This also stands true for the Jail, regardless of its population. Executive Director Clough agreed, and said that the Jail population is a lot larger than it was last year. Commissioner Cryans pointed out that sometimes just one inmate or resident might need a lot of extra services and care, which can make a huge difference.

Rep. Williams said he understands that the County owns the Superior Courthouse, and the State rents space. He asked if the rents received are adequate and, when Deeds and Extension eventually move over to the 1930 Building, will the State's rent go up as they take over additional space at the Courthouse? Commissioner Chair Panagoulis replied that yes, the State's rents will go up, and they already are aware of this. The County would have liked to upgrade the Courthouse along with the Nursing Home capital project, but it was just not possible. The Courthouse's air conditioning and heating system is archaic, the entire building is not energy efficient, and there are some safety concerns that the State has. We should have done this, since the payback would probably have been less than ten years. Perhaps the Commissioners should have been stronger on this information. Chair Alger informed the new members of the Executive Committee that to have included the Courthouse in this capital project, the total would have been \$19 million. The Delegation decided not to include the Courthouse. When we meet with Judge Burling for lunch today, he said, the Executive Committee will hear about the Courthouse's side of this issue.

Executive Director Clough then discussed the Expenses pages in the current County Budget, which go by department. Chair Alger requested that a Table of Contents be provided for the Budgets from now on, to make it easier to find things. Executive Director Clough agreed to do this.

Rep. Almy asked about "Allocated In-Home," which the Executive Director explained. She said the County is eligible to take some of the expenses from the Commissioners' Office, using a formula developed by the County's auditors, and bring those back to the Nursing Home. Also, we allocate from the Jail for meals, laundry, and nursing services. The Farm also does some of the work for the Nursing Home, and we allocate that as well as from Human Resources, which spends about 80% of its time for the Nursing Home. These allocations are all Medicaid reimbursable.

Chair Alger asked the Executive Committee members to please carefully study the current Budget and contact the Executive Director or Commissioners if there are any questions. He urged everyone not to save up their questions for meetings.

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The Executive Director then explained how we get to the final product (Budget), and the Budget meeting schedule, which had been distributed. The Commissioners first meet with each department head to discuss his/her proposed Budget. Some department heads may be asked to come in a second time for further discussion. After all of these meetings take place, the Commissioners then go through all the Budgets and come up with their final Budget proposal, which is then presented at a public hearing, traditionally the third Monday in May. The Budget then becomes a working document for the Executive Committee to review and make recommendations for the full Delegation meeting and vote - this vote must be done by the end of June in order to have the Budget ready by July 1 of each year. Chair Alger added that the County is on a fiscal year.

Rep. Sokol noted that the Commissioners' Budget meetings are on Thursdays, and the Executive Committee members meet in Concord on Thursdays. Chair Alger said that he had already spoken with the Commissioners about this, and they know the Executive Committee members will probably not be able to attend Budget sessions. Chair Alger said he did not feel the Commissioners should have to work around the Executive Committee. He suggested the members call and make appointments to speak with the various department heads about their Budgets. Chair Alger had asked his members if they would each consider focusing on a different County department and its Budget, and meeting with that particular department head. Commissioner Chair Panagoulis suggested that these meetings should take place after the Commissioners have met with the department heads on their Budgets. It was noted that Rep. Sorg is interested in Deeds, and Rep. Williams is interested in Social Services. The County's Social Services Consultant, Cindy Swart, was briefly discussed. Cindy has a tremendous knowledge of the various agencies who request funding each year, and visits each agency. She knows all of the "ins and outs" of these agencies. Rep. Almy added that Cindy also helps some of the Social Services agencies to "shape up" and helps train them. Chair Alger informed the Executive Committee's new members that Grafton County puts more money into Social Services than any other county in the State. Commissioner Chair Panagoulis said that if the County does not do it, someone will have to - the County is closest to the population and able to serve more people than the individual towns could do.

Rep. Williams moved to approve the Commissioners' Report, as circulated. Rep. Sokol seconded the motion. All in favor.

Rep. Ingbretson mentioned that he had been marked as "absent" at the Reorganizational Meeting on December 11, 2002, but he was present at that time. However, he did receive his check for mileage.

The next Executive Committee Meeting will be held on February 24, 2003 at 9:00 AM. Traditionally the Meetings are held on the third Monday of the month; however, the third Monday in February is Presidents' Day.

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Rep. Williams moved to adjourn; Rep. Ingbretson seconded the motion. All in favor.

The Meeting adjourned at 10:10 AM, followed by a tour of the Jail and Nursing Home, and lunch at the Superior Courthouse, hosted by Judge Burling.

Respectfully submitted,

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Susan W. Almy, Clerk

GRAFTON COUNTY DELEGATION  
EXECUTIVE COMMITTEE MEETING  
BOARD OF COMMISSIONERS' OFFICE  
NORTH HAVERHILL, NH  
MONDAY, FEBRUARY 24, 2003

PRESENT: Reps. John Alger, Burton Williams, Susan Almy, Hilda Sokol, Gregory Sorg, Mary Cooney, and Terri Dudley. Commissioners Michael Cryans and Raymond Burton. Executive Director Julie Clough. Treasurer Carol Elliott. Secretary Sam Sorrentino.

EXCUSED: Commissioner Steve Panagoulis.

ABSENT: Reps. G. Michael Gilman and Paul Ingbretson.

Chair Alger called the Meeting to order at 9:00 AM.

Rep. Williams moved to approve the Minutes of the January 24, 2003 Meeting, as amended. Rep. Sorg seconded the motion. All in favor.

The Treasurer's Report was given by Carol Elliott. She said it has been a very busy month since the last Executive Committee Meeting. Six million dollars from the Nursing Home project bond money had been invested with Citizens Bank at 1.55%. This was then broken down into a six-month CD for \$2 million, and two one-year CD's each in the amount of \$2 million. Eight banks responded with bids on this money, and the rate ranged from 1.08% through 1.74% for the six-month CD and a range of from 1.25% to 2.05% for the one-year CD's. The bids were awarded to Laconia Savings Bank for the six-month CD at 1.74%, and the one-year CD's were awarded to Mascoma for \$2 million at a rate of 1.83% and to Meredith Village Savings Bank for \$2 million at a rate of 2.05%. The Nursing Home Capital Reserve Fund's savings account in the amount of \$41,127.76 was closed out and placed in the General Fund to pay the incoming bills to the Construction Manager of the Nursing Home project. Currently the balance of the Nursing Home Capital Reserve Account is at Mascoma Savings Bank at a rate of 1.98%.

Rep. Almy asked why two accounts that had little money left in them as of the end of January - Citizens Bank and Fleet Cash Management - were still open. Executive Director Clough explained that the account at Fleet has been there for a very long time and normally the County draws down the money there at the end of the Summer into the Fall - when we receive the tax money, then money goes back into that account. The County has been dealing with Fleet's Banking Division in Concord - this has now relocated to Portsmouth, and the County has just not gotten around to closing this account out, but it will. As for Citizens, they were asked to bid on the tax money and they bid very low. This account is currently paying only .75% interest - when the County needs that money, we should close out that account. It had been left open in the hopes that they would be competitive and we would not have to open a new account elsewhere. The County will probably close this account.

Treasurer Elliott said that the larger banks such as Citizens just cannot be competitive for the County.

Chair Alger asked the Treasurer what her investment philosophy is. C. Elliott replied that she invests the County's money in Grafton County banks, although some of the larger banks are not based in Grafton County, but they do have branches within the County.

Rep. Almy moved to approve the Treasurer's Report as presented; Rep. Williams seconded the motion. All in favor.

Commissioner Cryans then presented the Commissioners' Report:

Later this morning, the Commissioners and Farm Manager will be presenting a report on the Farm and the findings of the Farm Task Force, as requested by the previous Executive Committee.

Commissioner Cryans explained to the Executive Committee that the Commissioners are looking at purchasing the Gravlin property which is just to the south of the Commissioners' Office. The Commissioners are currently negotiating with the family, as Mrs. Gravlin is in a nursing facility and the house is vacant. The County has been offering to purchase this property for years, and the family has finally offered it for sale to the County for first right of refusal. The Commissioners feel they are very close to reaching an agreement. The Board has made a final offer to the family and hopefully, it will be accepted. The goal is to tear the house and buildings down. The land is about 1.68 acres. This purchase would require approval of the Delegation. A discussion followed.

Executive Director Clough said that if the County purchased the Gravlin property and took the buildings down, we would make a connection between the buildings here at the Complex so that no one would have to either walk or drive on Route 10 to get to the Courthouse and back - the residents and employees now have to walk along Route 10, which is dangerous.

Commissioner Cryans told the Executive Committee that the Commissioners had recently toured the Nursing Home expansion project site and welcomed the Executive Committee to do the same, either after their March or April Meeting. There could also be a presentation to them by the Clerk of the Works, Ron Baillargeon, who updates the Commissioners every month about the project. All agreed this could be done at the April Meeting. Chair Alger suggested inviting the entire Delegation for a tour; the Commissioners said that was fine with them. Commissioner Cryans added that the anticipated completion date for the new building is this November.

Commissioner Cryans briefly discussed the Proportionate Share Payment money in the amount of \$790,000 (+/-). Along with the other counties, Grafton County lost its appeal to keep these monies which were set aside in a separate account, pending the outcome of the

appeal. Unfortunately, this money must be returned to the State. Rep. Almy asked if the County can keep the interest earned on this money; Executive Director Clough said yes, this was the agreement. The State will take this money and then pay back the federal government. Rep. Almy explained the background of this "enhanced" PSP money.

Commissioner Cryans said that Jim Fredema of New Hampshire's Department of Health & Human Services would be willing to come up and explain this if the Executive Committee would like that done. Chair Alger suggested a letter would help, explaining this, rather than having Mr. Fredema have to come up here. Executive Director Clough said the County will definitely be receiving a letter from H&HS.

Chair Alger said we should try to find out when the State will be sending this money back to the federal government to try and gain as much interest as we can before we have to return it. Commissioner Cryans said that perhaps Mr. Fredema could be advised about this timing concern.

Executive Director Clough explained that this money was called "enhanced" pro-share payments. There was a payment for FY00 and one for FY01. The FY00 money was appealed and lost, as mentioned, and must be sent back. The second payment for FY01 is waiting in an account for a determination as to whether or not the County can keep it. This second payment was in the amount of \$300,000.

On another subject, Commissioner Cryans mentioned it might be educational for the Executive Committee to have the new County Attorney and Register of Deeds come in for one of the Executive Committee Meetings, to be introduced to everyone. He noted that there was a very positive article on the front page of Saturday's "Valley News" concerning our new County Attorney. Chair Alger said he would like to have the County Attorney and Register of Deeds come in for the March Meeting.

9:40 AM - Farm Manager Donald Kimball arrived and was introduced to the Executive Committee.

Commissioner Burton explained that last Fall, the previous Executive Committee had asked the Commissioners to take a look at the future of the County Farm. Commissioner Burton was asked to form and head up a task force in order to come up with recommendations to report to the new Executive Committee this month. Commissioner Burton then discussed NH Statute RSA 28:12 as it pertains to the County Commissioners and their role.

Commissioner Burton formed the Farm Task Force with members being local farmers, Cooperative Extension employees, the Executive Director, and department heads including the Farm Manager. He explained that the Farm Manager is appointed by the Commissioners to run the County's dairy operation. Supt. Glenn Libby and Maintenance Spvr. Wayne Whitney were part of the Task Force, along with NH Commissioner of Agriculture Steve

Taylor, who made it clear at the Task Force meetings that the County should not try to eliminate the loss in just one year - Commissioner Taylor recommended the Farm look at a five-year and a ten-year approach. Also attending the Task Force meetings was Bill Williams, representing Congressman Charles Bass with regard to the Northeast Dairy Compact.

Commissioner Burton explained to the new members of the Executive Committee that the County Farm also utilizes inmate labor, and the Farm donates produce to charitable organizations.

One of the recommendations that was made after unanimous approval by the Task Force members was to form an advisory committee of nine members to meet at least twice a year to discuss the recommendations that were made and help to implement them.

Commissioner Burton explained the short-range plan, where the County is already seeing some savings due to those recommendations by the Task Force members.

As for the five-year plan's recommendations, the County has 800 acres of land - the idea is to clear more land for the purpose of crops. A new cow barn was also recommended, to be constructed behind the current barns, which are outdated for productive use. County Forester Northam Parr will be asked to update our timber inventory and to increase firewood and timber cutting on County land.

With regard to the 10-15-year plan for the County Farm, we have deep, strong roots in being an agricultural area. It was suggested by the Task Force that the County purchase another piece of property to farm, such as the McDanolds farm in North Haverhill. Milk production will be increased over the long term. It was also suggested that for the long term, build the new barn and then use the existing Farm buildings for a museum and educational facility. Commissioner Burton said that it often is a citizen's only chance to see a real working farm in this area, as so many farms have gone out of business.

Commissioner Burton said the Task Force members enjoyed the meetings, and it all was a very good learning experience. A lot of material, articles, and reports were discussed and distributed.

Chair Alger thanked Commissioner Burton and expressed his appreciation for heading up this special project. He then called for questions on Commissioner Burton's report.

Rep. Almy said she had hoped for a prioritized list of goals for the Farm, but she did not see that. She asked if the goal is to make money in the current environment, or to experiment with other technologies that will ultimately help other farms in the County - or is the goal to provide outlets for the inmates? Commissioner Burton replied that the so-called Connecticut River counties - Grafton, Coos, Sullivan, and Cheshire - held an informal video

conference from several locations to discuss issues of mutual interest. One of the items discussed was the Cheshire County Farm. They generally run a \$30,000 loss every year but they, like Grafton County, feel they have deep agricultural roots within their constituency. Commissioner Burton said that would be his response to Rep. Almy's inquiry. As for priorities at the Farm, they would be the five recommendations for the short-range plan, the four recommendations for the five-year plan, and the two recommendations for the long-range plan. Commissioner Cryans added that there was no specific effort to prioritize, but rather, to help us determine how we differ from a private farm in how we operate.

The educational aspect of the Farm was then discussed by Commissioner Burton - school kids very much enjoy the annual Pumpkin Day and various Farm Days held here at the County. Farming is becoming less and less a facet of life for people, and they are becoming less aware of farming. The County wishes to encourage this education. The Commissioners agreed that the County needs to work up numbers as to what we actually donate to the needy, church suppers, Christmas baskets, food pantries, etc. These are the intangibles at the County Farm.

Rep. Williams asked what the Commissioners plan to do or recommend to the Executive Committee to be done. Commissioner Burton said that the County Commissioners are the only ones who could put recommendations into effect, by Statute; and this is very timely because the Commissioners are about to start work on the new Budget. Some of the Farm recommendations are already going forward such as on the grain, and utilizing the Farm's beef at the Nursing Home.

Rep. Williams said he would like to have periodic updates given to the Executive Committee on how this is all working out. This Farm, he said, is a very important part of County Government. He said he did not want this put on the shelf.

Rep. Almy said she is personally in favor of the educational factor, even though it may not help any farm to make money. Rep. Almy then asked if the Farm could sell its slaughtered beef elsewhere if the Nursing Home cannot take it all. The Farm Manager replied that the Nursing Home currently buys their hamburger meat at \$1.25 and \$1.45 a pound - but he feels they are not getting good quality. The slaughterhouse told the Farm Manager not to take anything less than \$2.00 a pound for his meat, since it is good quality. If the Nursing Home cannot buy the beef from him at that price, then it might be better for the Farm to sell the cows live to the slaughterhouse and make more money. The Nursing Home has not come up with a price yet but if it is lower than what the Farm should be making, then he said, "I am going backwards." Executive Director Clough explained to the Executive Committee that currently, the Nursing Home purchases its beef in bulk through its food service provider, Fitz-Vogt - this saves money for the Home.

Farm Manager Kimball said the biggest money maker at the County Farm is the milk. However, every time the price of milk goes down a dollar, the Farm loses \$20,000 a year for



every dollar. He said he is looking for another cash flow to offset the low price of milk. The Farm made good profits when the price of milk was \$17-\$18/CWT. He said the Farm is trying to survive with the current price of milk, and it just cannot do that. The Farm Manager said he could try growing more corn, but then the local farmers also sell corn and the County Farm is seen as competition. He said, "Farming is tough" and that Coos County's Farm does a little better because it has a recycling plant. He added that the Farm is starting to build up its heifer program. The Farm tried raising turkeys and Herefords but it cost more to feed them than to sell them.

The Farm Manager now has his fifth Herdsman. Prior to that, the Farm had gone "downhill" on its breeding, but this Herdsman is helping to bring it back up. This Herdsman has been with him for the past two years. The oldest cows are ten years old - other farmers usually get rid of cows after five or six years, but the County's older cows are still good producers of milk.

Years ago, the Farm put its heifers out for sale but UNH no longer conducts those sales. Other farms sell their heifers overseas, where there is a big demand.

Rep. Almy said the idea of niche farming had been brought up, such as vegetables and/or herbs - did UNH say anything about this? Farm Manager Kimball said no, not really. No one from UNH was involved directly in the Task Force meetings, although we did have Tom Buob, Nory Parr, and Mike Lunak from Cooperative Extension - they work with UNH. The Farm Manager explained that we had a drought last year and then two years ago, the area was infested with army worms. He added that he could sell alot of hay to horse owners if he had it, but he doesn't. If the land could produce more hay, it would be great - but then things happen such as droughts and army worms, he said.

Rep. Cooney asked about the timber recommendation. The Farm Manager said he is working on this with Nory Parr, but Nory does not like to cut many trees down. Commissioner Burton explained the Board's frustration and that it took a motion by the Commissioners to get a timber sale done through Nory. But to Nory's credit, he did the timber sale. The Executive Committee asked how much revenue was realized from this sale: Executive Director Clough said it brought in about \$18,000. Commissioner Burton said the feeling of the Board of Commissioners is that there is alot of marketable wood here - either timber, or firewood. This wood is all located across Route 10. Rep. Alger said his family has a tree farm which is managed by a company - why doesn't the County put in a manager for this? Nory may be a great guy, but he is only one person - we should hire some sort of management to deal with the timber and firewood cutting and sales. Commissioner Burton said the Task Force had discussed the possibility of a Christmas tree farm, but the feeling is that this would be too far in the future - it could, however, be a part of the ten-year, long-range plan.

The total County Farm Budget is \$350,000. Commissioner Burton said if we look at a loss of \$25,000 this year, then he does not think it is all that bad, considering. If it were a loss of

much more, like \$300,000, then we would not even be looking at these kinds of recommendations - we would shut the operation down. Based on the experience of the other remaining county farms in New Hampshire, Commissioner Burton said he felt we are headed in the right direction with these recommendations.

Commissioner Burton said there used to be a dairy operation at the NH State Prison and one at the State Home for the Elderly, but these were closed due to the low profit in milk. Other farms have ceased to exist and the owners now lease their land.

Commissioner Cryans told the Executive Committee that the concern was that unless you pick the right product to grow here, then you are competing with other farmers - but with milk, this is not the case.

Rep. Almy asked what Nory Parr's objections were to timber cutting. Commissioner Burton said that Nory would probably prefer to let the trees grow as an investment for the long term.

Rep. Williams asked how many cows the Farm has. The Farm Manager explained that he is currently milking 82, and he can hold 91. He has 45 to 48 heifers. He added that he is now about \$38,000 behind. Rep. Williams said this does not take into consideration the intangibles the Farm does for the community - so that is not so bad, he said, considering the milk price situation. He asked, "What are we doing wrong?" Chair Alger said that in response to that question, we are getting about \$1.17 a gallon for our milk and it sells for about \$3.00 a gallon. The Farm Manager said yes, that is true - too many people are making money along the way from the time the milk leaves the Farm til it gets on the shelves of your store.

Chair Alger said he agrees that the Farm should enhance its production of milk - and not go out of the business. He said that Agriculture Commissioner Taylor had given a dynamic presentation last year about farming - but he said at the time that he did not feel milk was the way to go for the new private farmer. Chair Alger said, "And yet, I agree with the Commissioners about increasing milk production." He said he understands the point of the County Farm not competing with local private enterprise in other areas such as corn, etc.

Rep. Williams said he has heard that organic milk is the only type of milk making any money. The Farm Manager said he does not use BST and refuses to do so, but yet if you "go organic" you are not allowed to use manure or fertilizer since there are other things mixed in there. He said that down the road, the Farm - along with others - will have a problem getting rid of its manure because the future will bring manure being injected into the ground. He said, "It's coming."

Commissioner Burton said the County Farm had tried, as mentioned previously, turkeys and Herefords and there was mention of trying Belted Galloways. But these experiments did not

work, as explained. Still, there is the piggery here and during the Task Force meetings it was suggested we increase the number of sows.

Rep. Cooney said that since heifers are being bought by Europe, did the Farm ever think about doing this? The Farm Manager said "not yet" but if there were some available, he would look at that. Right now, he is working on building up his heifer herd for the Farm. Chair Alger asked if anyone in New Hampshire is selling their heifers to Europe. The Farm Manager replied that everyone going out of the farming business seems to be shipping their herds overseas.

Rep. Almy said she felt the agricultural markets should be looked at to see what crops could be grown to see if UNH has any recommendations on this. Farm Manager Kimball said the problem with that is the growing season here is very short - shorter than out west. Also, the Midwest has thousands of cows. Commissioner Cryans said he was not sure there is a niche that no one else is doing. He added that the County seems to have fantastic land here. The Farm Manager said yes, this is true - river land is unbelievable.

Chair Alger asked how many acres of timber the County has. The Farm Manager replied there are about 500 to 600 acres. There is some swampy land across the road where the heifers used to be pastured in the Summer which he bush hogs to keep it down. If he could get that land drained, it might be usable land. There is a brook there, too. Chair Alger said if the swamp is drained, the County would need to get a wetlands permit. He added that he will be talking to Nory Parr about all of this, and we will get someone to lay out a plan for that acreage over there. He said the County could have a timber sale every ten years but there needs to be someone to develop a plan. The Farm Manager said, in response to a question, that there are pine and oak trees across the road.

Rep. Cooney said that this timber plan should be placed in the Budget. Chair Alger agreed.

Farm Manager Kimball explained that the County Farm does have a tree farm. Chair Alger asked if there is a management plan for it; Commissioner Burton said it needs updating.

Commissioner Cryans said the first step should be to discuss this with Nory Parr.

Rep. Sorg asked if the Grafton County farmland is contiguous - some counties have their land at some distance. Farm Manager Kimball said yes, it is "all right here" - on both sides of Route 10.

Chair Alger asked if there is a map or survey map of the County land - Commissioner Burton said there is a survey map at the Nursing Home, it is quite large - it could be copied. Chair Alger said he would like an annual report on the timber situation at the County.

Chair Alger said that with regard to the Farm Task Force recommendations, he would suggest the Executive Committee adopt these. He asked if all of the recommendations are being pursued, and the Farm Manager said that not all of them have been implemented as yet.

Rep. Dudley asked, with reference to the heifer program, how long it would take to be up and running with this. The Farm Manager said, "Hopefully this Fall." He explained that the Farm raises every heifer it has. The Farm gets 110 to 120 calves a year. Rep. Dudley asked how much the Farm receives for the sale of a heifer. D. Kimball replied that he gets about \$1,200 to \$1,500 each, but it takes two years to get a heifer to where it is productive. Rep. Sokol asked how much the Farm puts into the heifers. D. Kimball said that except for the grain, which is purchased outside, the Farm does everything right here. He explained that the heifers either go into the milking program or they are sold. He then explained the breeding process and trying to build the herd up. Total cows are 160, and 82 are being milked.

Commissioner Burton asked the Executive Committee if it is the understanding that the Commissioners should move forward with these recommendations and in May when the Commissioners have presented their Budget to the public, then the Executive committee would adopt or massage these recommendations prior to the Budget vote by the full Delegation in June? Chair Alger asked if anyone on the Executive Committee disagrees with the short-term recommendations and the proposed advisory committee to implement these.

Rep. Almy said there is a conflict over purchasing beef for the Nursing Home. Executive Director Clough said the County is trying to work through that to see if it is better for us to sell to the Nursing Home or sell the cows live. We need to look at what is best for the Farm and for the Nursing Home. Commissioner Cryans said that the Commissioners' initial recommendation was to try these items and see if they are feasible and if not, then we could work on them. It was felt that the recommendation of having a new record system would not work, as the County Farm is not like a private one.

Commissioner Burton said he felt the Executive Committee's role would be to take these recommendations under advisement and then see what the Commissioners put into the Budget and work from there.

Rep. Dudley moved to adopt the recommendations and to allow the Commissioners to move ahead with these - then bring them forward through the Budget process. Rep. Williams seconded the motion. All in favor.

Chair Alger said he would like to personally pursue the tree farm issue and management of the acreage, and also have a regular progress report from the Farm regarding revenue streams. He then thanked the Commissioners and Farm Manager for their efforts.

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10:35 AM - Farm Manager Kimball left the meeting.

Commissioner Cryans continued with the Commissioners' report. He said that things continue to get tighter in the Budget. Fortunately, Deeds continues to have a banner year and the Nursing Home revenue is up due to the increased census. Unfortunately, expenditures have taken it on the chin. The Commissioners had mentioned to the department heads last year that they should tighten up, and the results are showing. Also, the surplus is dwindling.

Rep. Almy asked why it looked like a spurt in spending at the Nursing Home, on the monthly report. Executive Director Clough replied that there were three payrolls in January.

The Executive Director explained that the Commissioners' Office is over expended because the previous Executive Director had retired in August of 2002 and his payout was large. Hopefully this will work itself out during the next Budget process.

The Executive Director then explained the pro-rated numbers. She said that at seven months into the fiscal year, we should be at 58.33%. For Revenue, we stand at 61.96% and at 59.83% for Expenditures.

A discussion followed on borrowing. Grafton County receives its tax money in December and does not have to borrow until the following October. Other counties receive their tax money in December and borrow the very next month.

Commissioner Cryans asked if the Executive Committee wanted to discuss House Bill 663. Chair Alger said he would prefer to do that in a separate meeting, after adjourning this one.

Executive Director Clough explained that HB663 replaces SB409 and on March 4, there is a meeting at noon with the Delegation leadership and the NHAC.

10:50 AM - Rep. Terri Dudley was excused.

Rep. Williams moved to approve the Commissioners' report, as submitted. Rep. Cooney seconded the motion. All in favor.

Chair Alger asked if the County Nursing Home receives Social Security monies from its Medicaid patients. Executive Director Clough explained that the resident would receive \$40 from his or her monthly payment, and the County receives the balance. This is shown in the monthly Nursing Home Revenue numbers that are sent to the Executive Committee in their reports.

The next Executive Committee Meeting will be held on Monday, March 17. Rep. Sorg asked to be excused in order to attend judiciary hearings.

Chair Alger asked that a notice be sent to the Executive Committee members who were not present today, advising them that they should contact the Commissioners' Office if they are not able to attend these Meetings.

Rep. Williams moved to adjourn; Rep. Cooney seconded the motion. All in favor.

The Meeting adjourned at 10:55 AM.

Respectfully submitted,

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Susan W. Almy, Clerk

GRAFTON COUNTY DELEGATION  
EXECUTIVE COMMITTEE MEETING  
BOARD OF COMMISSIONERS' OFFICE  
NORTH HAVERHILL, NH  
MONDAY, MARCH 17, 2003

PRESENT: Reps. John Alger, Burton Williams, Susan Almy, Hilda Sokol, Paul Ingbretson, G. Michael Gilman, and Mary Cooney. Commissioners Steve Panagoulis and Michael Cryans. Executive Director Julie Clough. Secretary Sam Sorrentino.

EXCUSED: Reps. Gregory Sorg and Terri Dudley. Commissioner Raymond Burton.

Chair Alger called the Meeting to order at 9:00 AM. Newly-elected County Attorney Rick St. Hilaire arrived at the invitation of the Executive Committee, and was introduced. He told the Representatives that he feels he and his staff are now on top of what is going on at that office. He invited everyone to feel free to visit his office. He has cut the travel line considerably and will be taking full advantage of in-State conferences. He added that Executive Director Clough has been a tremendous help to him.

The County Attorney briefly discussed the high cost of the medical examiners and how he is looking at ways to reduce this in cases of accidental/suspicious deaths, by asking for toxicological tests rather than a full-blown autopsy. The new Attorney General is in favor of cutting down on autopsies. A discussion followed. Rep. Almy asked if the County Attorney could give her something on this that she could take to the finance committee. Rep. Ingbretson said that as he is "matched" with the County Attorney to review the Budget, then he will follow up on this issue as well. The Executive Director said that the Medical Examiner line is already over expended.

9:25 AM - the County Attorney left, with thanks from the Executive Committee.

9:30 AM - newly-elected Register of Deeds Joel Dupuis arrived and was introduced to the Executive Committee members. Joel thanked Carol Elliott for helping him, and he thanked the Commissioners' Office staff for their support.

J. Dupuis said that last Friday, his Department recorded 600 documents and they continue to be busy, alot of it being due to the Federal Reserve lowering interest rates - people are refinancing their homes.

J. Dupuis briefly discussed the issue of inputting the Deeds data on the Internet. There are advocates for this, and opponents. The problem is that although the documents are public, there is alot of private information on some, such as Social Security numbers, dates of birth, etc. This is a problem since theft of identity is on the rise. The Deeds Department does not have the staff nor time to go through every document and leave out the personal information. This is an ongoing issue, and J. Dupuis has decided not to put the data on the Internet for now. There is a bill being introduced and he will wait to see what

EXECUTIVE COMMITTEE MEETING  
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happens with this. Chair Alger asked J. Dupuis to keep them updated.

J. Dupuis discussed the fact that for the Revenue stamps, the State receives 96% and the County keeps 4%. The County sends the State its money once a month, after all checks received have cleared. The new Governor has asked that this money be electronically transferred to the State every ten days, which would be a problem for the County, which he explained. Rep. Almy asked J. Dupuis to fax her something that she can take to her committee on this.

Rep. Gilman asked to be excused at 9:45 for a prior commitment.

9:45 AM - Register of Deeds Joel Dupuis left and Admin. Eileen Bolander arrived.

Admin. Bolander distributed copies of a "Facility Characteristics Report", which she then reviewed.

The census is 113, with another in the hospital.

Reimbursement was discussed, and the difference between Medicare, Medicaid, and private pay patients. Chair Panagoulis noted that the County really is subsidizing everyone at the Nursing Home. Rep. Sokol asked what Budget covers those patients for whom the County is responsible yet are not located at the Nursing Home. Chair Panagoulis said that is the Human Services Budget.

The lack of services in the community was discussed, as well as the bed tax, which would result in a hit to the Nursing Home of probably \$250,000.

Rep. Sokol thanked Admin. Bolander for answering their questions. Chair Alger also thanked her for her explanations.

10:35 AM - Admin. Bolander left.

Rep. Williams moved to approve the Minutes of the February 24, 2003 Executive Committee Meeting, as amended. Rep. Almy seconded the motion. All in favor.

Treasurer Elliott presented her report. No investments needed to be made this month.

The Register of Deeds Department continues to do well, as Joel Dupuis reported earlier this morning.

Rep. Williams moved to approve the Treasurer's Report, as presented; Rep. Ingretson seconded the motion. All in favor.



EXECUTIVE COMMITTEE MEETING  
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Commissioner Chair Panagoulis presented the Commissioners' report. He reviewed the Revenues, which are up except for the Farm and Dispatch, as well as interest, which continues to be low. In spite of this, the County is still about \$860,000 above estimates through eight months.

Expenses are being held down as much as possible; no departments are purchasing anything unless absolutely necessary.

Executive Director Clough explained the transition period which will take place when the new Nursing Home addition is completed and the 1969 Building shuts down for renovations. This period will be for six to nine months. The Nursing Home will literally be operating in two locations, (new addition and 1930 Building) with the added problem of having to supply food from the new kitchen to the 1930 Building and the Jail.

Farm expenses are up - alot of this is due to equipment repair and maintenance.

The fund balance looks better than anticipated but this could go down again if there is an emergency or contingency. Hopefully, it will stay where it is. Executive Director Clough said that however, when you pro-rate the numbers, Expenses are still outrunning Revenue.

Rep. Ingbreton moved to approve the Commissioners' Report, as presented; Rep. Williams seconded the motion. All in favor.

Rep. Almy briefly discussed the Goffstown Women's Facility. If this closes, Laconia plans on sending the high-risk inmates to the county jails, as they cannot take them. Commissioner Chair Panagoulis said that the County has always helped out the State and federal government by a reciprocal agreement, but we are not required to take inmates from the State or federal government and we do not have the facilities here to deal with high-risk inmates.

The next Executive Committee Meeting will be held on April 21, 2003. Clerk of the Works Ron Baillergeon will be on hand to give a report and a tour of the Nursing Home addition.

Rep. Williams moved to adjourn; Rep. Almy seconded the motion. All in favor.

Respectfully submitted.

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Susan W. Almy, Clerk

GRAFTON COUNTY DELEGATION  
EXECUTIVE COMMITTEE MEETING  
BOARD OF COMMISSIONERS' OFFICE  
NORTH HAVERHILL, NH  
MONDAY, APRIL 21, 2003

PRESENT: Reps. John Alger, Burton Williams, Susan Almy, Hilda Sokol, Michael Gilman, Paul Ingbretson, Gregory Sorg, Mary Cooney, and Terri Dudley.  
Commissioners Michael Cryans and Raymond Burton.  
Executive Director Julie Clough, Secretary Sam Sorrentino.

GUESTS: Reps. Margie Maybeck and Lee Hammond, and former Reps. Richard "Doc" Hill and John Cobb.

EXCUSED: Commissioner Steve Panagoulis.

Chair Alger called the Meeting to order at 9:00 AM.

Rep. Gilman moved approval of the March 17, 2003 Minutes, as circulated. Rep. Williams seconded the motion. Rep. Dudley abstained from the vote, as she was not present at last month's Meeting. All in favor, with the one abstention.

Treasurer Carol Elliott presented her report. The County invested \$7.5 million of the tax money in December, and has since utilized \$3 million. The State bill was \$464,00 last month, and payroll runs about a half million every month.

The County has returned the pro-share supplemental money to the State, which the Treasurer explained at Chair Alger's request.

Almost every department's Revenue is above Budget; Expenses are also over Budget.

Rep. Almy moved approval of the Treasurer's Report, as presented. Rep. Williams seconded the motion. All in favor.

Commissioner Cryans presented the Commissioners' Report. On May 12\*\* at 10:00 AM, the Commissioners will hold their Public Hearing on the FY04 Budget, and the Delegation's vote on the FY04 Budget is tentatively scheduled for Monday, June 23. These dates would give the Executive Committee approximately six weeks to hold their meetings on the Budget, after the Public Hearing has been held. The proposed Budget should be out in the mail next week. After a discussion, it was decided that the Executive Committee will hold their May monthly meeting on the 12th at 9:00 AM, followed by the 10:00 AM Commissioners' Public Hearing on the Budget. It was agreed that those Representatives who would like further education on the County's Budget process can meet with Executive Director Clough at 11:00 AM, after the Public Hearing.

The Executive Committee will meet to work on the Budget on June 2 and 9. Rep. Williams

asked to be excused from both, as he will be away.

Commissioner Cryans spoke about the various activities that were held at the County Complex on Saturday, April 12, for County Government Week. Approximately 400 people attended. Also, on Wednesday, April 9, the Commissioners hosted a day for the County's Superintendents, Principals, and other educators. They went through an actual Operation Impact tour at the County Jail, and then back at the Commissioners' Office, the Board gave the group further information on Grafton County Government and the many services that the County offers to its citizens. Commissioner Burton hosted two young students from the Lin-Wood School as "Commissioners for a Day."

Commissioner Cryans briefly discussed the enhanced PSP money. Executive Director Clough said that the Nursing Home is operating above its Budget for Revenue because their census is 114 vs. the 107 for which they had budgeted.

Rep. Williams moved approval of the Commissioners' Report, as presented. Rep. Ingbretson seconded the motion. All in favor.

Commissioner Burton briefly discussed the progress of the County Farm Task Force recommendations. There is now a nine-member advisory board - they will meet periodically to help implement these recommendations, some of which are already in place. Chair Alger asked if there could be a meeting and report prior to the June Delegation vote on the Budget. Rep. Williams said he felt this would be rushing it, as the committee has not even met yet.

Chair Alger distributed copies of an e-mail he had sent to the Executive Committee members regarding the various reports they receive each month and asking that they give him their input on which reports they feel are valuable to them.

9:30 AM - Nursing Home Capital Project Clerk of the Works Ron Baillargeon arrived to give the Executive Committee a brief update on the progress of the Nursing Home addition. This project is on schedule as to time and budget, and the quality of work is excellent. Commissioner Burton added that he has continually asked R. Baillargeon if there have been any accidents on the job site, and to date, there have been none. He then asked R. Baillargeon to confirm that local crafts people and stores are utilized as much as possible. R. Baillargeon replied in the affirmative, adding that some are from Vermont, which is so close to Grafton County. Commissioner Burton added that there is a photo album of the project's progress.

Occupancy of the Nursing Home addition is expected this October. The General Contractor is H. P. Cummings. Rep. Cobb said he was amazed and impressed to see the crew working outside this Winter in temperatures of 18 to 20 below zero.

EXECUTIVE COMMITTEE MEETING - MONDAY, APRIL 21, 2003

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Rep. Williams asked R. Baillargeon if there had been many change orders done during the course of this project. R. Baillargeon replied that there were very few of them, and for very minor amounts.

R. Baillargeon said he would be conducting the tour for the Representatives in a few moments, and that everyone was required to wear a hard hat.

Rep. Cooney asked about the former Gravlin property, just to the south of the Commissioners' Office. Executive Director Clough said the County has purchased that property and advertised for anyone interested in removing the house; there have been no positive replies to this ad.

Rep. Williams moved to adjourn; Rep. Almy seconded the motion. The Meeting adjourned at 9:55 AM, followed by a tour of the construction site.

Respectfully submitted,

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Susan W. Almy, Clerk

\*\* This date was later changed to May 19, 2003 at 10:00 AM.

GRAFTON COUNTY DELEGATION  
EXECUTIVE COMMITTEE MEETING  
BOARD OF COMMISSIONERS' OFFICE  
NORTH HAVERHILL, NH  
MONDAY, MAY 19, 2003

PRESENT: Reps. John Alger, Susan Almy, G. Michael Gilman, Paul Ingbretson, Mary Cooney, Hilda Sokol, and Terri Dudley. Commissioners Steve Panagoulis, Michael Cryans, and Raymond Burton. Executive Director Julie Clough. Treasurer Carol Elliott.

EXCUSED: Rep. Burton Williams.

ABSENT: Rep. Gregory Sorg.

The meeting was called to order at 9:00 AM. Chair Alger introduced Register of Deeds Joel Dupuis. He asked that J. Dupuis discuss the surcharge. The Registry charges \$2.00 per document. J. Dupuis said he has come before the Executive Committee today to request permission to expend the amount of up to \$20,000 from the surcharge account prior to the end of the current Fiscal Year in order to pay for imaging charges. Currently, the account holds \$50,000.

Chair Alger called for questions. Rep. Almy asked if the reason for this was due to the growing amount of records; J. Dupuis said that is correct, his Department has gone beyond their expectations. Last month was the biggest month ever, for revenue. A discussion followed on this, as well as on the real estate tax. For this tax, 96% goes to the State, with 4% remaining for the County. J. Dupuis added that his Department's revenue has been up significantly over the past several years due to refinancing of homes; in some cases, individuals have refinanced their homes several times, and there is a transfer fee for that.

Rep. Dudley moved to approve utilizing the sum of up to \$20,000 to be taken from the Register of Deeds' surcharge account to be used by the Register of Deeds for the purpose he described this morning. Rep. Almy seconded the motion. A vote was taken; all in favor. Rep. Dudley commented that the Register of Deeds Department is very efficiently run, and this is a reasonable request.

The Register of Deeds left the Meeting with thanks from Chair Alger.

Rep. Cooney moved to approve the Minutes of the April 21, 2003 Executive Committee Meeting, as submitted; Rep. Ingbretson seconded the motion. All in favor.

Treasurer Carol Elliott presented her report.

Income remains good.

EXECUTIVE COMMITTEE MEETING  
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The CD's will mature in June and the Treasurer is looking for short-term investments. Interest rates remain low.

Cash Report - there currently is \$7.7 million. A discussion then followed on the Cash Management Report.

Rep. Ingbretson moved to approve the Treasurer's Report, as presented; Rep. Dudley seconded the motion. All in favor.

Commissioner Chair Panagoulis then presented the Commissioners' Report.

At ten months into the current Fiscal Year, the County's Revenue and Expenses should be at 83.33% each. However, Revenue stands at 93.26% and Expenses are at 87.27%. The County has had to expend additional money to hire additional personnel to care for the increased census at the Nursing Home. The Commissioners have authorized the hiring of five additional LNA's for the Nursing Home. The County will be in a cash crunch in the coming Fiscal Year. In the current Fiscal Year, the County had to borrow last October. This Fiscal Year, we are looking at probably having to borrow by early September, and hopefully not in August. We are approaching the day when we may have to borrow as soon as the Budget has passed. A lot of towns have this problem.

A discussion followed on PSP revenue. A payment to the County is due in June.

Rep. Gilman moved to accept the Commissioners' Report, as presented; Rep. Ingbretson seconded the motion. All in favor.

Commissioner Chair Panagoulis then discussed the monthly reports which are submitted to the Executive Committee. The Commissioners and Executive Director had discussed these reports with the various department heads, and the consensus of opinion was that there had been a lot of duplication. In the interest of simplifying matters, the Commissioners had their Office submit the same information as always, but in what they felt was a better format and which was less time consuming for the Commissioners' Office staff. It had been implied that by changing the format, perhaps the County was trying to hide something. Commissioner Chair Panagoulis said he takes exception to that charge. He said this has never happened in this County; Grafton County is one of the best-run counties in the State. He then repeated that the County has a very tight Budget - extremely tight. There is no "wiggle room" in this Budget. He then discussed HB663 - this was under fire even before it was enacted.

Rep. Almy said she had two concerns with the FY04 Revenue - one was the projection from the Register of Deeds, and the other is the Revenue impact from HB663. Executive Director Clough explained that the FY04 Budget does not include the impact from this Bill.

EXECUTIVE COMMITTEE MEETING  
MONDAY, MAY 19, 2003 - Page 3

Commissioner Cryans said he is more confident than the Register of Deeds that Revenue for that Department will continue to be very high in the coming Fiscal Year. Commissioner Cryans added that he feels that refinancing of homes will continue in the coming Fiscal Year. The Register of Deeds has discussed his point of view with the Commissioners.

Chair Alger asked why the County must have a Nursing Home - is it more costly to go elsewhere, or to take care of patients here at the Home. A discussion followed, and Commissioner Chair Panagoulis explained what it costs to take care of the residents.

The Executive Committee will meet on the FY04 Budget on Monday, June 2, 2003.

The Meeting adjourned at 9:50 AM.

Respectfully submitted,

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Susan W. Almy, Clerk

GRAFTON COUNTY DELEGATION  
EXECUTIVE COMMITTEE MEETING - FY04 BUDGET  
BOARD OF COMMISSIONERS' OFFICE  
NORTH HAVERHILL, NH  
MONDAY, JUNE 2, 2003

PRESENT: Reps. John Alger, Burton Williams, Susan Almy, Hilda Sokol, G. Michael Gilman, Paul Ingbretson, Gregory Sorg,

Chair Alger called the Meeting to order at 9:00 AM and distributed copies of the agenda for today, along with other informational sheets.

Commissioner Chair Panagoulis distributed a history of Rumney/Plymouth showing a percentage spending rate. Plymouth is at 4% with Rumney at 7%, and holding steady. Chair Alger noted that Grafton County's valuation is up 17%. Commissioner Chair Panagoulis said this has been averaging 9% a year.

Commissioner Chair Panagoulis explained the agreement reached with the Employee Council members, whereby those employees will now pay a percentage of their health insurance premiums rather than a set amount as was previously done.

The FY04 Budget is up over \$2 million due to items such as payment of the first bond for the Nursing Home addition, the rising cost of health insurance, salary and related benefits, and the State Retirement System. Of this amount, the County only had control over only \$136,000.

Chair Alger discussed a revenue sheet he had. He had met with former Rep. Brien Ward about this Budget, and then came up with this sheet.

The proposed surplus was briefly discussed.

Rep. Almy asked about the Nursing Home bond payments for this year and next year. Executive Director Clough responded that these payments will be as follows:

FY 04	\$1,235,037.50
FY 05	\$1,213,287.50
FY 06	\$1,191,537.50
FY 07	\$1,169,787.50

Chair Panagoulis said that the proposed 16% increase in the FY04 Budget will have a negligible impact on 80% of the communities because of the equalized valuations.

Rep. Williams suggested moving on with a discussion of the actual Budget and leave the PSP discussion for later, along with the proposed surplus and Nursing Home Capital Reserve.



EXECUTIVE COMMITTEE MEETING - FY 04 BUDGET

Monday, June 2, 2003 - Page 2

9:50 AM - Admin. Bolander arrived. Chair Alger asked her why she had budgeted for a census of 110 but staffing for 115. Rep. Almy asked why budget for a staff for 115 residents if there will only be 113 beds available during the transition process. Admin. Bolander then distributed a sheet on staffing analysis for 2001-2004, which she explained, including getting the staffing level up to federal compliance. She explained the logistics of feeding, transporting food and cleaning up during the interim process when they will be operating two separate buildings - presently, there will not be enough staff for this. Part-time people will have to be utilized. She also explained that for every eight residents, the Nursing Home is required to have three LNA's. Rep. Cooney said the full Delegation will be looking to see what the interim process costs would be that would "go away" after the complete Nursing Home is finally in place. Executive Director Clough said this is unknown because the census will then continue to increase and we will require sufficient staffing for that. Right now, we only have staffing for 110 residents.

The Alzheimer's Unit was discussed. This has only been in place for five years. Commissioner Chair Panagoulis said the patients coming in are older and sicker.

Rep. Almy referred to a sheet she had prepared. She asked if the Nursing Home will be able to get by without hiring traveling nurses; Admin. Bolander said no, they could not.

Plant Operations is up at the Nursing Home because of the new building coming on line, and an increased electrical rate.

Chair Alger referred to Revenue at the Nursing Home, Line 5020-101. Admin. Bolander said this is Medicaid Resident Liability. A portion of the Revenue comes from the resident.

Commissioner Chair Panagoulis said that Admin. Bolander will be present at the full Delegation vote on the FY04 Budget to answer any questions that may arise.

Rep. Almy said she realizes the County administration does not like to make projections but it would be very helpful if there could be one for 2006. Executive Director Clough said the County is currently still in the process of negotiating contracts with the two bargaining units of the United Electrical, Radio & Machine Workers Union, and health insurance will continue to rise at unknown rates over the years.

Commissioner Chair Panagoulis said he knows that Chair Alger likes to put things in a profit and loss type of statement, but the County is not a business, it provides services, as required by law. Even if we were to shut down our Nursing Home, we would still be required by law to provide services to those residents, wherever they lived.

Rep. Williams asked for an explanation on the Medicare patients, which Admin. Bolander provided.

## EXECUTIVE COMMITTEE MEETING - FY 04 BUDGET

Monday, June 2, 2003 - Page 3

Chair Alger asked Admin. Bolander if the Nursing Home currently buys any produce from the County Farm. Admin. Bolander said yes, they have always purchased vegetables and potatoes, but they are limited to the available storage space and shelf life of the food. The Nursing Home did purchase some meat from the Farm - all meat must be FDA approved, as well as milk. The Farm's meat was FDA approved, but again, the Nursing Home is limited in its storage space. Commissioner Chair Panagoulis added that selling the beef to the Nursing Home turned out not to be feasible, as it cost too much to the Farm vs. what the Nursing Home could pay for it.

10:55 AM - Admin. Bolander left along with Rep. Gilman, who asked to be excused.

Commissioner Chair Panagoulis explained the recent reorganization at the County Farm. The Department of Corrections has been incorporated into the plan in order to better train and utilize the inmates. Ever since the North East Dairy Compact was phased out, this has impacted the price of milk in this area, and other revenue sources are being sought for the Farm. Maine predicts that 50% of its farms will close next year; 90% of all New England farms will probably no longer exist within five years.

The County Farm will now operate in two separate areas - dairy, and utilizing the inmate labor. The County will now do niche farming with a small vegetable stand to be built across the road. The vegetables will be sold to the public. The Commissioners felt that the County had not been utilizing inmate labor as much as it should, and the inmates need to be trained in order to work better with the Farm equipment and in the new vegetable garden that has been planted this year.

Commissioner Chair Panagoulis also explained that there will be additional wood cutting on the County land. Chair Alger has spoken with County Forester Nory Parr on this - Nory needs to go forward on this project and update the County's woodland management plan.

Commissioner Chair Panagoulis said that an advisory committee for the Farm has been formed and the first meeting has been held - this committee was formed in order to gather opinions and do some brainstorming on additional sources of revenue for the County Farm. Local individuals are a part of this, including a few dairy farmers, a forester, and a niche farmer, as well as the Executive Director, Farm Manager, Supt. Libby, County Forester, and Mike Lunak of Cooperative Extension. There is some beautiful old growth ready to just fall over, and we should utilize this resource. Chair Alger agreed.

The Jail will oversee the training of Farm personnel and inmates who work on the Farm. This will include safety training on equipment, CPR, etc. Rep. Sokol agreed that this will be good for the inmates. Rep. Dudley said she was very impressed after speaking with Supt. Libby. Commissioner Chair Panagoulis said yes, the Supt. is quite a guy, and he is now the President of his Affiliates.

EXECUTIVE COMMITTEE MEETING - FY 04 BUDGET

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Executive Director Clough explained that there is a push among a group of people to reduce herds in order to increase production; this will have to play itself out. Commissioner Chair Panagoulis said he could not give the Executive Committee any projections on what the County will do with its herd.

Commissioner Chair Panagoulis added that a new position has been created at the Jail - a supervisor of inmates.

Rep. Ingbretson said he has been working with the Farm Manager on his FY 04 Budget. Also, on May 16, he attended a Farm crisis briefing in Concord - he then distributed a report on this, which he explained. He encouraged everyone to review this report carefully. One of the items in the document shows what the various stores sell milk for vs. what they actually pay for it.

Commissioner Chair Panagoulis said that the only farmers who will make it in the future will be those who engage in niche farming.

Chair Alger said he had a long discussion with the Farm Manager, and was very impressed.

Chair Alger suggested that Commissioner Chair Panagoulis speak to the Delegation on the day of the Budget vote, regarding the Farm reorganization, and to have Admin. Bolander speak regarding the Nursing Home addition and transition process.

Chair Alger discussed dates for further Budget meetings. It was decided to meet on the FY 04 Budget on Monday, June 9, Monday, June 16, and to have the full Delegation vote on the Budget on Monday, June 30.

The Meeting adjourned at 11:25 AM.

Respectfully submitted,

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Susan W. Almy, Clerk

GRAFTON COUNTY DELEGATION  
EXECUTIVE COMMITTEE MEETING - FY 04 BUDGET  
BOARD OF COMMISSIONERS' OFFICE  
NORTH HAVERHILL, NH  
MONDAY, JUNE 9, 2003

PRESENT: Reps. John Alger, Burton Williams, Susan Almy, Hilda Sokol, Gregory Sorg,  
and Mary Cooney. Commissioner Steve Panagoulis. Executive Director  
Julie Clough. Secretary Sam Sorrentino.

EXCUSED: Reps. Terri Dudley and Paul Ingbretson.

ABSENT: Rep. G. Michael Gilman.

GUEST: Rep. Stephanie Eaton.

Chair Alger called the Meeting to order at 9:05 AM and explained that Rep. Stephanie Eaton had asked to come before the Committee this morning and discuss a letter she had written requesting a reduction in the proposed FY 04 Budget.

Rep. Eaton explained that she had received a call from a constituent who could not pay his bills after being laid off; this caused her concern about the rising costs all around us. She said she did not want to fail the taxpayers and therefore asked to speak today. Other counties have proposed budgets that are only up a percent or two vs. Grafton County's Budget which is up 16%. Rep. Eaton said she would request that the County's Budget be increased by only 3% for FY04. She asked if the County was asking for 16% but hoping to negotiate this to a medium point of 8%. She then distributed copies of a letter she had written, which everyone then reviewed.

Rep. Almy said she would like to remind everyone that the Delegation voted last year to begin bond payments for the new Nursing Home addition. She added, "We cannot back out on this now" - this is part of the Budget's increase. Rep. Almy said that if Rep. Eaton says the Budget should only increase by 3%, this would cut alot from the core Budget. She noted that Rep. Eaton should have asked to become a member of the Executive Committee again if she felt that strongly about this Budget - we all knew the bond payments would start in FY04. The only place the County can cut is to level fund employee salaries, and this County has never done that. Everything else is fairly tight, and if we cut much out elsewhere, we will end up borrowing to pay for those items and end up in the same cycle. Executive Director Clough added that the County would also lose services and employees and without the employees, we cannot provide the services. Rep. Almy agreed - she said she was thinking in terms of both. She added that we cannot cut salaries at the Nursing Home if we cannot even get enough RN's for what we are paying them now. Rep. Cooney agreed.

Rep. Eaton asked who does the negotiating for the union. Executive Director Clough does this, as part of a negotiating team. Commissioner Chair Panagoulis said the Commissioners give direction to that team. He added that the Board came to an agreement with the

## EXECUTIVE COMMITTEE MEETING - FY 04 BUDGET

Monday, June 9, 2003 - Page 2

members of the Employee Council so that those employees will now pay 12% of their health insurance premiums and will receive a 2.4% increase to help offset the new co-pays. Employee Council members hired after July 1, 2003 will pay 20% of their health insurance premiums; therefore the County is already starting to be at a disadvantage to hire people in order to help control our costs. The County will negotiate a similar agreement with the union. The County only has control over \$136,000 in the FY 04 Budget. The first bond payment for the new Nursing Home building will be \$1.2 million, and we have no control over this. However, the County did borrow on the bond at a time when interest rates for borrowing were extremely low. As for health insurance, as mentioned, the Commissioners are trying to address this huge cost through the employees. Also, the County received an increase from the Retirement System over which we have no control and which affects us directly.

Commissioner Chair Panagoulis said that the State makes cutbacks that affect the counties directly. The Medicaid rate the County receives has stayed within \$5 yet our cost per day per patient rose from \$160 to \$210/day. The County did not ask for that; and the State refuses to equally fund it. A lot of these issues are beyond the County's control. He added that he will say until his dying day that the counties are the taxing arm for the State. It all falls back on the counties and communities. The tobacco money that was supposed to be used for nursing homes went to balance the State's budget, instead. Meanwhile, the actual proportion of the County tax over the past ten years has stabilized. There are only two towns in Grafton County that have had serious increases in the County tax, due to equalized valuation.

Commissioner Chair Panagoulis emphasized that the County is here to provide services, and we do a great job on that. We paid the cost since the State did not take up that challenge, he said - if the State continues to cut back on elderly services, then the only alternative is to put the elderly into nursing homes. Repercussions would be felt in a dramatic fashion in the local towns if you were to cut this Budget to only a 3% increase.

Commissioner Chair Panagoulis said the Commissioners will do whatever the Delegation tells them to do, but the Delegation has to understand the repercussions. In the last five years, the County had either minimal increases or even decreases in the Budget but now the time has come when we have to make it up. The County is a fully audited governmental agency and every year the requirements multiply, especially in the Nursing Home. He added, "Do we want to provide services, or not?" Rep. Cooney said we are required to pay for those services, anyway, whether we provide them or not.

Rep. Eaton said the Commissioner's response was a good one. When she was a member of the Executive Committee, she remembers those discussions about cost shifting; but perhaps there are services the County can do without, or cut back on, that you could live with.

EXECUTIVE COMMITTEE MEETING - FY 04 BUDGET

Monday, June 9, 2003 - Page 3

Rep. Eaton then asked how much of an increase is for the Nursing Home Budget for FY 04. Executive Director Clough said that the bottom line for expenses there is 22.05%, which includes the bond payment. Rep. Almy said there will be an increase there for two years because of operating two separate nursing homes during construction/renovations.

Commissioner Chair Panagoulis told the Executive Committee members that the County was notified of an increase in energy costs for the coming year, along with an increase in health insurance.

In reply to a question, Executive Director Clough said that 11.88% of the Nursing Home Budget's increase for FY04 is the first bond payment; 10% is for operating expenses.

Rep. Almy mentioned that five years ago, the federal government wanted to make sure that no one was abusing nursing home patients and put 30% of the Nurses' time into filling out paperwork, and that means we need alot more RN's. Executive Director Clough said that is very true - the Nurses hardly spend any time on the floors anymore.

Rep. Eaton asked about the money budgeted for consultants. Commissioner Chair Panagoulis said we use consultants because we do not have the professional staff on board - either to bill Medicare, or to do negotiations with the bargaining units.

Rep. Williams said that the cost of education is coming right back to the towns, yet we are patting ourselves on the back at the State level. This makes no sense.

Chair Alger then distributed a sheet showing how the County could reduce the FY 04 Budget to an increase of only 9.9%, which he then discussed. He said to keep in mind that the union contract is not yet in place, and this will add costs later on.

Chair Alger spoke on behalf of the Nursing Home and its new addition, as well as the fact that we will be operating two separate nursing homes during renovation of the 1969 Building.

Rep. Almy said to Rep. Eaton that we could look better by cutting this Budget, but we would set the County up for a much larger increase next year. She gave an example. Rep. Eaton suggested that the Executive Committee go back and see if there are any possibilities for cutting this Budget. She said she understands the frustration but we have to do something, although she was not sure exactly what that would be. Rep. Almy said that communities used to do their own professional programs and now they cannot do that. If you cut those services, then the cost of the results of those behavioral problems will cost alot more in the future.

Rep. Sokol said she was very upset that there is an idea here to just cut the Budget and that the money problem is just getting worse and worse - look at Washington, DC's idea for the recent tax cut - this does not even help the ones we are trying to help. The government

EXECUTIVE COMMITTEE MEETING - FY 04 BUDGET

Monday, June 9, 2003 - Page 4

took \$20 billion of that proposal and gave it back to the states, and now there will not be as many cuts in the social services. The entire \$350 billion may be should have been given to the states. She said that she finds that cutting services ends up with more problems down the road. You cut this year, then next year you have an even greater problem. All departments at the County have looked at their bottom line and if they cut more, then we hurt the people who cannot speak up for themselves. There are mandated costs.

Commissioner Chair Panagoulis said he would caution everyone that the money may come back to the State, but it may not filter back to the counties and communities such as the Homeland Security money - the State may not send it where it is most needed.

Chair Alger said that hopefully next week, we can take each item to consider for a reduction on the Budget and see where we would be willing to reduce it. Commissioner Chair Panagoulis said that the Commissioners and Executive Director are looking at enhancements, but with those and/or cuts to the Budget, there will be a price to pay down the road.

Chair Alger distributed another informational sheet regarding revenue and expenses. He then discussed a letter from the Sheriff in response to Chair Alger's questions on event reimbursements. Executive Director Clough said that some events are reimbursed, and some are not. For example, utilizing some of our Deputies for Motorcycle Week in Laconia will be reimbursed to us by Belknap County. Commissioner Chair Panagoulis said other events are reciprocal agreements and not reimbursable.

Selective timber cutting for consistent revenue was discussed. Rep. Williams said there needs to be a forestry management plan. Commissioner Chair Panagoulis said yes, the Commissioners are working to get the County Forester to update the County's plan.

Rep. Almy noted that postage and telephone in almost all departments is budgeted at alot more than what is spent. Could we go through this and see where reductions might be made? This would not save alot of money, but it is a thought. Commissioner Chair Panagoulis said the Board can take a look at that.

Rep. Almy briefly discussed the Nursing Home census and the possibility of raising the private pay rates once the new addition is up and running. Energy efficiency at the new building and in the soon-to-be renovated 1969 Building was discussed. Commissioner Chair Panagoulis said that in spite of this, energy costs continue to rise.

Rep. Almy asked for an update on the GCEDC. Commissioner Chair Panagoulis said he feels the GCEDC has done more this year than ever, working along with the Littleton Learning Center. Chair Alger said he would like a report on the GCEDC next week.

Rep. Almy mentioned Friendship House. The County funds about 30% of its budget under Social Services and through the Jail. Executive Director Clough pointed out that the Jail

EXECUTIVE COMMITTEE MEETING - FY 04 BUDGET

Monday, June 9, 2003 - Page 5

pays Friendship House for counseling services which is totally different from the Social Services funding.

Chair Alger questioned the supply line at the Nursing Home which has gone from \$131,000 in FY03 to \$160,000 in FY04 for the Nursing Department. Executive Director Clough said this line will be over expended for FY03.

Chair Alger then called for a review of the FY04 Budget by Department, and called for questions along the way.

Chair Alger distributed a report on HB151 outlining performance audits of counties. Commissioner Chair Panagoulis cautioned that this might be a good idea here at Grafton County but we should wait to see what happens in Rockingham and Hillsborough Counties with their performance audits. Rep. Williams agreed that such a performance audit might be worthwhile here.

Rep. Williams said that he felt the county should level fund the Social Services agencies. Commissioner Chair Panagoulis said that the Social Services budget is only up .4%. Rep. Williams said that nevertheless, this could be looked at.

Rep. Williams said that his general comment on the FY04 Budget is that he would prefer the Commissioners look at it to see where reductions might be made rather than have the Executive Committee reduce it. Commissioner Chair Panagoulis said that the Board of Commissioners could make some concessions but it will not help the bottom line next year.

The Budget Meeting ended at 11:55 AM.

Respectfully submitted,

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Susan W. Almy, Clerk



GRAFTON COUNTY DELEGATION  
EXECUTIVE COMMITTEE MEETING - FY 04 BUDGET  
BOARD OF COMMISSIONERS' OFFICE  
NORTH HAVERHILL, NH  
MONDAY, JUNE 16, 2003

PRESENT: Reps. John Alger, Burton Williams, Susan Almy, Hilda Sokol, Paul Ingbretson,  
Gregory Sorg. Commissioners Steve Panagoulis and Michael Cryans.  
Executive Director Julie Clough. Secretary Sam Sorrentino.

EXCUSED: Reps. Mary Cooney and Terri Dudley. Commissioner Raymond Burton.

ABSENT: Rep. G. Michael Gilman.

Chair Alger called the Meeting to order at 9:05 AM.

Executive Director Clough reviewed the May, 2003 financial reports along with the Treasurer's Report - \$3.2 million in CDs will mature next Wednesday the 18th. The Treasurer has been working hard to do the best short-term investment on this money and has come up with a money market account at Meredith Village Bank - this will pay 1.95% through the end of September. This requires approval by the Executive Committee to invest these funds at Meredith Village Bank. Rep. Williams moved approval of investing the \$3.2 million at Meredith Village Bank in a money market account which will pay 1.95%, as explained; Rep. Almy seconded the motion. The Executive Director explained that the County can draw down on this money throughout the Summer to meet our cash flow needs. This is the best interest rate the County could obtain for the short term. It is a locked-in rate which will not vary and will be in effect through September 30, 2003. A vote was taken on the motion; all in favor.

Executive Director Clough explained the Nursing Home Capital Project summary. Of the \$14.5 million, \$10.3 million is left. This looks very good.

Revenue and Expenses - Revenue is at 101.79% through 11 months - over by \$1.9 million. Expenses are over by \$700,000 through 11 months, but overall, things look good. Rep. Williams asked about being over in Revenue. The Executive Director explained that for example, Deeds collected more than they had budgeted, and so did the Nursing Home.

9:15 AM - Administrator Eileen Bolander and Dr. Frederick Kelsey arrived.

Executive Director Clough explained that she will send the list of Appropriation Transfers to the Executive Committee for their review, prior to the FY04 Budget vote on June 30.

Rep. Almy moved to approve the Financial Reports/Treasurer's Report as presented; Rep. Williams seconded the motion. All in favor.

EXECUTIVE COMMITTEE MEETING - FY 04 BUDGET

Monday, June 16, 2003 - Page 2

Chair Alger introduced the Administrator and Doctor Kelsey, who is the Medical Records physician for the Nursing Home.

A discussion followed on salaries at the County Complex. The Commissioners had negotiated a 2.4% COLA for non-bargaining unit employees, in return for the employees agreeing to pay 12% of their health insurance premiums. Rep. Almy said she could see giving the RNs an increase but perhaps not the housekeepers. Executive Director Clough and Commissioner Chair Panagoulis cautioned against discriminating against any groups in favor of just the nurses. Commissioner Chair Panagoulis said that the non-bargaining employees took a big hit by agreeing to pay 12% of their premiums. The County's employees will be paying a high co-pay for their health insurance, and the 2.4% increase is minimal. He said he did not want our employees to be treated any differently than other public servants, and their work is very important - they all provide services and often do some things we personally would not want to do. He again cautioned the Executive Committee against cutting the employees' pay increase.

Rep. Sorg asked for the background on the insurance co-pays, which was explained by the Commissioner Chair. He added that any employees hired after July 1, 2003 will be paying 20% of their health insurance premiums. This is a definite disadvantage in trying to attract qualified personnel, including RNs, because of the competition out there - such as Cottage Hospital, Dartmouth, Glenclyff, etc. Rep. Williams commended the Commissioners on what they are doing, such as increasing the employees' co-pays, but added that this problem is happening everywhere. Commissioner Chair Panagoulis said this may be so, but the County is leading in trying to keep costs down by having the employees pay more for their health insurance than anyone else out there is currently doing.

Rep. Sorg said he understood about attracting good nursing staff, but does it follow that everyone should get an increase if their jobs are not in that field? Executive Director Clough replied that all employees' cost of living goes up too, not just for the nurses. Rep. Sorg said that they seek the level of their value in the market. The Executive Director referred to a letter sent to the Executive Committee by Human Resources Director Joanne Mann that addressed the overall County, in addition to the Nursing Home employees. The Executive Director then explained the wage survey which was conducted for the County by an outside company which cost the County quite a bit but our salaries are now competitive and we are better able to attract qualified personnel and not lose them to the competition. For example, the State continues to pay 100% of their employees' health insurance, and Glenclyff, a State facility, is a major competitor of the County's. Also, State employees will be receiving a 5% increase in wages, plus their 100%-paid health insurance - Glenclyff is only 15 miles from us, so why would anyone want to work for Grafton County when the State is paying those wages and benefits?

Commissioner Chair Panagoulis emphasized that to discriminate against giving increases to

EXECUTIVE COMMITTEE MEETING - FY 04 BUDGET

Monday, June 16, 2003 - Page 3

employees who are not nurses and imply that they do not have important jobs is a terrible thing to do.

Rep. Williams moved to approve the 2.4% increase for all non-bargaining unit employees, as explained. There was no second to this motion.

Rep. Almy said she was not speaking about the professional people - she wanted to know if the County was paying our "normal people" such as clerical, etc. at higher levels than what they could get in the area - they seem to get increases higher than the cost of living every year, while we are cutting the non-profit workers on whom we depend. Commissioner Chair Panagoulis again explained about the survey done at the County which addressed those questions and research was done on every single position here at the County - it was found that of 327 employees, only two were being overpaid, and not by much; the rest were not being paid enough in comparison to what the local area businesses were paying for the same positions. Executive Director Clough explained that the survey compared us with Coos County as well as businesses in Grafton County, because these are the areas from which we attract our employees.

Rep. Sorg stated that when government sets wages, then there is an ever-rising spiral and it goes on and on. Employees would do their job without that increase, he said. He added that he did understand there is competition with nurses, but what about the others? Do you pay them to keep them here? Executive Director Clough said yes, it is a morale issue as well - and to attract employees when other people leave. Also, the County has a problem in attracting qualified personnel in Corrections, and for Sheriff's Deputies - it is as difficult as it is with nurses.

Commissioner Cryans said he felt too much emphasis was being placed on the 2.4% increase. He felt that the health insurance should be the real focus. He and the other two Commissioners were extremely concerned about the rising costs on insurance, and the Board felt they had to do something to get on track for the County's rising costs. This year, the County is facing a 16% increase in health insurance. In less than five years, the cost will double. The County has some employees earning \$10 an hour and having a family plan which costs \$20,000 a year - with a pay increase of 2.4%, it would take a lot of years to double that pay, while the health insurance will double in less than five years. The County's wage consultant did recommend this 2.4% this year for our employees, and we did get a lot in return - for them to agree to pay 12% of their premiums. Most companies do not even negotiate these issues with their workers but we do here - we negotiate with the Employee Council, and with two bargaining units of the United Electrical Workers. If the County can get our employees on this track to pay more for their insurance, then we have truly accomplished a lot. Also, we have more nurses retiring than those going to school to become nurses. If you look at this, the taxpayers are the greater winners. Rep. Williams agreed.

Chair Alger asked what the County would save if it did not give its employees the 2.4%

## EXECUTIVE COMMITTEE MEETING - FY 04 BUDGET

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increase. Executive Director Clough said it would be \$66,000. Chair Alger said that was less than what we save over the entire year; he agreed it was not a lot of money. Commissioner Chair Panagoulis repeated that the 2.4% increase was negotiated in order to have the employees pay more for their health insurance premiums. Chair Alger said this did not come across to him before this. Rep. Sorg said he had not realized the connection either, he thought the 2.4% and 12% were separate issues. Chair Alger said the Commissioners are moving us forward, and the State is not.

Commissioner Chair Panagoulis said he is concerned about the fact that the County will ask new hires as of July 1, 2003 to pay 20% of their health insurance premiums, but that the County had to do something to control costs. This will add a lot to employees' costs. Chair Alger said he felt that was neither here nor there. He added that he did, however, understand the morale issue; if the Nursing Home were separate from the rest of the County, then we could organize ourselves differently on pay. But, it is not separate. Rep. Sorg said that \$66,000 is not a lot of money spread out throughout the County Complex and it would be good for morale. Executive Director Clough said this is for the non-bargaining unit people. Rep. Williams said that the Commissioners will have to play the 20% out by ear and see how it goes. The Commissioners agreed.

Commissioner Chair Panagoulis then spoke about the fact that the employees now pay \$2 per meal at the Nursing Home - prior to that, several years ago, these meals were at no charge. The Commissioners have been taking steps to trim the cost of county government. Of course, there are costs in our Budget over which we have no control. The Executive Committee is asking the Commissioners to do things that would greatly impact the County if you cut the Budget. For example, in fixed costs - the bond issue, Social Security, health insurance cost, retirement (the Retirement Board sets the rate), Worker's Comp, Human Services - State-mandated payments - and the fact that the Court is not paying additional rent, etc.

The Executive Committee then reviewed the letter written to them by the Human Resources Director.

Dr. Kelsey said he understood the County's predicament in dealing with a "black hole" as far as the health care industry is concerned. He has been in practice since 1980 and knows that attracting qualified and professional people is almost impossible in this neck of the woods. Even at Dartmouth, there are empty rooms due to staff shortages, since there is a mandated ratio of nurses to patients. As for the Nursing Home here in Grafton County, living here in "Hooterville", there is a seller's market as far as RNs are concerned. Some companies offer big bonuses to lure people away. Dr. Kelsey added that Grafton County has one of the very best nursing homes you will ever find, and there is a shortage of nursing facilities in the north country, thanks to the State - the southern part of the State is filled. He sometimes has to send people 70 miles away to a nursing facility due to this lack here in the north. The care given at our Nursing Home is outstanding and the Home has received

EXECUTIVE COMMITTEE MEETING - FY 04 BUDGET

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many awards. And the recent survey showed no deficiencies. This is one of the best nursing facilities in the entire region. The residents don't even realize what a gem they have here. The bad news is that costs will not go down - the Doctor said he could spend all day telling the Executive Committee the reasons why. Dr. Kelsey told the Executive Committee that they have a really phenomenal facility here and they should all be very proud of it. Chair Alger thanked the Doctor for coming in and invited him to be at the June 30 Delegation vote on the FY 04 Budget and to speak to the Nursing Home issues.

Admin. Bolander referred to a letter she had sent to the members of the Executive Committee last week. In order to keep the Nursing Home at a level of excellence - and the Nursing Home received an award for this last week - we need to keep staff positive, wanting to come to work each day, and upbeat - the employees need to know they are of value, recognized, and know that they are coming to work at the right place. If at any level the Administrator does not have that, then it all breaks down. With regard to Rep. Almy's suggesting that perhaps the RNs should receive increases but not, for example, the housekeepers - the Administrator said that all you need is for just one dishwasher not to show up for work one day, and it all breaks down. Not just the nurses are important to our facility - everyone is important, and the Administrator's letter to the Executive Committee says it all. She urged the members to give careful review to the letter from the Human Resources Director, as well.

Rep. Sorg said he had read the letters; he asked if this had filtered down to the employees. Admin. Bolander said no, absolutely not. The letters were sent just to the people in this room today. Commissioner Chair Panagoulis said this is correct, but word does get out here. Chair Alger added that all Meetings held here are public. However, he noted, it is the responsibility of the Executive Committee to question things, even if the questions come across as being offensive.

Commissioner Chair Panagoulis said he is very upset with the cost shifting from the State. And, he said, where does that cost go? To the counties and local level. We are not the fault of all the problems in the world here, he said. The State has increased the "fee" to nursing facilities in order to offset the State's costs. Meanwhile, the County does the best job it can here, to control costs. Rep. Sorg said that we need a rational relationship between what the County does and what the ordinary people have to spend, in order to do so. Commissioner Chair Panagoulis said the County has relatively stable costs; you cannot say that about town government, or the schools. However, the towns' County portion of their tax bills has always been stable. The County tax impact is minimal on the communities when you look at all of the services that the County gives. The County never hears any complaints. Chair Alger said that he himself does, as a Planning Board member.

Rep. Sokol said everyone is speaking of things over which we have no control. If the counties, towns, and residents could show that this is going to be more costly, then emphasis should be given to our Governor. You must show them the increase in taxes because of the

EXECUTIVE COMMITTEE MEETING - FY 04 BUDGET

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State, and show it to the voting public. Perhaps finally it will sink in.

Chair Alger asked about the increase in the "Nursing Supplies" line. It goes from \$131,000 in the current Fiscal Year to \$160,000 for FY 04. Yet, the census is down. Admin. Bolander explained that the increase represents the Medicare Part A residents for whom the Nursing Home did not budget last year. The Nursing Home is budgeting for this revenue for FY 04. When these individuals are admitted to our Nursing Home, the Home receives a set amount of money for their care. Out of that amount, the Home needs to pay for their medications, doctors, equipment, etc. Since the Nursing Home had not budgeted for this last year, it cut into the regular Nursing Supply line and therefore, the Nursing Home had to do without some other items in order to cover these patients. Admin. Bolander explained that Medicare Part A is federally reimbursed. Dr. Kelsey said that in private nursing facilities, they charge every patient; therefore, these privates "suck up" that federal money. Our Nursing Home does not do that, as this actually borders on fraud. With the new facility here coming on line, we can enhance rehabilitation services and get people back to their own homes - however, that will cost more in supplies, and equipment. As an example, Commissioner Chair Panagoulis said that recently the Nursing Home admitted a patient who had ulcerated bed sores; permission was granted to the Nursing Home by the Commissioners to purchase a special mattress for this individual, at a cost of \$1,600. Grafton County receives very ill residents and we need to care for them.

Commissioner Chair Panagoulis said that the for-profit nursing facilities are just that - for profit - and they do not want to deal with people who will cost them money.

Rep. Ingbretson asked Dr. Kelsey if he could show the Executive Committee what the members should do at the State level. Rep. Almy noted that most the nursing home beds, as mentioned, are in the southern part of the State. Dr. Kelsey said yes, this is true - the State froze any further construction of nursing home beds about 15 years ago. Commissioner Chair Panagoulis said this was under Governor Merrill and H&HS Commissioner Terry Morton. Dr. Kelsey said, "If you don't build them, they won't come" and you then force people to go elsewhere, far from their homes and families. The southern part of the State has plenty of nursing home beds, and we have to send people down there because we do not have enough beds here and we cannot have any more facilities built, because of that State freeze. There has always been a shortage up here because it is not profitable. The richer population is in the southern part of the State and the large facilities want to go where the money is. Commissioner Chair Panagoulis added that there is also a lack of investment by the State into the Medicaid system, which he then explained.

Rep. Almy asked for a clarification of ulcerated bed sores. Admin. Bolander explained that this patient had been housed in another nursing facility in this County and was sent to the Grafton County Nursing Home for better care, as her family was concerned. The patient arrived here with these sores. Rep. Almy asked if this would be classified as malpractice against that other institution, and if the County could do anything against the place where

EXECUTIVE COMMITTEE MEETING - FY 04 BUDGET

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the individual was housed previously. Admin. Bolander said that the Nursing Home notified the family and the State. It is up to the family to do something. Chair Alger said that something should be done about that other facility. Rep. Almy said that people can die from such sores. Dr. Kelsey said that on the other hand, if you "make a big deal" out of this and turn in that other facility, then that facility might not let people go to other nursing homes and then those individuals will be stuck there.

Commissioner Cryans reiterated information on Medicaid - it costs the County about \$200 per day per patient, and yet we only receive about \$130 per day per patient. Percentage-wise, we pay about 51%, which he then explained. If you figure on this for 100 residents for 365 days a year, this shows you the losses that we incur. And the gap continues to grow.

Rep. Williams asked Admin. Bolander about her letter - wherein she mentioned the 2.4% increase for County employees and that if this increase was not given, then the Nursing Home would have to cut its census. Admin. Bolander explained that one-third of her staff is maxed out on their salaries so if they did not receive a COLA and yet had to pay this large increase in their health insurance co-pays, then the employees would be seeing a decrease in their take-home pay. Admin. Bolander said strongly that she could guarantee that most of those people would leave. Therefore, the Nursing Home would have to drop its census due to the required ratio of staff to residents. Chair Alger said that the Administrator's point was a good one, that these employees would very likely leave. He then thanked the Administrator and Dr. Kelsey for coming in today and invited them to stay for the rest of the Meeting.

Commissioner Chair Panagoulis said he felt it would be very foolhardy to have voted in the \$14.5 for the new Nursing Home addition and then not be able to staff it.

Rep. Williams moved to approve the 2.4% COLA for the non-bargaining unit employees, as presented to the members this morning; he commended the Commissioners on what they are doing. Rep. Almy seconded the motion. All in favor.

10:10 AM - Admin. Bolander and Dr. F. Kelsey left.

Chair Alger said the members had previously discussed making additional changes to the Budget. Commissioner Chair Panagoulis said the Commissioners felt comfortable with increasing the \$850,000 to \$1 million for the surplus, and that would be it - otherwise you would be putting the County in jeopardy - there are always contingencies, and we would have no money left. The auditors recommend that we keep 3 to 5% of our Budget to be held in reserve for unexpected contingencies. Commissioner Chair Panagoulis then mentioned that HB663 is nebulous and we cannot foresee what will happen with that; therefore we cannot include anything for it in our Budget.

EXECUTIVE COMMITTEE MEETING - FY 04 BUDGET

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Commissioner Chair Panagoulis said that the Executive Committee had mentioned possibly cutting the postage and telephone lines in the Budget, but this would be micro-managing. He said he is trying to stay away from that, as all of the departments have worked diligently to control their budgets. There is not alot of wiggle room, he said.

Chair Alger referred to the Nursing Home's Capital Reserve Account - he said he would like to use half of this rather than the 100%, which he explained. He then referred to HB663 - this is in conference today. If it passes, we would get some money - probably \$750,000. Commissioner Chair Panagoulis said he would love to see that money. Chair Alger added that if it is defeated, then SB409 sunsets and the State would be in bad shape. A discussion followed. All agreed that we cannot count on this right now.

Rep. Ingbretson moved to place the Commissioners' FY 04 Budget on the floor. Rep. Sokol seconded the motion. Rep. Almy then moved to approve the change in surplus from \$850,000 to \$1 million. Rep. Williams seconded the motion. All in favor.

Rep. Williams then moved that the Nursing Home's Capital Reserve Account, which now stands at \$550,000, be increased by \$128,059 for a total of \$678,059, as discussed. Rep. Ingbretson seconded the motion. All in favor.

Executive Director Clough said that with the changes to the Budget, the tax increase is now down to 13.4%.

Rep. Almy moved to approve the FY 04 amended Budget, as discussed. Rep. Williams seconded the motion. All in favor.

Chair Alger said that the Executive Committee will defend this Budget on the 30th when the full Delegation meets to vote on it. Commissioner Chair Panagoulis said the Commissioners will do the same and hopefully we will have a reasonable representation from the Delegation at that vote.

Commissioner Chair Panagoulis said that the Farm's loss will not be as much as in previous years. We should be able to turn this around within two to three years. Chair Alger said that Rep. Giuda mentioned that he feels the County should go out of the dairy business and grow more alfalfa. Commissioner Chair Panagoulis said that the Farm is looking at the possibility of downsizing the herd, but the County is not sure if it will be going out of the dairy business altogether.

Rep. Williams mentioned the Executive Committee's concern about wood cutting on County property. Commissioner Chair Panagoulis assured the Executive Committee that this will happen. Chair Alger agreed.



## EXECUTIVE COMMITTEE MEETING - FY 04 BUDGET

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Rep. Almy mentioned that the problem with having just alfalfa is that the market does well one year and then crashes the next.

Chair Alger asked that the Commissioners not allow the Farm to just give away the pumpkins anymore - it's okay for the annual Pumpkin Day for the school kids, but sell the rest, don't just give them away.

Rep. Williams said the Farm should be brought into the 21st Century. He added that the Executive Committee realizes the Farm will not make a lot of money, but it does serve a good purpose. Commissioner Chair Panagoulis said that the County puts a lot of inmates to work at the Farm and this actually saves the Jail some money as it lessens the amount of programs the County has to have at the Jail - the inmates are out working and being productive.

Commissioner Cryans said the Farm is such a small part of the County's Budget - it is only \$200,000. Not that the Farm is not important, but the Executive Committee has to go and stand solidly behind the entire Budget.

Chair Alger then discussed the Grafton County Economic Development Council. Steven Epstein submitted a report for today, as requested by the members. Commissioner Chair Panagoulis asked that the Executive Committee let the GCEDC go forward for one more year and if there are no results, then we will look at this again. Rep. Williams said this is a good idea but he has never had any faith in it at all. Rep. Almy said she still is against the fact that he is trying to develop jobs in the Lebanon area, and this is not needed. Commissioner Chair Panagoulis said that S. Epstein is starting to look at Littleton - but the smaller towns don't want development. Rep. Williams said in that case, you could be throwing your money away on this.

Rep. Sokol commended the Commissioners for doing such a thorough job on the Budget and said she has confidence that they have worked with all departments on this Budget - and to cut services and employment opportunities that we have here at the County is not right. The Commissioners have placed the right emphasis on things, she added. Chair Alger said that hopefully, we can all work together on this. He said he would like for a presentation to be done on the 30th, as previously discussed.

Commissioner Chair Panagoulis said there are areas in the Social Services budget where some agencies are not performing at the level they should be. He said he has some concerns about this and will give Consultant Cindy Swart this charge next year, to look even closer. She does an excellent job for the County.

Executive Director Clough discussed what will be involved at the full Delegation vote on the 30th, including the motions to be made. Commissioner Chair Panagoulis strongly urged the Executive Committee to discuss this Budget with the other Delegation members prior to the 30th - this is very important, he emphasized. The Commissioners have put a lot into this

EXECUTIVE COMMITTEE MEETING - FY 04 BUDGET

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Budget - he is determined to keep this the best county in the State. Rep. Almy suggested that on the 30th, the Commissioners speak about the salary increases, the Nursing Home bond, and health insurance. A discussion followed.

Commissioner Chair Panagoulis said that the County employees made a tremendous concession when they agreed to pay the 12% of their health insurance plan premiums, when no one else around - or in the State - is doing it. Hopefully the Executive Committee will support the Commissioners on this Budget. He added that he could show every town what they receive for services/money from Grafton County. There is a list from Grafton County Human Services. Chair Alger said that would be a good idea.

Rep. Sokol suggested that the Commissioners might want to go into detail for the Delegation on each item over which the County has no control, and how it adds up to the 13.4% increase. This would make it clearer that there is no wiggle room.

Rep. Williams moved to adjourn; Chair Alger seconded the motion. All in favor.

The Meeting ended at 10:55 AM.

Respectfully submitted,

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Susan W. Almy, Clerk

GRAFTON COUNTY DELEGATION  
VOTE ON FY04 BUDGET  
LEGISLATIVE OFFICE BUILDING - ROOM 205  
CONCORD, NEW HAMPSHIRE  
MONDAY, JUNE 30, 2003

PRESENT: Reps. Stephanie Eaton, G. Michael Gilman, Edward Densmore, Gregory Sorg, Edmond Gionet, Bonnie Ham, Paul Ingbretson, John Alger, Debra Naro, Burton Williams, Margie Maybeck, Nancy Scovner, Sharon Nordgren, Hilda Sokol, Bernard Benn, Pete Solomon, Estelle Diamond, Terri Dudley, Susan Almy, and Lee Hammond. Grafton County Commissioners Steve Panagoulis and Michael Cryans. Executive Director Julie Clough. Administrator Eileen Bolander. Supt. Glenn Libby. Human Services Administrator Nancy Bishop. Treasurer Carol Elliott. Secretary Sam Sorrentino.

EXCUSED: Reps. Robert Giuda, Robert Barker, Mary Cooney, and Ruth Bleyler. Commissioner Raymond Burton.

ABSENT: Reps. Andrew Dorsett and Ralph Akins.

Chair Alger called the Delegation Meeting to order at 2:35 PM and distributed agendas and a list of the County Department heads with their telephone numbers and e-mail addresses.

The Pledge of Allegiance followed.

Rep. Almy then called the roll and there was a quorum present.

Executive Director Clough distributed the County's surplus report.

Rep. Williams made a motion to approve the County's proposed FY04 Budget in the amount of \$22,554,737, of which \$12,417,979 is to be raised by taxes. Rep. Almy seconded the motion. Rep. Williams then spoke to the motion. He said that although this Budget is up somewhat from last year, part of this is due to the new Nursing Home addition. He said he wished the Delegation could have met at the County Complex this morning, as a tour had been planned of the new building. He reminded the Delegation that since they had all voted in favor of having the addition built, we must now pay the first bond payment in the FY04 Budget, and there are transition costs involved, as well. The new building will be on line this October - but after that comes the transition. There will be costs involved for this for about a year before the entire Nursing Home project is completed. The total Nursing Home will have capacity for the licensed 135 beds; during the transition, however, there will only be a capacity for 110. Once the project is completed, this will help the County on the Revenue line, as the other beds become available and we are up to the total available, licensed capacity again.

As for the 2.4% increase for the County employees, Rep. Williams explained to the Delegation members that the Executive Committee had reviewed this with the

DELEGATION VOTE - FY04 BUDGET  
MONDAY, JUNE 30, 2003 - Page 2

Commissioners; there was some discussion as to whether or not to give any increases at all. The Executive Committee realizes this would not work. The County has a problem in the Nursing Home on costs, which are very expensive. We must keep up with this. During the discussion on the 2.4% increase, an idea was brought forward by a member of the Executive Committee to give just the RNs this increase, and not the rest of the employees. Rep. Williams said, "Imagine what that would do!" Therefore, the Executive Committee approved this 2.4% increase across the board on wages for all County employees. He added that the County Commissioners are to be commended on working with the County employees during this Budget process. This is the first county to get its employees to agree to pay 12% of their health insurance premiums, which is taken from their salaries. State and local governments have not done that - and it is time that they do! The agreed-upon 2.4% increase is to help offset this 12% co-pay for the employees. The Commissioners have done an excellent job on this, he said. Also, effective July 1, 2003, all new hires will pay 20% of their health insurance premiums.

Rep. Williams explained that the Farm costs money to run. A committee was established by the Commissioners to look into this and find alternatives to the dairy operation, which is not a profitable industry any longer. He said, "We must get this Farm into this Century!" The Farm will do more farming - animals are not profitable. Crops will be planted to help bring our Farm's Budget in line. Also, the County is working on a forestry/woodland plan to obtain additional revenue. There are 600 acres of County land across Route 10. The County needs good management on this woodlot.

Rep. Williams said that yes, the Budget is up somewhat from last year, and the Executive Committee approved it unanimously; hopefully, the full Delegation will do the same today.

Rep. Eaton asked to speak. She said there are two realities - budgets, and taxpayers. She spoke about fixed incomes and depleted incomes and that we must think of the reality of the kind of money we spend, and the resources that are available. Three counties have budgets going up only 3%, one is actually down 1%, etc. Rep. Eaton then made a motion to amend the FY04 Budget by reducing it by 4%, and asked the Commissioners to determine where those cuts would be made. She said she was requesting cuts in cost. This would be approximately \$500,000. After a discussion on the fact that the Budget was not expressed by a percentage, Rep. Eaton moved to appropriate the sum of \$22,554,737, reduced by the amount of \$500,000. Rep. Gilman seconded this motion. A discussion followed. Rep. Scovner pointed out that the bond payment increases this Budget - the Delegation voted on this bond last year, and now, of course, it must be paid! Without that bond payment, the Budget would not be up by 13.4%, correct? Commissioner Chair Panagoulis replied that yes, this is correct. Of the total Budget, the County only has control over \$136,000, which he then explained. The total Budget includes the bond payment, health insurance, Social Security, Retirement increases over which the County has no control, Human Services - which has State mandated payments - maintenance costs, etc. If this County Budget were to be cut, the County would have to either cut services, or employees.

DELEGATION VOTE - FY04 BUDGET  
MONDAY, JUNE 30, 2003 - Page 3

Rep. Almy said she had calculated out what the County was likely to get in savings when the Nursing Home project is operating fully. Rep. Almy said she used the current census, which is low - and assuming we will get a few more private patients in the future, the County will save \$415,000 a year between new revenues and reduced need for staffing. For the next year and a half, we will be operating two separate Nursing Homes. The Delegation already committed the County to the bond, at the vote last year.

Chair Alger referred to a letter dated June 20 that he had sent to the Delegation, responding to the Honorable Stephanie Eaton regarding questions she had on costs, including the bond payment. Chair Alger said the FY04 Budget as presented is a sensible one; and to try and take \$500,000 out of it now would be extremely difficult, unless we completely wipe out our Social Services like VNA, Pemi-Baker, etc. - and, he added, "I don't think we want to do that." Chair Alger said he, too, likes to keep costs down, and feels this Budget has done that in the best way that we can.

Rep. Eaton then asked permission to tell a story about some individuals whom she knows, and their situation. She added that she did not expect a real turn-around today, but asked the Delegation to be mindful of the system we have developed. Chair Alger cautioned Rep. Eaton that time was short and they would be called to the State Budget at any time. Rep. Eaton asked for two minutes of their time. She said we need to have a fair system, and asked the group to think about it as we go forward, and not go beyond that.

A vote on the amendment to the FY04 Budget as proposed by Rep. Eaton was taken by roll call - four yes, 16 no. The motion failed.

A vote by roll call was then taken on the original FY04 budget in the amount of \$22,554,737.00. One no, 19 yes - the motion passed.

Rep. Sorg moved to dissolve the existing Nursing Home Capital Reserve Account. Rep. Sokol seconded the motion. Rep. Sorg explained the three phases of the Nursing Home project. This money is used to provide for unforeseen emergencies, and at the same time, take the pressure off the tax rate. A roll call vote was taken - 20 yes, zero no - the motion passed unanimously.

Rep. Ingbretson moved to authorize a new Nursing Home Capital Reserve for purchasing equipment for the Nursing Home with the remaining balance, as explained by Chair Alger. Rep. Williams seconded the motion. Rep. Almy explained that the County can only use this money once to reduce taxes; unfortunately, we cannot do this again next year. A roll call vote was taken; 20 yes, zero no - the motion passes unanimously.

Rep. Gilman moved to authorize borrowing up to \$2 million in anticipation of taxes, which the County does not receive until December. Rep. Almy seconded the motion. Rep. Eaton asked what surplus is available. Executive Director Clough explained that most of the counties

have to borrow. She explained the surplus. Rep. Almy said that the more we squeeze out of the Budget, the more likely it will be that we would have to borrow as early as August. A roll call vote was taken on this motion and it passed unanimously, 20 yes to zero no.

Rep. Sorg moved to authorize \$30,000 of Dispatch fees for FY04 to be placed in the Dispatch Capital Reserve Account. Rep. Dudley seconded the motion. A roll call vote was taken; 20 yes, zero no - the motion passes unanimously.

Rep. Williams moved to expend the sum of \$65,000 from the Dispatch Capital Reserve Account to purchase the software necessary for the Dispatch computer upgrade, as explained by the Executive Director. Rep. Ingbretson seconded the motion. Dispatch is going through a computer conversion and has the hardware - this software is what is required. The Dispatch Department is looking for grants for this software; if they do receive a grant, then this money will not be expended. A roll call vote was taken on the motion; 20 yes, zero no - the motion passed unanimously.

Rep. Dudley moved to adjourn; Rep. Ingbretson seconded the motion. All in favor.

The Delegation Meeting on the FY04 Budget adjourned at 3:20 PM.

Respectfully submitted,

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Susan W. Almy, Clerk

EXECUTIVE COMMITTEE MEETING ON FY03 APPROPRIATION TRANSFERS  
Legislative Office Building, Concord, NH - Room 205  
Monday, June 30, 2003

PRESENT: Reps. John Alger, Burton Williams, Susan Almy, Hilda Sokol, Paul Ingbretson, Gregory Sorg, G. Michael Gilman, and Terri Dudley. Commissioners Steve Panagoulis and Michael Cryans. Executive Director Julie Clough. Admin. Eileen Bolander. Supt. Glenn Libby. Human Services Admin. Nancy Bishop. Treasurer Carol Elliott. Secretary Sam Sorrentino.

Chair Alger called this Meeting of the Executive Committee to order at 3:25 PM for the purpose of voting on Appropriation Transfers for FY03. The other members of the Grafton County Delegation left the room.

The Appropriation Transfers totaled \$939,742. Executive Director Clough explained the Transfers and asked for authorization for over-expenditures which are actually offset by the revenues in those departments. The Executive Director added that the Nursing Home is over Budget by approximately \$900,000.

Rep. Williams moved to authorize the over-expenditures for the five accounts, as explained by the Executive Director. Rep. Almy seconded the motion. The five accounts are: Medicare PSP, DADAPR Grant, Supplies, LNA Salary line, and Thresholds and Rehabilitation Program. A vote was taken; all in favor.

Rep. Williams then moved to approve the Appropriation Transfers, as recommended by the Grafton County Commissioners and as explained, for a total amount of \$939,742. Rep. Almy seconded the motion. Several questions were asked. Rep. Dudley then noted that the County Administration sees these issues on a daily basis and it all looks fine. A vote was taken; all in favor.

The Meeting on Appropriation Transfers ended at 3:40 PM.

Respectfully submitted,

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Susan W. Almy, Clerk



**MASON + RICH**

PROFESSIONAL  
ASSOCIATION

CERTIFIED  
PUBLIC  
ACCOUNTANTS

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**COUNTY OF GRAFTON, NEW  
HAMPSHIRE**

**FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2003**

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MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
PRIVATE DOMAINS  
PRACTICE SECTION



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## REPORT OF INDEPENDENT AUDITORS

### MASON+RICH

PROFESSIONAL  
ASSOCIATION

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ACCOUNTANTS

#### Board of County Commissioners

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 the County of Grafton, New Hampshire, as of and for the year ended June 30, 2003, which collectively comprise the County's basic financial statements as listed in the index. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 the County of Grafton, New Hampshire as of June 30, 2003 and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note I, the County has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of June 30, 2003.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2003 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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The management's discussion and analysis and budgetary comparison information on pages three through nine and thirty-eight through forty-two are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Grafton, New Hampshire's basic financial statements. The other supplemental budget information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

*Mason + Rich, P.A.*

MASON + RICH PROFESSIONAL ASSOCIATION  
Certified Public Accountants

August 1, 2003

**COUNTY MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

**GRAFTON COUNTY, NEW HAMPSHIRE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2003**

The discussion and analysis of Grafton County's financial performance provides an overview of the County's financial activities for the year ended June 30, 2003. The intent of this discussion and analysis is to look at the County's financial performance as a whole.

**Financial Highlights**

- Grafton County began a three-phase construction renovation project at a cost of \$14,500,000, which will put an addition on the Nursing Home and renovate the existing buildings that the Nursing Home now occupies. This project is scheduled for completion in January 2005. The first phase of the addition to the Nursing Home is scheduled to be completed in October 2003.
- The business-type activities continue to operate at a loss. During 2003 the net loss was (\$1,582,266). Revenues are flat and expenses increased 4.90% over 2002.
- The total cost of the County's programs increased by only 1.41% over 2002.
- The general fund report a surplus of \$2.2 million this year.

**Overview of the Financial Statements**

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the County as a financial whole or as an entire operating entity. The statements also provide a detailed look at specific financial conditions.

The County's basic financial statements are comprised of three components: the countywide financial statements, fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**County-Wide Financial Statements**

The Countywide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

**Statement of Net Assets and Statement of Activities**

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. The statement of activities presents information showing how the County's net assets changed during the current year. The statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

*(Continued on next page)*

The change in net assets is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, nonfinancial information such as changes in the County's tax base and the condition of the County's capital assets will also need to be evaluated.

In the statement of net assets and the statement of activities, the County is divided into two kinds of activities:

**Governmental Activities** – Most of the County's programs and services are reported here, such as the Sheriff's Department, Commissioners, Registry of Deeds, Treasurer, Department of Corrections, and the Cooperative Extension service. These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.

**Business-Type Activities** – These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County's Nursing Home is reported here.

### **Fund Financial Statements**

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

The County has two kinds of funds:

- **Governmental Funds**- Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because the focus of the 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 on the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's short-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.
- **Proprietary Funds** – Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long and short-term financial information.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

*(Continued on next page)*

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents individual fund statements and schedules.

**Government-Wide Financial Analysis**

Table 1 provides a summary of the County’s net assets for 2002 compared to 2003:

TABLE 1  
NET ASSETS

	Governmental Activities		Business-type Activities		Totals	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<b>Assets</b>						
Current and Other						
Assets	\$8,245,734	\$5,292,852	\$6,965,324	\$2,017,827	\$15,211,058	\$7,310,679
Capital Assets, Net	<u>3,423,303</u>	<u>2,986,763</u>	<u>6,231,980</u>	<u>901,240</u>	<u>9,655,283</u>	<u>3,888,003</u>
<b>Total Assets</b>	<b><u>\$11,669,037</u></b>	<b><u>\$8,279,615</u></b>	<b><u>\$13,197,304</u></b>	<b><u>\$2,919,067</u></b>	<b><u>\$24,866,341</u></b>	<b><u>\$11,198,682</u></b>
<b>Liabilities</b>						
Current and Other						
Liabilities	\$1,583,229	\$2,081,404	\$1,410,455	\$2,040,701	\$2,993,684	\$4,122,105
Long-Term Liabilities	<u>3,989,406</u>	<u>499,603</u>	<u>10,946,882</u>	<u>-</u>	<u>14,936,288</u>	<u>499,603</u>
<b>Total Liabilities</b>	<b><u>\$5,572,635</u></b>	<b><u>\$2,581,007</u></b>	<b><u>\$12,357,337</u></b>	<b><u>\$2,040,701</u></b>	<b><u>\$17,929,972</u></b>	<b><u>\$4,621,708</u></b>
<b>Net Assets</b>						
Invested in Capital						
Assets, Net of						
Related Debt	\$2,903,087	\$2,846,763	\$1,761,184	\$122,833	\$4,664,271	\$2,969,596
Restricted for:						
Special Revenues	6,021	5,853			6,021	5,853
Capital Projects	1,393,523	1,439,652			1,393,523	1,439,652
Permanent Funds	32,164	31,558			32,164	31,558
Unrestricted	<u>1,761,607</u>	<u>1,374,782</u>	<u>(921,217)</u>	<u>755,533</u>	<u>840,390</u>	<u>2,130,315</u>
<b>Total Net Assets</b>	<b><u>\$6,096,402</u></b>	<b><u>\$5,698,608</u></b>	<b><u>\$ 839,967</u></b>	<b><u>\$878,365</u></b>	<b><u>\$6,936,369</u></b>	<b><u>\$6,576,973</u></b>

As noted earlier, the County’s net assets, when reviewed over time, may serve as a useful indicator of the County’s financial position. In the case of the County, assets exceeded liabilities by \$6,936,369 million (\$6,096,402 million in governmental activities and \$839,967 thousand in business-type activities) as of June 30, 2003. By far, the largest portion of the County’s net

*(Continued on next page)*

assets reflects its investment in capital assets (e.g., land and improvements, building and building improvements, improvements other than buildings, machinery and equipment, vehicles) less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its 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.

An additional portion of the County's net assets represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets may be used to meet the County's ongoing obligations to citizens and creditors.

Table 2 shows the changes in net assets for 2003. Since this is the first year the County has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to 2002 are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

Table 2  
Changes in Grafton County's Net Assets

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and</u>	
	<u>Expenses</u>	<u>For Services</u>	<u>Contributions</u>	<u>Change in Net Assets</u>	<u>Governmental Business-type</u>
				<u>Activities</u>	<u>Activities Total</u>
<b><i>Functions/Programs</i></b>					
General Government	\$3,242,432	\$1,681,113	\$635,624	\$925,695	\$925,695
Public Safety	3,545,079	713,668	25,084	\$2,806,327	\$2,806,327
Human Services	5,682,866	-	228,109	\$5,454,757	\$5,454,757
Farm	378,592	284,547	-	\$94,045	\$94,045
Interest on Long-Term Debt	<u>116,458</u>	<u>-</u>	<u>-</u>	<u>\$116,458</u>	<u>\$116,458</u>
Total Governmental Activities	<u>12,965,427</u>	<u>2,679,328</u>	<u>888,817</u>	<u>\$9,397,282</u>	<u>9,397,282</u>
<b><i>Business-type Activities</i></b>					
Grafton County Nursing Home	<u>8,240,943</u>	<u>6,633,052</u>	<u>-</u>	<u>-</u>	<u>1,607,891</u>
Total Business-type Activities	<u>8,240,943</u>	<u>6,633,052</u>	<u>-</u>	<u>-</u>	<u>1,607,891</u>
<b>Total</b>	<b><u>\$21,206,370</u></b>	<b><u>\$9,312,380</u></b>	<b><u>\$888,817</u></b>	<b><u>\$9,397,282</u></b>	<b><u>\$11,005,173</u></b>

***General Revenues***

Property Taxes	10,948,197	-	10,948,197
Payment in Lieu of Taxes	60,562	-	60,562
Grants and Contributions			

(Continued on next page)



Not Restricted	19,208	10,000	29,208
Interest and Investment Earning	261,202	-	261,202
Misc	34,801	25,625	60,426
Gain of Sale of Assets	4,974	-	4,974
Transfers	<u>(1,533,868)</u>	<u>1,533,868</u>	<u>-</u>
Total General Revenues, Special Items and Transfers	<u>9,795,076</u>	<u>1,569,493</u>	<u>11,364,569</u>
 Change in Net Assets	 397,794	 (38,398)	 359,396
 Net Assets, Beginning of Year	 <u>5,698,608</u>	 <u>878,365</u>	 <u>6,576,973</u>
Net Assets, End of Year	<u>\$6,096,402</u>	<u>\$839,967</u>	<u>\$6,936,369</u>

### Governmental Activities

The County's direct charges to users of governmental services made up \$2,679,328 million or 19.13% percent of total governmental revenues. These charges are for fees for real estate transfers, fees associated with public safety services such as dispatching fees, fines and forfeitures related to judicial activity.

Property tax revenue accounts for \$10,948,197 million of the \$14,008,272 million total revenues for governmental activities, or 78.15% of total revenues.

The Human Service program was the largest expense for the governmental services accounting for 43.83% of the total expenses. Public safety was the second largest expenses and accounted for 27.34% to the total.

Table 3, presents the cost of each of the County's three larger programs – public welfare, Public Safety including the Department of Corrections, and the Farm – as well as each program's net costs (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions.

Table 3  
Net Cost of Grafton County's Governmental Activities

	Total Cost <u>Of Services</u>	Net Cost <u>of Services</u>
Human Services	\$5,682,866	\$5,454,757
Farm	378,592	94,045
Public Safety	<u>3,545,079</u>	<u>2,806,327</u>
Total	<u>\$8,780,708</u>	<u>\$6,463,552</u>

(Continued on next page)

Charges for services and operating grants are received and used to fund general governmental expenses of the County. The remaining general governmental expenses are funded by property taxes and intergovernmental revenues.

### **Business-Type Activities**

Revenues of the County's business-type activities were higher than anticipated. Factors contributing to these results included:

- Medicaid rates fluctuated throughout the year, starting at \$125.04 on July 1, 2002 and ending at \$129.16 on June 30, 2003
- The annual census was higher than the figures that were budgeted for.
- The Current Collective Bargaining Agreement expired on June 30, 2003. Management is currently negotiating a new agreement with the Bargaining Unit. Until a new agreement is reached, the conditions of the expired agreement will be in effect.

### **Financial Analysis of County Funds**

#### **County's Budgetary Highlights:**

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

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

At the end of the year, actual revenues had exceeded expenditures by \$414,208 for a positive revenue budget variance of \$1,018,717. The Registry of Deeds experienced an increase in the amount of fees collected, which helped that program create a positive revenue variance of \$590,780. The Nursing Home also has a positive revenue variance, mostly as a result of a higher census than budgeted.

Expenditures came in slightly above budget. Mostly due to the Nursing Home they had a negative budget variance of (\$274,886) which was also due to a higher than budgeted census, which required more staff, food and supplies to care for those residents. The Nursing Home continues to operate at a loss.

### **Capital Assets and Debt Administration**

#### **Capital Assets:**

The County's investment in capital assets for general and business-type activities as of June 30, 2003, was \$4,664,271 (net of related debt). This investment in capital assets includes buildings and improvements, improvements in other than buildings, machinery and equipment and vehicles.

*(Continued on next page)*

The major capital asset event during 2003 was the first phase of a three-phase construction and renovation project. The addition to the Nursing Home began in September, 2002. The total cost of the project is \$14,500,000.

**Long-term debt:**

At year-end, the County had \$14,936,287 in bond obligations, notes and capital lease obligations, which is a large increase over last year, due to the construction and renovation capital project. More detailed information of the County's long-term liabilities is presented in Note IV to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

The above indicators were taken into account when adopting the General Fund budget for 2004. Amounts available for appropriation in the General Fund budget are \$13,037,753, an increase of \$1,005,250 over the final 2003 budget. Property taxes (\$12,417,979), charges for fees (\$8,975,992) and grant revenue (\$160,766) are expected to lead the increase. The County will use these increases to finance programs that we currently offer.

Budgeted expenditures are expected to increase 13.74% to \$22,554,737. The largest increases are a result of wage and benefit increases to employees and the first bond payment that will be paid in 2004. There are no major new programs or initiatives included in the 2004 budget.

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

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

Effective August 01, 2003, Medicaid reimbursement rates decreased from \$129.16 to \$126.46 per day, putting the County under revenue at the beginning of the budget year.

**Contacting the County's Financial Management**

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 information should be addressed to the Grafton County Commissioners Office, 3801 Dartmouth College Highway, North Haverhill, NH 03774.

## BASIC FINANCIAL STATEMENTS

COUNTY OF GRAFTON, NEW HAMPSHIRE  
STATEMENT OF NET ASSETS  
JUNE 30, 2003

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash and Equivalents	\$ 238,177	\$ 300	\$ 238,477
Temporary Investments	4,482,282	-	4,482,282
Accounts Receivable	183,372	573,933	757,305
Due from Other Governments	51,841	-	51,841
Internal Balances	110,784	(110,784)	-
Inventories	13,797	59,048	72,845
Prepaid Expenses	-	38,623	38,623
Restricted Assets: Cash and Equivalents	3,165,481	6,404,204	9,569,685
Capital Assets:			
Land and Improvements	374,237	508,842	883,079
Buildings and Improvements	4,596,362	1,339,875	5,936,237
Furniture, Equipment and Vehicles	1,150,589	583,421	1,734,010
Construction in Progress	429,410	5,667,849	6,097,259
Less Accumulated Depreciation	(3,127,295)	(1,868,007)	(4,995,302)
Total Capital Assets, Net of Depreciation	3,423,303	6,231,980	9,655,283
<b>TOTAL ASSETS</b>	<b>\$ 11,669,037</b>	<b>\$ 13,197,304</b>	<b>\$ 24,866,341</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 1,381,814	\$ 95,342	\$ 1,477,156
Accrued Liabilities	35,489	509,691	545,180
Due to Other Governments	-	-	-
Liabilities Payable From Restricted Assets	165,926	805,422	971,348
Deferred Revenue	-	-	-
Noncurrent Liabilities:			
Bonds and Notes	3,625,000	10,875,000	14,500,000
Capital Lease Obligations	60,697	-	60,697
Compensated Absences	303,709	71,882	375,591
<b>Total Liabilities</b>	<b>5,572,635</b>	<b>12,357,337</b>	<b>17,929,972</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	2,903,087	1,761,184	4,664,271
Restricted for:			
Special Revenues	6,021	-	6,021
Capital Projects	1,393,523	-	1,393,523
Permanent Funds	32,164	-	32,164
Unrestricted (Deficit)	1,761,607	(921,217)	840,390
<b>Total Net Assets</b>	<b>\$ 6,096,402</b>	<b>\$ 839,967</b>	<b>\$ 6,936,369</b>

The Accompanying Notes Are an Integral Part of This Financial Statement

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COUNTY OF GRAFTON, NEW HAMPSHIRE  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Program Revenues			Net (Expense) Revenue and Change in Net Assets			
	Expenses	Changes For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions/Programs</b>							
General Government	\$ 3,242,432	\$ 1,681,113	\$ 635,624	\$ -	\$ (925,695)	\$ -	\$ (925,695)
Public Safety	3,545,079	713,668	25,084	-	(2,806,327)	-	(2,806,327)
Human Services	5,682,866	-	228,109	-	(5,454,757)	-	(5,454,757)
Farm	378,592	284,547	-	-	(94,045)	-	(94,045)
Interest on Long-term Debt	116,458	-	-	-	(116,458)	-	(116,458)
Total Governmental Activities	12,965,427	2,679,328	888,817	-	(9,397,282)	-	(9,397,282)
<b>Business-type Activities</b>							
Grafton County Nursing Home	8,240,943	6,633,052	-	-	-	(1,607,891)	(1,607,891)
Total Business-type Activities	8,240,943	6,633,052	-	-	-	(1,607,891)	(1,607,891)
Total	\$ 21,206,370	\$ 9,312,380	\$ 888,817	\$ -	(9,397,282)	(1,607,891)	(11,005,173)
<b>General Revenues:</b>							
Taxes:							
County Tax Assessment					10,948,197	-	10,948,197
Payment in Lieu of Taxes					60,562	-	60,562
Grants and Contributions Not Restricted to Specific Purposes					19,208	10,000	29,208
Interest and Investment Earnings					261,202	-	261,202
Miscellaneous					34,801	25,625	60,426
Gain on Sale of Capital Assets					4,974	-	4,974
Transfers					(1,533,868)	1,533,868	-
Total General Revenues, Special Items and Transfers					9,795,076	1,569,493	11,364,569
Change in Net Assets					397,794	(38,398)	359,396
Net Assets, Beginning of Year					5,698,608	878,365	6,576,973
Net Assets, End of Year					\$ 6,096,402	\$ 839,967	\$ 6,936,369

## FUND FINANCIAL STATEMENTS

COUNTY OF GRAFTON, NEW HAMPSHIRE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2003

	General Fund	1930's Wing Renovations	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Equivalents	\$ 232,307	\$ -	\$ 11,728	\$ 244,035
Temporary Investments	2,830,448	-	1,499,143	4,329,591
Accounts Receivable	183,372	-	-	183,372
Due from Other Governments	45,984	-	-	45,984
Internal Balances	165,299	45,342	6,891	217,532
Inventories	13,796	-	-	13,796
Prepaid Expenses	-	-	-	-
Restricted Assets: Cash and Equivalents	152,690	3,165,481	-	3,318,171
<b>TOTAL ASSETS</b>	<b>\$ 3,623,896</b>	<b>\$ 3,210,823</b>	<b>\$ 1,517,762</b>	<b>\$ 8,352,481</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,381,814	\$ -	\$ -	\$ 1,381,814
Contracts Payable	-	165,184	-	165,184
Retainage Payable	-	742	-	742
Accrued Expenses	(3,067)	-	-	(3,067)
Due to Other Governments	-	-	-	-
Internal Balances	-	-	106,748	106,748
Deferred Revenue	-	-	-	-
<b>Total Liabilities</b>	<b>1,378,747</b>	<b>165,926</b>	<b>106,748</b>	<b>1,651,421</b>
<b>FUND BALANCES</b>				
Reserved for Encumbrances	188,045	-	-	188,045
Reserved for Unemployment Escrow	25,000	-	-	25,000
Reserved by Trust Instrument	-	-	32,164	32,164
Unreserved Reported in:				
General Fund	2,032,104	-	-	2,032,104
Special Revenue Funds	-	-	5,871	5,871
Capital Projects Funds	-	3,044,897	1,372,979	4,417,876
<b>TOTAL FUND BALANCES</b>	<b>2,245,149</b>	<b>3,044,897</b>	<b>1,411,014</b>	<b>6,701,060</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,623,896</b>	<b>\$ 3,210,823</b>	<b>\$ 1,517,762</b>	<b>\$ 8,352,481</b>

(Continued)

The Accompanying Notes Are an Integral Part of This Financial Statement

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COUNTY OF GRAFTON, NEW HAMPSHIRE  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET  
ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2003

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<i>Total Governmental Fund Balances</i>	\$ 6,701,060
<i>Amounts Reported for Governmental Activities in the Statement of Net Assets Are Different Because of the Following Items:</i>	
Capital Assets Used in Governmental Activities Are NOT Financial Resources and Therefore Are Not Reported in the Funds.	3,423,302
Other Long-term Assets Are NOT Available to Pay for Current-period Expenditures and Therefore Are Saved in the Funds.	-
Long-term Liabilities, Including Bonds Payable and Unmatured Compensated Absences, Are NOT Due and Payable in the Current Period and Therefore Are NOT Reported in the Funds	(4,027,960)
<i>Net Assets of Governmental Activities - Statement 1</i>	<u>\$ 6,096,402</u>

COUNTY OF GRAFTON, NEW HAMPSHIRE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	General Fund	1930's Wing Renovations	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 10,948,197	\$ -	\$ -	\$ 10,948,197
Intergovernmental	307,964	-	660,624	968,588
Jail	103,692	-	-	103,692
Farm	300,254	-	-	300,254
Charges for Services	2,009,379	-	-	2,009,379
Rent	281,711	-	-	281,711
Interest	214,669	-	46,532	261,201
Miscellaneous	24,069	-	-	24,069
<b>Total Revenues</b>	<b>14,189,935</b>	<b>-</b>	<b>707,156</b>	<b>14,897,091</b>
<b>Expenditures</b>				
Current:				
General Government	3,100,939	-	728,959	3,829,898
Public Safety	3,284,069	-	-	3,284,069
Human Services	5,060,804	-	-	5,060,804
Farm	356,855	-	-	356,855
Capital	238,839	514,989	-	753,828
Debt Service:				
Principal	140,000	-	-	140,000
Interest	11,955	65,114	-	77,069
<b>Total Expenditures</b>	<b>12,193,461</b>	<b>580,103</b>	<b>728,959</b>	<b>13,502,523</b>
Excess (Deficiency) of Revenues Over Expenditures	1,996,474	(580,103)	(21,803)	1,394,568
<b>Other Financing Sources (Uses)</b>				
Proceeds of Long-Term Debt	-	3,625,000	-	3,625,000
Operating Transfers In	84,181	-	89,935	174,116
Operating Transfers (Out)	(1,573,803)	-	(134,181)	(1,707,984)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,489,622)</b>	<b>3,625,000</b>	<b>(44,246)</b>	<b>2,091,132</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	506,852	3,044,897	(66,049)	3,485,700
Fund Balances, Beginning of Year, Restated	1,738,297	-	1,477,063	3,215,360
Fund Balances, End of Year	<b>\$ 2,245,149</b>	<b>\$ 3,044,897</b>	<b>\$ 1,411,014</b>	<b>\$ 6,701,060</b>

The Accompanying Notes are an Integral Part of This Financial Statement

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COUNTY OF GRAFTON, NEW HAMPSHIRE  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE OF GOVERNMENTAL ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

*Net Change in Fund Balances - Total Governmental Funds (Previous Page)* \$ 3,485,700

Governmental Funds Report Capital Outlays During the Fiscal Year as Expenditures on Statement 4. However, on Statement of Activities (Statement 2) the Cost of Those Capital Items Has Been Capitalized and the Cost is Then Allocated Over Their Estimated Useful Lives and Reported as Depreciation Expense. This is the Amount by Which Capital Outlay Expenditures Exceeded Depreciation Expense for the Current Fiscal Year. 374,391

Repayment of Bond and Capital Lease Principal is an Expenditure in the Governmental Funds (Statement 4), But the Repayment Reduces Long-term Liabilities in the Statement of Net Assets (Statement 2). Also, Bond Proceeds Are Recognized as an Other Financing Source on Statement 4 But Are Recorded as a Long-term Liability in Statement of Net Assets (Statement 2). This is the Amount of the Repayments and Bond Proceeds That Have Been Charged to Long-Term Liabilities. (3,430,334)

Accrued Interest on the Governmental Funds is Reported as Expenditure When Paid, While Interest Due at Year End is Recognized as a Liability and an Expense on the Statement of Net Assets (Statement 2). This is the Net Amount by Which Accrued Interest Expense Exceeded Interest Expense for the Current Fiscal Year (34,644)

Estimated Compensated Absences Payable Are Recognized When Payable on Statement 4 But Are Accrued and Expensed at Year End on Statement 2. 2,681

*Change in Net Assets of Governmental Activities (Statement 2)* \$ 397,794

GRAFTON COUNTY, NEW HAMPSHIRE  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
JUNE 30, 2003

	Business- Type Activities
	Grafton County Nursing Home
<b>ASSETS</b>	
Cash and Equivalents	\$ 300
Accounts Receivable - Services - Net of Allowance for Uncollectibles of \$30,533	573,933
Internal Balances	(110,784)
Inventories	59,048
Prepaid Expenses	38,623
Restricted Assets: Cash and Equivalents	6,404,204
Capital Assets:	
Land and Improvements	508,842
Buildings and Improvements	1,339,875
Furniture, Equipment and Vehicles	583,421
Construction in Progress	5,667,849
Less Accumulated Depreciation	(1,868,007)
Total Capital Assets, Net of Depreciation	6,231,980
<b>TOTAL ASSETS</b>	<b>\$ 13,197,304</b>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 95,342
Accrued Liabilities	509,691
Due to Other Governments	-
Liabilities Payable From Restricted Assets	805,422
Deferred Revenue	-
Current Portion of Long-Term Debt	543,750
Total Current Liabilities	1,954,205
Noncurrent Liabilities:	
Long-Term Debt	10,331,250
Compensated Absences	71,882
Total Noncurrent Liabilities	10,403,132
Total Liabilities	12,357,337
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	1,761,184
Unrestricted (Deficit)	(921,217)
Total Net Assets	839,967
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 13,197,304</b>

The Accompanying Notes Are an Integral Part of This Financial Statement

COUNTY OF GRAFTON, NEW HAMPSHIRE  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Business- Type Activities
	Grafton County Nursing Home
<b><i>Operating Revenues</i></b>	
Charges for Services:	
Room and Board from Social Security, Retirement and State	\$ 3,875,803
Room and Board from Private Patients	1,316,270
Room and Board and Therapy from Medicare	586,210
Medicaid Proportionate Share	854,769
Total Charges for Services	6,633,052
Other Revenue:	
Meal Reimbursement	25,625
Miscellaneous	-
Total Other	25,625
<b><i>Total Operating Revenues</i></b>	<b>6,658,677</b>
<b><i>Operating Expenses</i></b>	
Administrative	730,875
Dietary	885,561
Nursing Service	4,677,643
Physical Therapy	165,903
Health Information Management	135,300
Therapeutic Recreation	194,884
Plant Maintenance	376,742
Laundry and Linen	176,800
Housekeeping	445,669
Pharmacy and Medical Director	23,053
Contracted Services	224,594
Special Services	107,341
Increase (Decrease) in Vacation/Sick Leave	10,384
Depreciation	86,194
<b><i>Total Operating Expenses</i></b>	<b>8,240,943</b>
Operating Income (Loss)	<b>(1,582,266)</b>
<b><i>Contributions and Transfers</i></b>	
Capital Contributions	10,000
Transfers In	1,533,868
<b><i>Total Contributions and Transfers</i></b>	<b>1,543,868</b>
Change in Net Assets	(38,398)
Total Net Assets, Beginning of the Year	878,365
Total Net Assets, End of the Year	<b>\$ 839,967</b>

COUNTY OF GRAFTON, NEW HAMPSHIRE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Enterprise (Grafton County Home)</u>
<b><i>Cash Flows From Operating Activities</i></b>	
Cash Received For Services	\$5,966,438
Cash Paid to Suppliers	(3,230,150)
Cash Paid to Employees	(4,933,559)
Cash Paid for Other Expenses	-
<b><i>Net Cash Provided (Used) by Operating Activities</i></b>	<u>(2,197,271)</u>
<b><i>Cash Flows from Noncapital Financing Activities</i></b>	
Transfers From Other Funds	<u>1,533,868</u>
<b><i>Cash Flows from Capital and Related Financing Activities</i></b>	
Acquisition and Construction of Capital Assets	(4,603,014)
Proceeds From Sale of Capital Assets	-
Principal Paid on Debt	-
Interest Paid on Debt	-
Proceeds from Long-term Debt	10,875,000
Proceeds From Advances to Other Funds	9,181,968
Payments of Advances to Other Funds	(8,396,347)
Capital Contributions Received	10,000
<b><i>Net Cash Provided by Capital and Related Financing Activities</i></b>	<u>7,067,607</u>
Increase (Decrease) in Cash and Cash Equivalents	6,404,204
Cash and Cash Equivalents, Beginning of Year	<u>300</u>
Cash and Cash Equivalents, End of Year	<u>\$6,404,504</u>
<b><i>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</i></b>	
Operating Income (Loss)	<u>\$ (1,582,266)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	86,194
Changes In Assets and Liabilities:	
Accounts Receivable	375,439
Inventories	(6,750)
Prepays	-
Accounts Payable	(76,141)
Accrued Expenses	63,546
Accrued Sick Pay	10,385
Deferred Revenue	(1,067,678)
Total Adjustments	<u>\$ (615,005)</u>
<b><i>Net Cash Provided by Operating Activities</i></b>	<u>\$ (2,197,271)</u>
<b><i>Noncash Transactions:</i></b>	
Fully Depreciated Equipment Written Off	<u>\$ -</u>

COUNTY OF GRAFTON, NEW HAMPSHIRE  
 STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 JUNE 30, 2003

	Agency Funds						Total Agency
	Patient Funds	Register Of Deeds	Sheriff's Department	Jail Canteen Fund	Inmate Fund		
<b>ASSETS</b>							
Cash	\$ 50,148	\$ 867,860	\$ 13,797	\$ 14,540	\$ 5,794	\$ 952,139	
Temporary Investments	-	-	-	-	-	-	
<b>TOTAL ASSETS</b>	<u>\$ 50,148</u>	<u>\$ 867,860</u>	<u>\$ 13,797</u>	<u>\$ 14,540</u>	<u>\$ 5,794</u>	<u>\$ 952,139</u>	
<b>LIABILITIES</b>							
Due to Other Governments	\$ -	\$ 720,704	\$ -	\$ -	\$ -	\$ 720,704	
Due to Other Funds:							
To General Fund	-	147,156	10,855	-	-	158,011	
Due to Specific Individuals	50,148	-	2,942	14,540	5,794	73,424	
<b>TOTAL LIABILITIES</b>	<u>\$ 50,148</u>	<u>\$ 867,860</u>	<u>\$ 13,797</u>	<u>\$ 14,540</u>	<u>\$ 5,794</u>	<u>\$ 952,139</u>	

The Accompanying Notes Are an Integral Part of This Financial Statement

**COUNTY OF GRAFTON, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**I | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*A. Reporting Entity*

The County of Grafton is a “body corporate” under the authority of the New Hampshire Revised Statute Annotated (RSA)23:1. The elected County Commissioners are responsible for the day to day operation of the County. The Commissioners present a recommended budget to the County Convention for approval annually. Either the budget approved by the Convention or, if the Convention does not approve the budget timely, the Commissioners’ original budget as submitted for approval, becomes effective for the year.

*B. Government-Wide and Fund 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 non-fiduciary 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. County taxes and other items not properly included among program revenues are reported instead as general revenues.

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 governmental 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*

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. County tax assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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**COUNTY OF GRAFTON, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**

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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. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

County tax assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The 1930's Wing Renovations Fund accounts for bond proceeds designated for the renovation of the Nursing Home's 1930's Wing which, after the renovations, will be used for general County operations.

The County reports the following major proprietary funds:

The County Nursing Home fund accounts for the activities of the Grafton County Nursing Home. The fund accounts for the operation and maintenance of the Nursing Home, which provides intermediate and skilled nursing care to the elderly residents of the County. The Home is funded through a combination of Medicaid and Medicare funds from the Federal Government, the State and the County as well as from the private resources of the residents of the Home.

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 County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the County Nursing Home function and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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**COUNTY OF GRAFTON, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**

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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. 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 County's Nursing Home are charges to residents for services. Operating expenses for the enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

*D. Assets, Liabilities, and Net Assets or Equity*

**1. DEPOSITS AND INVESTMENTS**

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The County Treasurer is authorized by State statutes and with the approval of the Commissioners to invest excess funds "in obligations of the U.S. Government, in participation units in the public deposit investment pool established pursuant to RSA 383:22, in savings bank deposits of banks incorporated under the laws of the State of New Hampshire or in certificates of deposits and repurchase agreements of banks incorporated under the laws or in the State of New Hampshire or in banks recognized by the State Treasurer".

The County participates in the New Hampshire Public Deposit Investment Pool established in accordance with RSA 383:22-24. Total funds on deposit with the Pool at year-end were \$76,859 and are reported as temporary investments on the General Fund. Based on GASB Statement No. 3, investments with the Pool are considered to be unclassified. At this time, the Pool's investments are limited to "short-term U.S. Treasury and U.S. Government Agency obligations, State of New Hampshire and New Hampshire municipal obligations, certificates of deposit from A1/P1-rated banks, money market mutual funds (maximum of 20% of portfolio), overnight to 30-day repurchase agreements (no limit, but collateral level at 102% in U.S. Treasury and Government Agency instruments delivered to Custodian) and reverse overnight repurchase agreements with primary dealers or dealer banks".

The Pool is operated under contract with a private investment advisor, approved by the State Bank Commissioner and the advisory committee created under RSA 383:24. The Pool is a 2a7-like pool, which means that it is not registered with the Securities Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Cost and market value of the Pool's investments are the same.

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**COUNTY OF GRAFTON, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**2. RECEIVABLES AND PAYABLES**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

The Department of Revenue Administration, based upon data reported on the assessment of properties by the cities and towns in the County, annually sets the County tax assessment for each community within the County. Based upon the assessments from the Department of Revenue Administration, the County Treasurer issues a warrant to the cities and towns in the County for them to assess, collect and pay to the County the County tax assessment. The tax is due annually by December seventeenth with interest at ten percent chargeable on any unpaid amounts.

**3. INVENTORIES AND PREPAID ITEMS**

All inventories are valued at cost using the first-in/ first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**4. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and vehicles, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years for governmental activities. For business-type activities (County Nursing Home) the County uses a threshold of \$500. 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. The total interest expense incurred by the County during the current fiscal year was \$270,991. Of this amount, \$195,342 was included as part of the cost of capital assets under construction in connection with the nursing home addition/renovation project.

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**COUNTY OF GRAFTON, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**

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

<u>Assets</u>	<u>Years</u>
Buildings	50-70
Building Improvements	5-25
Vehicles	3-20
Equipment	3-20

**5. COMPENSATED ABSENCES**

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Earned Time is for non-bargaining unit employees and includes vacation, personal, and sick benefits. Earned Time is accrued based upon: length of employment; up to 300 hours for full-time, 240 hours for 4/5 part-time and 180 hours for 3/5 part-time employees.

Vacation Time is for bargaining unit employees and is accrued based upon: length of employment; up to 240 hours for full-time employees under 10 years of service and up to 320 hours for full-time employees with 10 years of service, up to 192 hours for 4/5 part-time employees under 10 years of service and up to 256 hours for 4/5 part-time with 10 years of service and up to 144 hours for 3/5 part-time employees under 10 years of service and up to 192 hours for 3/5 part-time employees with 10 years of service.

Upon termination in good standing, an employee receives a lump sum payment of all unused accrued current Earned Time or Vacation Time. Non-bargaining unit employees are also eligible to receive payment of 1/4 the number of days in the extended sick leave bank, not to exceed 16 days total. Upon retirement, an employee receives a lump sum payment of all unused accrued current Earned Time or Vacation Time. The employee is also eligible to receive payment of 1/3 the number of days in the extended sick leave or sick leave bank, not to exceed 20 days total.

All compensated absences are accrued when incurred in the government-wide and proprietary 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.

**6. 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. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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**COUNTY OF GRAFTON, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS**

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**7. 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.

**8. RESTATEMENT OF BEGINNING FUND BALANCES AND NET ASSETS AND CHANGE IN ACCOUNTING PRINCIPLE**

The County has adopted the principles of GASB No. 34 during its current fiscal year. Accordingly, beginning fund balances and also net asset amounts have been restated as follows:

Beginning Fund Balances as Previously Reported for all Governmental Fund Types and Expendable Trust Funds	\$	3,019,675
Correction of Reporting of Compensated Absences Not Considered Matured for the General Fund		195,685
Beginning Fund Balances as Restated		3,215,360
Beginning Fund Balances as Restated, Above	\$	3,215,360
Record Capital Assets and Related Accumulated Depreciation at the Beginning of the Year		2,986,762
Record Bonds and Notes Payable at the Beginning of the Year		(140,000)
Record Capital Leases at the Beginning of the Year		(53,212)
Record Beginning Vested Compensated Absences		(306,391)
Record Accrued Interest on Long-Term Liabilities		(3,911)
Net Assets, Beginning of the Year	\$	5,698,608

**II | RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

***A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets***

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds."

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COUNTY OF GRAFTON, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS

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The details of this difference are as follows:

Bonds Payable	\$ (3,625,000)
Add: Accrued Interest Payable on Bonds and Capital Leases at Fiscal Year End	(38,554)
Capital Leases Payable	(60,697)
Compensated Absences	<u>(303,709)</u>
Net Adjustments to Reduce Fund Balance – Total Governmental Funds to Arrive at Net Assets – Governmental Activities	<u>\$ (4,027,960)</u>

***B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities***

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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." The details of this difference are as follows:

Capital Outlay	\$ 541,601
Depreciation Expense	<u>(167,210)</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ 374,391</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

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**COUNTY OF GRAFTON, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**

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The details of this difference are as follows:

<i>Debt Issued or Incurred:</i>	
Capital Lease Financing	\$
Issuance of General Obligation Bonds	(3,625,000)
<i>Principal Repayments:</i>	
General Obligation Debt	140,000
Payment on Capital Lease	<u>54,666</u>
Net Adjustment to Decrease Net Changes in Fund Balances – Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ (3,430,334)</u>

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this difference are as follows:

Compensated Absences	\$ 2,681
Accrued Interest	<u>(34,644)</u>
Net Adjustment to Decrease Net Changes in Fund Balances – Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ (31,963)</u>

### III | STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### *A. Budgetary Information*

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund.

The County observes the following procedures in establishing the budgetary data reflected in the financial statements:

1. The County Commissioners deliver or mail to each member of the County Convention and to the chairman of the Board of Selectmen in each Town and the Mayor of each City within the County and to the Secretary of State prior to June 1 annually their itemized budget recommendations together with a statement of actual expenditures and income for at least nine months of the preceding fiscal year.
2. Within ten to twenty days after the mailing of the budget, a public hearing is held on the budget estimates as submitted by the Commissioners.

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*(Continued on next page)*

**COUNTY OF GRAFTON, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**

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3. Twenty-eight days must elapse after the mailing of the estimated operating budget before the County Convention may vote on the appropriations for the ensuing budget period.
4. The County Convention must adopt its annual budget no later than September 1.
5. The final form of the County Budget is filed with the Secretary of State's office and the Commissioner of Revenue Administration no later than 30 days after the adopting of the budget.
6. The Commissioners must get authorization from the Executive Committee of the delegation to transfer budgeted amounts between any line items within any fund; any revisions that alter the total expenditures of any fund must be approved by the Executive Committee of the Delegation.
7. Formal budgetary integration is employed as a management control device during the year for the General Fund and Proprietary Fund (County Nursing Home). The County legally adopts only one budget for the funds.
8. Budget appropriations lapse at year-end except for any outstanding encumbrances or approved appropriation carryovers.
9. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for the Proprietary Fund are adopted on a basis, which is not consistent with GAAP. The budget for the Proprietary Fund is prepared on the modified accrual basis while GAAP requires the full accrual basis.

#### **IV | DETAILED NOTES ON ALL FUNDS**

##### ***A. Deposits and Investments***

At year end the carrying amount of the County's deposits (cash and equivalents, temporary investments and restricted assets) was \$14,290,444 and the bank balance was \$15,349,531. Of the bank balance, \$447,401 was covered by federal depository insurance, \$13,982,697 was collateralized by various pledged securities and \$919,433 was uninsured and uncollateralized.

The uninsured and uncollateralized deposits were for amounts in excess of the FDIC insured amounts and were held by the General Fund (\$105,984) and Agency Funds (\$813,449).

For purposes of the statement of cash flows, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

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COUNTY OF GRAFTON, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS

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*B. Receivables*

Receivables as of year-end for the County's individual major funds and non-major, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<i>General</i>	<i>Other Funds</i>	<i>Total</i>
	\$	\$	\$
<i>Receivables:</i>			
County Taxes	-	-	-
Accounts	183,372	-	183,372
Intergovernmental	45,984	-	45,984
Gross Receivables	229,356	-	229,356
Less: Allowance for Uncollectibles	-	-	-
Net Total Receivables	<u>\$ 229,356</u>	<u>\$ -</u>	<u>\$ 229,356</u>

Revenues of the County Nursing Home are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Gross Receivables	\$ 604,466
Uncollectibles	<u>(30,533)</u>
Net Total Receivables	<u>\$ 573,933</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

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*(Continued on next page)*

COUNTY OF GRAFTON, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS

*C. Capital Assets*

Capital asset activity for the year ended was as follows:

	<i>Beginning Balances</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balances</i>
<i>Governmental Activities:</i>				
Capital Assets, Not Being Depreciated:				
Land	\$ 134,099	\$ 85,579	\$ -	\$ 219,678
Construction in Progress	-	429,410	-	429,410
Total Capital Assets, Not Being Depreciated	134,099	514,989	-	649,088
Capital Assets, Being Depreciated:				
Land Improvements	154,559	-	-	154,559
Buildings and Improvements	4,596,362	-	-	4,596,362
Equipment and Vehicles	1,061,828	88,761	-	1,150,589
Total Capital Assets Being Depreciated	5,812,749	88,761	-	5,901,510
Less: Accumulated Depreciation for:				
Land Improvements	(152,730)	(1,829)	-	(154,559)
Buildings and Improvements	(2,025,569)	(90,003)	-	(2,115,572)
Equipment and Vehicles	(781,786)	(75,378)	-	(857,164)
Total Accumulated Depreciation	(2,960,085)	(167,210)	-	(3,127,295)
Total Capital Assets, Being Depreciated, Net	2,852,664	(78,449)	-	2,774,215
Governmental Activities Capital Assets, Net	\$2,986,763	\$ 436,540	\$ -	\$ 3,423,303

*(Continued on next page)*

**COUNTY OF GRAFTON, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**

	<i>Beginning Balances</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balances</i>
<i>Business-type activities:</i>				
Capital Assets, Not Being Depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	326,369	5,341,480	-	5,667,849
Total Capital Assets, Not Being Depreciated	326,369	5,341,480	-	5,667,849
Capital Assets, Being Depreciated:				
Land Improvements	508,842	-	-	508,842
Buildings and Improvements	1,339,875	-	-	1,339,875
Equipment and Vehicles	507,969	75,452	-	583,421
Total Capital Assets, Being Depreciated	2,356,686	75,452	-	2,432,138
Less Accumulated Depreciation for:				
Land Improvements	(508,842)	-	-	(508,842)
Buildings and Improvements	(1,012,078)	(35,658)	-	(1,047,736)
Equipment and Vehicles	(260,893)	(50,536)	-	(311,429)
Total Accumulated Depreciation	(1,781,813)	(86,194)	-	(1,868,007)
Total Capital Assets, Being Depreciated, Net	574,873	(10,742)	-	564,131
Business-Type Activities Capital Assets, Net	\$ 901,242	\$ 5,330,738	\$ -	\$ 6,231,980

Depreciation expense was charged to functions/programs as follows:

<i>Governmental Activities:</i>	
General Government	\$ 66,842
Public Safety (Sheriff and Dispatch)	84,839
Human Services	-
Farm	15,529
Total Depreciation Expense – Governmental Activities	\$ 167,210
<i>Business-Type Activities:</i>	
County Nursing Home	86,194
Total Depreciation Expense – Business-Type Activities	\$ 86,194

*(Continued on next page)*

**COUNTY OF GRAFTON, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS**

Construction Commitments

The County has active construction projects at year end. The project included construction and renovation of the County Nursing Home. At year-end the County's commitments with contractors were as follows:

<i>Project</i>	<i>Spent-To-Date</i>	<i>Remaining Commitment</i>
County Nursing Home – Construction and Renovation	\$ 5,086,950	\$ 6,560,338
Total	\$ 5,086,950	\$ 6,560,338

***D. Interfund Receivables, Payables, and Transfers***

The composition of interfund balances at year end is as follows:

Due to/from Other Funds:

<i>Receivable Fund</i>	<i>Payable Fund</i>	<i>Amount</i>
General	Non-major Governmental Funds	\$ 54,515
1930's Wing Renovation	General	45,342
Nonmajor Governmental Funds	General	6,891
General	County Nursing Home	110,784
Total		\$ 217,532

Interfund Transfers:

<i>Transfer out:</i>	<i>Transfer In:</i>			
	<i>General Fund</i>	<i>Non-major Governmental</i>	<i>County Nursing Home</i>	<i>Total</i>
General Fund	\$ -	\$ 89,935	\$ 1,483,868	\$ 1,573,803
Non-major Governmental Funds	84,181	-	50,000	134,181
County Nursing Home	-	-	-	-
Total Transfers Out	\$ 84,181	\$ 89,935	\$ 1,533,868	\$ 1,707,984

*(Continued on next page)*

COUNTY OF GRAFTON, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS

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*E. Leases*

Capital Leases

The County's General Fund has entered into agreements for the lease of vehicles for the Sheriff's Department. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The assets acquired through capital leases are as follows:

	<i>Governmental Activities</i>
<i>Asset:</i>	
Vehicles	\$ 265,094
Less: Accumulated Depreciation	(172,628)
Total	\$ 92,466

The future minimum lease obligations and the net present value of these minimum lease payments as of year end were as follows:

<i>Year Ending June 30,</i>	<i>Governmental Activities</i>
2004	\$ 43,290
2005	20,698
2006	-
2007	-
Total Minimum Lease Payments	63,988
Less: Amount Representing Interest	(3,291)
Present Value of Minimum Lease Payments	\$ 60,697

*F. Long-Term Debt*

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. The original amount of general obligation bonds issued in prior years and outstanding at the beginning of the fiscal year was \$140,000. During the year, general obligation bonds totaling \$14,500,000 were issued.

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*(Continued on next page)*

**COUNTY OF GRAFTON, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**

General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds generally are issued with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<i>Purpose</i>	<i>Amount</i>
\$14,500,000 – 2002 Nursing Home Additions and Renovations Bonds, Due in Annual Installments of \$725,000 through September 2002; Interest Varies From 3.00% to 4.30%	
Governmental Activities – Phase III	3,625,000
Business-type Activities – Phase I and Phase II	10,875,000
Total Outstanding	\$ 14,500,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

<i>Year Ending June 30,</i>	<i>Government Activities</i>		<i>Business-Type Activities</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2004	\$ 181,250	\$ 127,509	\$ 543,750	\$ 382,528
2005	181,250	122,072	543,750	366,216
2006	181,250	116,634	543,750	349,903
2007	181,250	111,197	543,750	333,591
2008	181,250	105,754	543,750	317,263
2009-2013	906,250	441,475	2,718,750	1,324,424
2014-2018	906,250	279,996	2,718,750	839,988
2019-2023	906,250	96,742	2,718,750	290,227
Total	\$ 3,625,000	\$ 1,401,379	\$ 10,875,000	\$ 4,204,140

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**COUNTY OF GRAFTON, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**

Changes in Long-Term Liabilities

Long-term liability activity for the year ended was as follows:

	<i>Beginning</i>			<i>Ending</i>	<i>Due Within</i>
	<i>Balances</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balances</i>	<i>One Year</i>
<i>Governmental Activities:</i>					
General Obligation Bonds	\$ 140,000	\$ 3,625,000	\$ (140,000)	\$3,625,000	\$ 135,938
Capital Leases	53,212	62,150	(54,666)	60,696	43,290
Compensated Absences	306,390	-	(2,681)	303,709	n/a
Governmental Activity Long-Term Liabilities	<u>\$ 499,602</u>	<u>\$ 3,687,150</u>	<u>\$ (197,347)</u>	<u>\$3,989,405</u>	<u>\$ 179,228</u>
<i>Business-Type Activities:</i>					
General Obligation Bonds	\$ -	\$ 10,875,000	\$ -	\$10,875,000	\$ 407,812
Capital Leases	-	-	-	-	-
Compensated Absences	61,498	-	10,384	71,882	n/a
Business-Type Activity Long-Term Liabilities	<u>\$ 61,498</u>	<u>\$ 10,875,000</u>	<u>\$ 10,384</u>	<u>\$10,946,882</u>	<u>\$ 407,812</u>

The County issues tax anticipation notes annually in advance of the payment of the County tax assessments in November and December by the various towns and cities in the County. These notes are necessary to meet the cash flow needs during the fiscal year, which include the County's normal operating budget. Short-term debt activity for the year was as follows:

	<i>Beginning</i>			<i>Ending</i>
	<i>Balance</i>	<i>Issued</i>	<i>Redeemed</i>	<i>Balance</i>
County Tax Anticipation Notes Payable	\$ -	\$ 600,000	\$ 600,000	\$ -

*(Continued on next page)*

COUNTY OF GRAFTON, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS

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**V | OTHER INFORMATION**

***A. Risk Management***

The County is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The County, along with numerous other municipalities in the State, is a member of three public entity risk pools in the State currently operating as a common risk management and insurance program for which all political subdivisions in the State of New Hampshire are eligible to participate. The pools provide coverage for workers' compensation, unemployment and property liability insurance. As a member of the property liability pool, the County shares in contributing to the cost of and receiving benefits from a self-insured pooled risk management program. Contributions paid for the fiscal year totaled \$94,083 for property liability coverage, with no unpaid contributions at year-end. There were no deductible claims for the fiscal year.

The pool agreement permits the pool to make additional assessments to members should there be deficiency in pool assets to meet its liabilities. At this time, the pool foresees no likelihood of an additional assessment for past years.

***B. Contingent Liabilities***

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. The County participates in a federally assisted contract for services with the Department of Health and Human Services Medicaid (Title XIX) - through the New Hampshire Department of Health and Human Services and also receives CDBG grant funds from the New Hampshire Office of State Planning as well as grant funds from the New Hampshire Office of the Attorney General.

The contract and the grants are subject to program compliance audits by the grantors or their representatives. The audits of the contract and the grants for or including the fiscal year have not yet been reviewed by the grantor. Accordingly, the County's compliance with applicable contract requirements will be established at some future date after the grantor's review. The amount if any, of expenditures which may be disallowed by the contracting agencies cannot be determined at this time although the County expects such amounts if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the County.



**COUNTY OF GRAFTON, NEW HAMPSHIRE**  
**NOTES TO THE FINANCIAL STATEMENTS**

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***C. Other Post Employment Benefits***

The County provides postretirement health care benefits for certain retirees. Employment health insurance will continue to be paid by the County for retirees under the following circumstances: Any employee who has accrued ten years full-time equivalent of continuous paid time during which the employee was eligible for County paid medical benefits may receive County paid medical benefits upon retirement at age 62 or thereafter. Upon reaching age 65, it is mandatory for the retiree to sign up for Medicare. The County will pay for the retiree only (one person) at the single rate for ages 62 to 65 and on Medi Comp III (supplement to Medicare) rate at age 65 and over.

There were a total of 51 eligible employees participating in the program at year-end. Total cost to the County for the fiscal year was \$139,572.

***D. Employee Pension Plan***

PLAN DESCRIPTION - Substantially all County employees participate in the State of New Hampshire Retirement System (the System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All County full-time employees are eligible to participate in the System. The System is divided into two employee groups: Group I which includes all employees except fire fighters and police officers and Group II which is for fire fighters and police officers (including County Sheriff's Departments). The New Hampshire Retirement System issues annually a publicly available financial report that includes financial statements and required supplemental information for the System. That report may be obtained by writing to the New Hampshire Retirement System, 4 Chenell Drive, Concord, NH.

GROUP I EMPLOYEES - who retire at or after age 60 but before age 65 are entitled to retirement benefits equal to 1.667% of the average of their three highest paid years of compensation, multiplied by their years of service. At age 65 the benefit is recalculated at 1.50% of AFC multiplied by their years of service credit. Earlier retirement allowances at reduced rates are available after age 50 with 10 years of service. Benefits fully vest upon reaching 10 years of service or attaining age 60.

GROUP II EMPLOYEES - who attain age 45 with 20 years or more of service are entitled to retirement benefits equal to 2.5% of the average of their three highest paid years of service, multiplied by their years of service, not to exceed 40. Benefits vest ratably beginning after 10 years of service.

The System also provides death and disability benefits. Cost-of-living increases have been periodically granted to retirees by the State Legislature.

FUNDING POLICY - The System is funded by contributions from both the employees and employers. Group I employees are required by State statute to contribute 5.0 percent of gross earnings. Group II employees are required to contribute 9.3 percent of their gross earnings. The employer must, under the same statute, contribute monthly at an actuarially determined rate. The current rates are 4.14% (2.18% for teachers, 5.33% for police officers and 5.40% for firefighters) of covered payroll. The contribution requirement for the year was \$714,935, which consisted of \$308,713 from the County and \$406,222 from employees. The County's contributions to the System for the years ended June 30, 2002 and 2001 were \$292,960 and \$284,573, respectively, which were equal to the amount required under State statute to be contributed for each year.

**REQUIRED SUPPLEMENTAL INFORMATION**

COUNTY OF GRAFTON, NEW HAMPSHIRE  
 ACTUAL REVENUES AND EXPENDITURES COMPARED TO LEGALLY ADOPTED BUDGET  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Adopted Budget	Prior Year's Encumbrances	Approved Transfers	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>						
<u>Taxes</u>						
County Taxes	\$ 10,948,197	-	\$ -	\$ 10,948,197	\$ 10,948,197	\$ -
Total Taxes	10,948,197	-	-	10,948,197	10,948,197	-
<u>Intergovernmental</u>						
Federal Payment in Lieu of Taxes	32,500	-	-	32,500	60,562	28,062
County Attorney	-	-	-	-	84	84
Juvenile Alternative Program	221,218	-	-	221,218	228,109	6,891
Flexible Funding	-	-	-	-	-	-
COPS More 2001 Grant	71,148	-	-	71,148	-	(71,148)
Unclaimed Property Distribution	-	-	-	-	19,209	19,209
Total Intergovernmental	324,866	-	-	324,866	307,964	(16,902)
<u>Jail</u>						
	62,500	-	-	62,500	103,692	41,192
<u>Farm</u>						
Sale of Milk	273,000	-	-	273,000	259,749	(13,251)
Sale of Livestock	20,000	-	-	20,000	17,157	(2,843)
Sale of Wood	10,000	-	-	10,000	1,017	(8,983)
Produce to Nursing Home	2,000	-	-	2,000	1,320	(680)
Services to Nursing Home	6,000	-	-	6,000	5,304	(696)
Miscellaneous	35,000	-	-	35,000	15,707	(19,293)
Total Farm	346,000	-	\$ -	346,000	300,254	(45,746)

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COUNTY OF GRAFTON, NEW HAMPSHIRE  
ACTUAL REVENUES AND EXPENDITURES COMPARED TO LEGALLY ADOPTED BUDGET  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Adopted Budget	Prior Year's Encumbrances	Approved Transfers	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Charges for Services</b>						
Register of Deeds Surcharge	\$ 48,000	\$ -	\$ -	\$ 48,000	\$ 66,677	\$ 18,677
Register of Deeds	750,000	-	-	750,000	1,321,562	571,562
Sheriff's Department Fees	130,000	-	-	130,000	124,135	(5,865)
Sheriff's Department Dispatch Service	194,400	-	-	194,400	266,716	72,316
White Mountain Forest Patrols	20,000	-	-	20,000	19,776	(224)
Reimbursement, Prisoner Return	6,000	-	-	6,000	10,745	4,745
Court Bailiffs	82,000	-	-	82,000	87,732	5,732
Special Deputy Assignments	12,500	-	-	12,500	16,666	4,166
Deeds- CD ROM and On-line Service	3,000	-	-	3,000	3,163	163
Sheriff- District Court Fees	27,500	-	-	27,500	29,631	2,131
Electronic Monitoring	-	-	-	-	-	-
Reimbursement from UNH	8,000	-	-	8,000	8,000	-
District Court Prisoner Security	40,000	-	-	40,000	54,576	14,576
Total Charges for Services	1,321,400	-	-	1,321,400	2,009,379	687,979
<b>Rent</b>						
Courthouse	281,177	-	-	281,177	281,711	534
Total Rent	281,177	-	-	281,177	281,711	534
<b>Interest</b>						
Interest	75,000	-	-	75,000	75,964	964
Interest on County Taxes	500	-	-	500	642	142
Interest on Bond	-	-	-	-	138,063	138,063
Total Interest	75,500	-	-	75,500	214,669	139,169
<b>Miscellaneous</b>						
Sale of Cruisers	7,000	-	-	7,000	4,974	(2,026)
Insurance Refunds	10,000	-	-	10,000	13,213	3,213
Miscellaneous	3,000	-	-	3,000	2,882	(118)
Total Miscellaneous	20,000	-	-	20,000	24,069	4,069
<b>Total Revenues</b>	\$ 13,379,640	\$ -	\$ -	\$ 13,379,640	\$ 14,189,935	\$ 810,295

GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

<i>Expenditures</i>	Adopted Budget	Prior Year's Encumbrances	Approved Transfers	Revised Budget	Actual	Variance Favorable (Unfavorable)
General Government						
Administration						
County Commissioners	\$ 249,320	\$ -	\$ (2,020)	\$ 247,300	\$ 254,131	\$ (6,831)
Treasurer	8,490	-	200	8,690	8,580	110
County Delegation	7,500	-	-	7,500	6,355	1,145
County Attorney	377,947	-	(17,304)	360,643	350,981	9,662
Register of Deeds	445,437	9,824	-	455,261	436,322	18,939
Human Resources	29,282	-	-	29,282	287,520	(258,238)
Medical Referee	30,000	-	20,000	50,000	47,575	2,425
Maintenance	-	-	1,529	1,529	-	1,529
Grafton County Regional Economic Development	25,000	-	-	25,000	25,000	-
Extension Service	241,356	9,629	-	250,985	237,228	13,757
County Vehicle	2,000	-	500	2,500	2,402	98
Social Services Agencies	485,300	-	-	485,300	485,300	-
Conservation District	40,371	-	-	40,371	39,972	399
North Country Council	500	-	-	500	500	-
Salary/Benefits Adjustment	141,942	-	5,900	147,842	145,062	2,780
Court House Rental Space	8,127	-	-	8,127	7,885	242
Contingency Account	20,500	-	(3,000)	17,500	12,610	4,890
Medicaid Proportionate Share	-	-	-	-	620,766	(620,766)
Juvenile Detention	100	-	-	100	-	100
Unemployment	5,000	-	(4,442)	558	12	546
Courthouse Maintenance	136,818	-	(500)	136,318	132,738	3,580
Total General Government	\$ 2,254,990	\$ 19,453	\$ 863	\$ 2,275,306	\$ 3,100,939	\$ (825,633)

COUNTY OF GRAFTON, NEW HAMPSHIRE  
ACTUAL REVENUES AND EXPENDITURES COMPARED TO LEGALLY ADOPTED BUDGET  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Adopted Budget	Prior Year's Encumbrances	Approved Transfers	Revised Budget	Actual	Variance Favorable (Unfavorable)
Public Safety						
Sheriff's Department	\$ 859,611	\$ 9,775	\$ -	\$ 869,386	\$ 835,453	\$ 33,933
Dispatch Center	546,619	-	-	546,619	499,538	47,081
Jail	2,010,077	-	(8,666)	2,001,411	1,880,868	120,543
Community Connections	78,375	-	-	78,375	68,210	10,165
Total Public Safety	3,494,682	9,775	(8,666)	3,495,791	3,284,069	211,722
Human Services	5,443,718	106,683	-	5,550,401	5,060,804	489,597
Farm	357,383	-	-	357,383	356,855	528
Capital						
County Commissioners	3,200	-	-	3,200	170	3,030
County Attorney	-	-	-	-	-	-
Register of Deeds	4,200	5,557	-	9,757	11,037	(1,280)
Sheriff's Department	72,496	18,230	-	90,726	88,910	1,816
Maintenance	-	15,000	-	15,000	4,139	10,861
COPS MORE 2001 Grant	71,148	-	-	71,148	-	71,148
Extension Service	4,500	-	-	4,500	4,453	47
Jail	2,750	97,685	-	100,435	5,268	95,167
Farm	-	-	-	-	-	-
Dispatch Capital Reserve	-	-	35,000	35,000	35,000	-
Farm Capital Reserve	33,000	-	-	33,000	31,462	1,538
Deeds Equipment - Surcharge	48,000	-	-	48,000	58,400	(10,400)
Total Capital	239,294	136,472	35,000	410,766	238,839	171,927
Debt Service						
Principal	140,000	-	-	140,000	140,000	-
Interest						
Interest on Long-Term Debt	10,535	-	-	10,535	10,535	-
Interest - Tax Anticipation Notes	1,458	-	-	1,458	1,420	38
Total Interest	11,993	-	-	11,993	11,955	38
<b>Total Expenditures</b>	<b>\$ 11,942,060</b>	<b>\$ 272,383</b>	<b>\$ 27,197</b>	<b>\$ 12,241,640</b>	<b>\$ 12,193,461</b>	<b>\$ 48,179</b>

(Continued)

COUNTY OF GRAFTON, NEW HAMPSHIRE  
ACTUAL REVENUES AND EXPENDITURES COMPARED TO LEGALLY ADOPTED BUDGET  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Adopted Budget	Prior Year's Encumbrances	Approved Transfers	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess (Deficiency) of Revenues Over Expenditures	\$ 7	\$ (272,383)	\$ (27,197)	\$ 1,138,000	\$ 1,996,474	\$ 858,474
<b>Other Financing Sources (Uses)</b>						
Proceeds of Long-Term Debt	-	-	-	-	-	-
Operating Transfers In						
From Capital Projects:						
Farm Capital Reserves	33,000	-	-	33,000	33,000	-
Dispatch Capital Reserves	-	-	35,000	35,000	35,000	-
Grafton County Nursing Home Capital Reserves	-	-	-	-	16,181	(16,181)
Total Operating Transfers In	33,000	-	35,000	68,000	84,181	(16,181)
Operating Transfers (Out)						
To Special Revenues:						
Victim/Witness Grant	(71,029)	-	-	(71,029)	(68,335)	(2,694)
To Capital Projects:						
Home Capital Reserves	-	-	-	-	-	-
Farm Capital Reserves	-	-	-	-	-	-
Dispatch Capital Reserves	-	-	(21,600)	(21,600)	(21,600)	-
To Enterprise Funds:						
Grafton County Nursing Home	(2,399,551)	(53,813)	(7,803)	(2,461,167)	(1,483,868)	(977,299)
Total Operating Transfers (Out)	(2,470,580)	(53,813)	(29,403)	(2,553,796)	(1,573,803)	(979,993)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,437,580)</b>	<b>(53,813)</b>	<b>5,597</b>	<b>(2,485,796)</b>	<b>(1,489,622)</b>	<b>(996,174)</b>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	(2,437,573)	(326,196)	(21,600)	(1,347,796)	506,852	(1,854,648)
Fund Balances, Beginning of Year	1,738,297	-	-	1,738,297	1,738,297	-
Fund Balances, End of Year	\$ (699,276)	\$ (326,196)	\$ (21,600)	\$ 390,501	\$ 2,245,149	\$ (1,854,648)

Beginning Fund Balance Was Budgeted as Follows: \$1,000,000 Used to Reduce County Tax Rate, \$326,196 Prior Year's Encumbrances and \$21,600 Appropriated From Fund Balance for Dispatch Capital Reserves.

**OTHER SUPPLEMENTAL INFORMATION**



COUNTY OF GRAFTON, NEW HAMPSHIRE  
GENERAL FUND - JAIL  
SCHEDULE OF COST PER INMATE DAY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Amount	Cost Per Inmate Day *
Salaries and Wages	\$ 1,061,014	\$ 32.98
Wages in Lieu of Health Insurance	6,050	0.19
Uniforms	6,470	0.20
Social Security	32,837	1.02
Health Insurance	137,115	4.26
Retirement	47,753	1.48
Workmen's Compensation Insurance	9,014	0.28
Unemployment Compensation	-	-
Education and Conferences	10,446	0.32
Consultants	16,641	0.52
Employee Physicals	-	-
Ambulance Service	1,486	0.05
Mental Health Consulting Services	11,541	0.36
Dues, Licenses and Subscriptions	1,013	0.03
Postage	530	0.02
Supplies	9,240	0.29
Meals	275,774	8.57
Laundry	21,099	0.66
Prisoner Clothing/Supplies	10,542	0.33
Medical/Dental	109,084	3.39
Plant Operation	79,918	2.48
Advertising/Public Relations	-	-
Telephone	3,180	0.10
Vehicle	3,024	0.09
Repairs and Maintenance	9,336	0.29
Property Insurance	5,909	0.18
Liability Insurance	616	0.02
Building Renovations	2,116	0.07
Community Connections	68,210	2.12
Operating Impact Grant	9,120	0.28
	<u>\$ 1,949,078</u>	<u>\$ 60.58</u>

\* Inmate Days = 32,176

COUNTY OF GRAFTON, NEW HAMPSHIRE  
GRAFTON COUNTY HOME  
SCHEDULE OF GENERAL OPERATING EXPENSES AND COST PER RESIDENT DAY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Amount	Cost Per Resident Day*	Prior Year's Cost Per Resident Day
<b>General Operating Expenses</b>			
Administrative	\$ 730,875	\$ 18.43	\$ 18.99
Dietary	885,561	22.33	21.55
Nursing Service	4,677,643	117.96	113.01
Physical Therapy	165,903	4.18	3.07
Health Information Management	135,300	3.41	3.17
Therapeutic Recreation	194,884	4.91	4.69
Plant Maintenance	376,742	9.50	10.45
Laundry and Linen	176,800	4.46	4.37
Housekeeping	445,669	11.24	11.25
Pharmacy and Medical Director	23,053	0.58	0.55
Contracted Services	224,594	5.66	5.06
Special Services	107,341	2.71	2.71
Increase (Decrease) in Vacation/Sick Leave	10,384	0.26	0.04
<b>Total General Operating Expenses</b>	<b>\$ 8,154,749</b>	<b>205.65</b>	<b>\$ 198.91</b>
		<b>(198.91)</b>	
		<b>\$ 6.74</b>	

\* Resident Days = 39,654      Resident Days Prior Year = 36,537



GRAFTON COUNTY  
Commissioners Office  
3801 Dartmouth College Highway  
North Haverhill, NH 03774

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