

**REPORT
OF THE
COUNTY COMMISSIONERS
COUNTY TREASURER
AND OTHER
OFFICERS OF CHESHIRE COUNTY
NEW HAMPSHIRE**

For the year ending December 31, 2012



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CHESHIRE COUNTY OFFICERS

COMMISSIONERS	352-8215
John M. Pratt, Chairman Roger Zerba, Vice Chairman Aaron Patt, Clerk	
COUNTY ADMINISTRATOR	352-8215
John G. Wozmak, JD, NHA	
COUNTY ATTORNEY	352-0056
Peter Heed	
ASSISTANT COUNTY ATTORNEYS	352-0056
Keith Clouatre, David Lauren, Kathleen O'Reilly, John Webb, John Gasaway Jr., Jean Kilham, Mary Cloutier, Chris McLaughlin	
REGISTER OF DEEDS	352-0403
Evelyn S. Hubal	
SHERIFF	352-4238
Richard Foote	
TREASURER	357-0793
Fred Parker	
CLERK OF SUPERIOR COURT	352-6902
James Peale	
REGISTER OF PROBATE	357-7786
Anna Z. Tilton	
DIRECTOR, ALTERNATIVE SENTENCING PROGRAM	209-1526
Michael Potter	
SUPERINTENDENT, DEPARTMENT OF CORRECTIONS	399-7794
Richard N. Van Wickler	
DIRECTOR, INFORMATION TECHNOLOGIES	355-3034
Robert Hummel	
DIRECTOR, FACILITIES	399-7300
Barry King	
DIRECTOR, FINANCE	355-3036
Sheryl Trombly	
DIRECTOR, HUMAN RESOURCES	399-7317
Wendy Hurley	
ADMINISTRATOR, MAPLEWOOD NURSING HOME	399-4912
Kathryn Kindopp NHA	399-7302
DIRECTOR, NURSING SERVICES	399-4912
Dodi Sheltra	

Board of Commissioner's 2012 Report

Throughout 2012 the nation struggled to regain its economic footing after suffering the largest recession since the Great Depression of the 1930's. Government at all levels tightened their belt in order to provide as much assistance to our citizens as possible. Cheshire County government was no exception. Taxes to be raised by the County were reduced by more than \$725,000, more than enough to offset the transfer of Southwestern Fire and Mutual Aid from the County budget to local governments.

After more than a year of discussions in late 2012 ground was broken for a new Court House for Cheshire County. There can be no doubt that this project would not have come to fruition without the tireless efforts of Jack Dugan of the Monadnock Economic Development Corporation and Senator Molly Kelly. The Commissioners salute both of them.

The final days of 2012 saw a change in County Government leadership unprecedented in our lifetime. Sheriff Dick Foote did not seek re-election after 14 years of service as the County's chief law enforcement officer. County Attorney Peter Heed resigned after two stints as County Attorney in order to reenter private practice. The County's senior elected official, Register of Deeds Evelyn Hubel, was not re-elected after 41 years of service in the Register's office. County Commissioner Aaron Patt and County Treasurer Fred Parker also lost their bids for re-election. Our County has been blest by the strong leadership which, collectively, these public servants have given the citizens of Cheshire County, and we thank them for their dedicated service.

Last year also saw the retirement of Doug Scribner as the County's Information Technology (IT) Director after eleven years of service. Doug was largely responsible for moving County government into the computer age.

The legislative responsibilities for Cheshire County are in the hands of the county's 23 State Representatives. The Commissioners are deeply appreciative of the close working relationship which exists between the Delegation and the Board, and expresses its thanks to Delegation Chairman Rep. Lucy Weber of Walpole and Executive Committee Chairman Rep. John Hunt of Rindge.

Last, but certainly not least, the Board expresses its appreciation and thanks to the over 400 employees of Cheshire County government. They take superb care of our seniors at the Maplewood Nursing Home. They provide an opportunity for rehabilitation to the men and women help in our House of Corrections, and security to all of us through our Sheriffs and Police Dispatchers. They preserve the history of the County in our Deeds office. They provide excellent maintenance and upkeep to all our County facilities. In addition to all those we have already named the Commissioners thank Department Heads Kathryn Kindopp at Maplewood, Richard Van Wickler at the House of Corrections, Barry King at Facilities, Wendy Hurley at Human Resources and, most of all, County Administrator Jack Wozmak and Finance Director Sheryl Trombly.

It is our honor and our great pleasure working with you all.

Respectfully submitted,

The Cheshire County Board of Commissioners



John M. Pratt
Chairman



Stillman Rogers
Vice Chairman



Roger Zerba
Clerk

OFFICE OF THE CHESHIRE COUNTY ATTORNEY

ASSISTANT COUNTY ATTORNEYS

Kathleen G. O'Reilly
David Lauren
John S. Webb
Jean Kilham
Keith Clouatre
John M. Gasaway
Mary B. Cloutier



D. Chris McLaughlin
COUNTY ATTORNEY

VICTIM/WITNESS PROGRAM

Sarah McKenzie Hoskins
Julie J. Short

Superior Court House
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Office of the Cheshire County Attorney - Annual Report 2012

The primary responsibility of the Office of the Cheshire County Attorney is the prosecution of felony level crimes in the Cheshire County Superior Court. The attorneys at the County Attorney's Office oversee major felony investigations, working closely with police officers and investigators. When an investigation is completed and referred to our office, the attorneys then review the reports, and a determination is made as to whether criminal charges will be brought. This process can include filing complaints in the 8th Circuit Court (formerly Keene District Court and Jaffrey District Court) and making presentations before a Grand Jury. The attorneys handle all pre-trial procedures, and if a case is not resolved by a plea or other non-trial resolution, it proceeds to a jury trial.

The case load at the Office of the Cheshire County Attorney continues to be heavy. During 2012, approximately 420 felony level case files and more than 100 probation violations were handled by this office. Attorneys formally presented approximately 552 charges to the Grand Jury for indictment consideration, and approximately 235 individuals were indicted. Additionally, attorneys from this office evaluated 64 DCYF reports, issued 114 "one party" authorizations (primarily to the New Hampshire Attorney General's Drug Task Force), and reviewed 147 untimely death investigations in Cheshire County.

The Cheshire County Circuit Court Prosecutor Program continues to be successful. The program consists of the Regional Prosecutor Program, which prosecutes cases for ten (10) towns in Cheshire County (since 2008), and the City of Keene Prosecutor, who prosecutes cases for the Keene Police Department (since 2009). The prosecutors in the Circuit Court Prosecutor Program are all Assistant Cheshire County Attorneys. The cases handled by the Circuit Court Prosecutor Program account for the large majority of all cases coming before the 8th Circuit Court – Keene District Division. This program has increased efficiency, improved officer training, and provided more uniform prosecution policies among participating police departments in Cheshire County. Because the program's prosecutors work closely with the felony prosecutors at the Superior Court, the County Attorney's Office has been able to improve communication from the earliest stages of felony cases, resulting in improved chances of early resolution and success in both the Circuit and Superior Courts.

Throughout 2012, Attorney Jean Kilham, who has been employed with us since March of 2008, was the lead prosecutor for the Regional Prosecutor Program. Attorney

Kilham graduated from the University of New Hampshire in 2001, and received her law degree from the Massachusetts School of Law in June of 2006. She has worked very hard, and is respected by law enforcement, as well as the Defense Bar.

The Regional Prosecutor's Office was fortunate to welcome Attorney Mary Cloutier in 2012. Mary grew up in Rumney, New Hampshire, and attended Carleton College in Minnesota, graduating in 2006. She received her law degree in 2010 from the University of Minnesota. She is a member of the New Hampshire Bar. Mary stepped in to replace Attorney John "Jay" McCormack, who accepted a position with the New Hampshire Attorney General's Office.

Additionally, one of the Assistant County Attorneys, David Lauren, works under a federal grant, which requires 60% of his case load to be devoted to the prosecution of cases involving domestic violence. Consequently, David, in addition to handling felony cases in Superior Court, handles (in the 8th Circuit Court) some of the Regional Prosecutor Program's misdemeanor cases involving crimes of domestic violence.

Throughout 2012, I continued to serve as the prosecutor for the Keene Police Department as part of the Circuit Court Prosecutor Program.

In addition to the attorneys in the Circuit Court Prosecutor Program, retired Police Officer John Dudek assists as a part-time prosecutor, handling mostly arraignments and review hearings in the Circuit Court for the Regional Prosecutor Program. Throughout 2012, Administrative Assistant Melissa Gardner served as the Administrative Assistant for the Office of the Regional Prosecutor Program.

The Circuit Court Prosecutor Program, under the direct supervision of the County Attorney, handles all misdemeanor offenses that arise in the eleven (11) participating towns/City, and also handles the initial stages of most felony cases, including bail arguments and probable cause hearings. Additionally, the Regional Prosecutor Program handles many of the ten (10) towns' serious juvenile matters. During 2012, approximately 950 case files were handled and processed from the ten (10) towns served by the Regional Prosecutor Program. The Keene Police Department Prosecutor's Office handled and processed approximately 1,750 cases during 2012. The towns and the City of Keene both benefit from the expertise and resources of the County Attorney's Office. Conversely, the County Attorney's Office benefits from increased communication between its Circuit Court and Superior Court prosecutors, who often encounter the same defendants, victims, and legal issues in the two different Courts. This leads to efficiency in prosecution through, whenever appropriate, a quick resolution of minor felony cases as misdemeanor pleas and sentences in the Circuit Court, which, in turn, leads to a reduction in the number of felony cases proceeding through the Superior Court process.

In the Superior Court, the County has five experienced Assistant County Attorneys handling felony cases – Kathleen O'Reilly, David Lauren, John Webb, Keith Clouatre, and John Gasaway, Jr. Kathleen O'Reilly is now in her 17th year with the

office. Kathleen is extremely hard working and shoulders a heavy case load. David Lauren is an experienced attorney in his 7th year with the office. He previously worked for the Maine Attorney General's Office, and as an Assistant County Attorney in Hillsborough County. David's focus is the area of domestic violence. Assistant County Attorney John Webb is one of our more experienced trial attorneys, having joined the office in 2007. John is formerly of the Merrimack County Attorney's Office, where he was a veteran prosecutor. Prior to that, Attorney Webb served as a Law Clerk to the Superior Court. John's experience and expertise are highly valued. Joining our staff in late 2009 was Attorney Keith Cloutre. Keith is an experienced trial attorney, and previously served as both an Assistant County Attorney and the County Attorney in Coos County. The latest addition to our staff is Assistant County Attorney John Gasaway, Jr. Attorney Gasaway is also an experienced prosecutor, with specialized experience and expertise in complex financial cases. He previously prosecuted for the Rockingham County Attorney's Office, the New Hampshire Attorney General's Office and, more recently, he worked for The Competition Authority, in Dublin, Ireland.

The responsibilities of the Assistant County Attorneys in our office are many. All Assistant County Attorneys are available to assist local law enforcement with major case investigations and one-party authorizations. Additionally, an attorney must be available to consult on fatal accident scenes where potential criminal charges may be brought, as well as to consult on untimely deaths, and related investigations. Furthermore, I and one of the Assistant County Attorneys, continue to meet monthly with investigators from the Keene Police Department and, upon request, with other law enforcement agencies. I also attend the monthly meetings of the Cheshire County Chiefs of Police Association, the Cheshire County SART (Sexual Assault Resource Team), the Cheshire County Domestic Violence Coalition and the Cheshire County Alternative Sentencing Program.

In addition, the attorneys in our office meet regularly with members of law enforcement, social services, crisis workers, victim witness coordinators, mental health professionals, and medical specialists in order to insure the continued success of the Child Advocacy Center in Cheshire County. The ideology behind the center is the institution of multidisciplinary teams trained in the investigation and prosecution of physical and sexual abuse against children. They work together as a unified team from the inception of any report of child abuse that occurs anywhere in Cheshire County. The Child Advocacy Center is having a significant and positive impact on the investigation and prosecution of perpetrators of physical and/or sexual abuse on children.

Another important service provided by this office is that of liaison between victims/witnesses and the court system. The success of any prosecution hinges on victims and witnesses being informed of and feeling comfortable with the intricacies and nuances of the court system. Throughout the first half of 2012, this office had three victim/witness coordinators, Sarah Hoskins, Julie Short, and Cilla DeHotman. Sarah Hoskins is a victim/witness coordinator of vast experience. During the first half of 2012, Sarah was assigned to provide victim/witness services to victims and witnesses of domestic abuse and she worked primarily in the 8th Circuit Court – Keene District

Division. Julie Short is in her 5th year of working as a victim/witness coordinator for felony level offenses. Prior to her work as a victim/witness coordinator, Julie served as the Office Manager for the Cheshire County Attorney's Office. Throughout the first half of 2012, Cilla DeHotman, who joined the staff during 2008, worked as a victim/witness coordinator for felony level offenses. Owing to budget cuts, the position of the third victim/witness coordinator was eliminated halfway through 2012. As such, Cilla left her position with this office, and Sarah has been handling more felony victim/witness case services. Consequently, the services available to a victim/witness from a victim/witness coordinator in misdemeanor cases are limited to complex crimes of domestic violence.

Lastly, the Cheshire County Attorney's Office administrative staff is responsible for the day to day operations of the office. In 2012, the administrative staff consisted of Office Manager Chloe Bosquet, and Administrative Assistants Laurie Burt, Gayle Buchanan and Melissa Gardner. Both Chloe and Gayle joined the staff during 2009. Melissa joined in 2010 and Laurie has been with the office since 2006. We are very fortunate to have an administrative staff that is incredibly hard working and dedicated to the success of the office. They bring a positive attitude and a high level of professionalism to the office each and every day. Furthermore, the administrative staff has been invaluable in implementing a new computer based case management system (Karpel), which will ultimately do away with the need to store paper files for years and will provide quick access to old files and to data compiled over the years.

I look forward to the challenges facing the office of the Cheshire County Attorney in 2013. We anticipate facing financial and organizational challenges with respect to the current Circuit Court Regional Prosecution Program, as the County continues to do its best to respond to the requirements and hopes of the many towns in Cheshire County. I also look forward to the implementation of the Superior Court Drug Court, and to addressing the challenge of reducing recidivism in those defendants with a long-term addiction to controlled drugs. In conclusion, this office will continue to seek justice for victims of criminal conduct, which, ultimately, encompasses diligent prosecutions coupled with sentences that, where appropriate, balance punishment, deterrence (both specific and general) and rehabilitation.

Respectfully submitted,



D. Chris McLaughlin
Cheshire County Attorney
3/20/2013

County of Cheshire Registry of Deeds

To the Citizens of Cheshire County

I hereby submit this annual report for the year ending December 31, 2012 on behalf of the former Register of Deeds of Cheshire County, Evelyn Hubal who started working at the Registry in 1971, was elected Register of Deeds in 1974, and served in that position until 2013. The November 2012 election resulted in Anna Z. Tilton being elected the new Register of Deed and taking the oath of office January 5, 2013.

The recording of important documents is one of the oldest functions performed by government. The Registry of Deeds is the office that records and tracks the ownership of every parcel of land and building(s) in Cheshire County. Each piece of property is represented in a recorded document at the Registry; types of documents would include deeds, mortgages, assignments, discharges of mortgage, liens, plans and covenants for developments, trustee certificates, power of attorney, and by-laws for condo associations, and plans of surveyed properties.

It is a public office open to the legal profession and general public for research. The Registry also houses collections of surveys, notes, and plans, of several well known and respected land surveyors. These collections were been donated to the Registry and are available for research in the Registry: The Samuel Wadsworth collection, Heman Chase collection and the William House collection.

The NH Deeds website can be used to access images of original documents filed and the indices dating back to the early 1950's. Older materials and records can be viewed at the Registry. There are two scanners in the office with new documents scanned daily as they are filed and the old records, books and indexes scanned when staff is not busy with other tasks. Scanning of the older books and indices will continue until all the records are digitized and made available as electronic records on-line.

In 2012, there were 12,100 documents recorded with the Deeds office, about 1,100 more than in 2011. There were 190 foreclosures, 2,479 deeds, about 2700 mortgages and 3,254 discharges.

Employees continued to settle into their new positions; Janean Gay, continues to work on indexing and recording, while also handling the copy department duties when needed.

Vickie Williams, the reproduction technician, is now primarily responsible for the copy department. She scans the daily documents which are filed in the office and when there are enough filed to fill a book, she prints the book.

Audrey Hood, bookkeeper, continues with her duties and helps out at the recording counter on a more regular basis.

Nicolyn Toth, hired as clerk in 2011 has also been trained to do indexing, recording and accounting and is also familiar with some scanning procedures to allow coverage when other staff is out or on vacation.

Mira Cook was appointed Deputy Register in July 2011 and continues in that role. She helps to maintain many of the office financial records and has significant oversight of daily office operations.

While 2012 showed an improvement over 2011, the real estate market has not rebounded to anywhere close to where it had been in the recent past, which is reflected in revenues generated in the Office of Deeds.

But the office still continued to take in and turn over a significant amount of money to the State of NH and to the Cheshire County general fund. In 2012, the State received \$3,494,243; the county received \$536,418. And the surcharge account which is by the Registry for the lease and rental of office equipment added \$23,649.

The office has benefited from having the support of the County delegation over the years and the public has also benefited by having these important paper records preserved while also being made available in electronic form and on the internet.

Cheshire County Sheriff's Office

ELIEZER "Eli" RIVERA
Sheriff

TREVOR S. CROTEAU
Captain

ARLENE W. CROWELL
Director of Communications



12 Court Street
Keene, New Hampshire 03431

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www.co.cheshire.nh.us/sheriff

2012 ANNUAL REPORT

In 2012, we saw the departure of Sheriff Richard Foote after fourteen years of service to Cheshire County, as the High Sheriff. Sheriff Foote decided not to seek reelection and retire after forty-three years of a distinguished law enforcement career. We wish Sheriff Foote a farewell and thank him for his dedicated service and leadership.

In 2012, we saw a decrease in some of our services:

- Investigations dropped by 57% from 138 to 59
- Arrests dropped by 4% from 294 to 282
- Motor vehicles stops dropped by 3.9% from 1133 to 1089
- Transports dropped by 17% from 3691 to 3070
- Civil Process dropped by 2.4% from 3135 to 3060

Contrary to the above decreases our calls for service did see an increase of 5% from 44236 to 46615. The reduction in transports by the Sheriff's Office can be attributed to the use of video by the 8th Circuit Court – Keene District, the 8th Circuit Court – Jaffrey District and the Cheshire County Superior Court. The use of video by the courts allows persons incarcerated to remain at the Cheshire County House of Corrections and conduct business with the court without having to physically appear. We continue to monitor the use of video and frequently consult with the Administrative Office of the Court on how to maximize the use of video, in lieu of transports.

We were fortunate to receive several grants in 2012:

- ◆ US Department of Justice Ballistic Vest Grant
- ◆ NH Highway Safety "Safe Commute Patrols" Grant
- ◆ NH Attorney General's Enforcing Underage Drinking Laws Grant
- ◆ Regional Repeater System for the towns of Marlborough, Jaffrey, Fitzwilliam, Dublin, Alstead and Troy
- ◆ Byrne's Justice Assistance Grant shared with Keene Police Department

In addition, we are expecting delivery of our new Mobile Command Post in early 2013.

The Sheriff's Office continues to provide part-time contracted police services to the Town of Gilsum. This contracted service generates approximately \$25,000 in revenue for the county.

Sheriff's Office personnel participated in the following training:

- ◆ Calls Involving Persons with Mental Illness
- ◆ Child Abuse and Neglect
- ◆ Deadliness of Stress
- ◆ Suicide Prevention and Postvention
- ◆ Getting her from Going to Gone
- ◆ The Batterer as Partner and as Parent
- ◆ Glock Armorer
- ◆ Criminal Investigations
- ◆ Legal Updates 2012-2013
- ◆ Suspicious Activity Reporting
- ◆ Council Rules for Firearms and HR-218
- ◆ Ethics for Law Enforcement
- ◆ Jay McDuffee Motor Vehicle Seminar
- ◆ Radar
- ◆ Supervisor Training
- ◆ TASER Instructor Recertification

Some of our community service activities included:

- ◆ Cheshire County MADD Chapter
- ◆ NH Special Olympics Law Enforcement Torch Run
- ◆ DARE New Hampshire State Board of Directors
- ◆ The Prevention of Alcohol Abuse in Cheshire County
- ◆ SHEPARD Program
- ◆ New Hampshire Special Olympics Executive Committee
- ◆ Touch a Truck
- ◆ Tough Mudder

As the new Sheriff of Cheshire County I look forward to 2013, bringing in a new vision and direction for the Sheriff's Office.

Respectfully submitted,
Eli Rivera, Sheriff

CHESHIRE COUNTY ALTERNATIVE SENTENCING
AND MENTAL HEALTH COURT PROGRAMS
2012 ANNAUL REPORT

In 2010 CCASP/MHC began a research project to determine whether the programs were successful at assisting the program participants in making and maintaining lifestyle changes and reducing recidivism. The test subjects were those who completed the program in 2007. Based on Cheshire County House of Corrections censuses, CCASP/MHC gathered information to see if these individuals returned to the House of Corrections. It was discovered that at the end 2010 there was a 25% recidivism rate after three years. That percentage of recidivism has been steady for the last two years. 75% of those individual that received treatment through the Alternative Sentencing Program (Circuit Drug Court) and Mental Health Court Program and successfully completed have maintained a lifestyle that has kept them out of the House of Correction. These individuals are now contributing to the welfare of the county and their families rather than adding to the cost of the tax payers.

During 2011 and 2012 there were challenges that faced the County and the programs of Alternative Sentencing. During 2011 CCASP/MHC experienced a 25% decrease in funding. In 2012, it was recommended that the programs be discontinued. These two actions created reservations within the justice system as to the fate of the programs for 2013. It is surmised that this looming unknown led to fewer referrals then what have been seen during the last several years.

In 2010, 119 individuals were served; 2011, the total was 123. Last year between the two programs 74 clients participated. With the lower censuses the percentages are affected more than when the population is larger. We had a 45% successful completion rate out of the total number of clients seen. The break down is as follows:

- 33 successfully completed
- 19 were non-compliant
- 3 chose not participate after 6 days in the program (2 moved out of the area with prior Court knowledge and one chose incarceration)
- 22 were carried over into 2013
- Equaling a total of 77 clients.

Once we remove the 22 clients that are carried over into 2013 and the 3 who chose to self terminate, the total number of completions (both successful and non-compliant) becomes 52. **Using the total number (52) of those who started and either successfully completed or were discharged for non-compliance; the successful completion percentage is 70%.**

It is statistically significant to note that 61% of those who did not complete successfully were either under the age of 26 and/or addicted to heroin or opioids. Out of that 61%, 55% were under the age of 26 and addicted to Heroin. According to the National Association of Drug Court Professionals and their Chief of Science, Law and Policy, (Douglas B. Marlowe, JD, PhD.) these two variables are statistically the hardest to treat successfully and are more prone to recidivate. Further more, 39% of our non-compliant mental health clients suffered from Schizophrenia, Major Depressive Disorder with psychosis or Complicated PTSD. Again these illnesses are difficult to treat and manage.

CCASP/MHC experienced further difficulties in appropriating them into needed treatment in a timely fashion. This was due to lengthy waiting lists for State funded beds for inpatient substance use treatment and delays with the community mental health agency. Problems in scheduling follow up court reviews contributed to the inability to modify client behavior patterns and prevent actions of non-compliance with their individual service plan.

These concerns have been addressed with the Stakeholders and the justice system. A plan of correction has been developed and implementation has begun. Examples of these corrections are restructuring of the service plan to include possible sanctions for non-appropriate behavior and to expedite faster court appearances when needed, along with entering in to a dialog with MFS to arrange faster placement with ASP/MHC clients are. Adjustment will continually be made as needed to insure the continuing success of the participants and the program.

During the last quarter of 2011 CCASP/MHC with the help of Grant Specialist, Cyndi Desrosier, began discussing the application process for a Federal grant to start a Superior Drug Court. A committee, which was comprised of Superior Clerk of Court, Keene Police Department, County Attorneys, Public Defenders, and CCASP staff members, was organized. It was decided that this was a project that would be beneficial to the county. Once the new Superior Court Judge was assigned, the county was able to obtain a funding through several different grants to send a delegation to San Diego, Ca. for specialized training in formulating and running a Drug Court. The delegation members completed a week long intensive training program which qualified the county to apply for the Federal Drug Court Grant. The grant was completed along with the Policy and Procedure manual and forwarded on to the Department of Justice for consideration. The County had support not only from the Commissioners but Senator Jean Shaheen and Senator Kelly Ayotte. Awards will be announced in the fall of 2013.

The Staff of Cheshire County Alternative Sentencing and Mental Health Court Programs would like to thank the community members for their support and advocacy and to the agencies and providers whose work is vital to the success of these programs. We would also like to thank the justice system and the Delegation members for their continuing support of the programs. Special thanks goes to past clients and their family members who actively gave their time and effort sending letters of support, participated in the public forums and advocated for the continuation of our efforts to help individuals and the community at large.

The staff at CCASP/MHC continues to be dedicated to promoting the safety of the community, reduce recidivism and assist in helping the people we serve to obtain a healthier and productive lifestyle through behavioral and cognitive change.

Michael H. Potter, M.Ed., MLADC
Director of Cheshire County Alternative Sentence and Mental Health Court



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Richard N. Van Wickler, Superintendent

Gemma Lantry, Executive Assistant

Phone: (603) 903-1600

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Capt. **Kevin Clark**, Director of Classification

Major **Hank Colby**, Director of Programs

Major **John Mousseau**, Director of Safety & Security

CSM **Scott McLaughlin**, Federal Liaison & Transportation

Barnes Peterson, Mental Health

Douglas Iosue, Case Management

Laurie Mullen, Medical Services

Honorable Board of Commissioners, Cheshire County Delegation and Citizens of Cheshire County; Following are the statistics / Annual Report for the Department of Corrections for 2012.

Inmates booked with charges Pretrial and sentenced	1137
Males	934
Females	203
Protective Custody Bookings (no criminal charges)	336
Males	267
Females	69
Total Bookings	1473

Top TEN contributing arresting agencies:	Keene	501
	Sheriff	229
	Winchester	98
	NH State Police	77
	Hinsdale	59
	Probation and Parole	56
	Swanzey	49
	Jaffrey	46
	Rindge	42
	Walpole	26

In early December 2012 the jail received two new video systems that are part of the Statewide Court video system. These new units enable us to conduct video conference with any agency in the State.

In November of 2012 we decided to go with an inmate management software that was being offered by our inmate telephone vendor. The system is much more user friendly and is a windows based system. The biggest benefit is that there is no maintenance fee associated with the system, which will save the county thousands of dollars each year. Several Counties have opted for this jail management system.

2012 Mental Health and Substance Abuse Recovery Services

Mental Health and Substance Abuse Recovery Services at the CCDOC are coordinated by Barnes K. Peterson, LCMHC, CCFC. Barnes serves as our Mental Health Clinician and maintains the primary responsibility for the mental health care of our inmate population. Substance Abuse Recovery Services are coordinated by our Substance Abuse Counselor, Jenny E. Vanderbilt, MS, MLADC, who transitioned from a part-time, grant funded position to a full-time, County funded position in April of this year. Barnes and Jenny collaborate closely with the correctional staff and the Departments of Medical Services, Case Management, Safety and Security, Classification, and Programs to address the mental health, recovery, health care, rehabilitative, safety, and housing needs of inmates.

Mental Health Services

Barnes has provided mental health services at the CCDOC since July 2000. He maintains an individual caseload of approximately 65% of the inmate population. Inmates with severe mental illness, behavioral disorders, and suicide risk are prioritized.

In addition to his individual clinical work, Barnes co-facilitates the Cognitive Self Change group, which was initiated in May 2011. The CSC group helps inmates with Antisocial Personality Disorder to carefully investigate the core attitudes, beliefs, and principles that motivate criminal behaviors. Barnes also assisted Antioch University with the establishment of a CSC group at their Psychological Services Center, which provides motivated inmates with the opportunity to receive this service in the community.

The Cognitive Self Change group is co-facilitated with Jenny and Mental Health Intern Scott Maurmann. In 2012, 20 inmates participated in CSC. 15 inmates completed the minimum 12-week commitment to the group, and 11 inmates completed the entire 24-week program.

Please refer to attached summary of 2012 and 2001-2012 Mental Health and Substance Abuse Statistics.

Substance Abuse Recovery Services

Our Substance Abuse Recovery Services were significantly increased in 2012 when Jenny began to work full-time in April. In addition to individual counseling and co-facilitating the Cognitive Self Change group, Jenny facilitates five recovery groups each week at the CCDOC. In 2012, Jenny provided substance abuse recovery services for 217 inmates, and facilitated 234 recovery groups with an average of 9 participants per group. To highlight the magnitude of the increase in our substance abuse recovery services since the CCDOC hired Jenny full-time in April, our prior contracted LADC facilitated approximately 42 recovery groups per year with an average of 4-5 participants per group. In 2012, more than 2100 seats were filled in the 234 recovery groups that Jenny offered at the CCDOC. Jenny's recovery groups are offered in every housing unit on a weekly basis and all inmates are welcome to attend.

For highly motivated inmates who are in the “action stage” of change, Jenny developed and initiated Intensive Recovery Services (IRS) in May. IRS participants collaborate with Jenny in forming a comprehensive treatment plan, which includes individual counseling, attending the IRS group every 2 weeks, the weekly recovery group in their housing units, AA and NA meetings, and other programs and services that are included in their treatment plans. Since May 2012, 32 inmates have participated in Intensive Recovery Services.

2012 Substance Abuse Recovery Service Statistics Summary

Jenny maintained a caseload of approximately **60%** of the inmate population.

Of the **217** inmates who received substance abuse recovery services:

93% (201) met criteria for co-occurring disorders (Axis I diagnosis co-occurring with alcohol and/or drug abuse or dependence)

92% (199) met criteria for a personality disorder

47% (102) met criteria for opioid abuse or dependence

25% (54) were women

12% (26) were federal inmates

Internships and Collaboration with Antioch University New England

The Mental Health and Substance Abuse Recovery Services Department continued its collaboration with the Antioch University Psychological Services Center that was initiated in 2004. Four doctoral-level trainees provided clinical services for our inmates in 2012, with each trainee providing two clinical hours per week at the CCDOC. We also continued to provide an annual Mental Health Internship for a Masters-level student from the Department of Applied Psychology at Antioch University. Danielle Marshall provided inmates with individual counseling and co-facilitated a recovery group for D-Block inmates during the spring semester. During the fall semester of 2012, Scott Maurmann provided individual counseling, co-facilitated the Cognitive Self Change group, and the weekly recovery groups in K-Block, D-Block, and F-Block with Jenny.

In addition to our interns from Antioch University, we also provided a Mental Health Internship for Angel Ortiz, BS, LADC, a Master’s-level student from Springfield College, throughout the entire year in 2012. Angel brings an excellent skill set to his clinical work at the CCDOC, which includes his fluency in Spanish. In addition to providing individual and group counseling for our inmates, Angel has been instrumental in helping us to address the health care, mental health, and rehabilitative needs of our Spanish-speaking inmates who have a limited capacity to speak English.

Angel has also collaborated with Jenny in offering our motivated inmates with Intensive Recovery Services, as he co-facilitates the IRS group and provides individual counseling for IRS participants. Because the CCDOC received additional grant funding from the NH Department of Justice, we were able to offer Angel a part-time clinical position to continue to provide Intensive Recovery Services for our inmates until June 30, 2014.

All services provided by Master's-level interns and doctoral-level trainees are offered at no cost to Cheshire County. We intend to continue to utilize trainees and interns each academic year to increase our capacity to meet the growing mental health and substance abuse treatment needs of our inmate population. Each Masters-level intern annually provides the CCDOC with 1000-1200 hours of service, and each doctoral-level trainee provides approximately 60 hours of clinical service. The mental health internship and the case management internship, under the direction of Doug Iosue, LICSW, have become highly desired internship opportunities by Master's-level students, which allows us to select well-qualified candidates who are capable of providing excellent clinical services for our inmates.

Community Collaboration and other Professional Activities

Barnes continues to participate on the Mental Health Court Committee as well as the Offender Rehabilitation Support Team; a collaboration of organizations and social services providers that addresses issues associated with offender re-entry and recidivism. He also continues to serve as an Affiliate Faculty member in the Clinical Mental Health Counseling Program in the Department of Applied Psychology at Antioch University New England. During the spring semester of 2012, Barnes offered his annual *Forensic Counseling* course at the CCDOC. This course includes the participation of inmates who volunteer to share their stories and to answer questions regarding their involvement in the criminal justice system.

Jenny continues to serve as an Adjunct Faculty member in the Health Sciences Department at Keene State College where she taught *Addiction Counseling and Case Management* during the fall semester of 2012. Jenny also actively participates in a MLADC Peer Collaboration Group, which includes some of the most experienced Master Licensed Alcohol and Drug Counselors in our community.

2012 Mental Health and Substance Abuse Statistics ~
Barnes Peterson LCMHC, CCFC

The MH Clinician maintained a caseload of approximately **65%** of the inmate population.

Of the 346 inmates who received a mental health assessment:

No inmates required transfer to the Secure Psychiatric Unit

No inmates required transfer to New Hampshire Hospital

72% (248) required active mental health services (sessions every 1-2 weeks)

28% (98) required maintenance MH services (sessions on an as needed basis)

75% (259) received psychoactive medication

60% (155 of 259) inmates who received MH assessment and psychoactive medication had received MH treatment from a psychiatrist, PCP, PA, or APRN prior to incarceration

56% (195) met criteria for co-occurring disorders (Axis I diagnosis co-occurring with alcohol and/or drug abuse or dependence)

72% (248) met criteria for alcohol and/or drug abuse or dependence

28% (98) met criteria for alcohol abuse or dependence

61% (210) met criteria for drug abuse or dependence

33% (114) met criteria for opiate abuse or dependence

56% (195) met criteria for a personality disorder (primarily Antisocial and Borderline PD)

6% (21) were assessed to be at high risk to attempt suicide

5% (19) were assessed to be at high risk to be violent

24% (83) were women 8% (27) were federal inmates

12% (43) will reside outside of Cheshire County upon release

49% (169) had been assessed by the MH Clinician during prior incarceration(s) at the CCDOC

Inmates per age group who received a mental health assessment:

17-19	7% (23)
20-29	45% (157)
30-39	27% (94)
40-49	14% (49)
50-59	6% (21)
60+	1% (2)

2001-2012 Mental Health and Substance Abuse Statistics

The MH Clinician maintained a caseload of approximately **65%** of the inmate population.

Of the 3012 inmates who received a mental health assessment:

11 inmates required transfer to the Secure Psychiatric Unit

16 inmates required transfer to New Hampshire Hospital

69% (2079) required active mental health services (sessions every 1-2 weeks)

31% (933) required maintenance MH services (sessions on an as needed basis)

55% (1667) received psychoactive medication

71% (1186 of 1667) inmates who received MH assessment and psychoactive medication had received MH treatment from a psychiatrist, PCP, PA, or APRN prior to incarceration

48% (1457) met criteria for co-occurring disorders (Axis I diagnosis co-occurring with alcohol and/or drug abuse or dependence)

75% (2246) met criteria for alcohol and/or drug abuse or dependence

44% (1234) met criteria for alcohol abuse or dependence

56% (1684) met criteria for drug abuse or dependence

33% (114 of 346 inmates assessed in 2012) met criteria for opiate abuse or dependence

51% (1537) met criteria for a personality disorder (primarily Antisocial and Borderline PD)

13% (398) were assessed to be at high risk to attempt suicide

14% (429) were assessed to be at high risk to be violent

21% (639) were women

6% (169) were federal inmates

12% (368) will reside outside of Cheshire County upon release

Inmates per age group who received a mental health assessment:

17-20	11% (343)
20-30	42% (1270)
30-40	24% (736)
40-49	15% (440)
50-59	6% (175)
60+	2% (46)

Case Management Services ~ Dir. Douglas Iosue, LCSW

Summary and Accomplishments:

The Case Management Department, coordinated by Douglas Iosue, Licensed Clinical Social Worker collaborates closely with the all CCDOC Departments to address the rehabilitative, transitional, and release-reentry planning needs of inmates. 2012 was a busy and productive year for Case Management Services and was marked by the following accomplishments and trends:

- For the 3rd consecutive year, hosted and supervised a masters-level student from Antioch New England who started her internship in August 2012, working with a mixed caseload of case management and psychotherapy cases.
- In addition, the case manager was able to accommodate a request from Keene State College, providing a practicum for a bachelors level Sociology/Criminal Justice student during the spring 2012 semester. The student's primary task was to assist in updating, organizing, and researching community resources utilized in referring and connecting inmates to various post release agencies, supports, and services. In addition, the student completed a review of recidivism rates particular to the Mental Health Clinician's caseload, establishing some comparison data between offenders with more significant mental health conditions and the general inmate population.
- The Case Manager has continued to maintain involvement and represent CCDOC on various community groups and committees. These include: the Community Network Team (CNT); the Mental Health Court/Alternative Sentencing Program; the Vision 2020 Project at Cheshire Medical Center; the Monadnock Homelessness Coalition; the Drug Court Planning team; and serving as Secretary of the Cheshire County Domestic Violence Coalition/

- The Offender Rehabilitation Support Team (OREST) completed its fourth full year, continuing to meet on a monthly basis. OREST enjoyed participation and representation from the following entities and agencies in 2012:
 - Cheshire County Department of Corrections
 - Monadnock Family Services (MFS)
 - Cheshire County Alternative Sentencing Program/Mental Health Court
 - Cheshire County Public Defenders
 - MAPS Counseling Services
 - NH Bureau of Drug and Alcohol Services (BDAS)
 - Cheshire County Attorney's Office
 - Phoenix House Keene/Dublin
 - Community Improvement Associates
 - NH Department of Field Services/Probation/Parole
 - Antioch New England University
 - Division of Children, Youth and Family Services (DCYF)
 - Southwestern Community Services
 - Keene Metro Clinic
 - Cheshire Medical Center/Dartmouth Hitchcock-Clinic Keene
 - Hundred Nights Shelter
 - The Amazing Grace Farm (Transitional Housing)
 - The League of Women Voters
 - Monadnock Voices for Prevention
 - Monadnock Alcohol and Drug Abuse Coalition (MADC)

Recidivism and Offender Outcomes: OREST has continued to work towards improved outcomes for offenders with substance use and/or mental health disorders through the collective influence, shared resources, and collaboration and creative problem-solving of it's membership. The group continues to examine the issue of recidivism seeking improved outcomes for the offender population we assist and striving to reduce recidivism rates in Cheshire County.

- **Best Practices: Principles of Recidivism Reduction and the Risk-Need-Responsivity Principle:** In recent years criminal justice and social science researchers have identified specific principles that are proven effective in reducing recidivism. The principles of Risk-Need-Responsivity provide guidance to practitioners in regard to identifying and prioritizing services and levels of interventions and programming to offenders. In December, the Case Manager participated in a two day training, sponsored by NH Department of Field Services/Probation & Parole on an evidence based offender risk assessment tool. The case manager is now certified in the use of the Ohio Risk Assessment System (ORAS) and will be using this tool regularly with all sentenced offenders. It is also anticipated that the ORAS will be adopted as a required evidence based assessment instrument if the Drug Court grant is awarded to Cheshire County. Some offenders and prospective clients of the Drug Court, will be assessed and screened using the ORAS.
- Since February 2012, the case manager has participated actively on the Cheshire County Drug Court planning team. This has involved providing data and statistics related to the target client population for the grant, general information and clarification about House of Correction practices and current programming, assisting in drafting a proposed Policy and Protocol manual, and providing other input, both from a clinical as well as program planning and development perspective.

- Starting in February 2012, began providing regular reports to the local Social Security Officer (Prisoner Updates) in order to assist in tracking booking and release dates, and sentencing status of offenders on SSI and SSDI. While beneficial to the Social Security office, this relationship has also been of significant benefit to the case manager in terms of establishing a personal relationship with the local office in regard to addressing general policy questions, as well as assisting individual offenders with benefits issues and planning as part of release-reentry planning.
- Starting in December, the case manager began regular meetings to plan and prepare for the opening of the 2nd Chance for Success Transitional Housing Program. The majority of the House of Correction's involvement and input has focused on defining appropriate criteria for admission, exclusionary criteria, and planning protocols relating to the identification and referral of future clients.

Case Management Services Statistics: January 1, 2012-December 31, 2012

	<u>2012</u>	<u>(2011 Comparison)</u>
<u>Total new cases:</u>	334	353
<u>Gender:</u>		
Male:	254 (76%)	248 (71%)
Female:	82 (24%)	105 (29%)
<u>Sentencing Status:</u>		
Pre-sentenced:	155 (44%)	160 (43%)
Sentenced:	185 (52%)	187 (53%)
Dual:	10 (3%)	9 (2%)
Federal:	6 (1%)	5 (1%)
<u>Level of Case Management Service:</u>		
Full Assessment/Release-Reentry Plan:	194 cases (58%)	233 (66%)
Brief/Focused Intervention:	142 cases (42%)	119(34%)

Inmate/Offender Profile (Data/Statistics at Case Management Intake):

	<u>2012</u>	<u>2011 (Comparison)</u>
<u>Percent of offenders presenting with:</u>		
Alcohol/Drug	82.3%	83.9%
Mental Health	57.6%	42.6%
Unemployed:	56%	68%
Disabled (on SSI or SSDI)	21%	13%
Homeless or at risk of:	16.2%	17.8%
Developmental Disability	3.0%	1.3%
<u>Level of Service Inventory-Revised (LSI-R):</u>		
Low Risk:	12%	18%
Low/Medium Risk:	21%	26%
Medium Risk:	28%	24%
Medium/High Risk:	27%	24%
High Risk:	12%	8%
<u>Housing Status at Intake:</u>		
Stay with family member:	51%	47%
Rents an apartment:	17%	20%
Homeless or potentially homeless:	18%	18%
Stay with friend:	8%	7%
Rents a room:	2%	3%
Owens a home:	3%	4%
<u>Employment Status at Intake:</u>		
Unemployed (willing to work; job search)	40%	39%
Employed (position secure at release)	16%	23%
Possible employment/strong lead	18%	13%
Disabled (on SSDI and/or SSI):	20%	21%
Unemployed (min. willing, capacity to work)	6%	4%
<u>Family/Support System Status at Intake:</u>		
Minimal (few, available, positive supports)	29%	27%
Moderate (some available, positive supports)	52%	45%
Strong (signif available, positive supports)	19%	28%
<u>Health Insurance Status at Intake:</u>		
Uninsured:	58%	57%
Private insurance:	14%	13%
State/Federal (medicaid and/or medicare)	28%	30%

	<u>2012</u>	<u>2011 (Comparison)</u>
<u>Financial Resources at Intake:</u>		
Significant Debt (\$5,000 +)	42%	40%
Moderate Debt (\$1-\$5,000)	9%	14%
Even/neutral finances	30%	35%
Moderate Savings (\$1-\$5,000)	17%	10%
Significant Savings (\$5,000+)	2%	1%

Release-Reentry Patterns (Data/Statistics at point of Release-Reentry)

	<u>2012</u>	<u>2011</u>
<u>(Comparison)</u>		
<u>Completed Referrals at Release-Reentry:</u>		
Formal Housing (Shelter, Transitional Housing, Applications for Assistance):	38	33
Informal Housing (Shelter, Transitional Housing, Applications for Assistance):	17	20
Alcohol/Drug Residential Level of Care):	60	57
Alcohol/Drug: (Outpatient Level of Care):	86	76
Mental Health Services:	61	66
Medical/Primary Care:	61	55
Employment/Vocational Support:	49	42
Basic Needs/Assistance: (Food Stamps, TANF, SSDI, Medicaid, Transportation)	140	116
<u>Offenders Released to Monitoring/Court Ordered Programs:</u>		
Probation:	170	139
CCASP/MH Court Program:	15	23
Disposition: County/State		
% released within Cheshire County:	77%	76%
% released to Massachusetts:	3%	5%
% released to Vermont:	9%	7%
% released to Rockingham County:	5%	5
% released to Sullivan County:	1%	2%
% released to Hillsborough County:	2%	2%
% released to other state:	3%	3%

Offender Recidivism (within Cheshire County DOC)

	<u>2011</u>	<u>2010 (Comparison)</u>
<u>Recidivism: “(Lifetime)”</u>		
% - 2 nd or more Incarceration at CCDOC	71%	63%
% - First Incarceration at CCDOC:	29%	37%
<u>Recidivism: (Past 3 Years)</u>		
% - 2 or more incarcerations-past 3 years:	39%	45%
% - 0 incarcerations-past 3 years::	61%	55%
<u>Recidivism: (All Offenders/Past 1 Year)</u>		
% - 2 or more incarcerations-past one year:	31%	32 %
% - 0 incarcerations-past one year:	69%	68%
<u>Recidivism: (within Case Management Services)</u>		
% -2 nd or more Involvement with CM	27%	25%
% -First Involvement with CM	73%	75%

Notable Trends: 3 Years

- The conclusion of calendar year 2012 marks four full years that the jail has provided Case Management Services and formal support and assistance to help offenders release planning and community reentry. A review of various statistics compiled annually over this four- year period reveals mostly consistent data sets over time. This ‘flat’ trend continued in 2012 for most categories of data collection with just two interesting *exceptions*:
 - Education: The percentage of offenders with a high school diploma has risen from 33.5% in 2009 to 51% in 2012.
 - Releases to Family: the percentage of offenders being released to family housing situation (living with parent, grandparent, sibling or spouse has risen from 42% in 2009 to 51% in 2012.

PROGRAMS ~ Maj. Hank Colby

Tours Conducted for 298 individuals

Work release – 20

Electronic Monitoring – 36 Pretrial and 26 sentenced

167 volunteers with 18 ongoing programs

Successful GED completion – 13

LABOR

727 inmates worked at the Cheshire fair association, YMCA camp Takodah, Keene Transfer Station and the Town of Nelson. We still participate in the NHDOT “adopt a highway program”.

Staff – The department turnover rate was 30.9% for 2012.

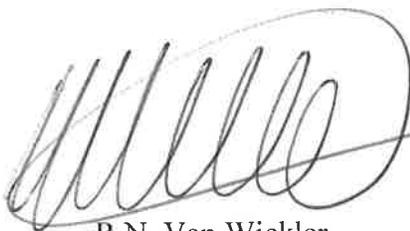
- 4 were terminated
- 3 resigned
- 1 medically unfit
- 1 deceased
- 8 departed for monetary reasons

We continue to operate having suspended our “Director of Training and Staff Development” position. Master Sergeant Tim Knowles has split his time between line officer duties, transport officer and certification compliance officer. Our department will be asking to reinstate this position in 2014.

Our staffing pattern remains short of what is deemed adequate by way of a staffing pattern analysis.

The most difficult time during 2012 was the loss of Master Sergeant George Pangelinan. George retired from the Army and came to work for Cheshire County 17 years ago. He was a mentor to everyone and respected by everyone including the inmates. George was diagnosed with lung cancer early in the year. After one of his treatments, George suffered a heart attack. In spite of all this, he missed very little work. Law Enforcement from around the State and Vermont provided an exceptional farewell to George in a law enforcement ceremony. Rest in Peace, George. “Black horse”!

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'R.N. Van Wickler', written in a cursive style. The signature is positioned above the printed name and title.

R.N. Van Wickler
Superintendent

Cheshire County Information Technology 2012 Annual Report

The Cheshire County Department of Information Technology (IT) designs, implements, and supports the computer hardware, software, networking, and telephone systems that enable the business of all County departments. Physically, the Cheshire County network comprises over 150 workstations, 12 application and data servers, two video conferencing servers, three telephone PBX systems, and over 200 individual telephones distributed over six different sites. Its support role also includes a number of outside police departments and other agencies. In addition to daily support, the department delivers 24/7/365 on-call support for critical County systems such as the nursing home, jail, and dispatch center.

Internally, the department provides daily support for users of county computers and telephone systems. Our physical infrastructure includes all network and telephone wiring, switches, routers, servers, and video systems. Services it provides include creating and maintaining network and email accounts, installing and configuring desktop and server software, and training users. IT staff are able to provide troubleshooting, maintenance, and repair of all hardware and software systems including workstations, servers, desktop anti-virus, networking, and backup and recovery.

The IT department ensures continuity of business for Cheshire County by planning for cyber security, disaster recovery, and resiliency. Security includes not only desktop protection, but programming and managing the County firewalls, web filters, and email systems. As the contact for outside services, such as Internet and telephone, IT staff assumes primary responsibility for interfacing with over a dozen different vendors and maintenance services. Additionally, IT must monitor compliance with external regulatory standards such as the Health Insurance Portability and Accountability Act (HIPAA) and the Criminal Justice Information Services (CJIS) Security Policy.

This department continues to support the Greater Monadnock Public Health Network through the County website, configuration of computer hardware and software, and participation in MACE drills.

Major IT projects completed in 2011 include the replacement of the primary Maplewood server and upgrading of the Keene network infrastructure. In addition to its standard role, the new Maplewood server is a key part of the developing plan to provide high-availability and fail-over for computing services county-wide. The Keene infrastructure upgrade also moves us closer to this goal.

In February, Douglas Scribner retired from the position of IT Director, a role he held for 5 years, and with over 11 years of total service to the County. Adam Beaudry, formerly of the Keene Sentinel's IT department, adds his computer expertise to the department as our newest IT Specialist.

My sincere thanks go to the County Delegation members, County Commissioners, Elected Officials, County Administrator, and Department Heads for their continued support of the Information Technology department.

Respectfully Submitted,

Robert L. Hummel
Director of Information Technology

Cheshire County Facilities
2012 Annual Report

Maplewood Nursing Home-

In 2012 the Facilities Department completed over 4,000 work orders. Most are minor but some require multiple staff and many man-hours. A new nurse call system was installed on all three resident floors; staff did all of the installation which required running about 27,000 feet of new wire.

Painting was completed on 40 rooms with residents choosing the color.

State life safety inspection went well with no deficiencies found.

Water Plant & Wastewater Plant-

No upgrades were planned for 2012.

All state requirements were made without any violations.

Superior Courthouse-

A new 50-ton A/C unit was installed in late summer due to the failure of a 1962 unit.

Administration Building-

Normal maintenance such as painting was all that was required.

Respectfully submitted,



Facilities Manager

Cheshire County
Human Resources Department
Annual Report
2012

The Human Resources department is responsible for providing Comprehensive Human Resources leadership for the County and staff personnel. The Human Resources department consists of a Human Resources Manager and a Human Resources Assistant. HR continues to implement and administer the County's personnel program in accordance with the provisions of applicable laws, rules, regulations, policies and procedures. We work continuously to serve the 400+ employees of Cheshire County.

New Hires and Terminations of 2012

Human Resources is actively involved in overseeing the County's hiring and termination process. In 2012, the Human Resources department advertised, prepared job postings, screened applicants for vacancies and coordinated the selection of the positions.

Total number of applicants hired for Cheshire County in 2012 = 103
Total number of employees terminated from Cheshire County in 2012 = 103

Employment Applications Received at Maplewood Nursing Home = 204
During 2012 Human Resources received 204 applications for employment at the Nursing Home. These applications were reviewed by HR, and sent to their respective Department Managers for further review.

EAP – Employee Assistance Program

Human Resources in conjunction with Cheshire County Management promotes an Employee Assistance Program to its employees and eligible members of their immediate household. Contractor, Anthem Blue Cross/Blue Shield, is in the business of administering Behavioral Health Risk Management Services, including Employee Assistance Programs, Work/Life Management Programs, Behavioral Health Disability Management Programs and Managed Behavioral Health Care programs on behalf of employers.

The contact utilization rate for this year was 19.1%. This represents a decrease in utilization when compared to 2011 annual data (20.2%). The decrease is in large part due to fewer management consultations and fewer formal employee referrals to the EAP.

The employee/household member/manager utilization rate was 5.6%. This represents a decrease in utilization when compared to 2011 annual data (14.6%). Utilization remains within the 4-8% expected.

There were 24 new requests for service through the EAP call center (16 employees/4 household member/ 2 managers/2 case management).

All cases were assessed by intake staff to be routine in nature.

Callers sought assistance for the following primary presenting issues:

Emotional/Psych	57.89%
Work Related	0.00%
Alcohol/Drug	5.26%
Marital/Couple	0.00%
Family Problem/Child	5.26%
Medical	0.00%
Legal	21.05%
Financial	5.26%
Dependent Care	5.26%
Other Issues	0.00%

Twelve callers were referred to an EAP network provider face-to-face counseling visits.

There were 2 new management consultations regarding workplace issues. Both cases required ongoing case management services due to work performance issues and workplace interpersonal problems.

There was 1 on-site training events in 2012.

- Respect and Civility in the Workplace.

EAP attended the County of Cheshire's health and benefits fair during the third quarter.

There were 13 website logins with 79 web communities visited.

Recruiting & Networking

Recruiting efforts for 2012 included attending job fairs in the Cheshire County area. Human Resources continues to promote Cheshire County Government as a premier employer in the area. In addition to the Cheshire County website, County posting sites, and other NH job sites, we continue to network with local area businesses and have been successful in posting employment opportunities at various localities.

I am a member of the Society for Human Resource Management (SHRM) and the Greater Monadnock Society for Human Resources Management Association (GMSHR). The GMSHR is a non-profit organization dedicated to providing professional development opportunities and networking to local HR professionals. Monthly chapter meeting topics vary from nuts-and-bolts program design seminars to more advanced HR strategy discussions.

Association of Counties – Human Resources Affiliate

In 2012 I ended my two year term of President of the Human Resources Association of Counties Affiliate. I have been attending the HR Affiliate meetings for the past 10 years in Concord, NH. Human Resource Managers and Directors from other Counties and are in attendance at these meetings.

General topics of discussion:

- NH Retirement System
- Labor Law Updates
- County policies and procedures

Monadnock United Way – Fund Raiser

In 2012 the Human Resources Department worked throughout the County to raise funds for the Monadnock United Way.

The HR department re-created the "Wheel of Fortune" game for County employees. We promoted the United Way through emails, posters and County Newsletter. The "Wheel" was brought to all County areas including MNH, DOC and Keene facility. All staff who made a donation to the United Way were offered to "spin the wheel" for a prize. The "Wheel of Fortune" game was very well received by staff and we were able to raise \$2,544.00

Employee Newsletter

The monthly Employee Newsletter continues to be a benefit to all staff. It provides recognition to our Employee of the Month at Maplewood Nursing Home, boosts morale, improves employee relations and educates employees on upcoming events within the County.

Various County departments provide information for the newsletter and we look forward to their continued support in providing the Human Resources department with information for the Newsletter.

I would like to thank and recognize Emilee Patenaude, Human Resources Assistant for her efforts throughout the year as my Assistant. I would also like to thank the County Commissioners, Elected Officials, County Administrator, Department Managers and co-workers for their support of the Human Resources Department. I look forward to working and serving all departments in 2013.

Respectfully Submitted,

Wendy Hurley
Human Resources Manager

Annual Report for 2012 Maplewood Nursing Home

Maplewood Nursing Home is a government-owned not for profit home, whose philosophy is to serve the needs of the most vulnerable and, in many cases, most indigent residents of Cheshire County. In years prior to the advent of federal funding, county homes (County Poor Farms) were developed based on the English version of the Alms House, and were the means of providing services to community members, including elders, and were funded by the county regardless of the individual's ability to pay. Our county continues to show the cultural respect and concern for our elders and chronically ill by ensuring for the provision of care regardless of ability for self pay. Maplewood is licensed for 150 residents, with a current maximum capacity of 148 beds.

Our Medicaid daily rate continues to be significantly lower than the actual costs per day for the care of each of our residents. Due in part to our location, and additionally to our philosophy, we have only a small opportunity to shift costs to other payment sources; thus we sustain a significant annual financial deficit in running this home. We continue our efforts to rehabilitate residents so as to discharge them back to their homes or into a lesser care/lower cost setting, as is possible. New initiatives towards moving money away from caring for residents in long term care settings so as to keep them at home or in a less costly setting continues in our state overall. This will have a positive impact on the cost to taxpayers of the county, as currently 50 cents of each Medicaid dollar comes from the county taxpayers. However, due to these initiatives, a new trend can be seen in our community of having fewer residents at Maplewood. We served an average of 131 residents per day through 2012.

It is critical, however, to recognize that this trend will end at the point in time when the community reaches its limit for providing the necessary resources to keep our elders and chronically ill at home or in lesser care settings. A new catch phrase has been coined; the "silver tsunami" is coming, and due to the aging of New Hampshire, we are currently experiencing this aging of America's Baby Boomers first hand. New Hampshire has imposed a moratorium on new nursing home beds being created since 1995. On average, our state nursing homes are at approximately 90% occupancy, however, with the coming "silver tsunami", at some future point, nursing home beds are predicted to be difficult to find.

Another new initiative on the horizon is Medicaid Managed care. It is currently on hold due to legal issues with many hospitals in our state, but plans are being made to have 3 entities manage Medicaid funding in all nursing homes as well as community-based care. Another new initiative that will be coming soon is the Medicaid expansion program, and it may affect our county tax payments. Some initiatives may help control costs for Medicaid and that could result in a positive experience for county taxes, however expanding the program could reasonably have a negative experience on taxes to be raised. Each of these possible scenarios and their effects on taxes will be separate from the taxes to be raised for the specific deficit incurred running a county nursing home.

Maplewood Admissions does not see each potential new resident as staying for long term care. Each prospective admission is viewed individually, and we start by determining if the candidate meets criteria to be admitted to a nursing home in the state of New Hampshire. If criteria are met, we then look at the discharge potential. There are some residents whose extensive needs can never again be reasonably met within the community. There were 55 residents discharged from

Maplewood in 2012; 38 were able to return to their own homes, the majority of the others went to assisted living facilities.

During the 2012 year, we worked on 356 referrals for possible admission; 29% were admitted. Not all residents met the need for nursing home level of care. Others were offered a bed, but declined, and of those that declined, the majority indicated our physical location was the barrier. Most of our admitting hospitals send out referrals via electronic means to every home, regardless of level of care. Some of these referrals we worked on resulted in the prospective resident being discharged back directly from the hospital to their own home. We noted that this new trend began in 2011 and accelerated through 2012, and it appears to skew our referral to admissions rates. Rules are becoming tighter for admission to long term care, and we can expect that fewer residents will be approved for long term care needs through the state's determination process. In total, we admitted 102 residents, and 56 of those came from Cheshire Medical Center (55%). In 2012, Maplewood said a final goodbye to 54 residents who died while a resident of Maplewood.

Approximate percentages for admissions from other sources include 5% from Home Healthcare and Hospice, and 20% direct referrals (either from family or medical personnel) coming directly from home or assisted living, and 20% from hospitals or out of state residents with a Cheshire County connection. We denied admission to referrals wherein the prospective resident did not yet require nursing home level of care, or conversely for whom the care needs would exceed our ability to manage. We also denied some out of state referrals for potential residents that had no Cheshire County connection. An example of a denial is the referral of a Federal inmate with behaviors beyond our ability to manage. We have fielded referral requests for residents with known transfers of funds rendering them ineligible for Medicaid assistance; thus creating a situation wherein there will be no payment source for months on end. Based on our historical mission, these are some of the most difficult situations philosophically for us to manage. These referrals are brought to the County Administrator and at least once to the County Commissioners for consideration.

Last year's annual report included information about Medicaid penalties as well as Medicaid pending issues that the administrator brought to the attention of the Commissioner of Health and Human Services. A Senate Committee had also concluded the results we had reported about Medicaid penalty issues. Regardless of due diligence during the admissions process, nursing homes remain at risk for admitting someone with a possible Medicaid penalty that will cause unfunded provision of nursing home level of services, with little to no ability to discharge a resident for failure to pay for their stay. There is proposed legislation in the 2013 year that may help to address the issue nursing homes face as a result of fund transfers within the 60-month look-back period that disqualify state residents from Medicaid.

We initiated an in-house marketing effort at Maplewood during 2012. Minimal funds limited our advertising to a free, local shopper publication, which yielded a handful of new admission inquiries. An accompanying front page feature article and photos presented a highly positive image of Maplewood's presence in the region. We focused on updating our website, including photo updates and the addition of our admission application form for download and we have received positive responses as a result of this effort. Through a series of press releases, we invited community members to attend free outdoor summer concerts on our patio and to view our facility. The Administrator was interviewed on a local call-in show with Cynthia Georgina in the spring, and also spoke at the Leadership Monadnock training group. The launching of a "facebook" site gathered

many followers quickly. Our goal in expanding this minimal marketing effort is to help attract some residents who are either able to pay privately or are short stay Medicare recipients. Each of these resident profiles assist us in cost shifting to decrease the deficit without taking away a possible bed for an indigent county resident in need. This last statement is based on the fact we served an average of 131 residents whereas we could fill up to 148 beds.

Our annual state survey occurred in November and we did very well on the resident care component, and received a deficiency-free survey in the area of life-safety. In recent years, our residents have reported improving but lingering issues in our provision of dining services. In the first half of 2012, we increased our staff education focus on providing improved customer service. In August we introduced the “Kind Dining” program, for which Kathryn Kindopp, Administrator, became a trainer, offering an 8 hour in-house program monthly. The objective is to train all regular staff in making significant overall improvement to our resident dining service. It is expected that through this training effort, our direct care staff will identify and model the improvements while considering their knowledge of resident desires. This program has been well received by staff and residents alike, and we have been featured in a national publication for our efforts and early good results.

Our 2011 disaster drills on a catastrophic loss of water helped to prepare us for a swift appropriate response to a February 2012 notice, from the New Hampshire Department of Environmental Services, of a Boil Water Order for the public water system servicing the nursing home. Our actions included dispatching maintenance personnel to disconnect and/or place “out of order” signs on all water vending appliances such as juice machines and water fountains. All coffee dispensers and water pitchers were removed from resident areas. Bottled water replaced the water pitchers on each medication cart. All faucets had signs instructing residents and staff not to use tap water for brushing teeth. Disposable wipes were sent to all resident units for peri care. Staff were instructed to follow-up hand washing with an alcohol based hand sanitizer. Dietary boiled all water for cooking. Ice machines were disabled, emptied and disinfected. Potable water was purchased in 5-gallon units with dispensers and distributed to each unit. Notices were posted at our entries. We fulfilled every measure required by NHDES until they cleared us 48 hours after our first notice. No injuries or illness were reported as a result of this situation.

Our 2012 mandatory disaster drills were based on the 1941 forest fire in Marlow, NH that burned over 40,000 acres. In April of 2012, we experienced similar dry and hot weather days with little snow during the earlier winter months. The first drill was a tabletop exercise, and the second drill was a partial exercise in evacuation planning and transportation management. Both drills were conducted including our local volunteer fire department, the local emergency manager, the Healthcare Workforce Group, a group of Cheshire County healthcare providers, and key Maplewood personnel. Our drills demonstrated to our staff and medical community that we could not stay long and “defend in place” in the event forest fire smoke affected our immediate surroundings. Our drill involved all local nursing homes in our county, as well as all County Nursing Homes. It helped us to determine that all residents who could not have reasonably tolerated a shelter for up to 3 days could have been accommodated by other nursing homes in the state.

Major capital improvements remain on hold in the current poor economy. Our facility continues to age and is approaching 40 years of continuous 24/7 occupation. Water and wastewater pipes continue to deteriorate while the maintenance department works to replace as much length as possible with each repair. Each new resident wants more electrical outlets than we have available.

We struggle with insufficient power sources to meet current day usage and resident lifestyles. Residents increasingly request internet access through “wi-fi”. Other nursing homes throughout the state have added and offer this service without charge to their residents. Window air conditioners trip our circuit breakers at peak use times. We are not an air-conditioned facility, which poses significant issues during the hot months, resulting in considerable discomfort to residents and staff alike. Residents suffering from lung ailments have difficulty tolerating the moist heat of summer. Plans for roof replacement were discussed during 2012, but there are insufficient funds at this time.

Minor 2012 improvements included a new nurse call system throughout the home to replace the aging and outdated call system. Parking lot lines were repainted and improved driveway drainage was added at the base of the hill. Due to financial challenges, our cable provider lost many cable TV channels early in the year, and we changed our entire service to Senior TV, a division of Direct TV, which improved television service to our residents.

A generous donation from a community member enabled us to purchase a much-needed replacement welcome carpet for our entrance, and to commission a hand-carved painted building sign to clearly identify our main entrance.

Robin Rahe manages our Environmental Services Department, directly supervising Housekeeping functions, with Regina Holt supervising Laundry functions. Maplewood takes pride in its reputation as a clean facility without the presence of odors associated with nursing facilities. We strive to achieve an optimal balance between costs for labor and materials and what is essential for maintaining cleanliness and infection control within our facility. Housekeeping operates 7 days a week, including daily cleaning of 96 toilets and sinks. Daily dry mopping followed by wet mopping routines scheduled throughout the facility keeps our floors clean and bright. Resident rooms are cleaned daily with scheduled routines for detailed weekly cleanings.

Recent annual reports have made note of the aging condition of our now 15 year old floor tiles as they continue to wear. Replacement is ongoing, and we can expect to see acceleration in this process as time goes by. We were successful this summer in cleaning the entire interior and exterior windows throughout the entire building. We accomplished completion of extra duties before state survey, including cleaning of vents, fans, lights, drapes, cubicles, walls, bed tables, trash cans, table legs, and chair legs.

Our laundry already operates 7 days a week. In the summer of 2011, venting issues began with one of our dryers, expanding to all 4 dryers, so that midway through 2012, we were operating on 1 dryer. The Laundry staff responded with exceptional effort, running the laundry operation nearly 24 hours per day. Despite some challenges with our washers, and in particular our dryers, we continued to provide daily laundry service to keep up with resident needs. The staff processed a gross weight of 507,922 pounds of laundry totaling 9609 number of loads processed. This number is down from the year prior, and is explained by our lower census. The laundry staff deliver personal clothing to the floors Monday through Friday and linen to each floor every day. Of necessity, we replaced 8 of the heavily worn linen cart covers in 2012.

Each year we look to find the best pricing for our products, which led us to change vendors for laundry chemicals in 2011. Following the initial one year contract, we are pleased to report that our current vendor reduced pricing even further in 2012. In 2012 we also found a vendor with better pricing for the linen line. We continue to be pleased with use of Ozone in our laundry application,

both for its reduction in hot water needs and for its care of our linens which have lasted longer than with the prior method.

The Housekeeping staff completed 104 terminal unit cleaning for 2012, mostly due to discharges and/or resident deaths. Our unit housekeepers clean 26 resident rooms daily, as well as hallways and the large dayrooms on each floor. We replaced 10 pairs of drapes and cubicle curtains for resident rooms, due to wear and aging. The replacement drapes and cubicle curtains are of the lasting quality and appearance we strive for in our purchases.

We do our best to retain staffing and are pleased to report that our Environmental Services staff are reliable, have integrity, and do their best to keep us infection-free and clean. In 2012 Environmental Service worked well within its budget, spending less than was allocated.

Bethany Lawson manages the Dietary Department, and is a contracted Fitz-Vogt employee. Dietary staff turnover was slightly less than in the previous year. Positions are entry-level and we often see staff complete educational courses and proceed to careers while maintaining work in our kitchen. The kitchen produces food for all 3 resident meals, assisted living meals, and staff meals. The kitchen also provides services for functions such as the annual volunteer recognition meal.

During the 2012 year, we continued with our government commodities program, and were able to take advantage of over \$4000 in commodities. Our highest cost in dietary continues to be the special supplements and thickened beverages for residents with issues affecting safe swallowing. There is a high cost for providing the necessary food and preparation for residents, however it also reduces their risk for choking and aspiration pneumonia. In 2012, it cost Maplewood \$18,324.83 for specialized thickened beverages.

Educational focuses for all dietary staff through 2012 include the following:

Pre-meal meeting	MSDS Review
Code Yellow review	Review of Family Style Dining
Food Safety & Sanitation	Review of Missing/Wandering Residents
Thermometer Calibration	Communication & Team Building
Food Safety & Sanitation Part 2	Customer Service Training
Team Building: Egg Drop	Communication: Lego Activity

Our Nursing Department continues with Doreen Sheltra as our Director of Nursing with Theresa Woolbert as the Assistant Director of Nursing. Our three RN nurse managers remain and are Lisa Clouet, Stephanie Sullivan, and Leanne Finnell. We have a new QAIC nurse, Sabryna Hutchins, whose 3 hats include quality improvement, infection control, and employee health. Completing the nurse leadership team is Tanya Martin, Staff Education Coordinator.

Nursing has continued to work on decreasing bed and chair alarm use in resident care. There has been success, especially on the 4th floor, and some decrease in use on 2nd and 3rd. Reducing alarms is a challenge for staff and families due to the fear of resident falls. More literature is being found supporting alarms reduction, as they don't actually prevent all falls and in some cases provoke some. The DNS continues to attend the Nursing Home Medical Director quarterly meetings at Cheshire Medical Center. As a result of these meetings, the narcotics backup kits have been altered at each of the area nursing homes for consistency. In the fall of 2012, a new hospital transfer envelope system was implemented so that all homes will send/receive consistent resident information. We are getting

positive feedback about Maplewood at these meetings, and often hear that our nurses have the appropriate information ready and that social services consistently informs Cheshire Medical Center of resident discharges.

In February, the DNS attended a two day state survey level of training for “IDR” (informal dispute resolution), an exciting opportunity for education relating to survey issues within our state. The DNS also attended the NADONA conference as interim president of the NH chapter and was elected president at the December meeting. She attended Nursing Advisory Committee meetings at Keene State College, and Maplewood will welcome the first group of nursing students in March 2013.

Maplewood has been hosting an annual Employee Health Fair each May, a joint effort between HR, Nursing and our Safety Officer for planning and execution purposes. In 2012, we recorded 70 attendees. As we continue to have a self-funded health plan, it remains in the county’s best interest to encourage our staff to choose healthy lifestyles. September Nursing Skills days had more limited success, and we are looking forward to improving attendance in 2013. Amanda Sharkey has reorganized Central Supply and she hosted an Open House in December with excellent attendance.

The Occupational Therapy Department is comprised of the Director, Gina Cutler, one staff OTR/L and one maintenance OT aide/LNA. The OT director and staff OT participated in two continuing education seminars in 2012 – an aquatics therapy conference and a dysphagia management conference. Both the OT director and staff OT include aquatic therapy into the treatment programs of the skilled resident caseload.

We continue our relationship with River Valley Community College through fieldwork education. In 2012 we supervised and mentored one student in her level 2 fieldwork training as an OTA.

The Director and OT aide participated in Maplewood’s commitment to providing resident focused care through the Abaqis quality improvement initiative. The OT Director and staff OT completed wheelchair van competency training and continue to offer home safety evaluations to all resident’s pursuing discharge into the community. The OT Director and OT aide have completed the training for the Kind Dining endeavor.

The Occupational Therapy Department offers direct services to the residents of MNH, and contributes as a team member to enhance the quality of care and programs of the nursing home. Examples of Occupational Therapy services include: splinting of the hands and upper extremities, Activity of Daily Living (ADL) retraining, functional mobility training, exercise, safety education, home safety evaluations, cognitive retraining, and aquatics therapy. During 2012, approximately 75 residents were treated by OT on an active skilled caseload. An additional 40 residents were evaluated by OT, and care plans were established to guide Nursing in caring for the residents with ADL needs. 36 residents are served by OT on maintenance programs to prevent contractures, maintain strength and ROM, and promote highest level of ADL function. The OT Department also contributes to the overall health and wellbeing of residents through the leadership of an exercise class offered to the general population of the nursing home twice per week. It is a pleasure to be a part of this thriving organization.

In January 2012 the Director of our Speech Therapy Department resigned and the OT Director resumed oversight of the speech therapy needs. Maplewood Nursing Home established a

contract with a mobile bedside swallow test provider (BEST – Bedside Endoscopic Swallow Testing) using FEES (Fiberoptic Endoscopic Evaluation of Swallow) in March of 2012. In April, a per diem Speech Therapist, Sheila Breton was hired. The OT Director, Gina Cutler and Sheila collectively managed the ST caseload. Sheila provided skilled treatment to the residents one day a week. In November, Caroline Renauld was hired as a full time director of ST. Sheila provided training for the first few weeks of Caroline’s hire. Sheila will stay on as a per diem speech therapist to provide support to Caroline in her new position and to cover for her position when needed.

New challenges are faced in all therapy departments based on Medicare audits and a belief at the Federal level that Medicare is overpaying providers. The industry is reporting many technical denials – meaning that although the therapy was correctly provided, if the documentation is not exactly as Medicare wants it to be, they will deny payment including requiring back payments. Small facilities, like Maplewood, were previously viewed by Medicare auditors as too small to bother with, but this is no longer the case. All providers of therapy to Medicare recipients should expect increased audits and resultant denials of care. This creates increased need for documentation of “medical necessity” and “skilled services provided” requiring increased (non-billable) time by each therapist to meet the documentation requirements. Medicare is also requiring the use of a new coding system for primary impairment and degree of impairment, to be documented both in clinical documentation and on billing forms, at evaluation, each 10th visit, and at discharge.

The PT, SLP and OT directors have been attending webinars to stay abreast of these changes, determine the best method for implementing these changes and determine the best method of communication with the finance office in Keene regarding the need for these codes to be on any bills submitted.

The Physical Therapy Department remains led by Laurel Moody. Staffing is down slightly with the loss of our per diem PT, who took a full-time position elsewhere. We continue to have a full-time PT position open and had one applicant for that job in December 2012. The applicant is scheduled to graduate in 2013 and we will continue to work on recruitment. We continue to have a contract with PT services of Brattleboro for 20 hours a week to help meet the resident needs.

The overall building census was down this year, and resulted in decreased billable PT. We continue to see consistent use of the modalities we rent from ACP (Accelerated Care Plus), which is allowing increased rehab utilization and length of stay (which results in higher reimbursement) for our Medicare A population and increased benefits in our Medicare B caseload.

PT worked with 146 residents under the skilled Medicare part A program; 51% of these residents used the ACP modalities. Of the 114 Medicare part B program, 40% of these residents used the ACP modalities, and in many cases, were it not for these units, we would not have been able to offer billable PT. In addition, we noted that in 2010, we had 43 residents with whom we used the ACP modalities with an average length of stay being 32 billable days, whereas by 2012, this had increased to 47 residents with an average length of stay of 36.5 days, despite a lower census. Depending on the finalized budget, we are proposing to expand this program in 2013.

A 2012 focus was to manage our RUG (Resource Utilization Group) levels. This is a complex system whereby Medicare pays us for part A skilled rehabilitation. Through a combination of renting the ACP modalities and supporting our therapists in its use through continuing education, and with a focus on appropriate therapy delivery meeting resident needs and managing therapy minutes, there

was a huge improvement in our part A revenues in 2012. This was in part due to a higher average number of part A residents, but it was combined with higher RUG level achievements through therapy and Nursing collaboration. This will be an ongoing focus during 2013.

Another 2013 PT focus will be to implement all changes required by Medicare, and to continue to strengthen our documentation and billing systems to meet all necessary requirements, while attempting to keep the time required for these tasks to a minimum. We hope to obtain the Omnicycle device through ACP, allowing increased provision of appropriate skilled care, with resultant increased RUG levels under Medicare A and increased Medicare B caseload.

The Activity Department, led by Steve Wilson, completed another busy and productive year. Steve and his team continue to make an effort to balance the growing demands related to long term care standards with meeting individual needs of residents. We strive to meet the Activity needs and interests of all residents while remaining in compliance with regulations and expectations for Activity Services and Resident Centered Care.

Each member of the Activity Staff is involved with conducting Federally required components of the MDS (minimum data set) interviews to determine customary routines and activities, as well as conducting initial activity assessments with the residents they are assigned. Steve has begun involving staff in the next step of developing Activity care plans, as well as attending weekly care plan meetings for their assigned floors and case loads. This process will provide a more effective foundation, cross-training, and involvement by Activity staff who have the most direct contact with residents through daily involvement in activities on their assigned floors as well as through conducted interviews.

We continue to provide a diverse environment for the benefit of the residents. Areas include: Maplewood's pet program, patio gardens, community involvement, volunteer program, outdoor programs, religious programs, holidays and special events, as well as a variety of activities designed to meet a wide range of needs and interests.

We recognize the strong connections that residents have with pets in their lives, as well as their response to one of the "section F" (of the MDS) preference questions to which many residents respond that "it is very important for them to be around animals such as pets." We provide ongoing contact opportunities with our resident pets, including a bird, a rabbit, fish and several cats. We have volunteers who visit residents with their dogs, and staff who bring their pets on a regular basis or for special pet days. We also feed birds and critters year-round from our patio feeders for the resident's viewing pleasure.

During their interview for preferences, many residents indicate that "going outside for fresh air when the weather is good" is very important. We schedule programs and visits to the patio on a regular basis during good weather, including biweekly BBQs on the patio (rotating small groups of interested residents), flower and vegetable gardening, as well as music programs and a variety of other events and activities, including dog performances, ice cream socials, and gardening club visits.

Music remains a very strong interest that most residents indicate as both a current and past area of great enjoyment. We schedule a variety of weekly music programs and held over 150 special music programs during 2012. These were provided by volunteers, or by entertainers paid from the county budget and from our Activity donations account.

Many grateful families recognize and appreciate the extensive Activity programs we provide, and ask that memorial donations be sent to the Maplewood Activity Department, which helps to fund many music programs. Our average donation account use is \$400/month. We conduct several annual fundraisers, including raffle baskets, selling Keene Shopper Coupon books, and our Annual Craft Fair.

Residents have been members of our local community and after moving to Maplewood, we want to continue their connections and involvement whenever possible. We do this in two primary ways: one through our many trips into the community, and the other through bringing the community here through our volunteer program. We have approximately 40 regular and 20 occasional volunteers. This number does not include the large groups of volunteers who provide entertainment, such as the 25-30 members of the Nelson or Westmoreland town bands when they come to perform a concert. Our regular volunteers assist the Activity staff on a weekly or monthly basis with large group programs such as music, bingo, and church, or for programs such as the resident clothing center, cookouts, community trips, gardening, cooking, crafts as well as offering pet visits and individual visits and activities. We could not provide the extent of programs we do without our loyal volunteers. In April we held a Volunteer Recognition Dinner to thank 60 attending volunteers for their service and contribution. The average volunteer hours for 2012 were 140 hours monthly.

We also make trips into the community using our Maplewood bus on a regular basis. Trips include: scenic rides, ice cream trips, attending the Senior Olympics, The Keene Pumpkin Festival, Sunday evening Walpole Concerts, Keene Swamp Bats baseball, Stuart and John's pancake luncheons and classic car shows, Apple Orchard trips, Lyanne's Mini Farm trips, bowling and lunch trips, shopping and lunch trips, dinner trips to area restaurants, and trips to Deerfield Massachusetts to visit Yankee Candle or the Magic Wings Butterfly Gardens. Residents love these trips and rotate in to enjoy this community involvement.

We provide activity opportunities for all residents, and schedule activities 7 days a week as is required by our regulations. We schedule weekly programs on each floor for small group and focus groups, as well as many large group programs. When Activity staff are not in the building we make a wide variety of activity supplies available on each floor, such as movies, reading material, word games, craft supplies and games. Activity staff also offer individual visits to each resident two to four times weekly to offer social visits, provide any needed activity supplies, and/or to offer individual activities and 1 to 1 attention especially for residents who are less involved in our scheduled options.

Activity Staff work with many other staff and departments to coordinate a variety of special events throughout the year. In 2012, these included the Maplewood "Relay for Life" Team, and we scheduled several activities including fundraisers and a "Bag Cancer" craft theme. We held a ceremony of illuminated bags made by staff and residents to honor, remember, and recognize those affected by Cancer. Staff and residents raised approximately \$700 for the Cancer Society. During National Nursing Home Week, the Activity Department scheduled daily special events including: a Patio Scavenger Hunt, a Dunkin Donuts Coffee Social, Big Bucks Bingo, a concert by the Westmoreland Town Band, an Ice-Cream Social on the patio, the Annual Variety Show, and a special Dog Day program that included about 15 different sizes and breeds of dogs who visited for the day. We sent 6 Residents and 3 staff to represent Maplewood at the 2012 Senior Olympic Games. We had a great turn out for our Annual Craft Fair in October, a wonderful opportunity for

residents to enjoy a day of shopping and visiting plus the opportunity for the community and families to visit Maplewood.

We held special meals in conjunction with the Dietary Department, including fine dining at “Maples”, Men’s Luncheons with Chef Roger, and summer BBQs. We held very popular special take-out luncheons that are enjoyed by many residents, especially those who are less able to tolerate scheduled dinner trips into the community. The Homestead Garden Club came to assist residents in making fresh flower arrangements, and in June helped residents plant the many gardens and raised garden beds, enhancing the patio area. We provide residents with a work opportunity in the Maplewood “Victory Garden” which yielded an abundance of fresh vegetables during the summer.

We held many music programs during the year. Music genres have included Town Bands, Swing Bands, Jazz, Rock and Roll, Country Music, Bell Choirs, Barbershop singers, Folk Music, Old Standards, Classical Music, Bagpipes and Steel Drum Bands. Residents listen, tap, clap, some dance, and we see lots of smiles and enjoyment. Our 2012 concert highlights included: the Westmoreland and Nelson Town Bands, a 10 piece swing band “The East Bay Jazz Ensemble”, Elvis Forever, The Senior Swingers Variety Show, The Keene Cheshiremen, and The Ringers on the Square. Our Activity Schedule is printed, usually weekly, in the Keene Sentinel. As mentioned previously, we issued press releases in the Keene Shopper inviting the public to attend a series of three Friday afternoon patio concerts in August and September.

CMS (Center for Medicare and Medicaid) has launched a new directive to long term care facilities to decrease the use of antipsychotic medications by 15%. While used correctly for certain psychiatric conditions, antipsychotics at times can be considered a chemical restraint. Maplewood Nursing Home remains one of only 3 nursing homes in this state with a small atypical unit (called “TLC”) that provides for the care of residents with highly challenging behaviors, many of whom have psychiatric conditions. A recent New Hampshire Public Radio story featured Maplewood Nursing Home’s positive work in its appropriate use of “antipsychotic” drugs for residents who benefit from these. We have an appropriately higher use of these medications as is expected with the resident population we care for. There are many negative side effects of these medications, and since our contracted psychiatrist began working with Maplewood in 2011, he has focused on assessing our use of antipsychotic medications with residents to ensure they are being correctly ordered and used, and when possible, discontinued.

During 2010 and 2011 we had no residents experiencing influenza. The 2012 flu season began early and many throughout the country became ill with flu despite having received the vaccination. Maplewood had 2 confirmed cases in residents, but no hospitalizations were required, and it was quickly contained. The first case occurred in a resident who exercised the right to decline our offer of the flu shot, and is someone who goes on many community outings. The High-dose flu vaccine was offered to residents and staff over the age of 65. Concurrently, staff had been vaccinated 2 weeks prior to the residents. There has been a rule change, and in the future, we must alter how we proceed with vaccinations.

The county Safety Officer, Pam Fortner, continues to work collaboratively with Maplewood staff and Department Heads. She analyzes staff injury trends, leads the Safety Committee and recommends new courses of action based on identified issues. We continue to have very low rates of staff injuries and have favorable reports from our insurance company.

In 2012 we continued to provide adequate customer service in Reception with our 2011 reduction of 15 hours/week in reception staffing, and have eliminated these hours in our 2013 budget proposal. We continue to have over 13,000 annual visitors pass through Maplewood, many being repeat visitors/family members, and our receptionists greet and assist visitors, while answering the main phone line, and sorting mail and deliveries. Our receptionists continue to play a significant role in fire/disaster and resident code issues, offering residents the ability to withdraw cash from their fund accounts on weekends, and providing numerous hours monthly in changing over the medication administration records binders. We will continue to rely on our receptionists for this time-consuming function until Maplewood has funds to become wireless and to initiate an electronic means of medication administration in conjunction with our pharmacy provider.

The administrator remains highly involved at state level initiatives involving nursing homes as well as County issues. A 2 year term was completed as President of the New Hampshire Association of Counties, Nursing Home Administrators affiliate. The Administrator was invited by the Associate Commissioner of Health and Human Services to serve on both the BIP and SIM grant projects (Balancing Incentives Program and State Innovation Model), both are designed to reassign money from LTC to community based care. The administrator also remains the county liaison on the Long Term Care Ombudsman's Advisory Committee, and remains one of the County appointed participants on the NHAC Executive Committee.

I apologize that I am not a gifted writer who can put the necessary words together to help the reader understand the true worth of this County Nursing Home. We continue to honor the original philosophy that was the root of the County Homes. The care and compassion our staff demonstrates daily humbles me. I'd like to give a short example of how one staff person took the opportunity to be the most important person in the life of one resident one particular day. A resident was lamenting her fondness of fried shrimp. A staff member overhearing this, took it upon herself to drive after work to a restaurant and with her own money, purchase and return to Maplewood with fried shrimp to serve and please this resident. There are multiple other examples of how our staff goes above and beyond to meet resident needs each and every day. Some residents are blessed with dedicated family who partner with our staff to continue to care for their loved one. Some of our residents are not as lucky as to have family involved routinely, or even at all. Our residents at Maplewood become our family, no "blood relation" is needed. Simple gestures of praise and gratitude that staff receive from residents, families, and visitors who experience what it is like to be in this environment are often their basis for getting through the tougher days. I could not ask for a more loving and dedicated group of individuals to work with. As always, I can't thank our staff enough for all that they do to enrich the lives of our Maplewood residents.

Respectfully Submitted,

Kathryn Kindopp, B.Sc.P.T., NHA

Safety Office
Annual Report-2012
Safety Officer

Thanks to all who made 2012 another notable year for Safety and a special thanks to the Maplewood Complex Safety Committee and Cheshire County Joint Loss Management Committee for their dedication to safety.

The County maintains an active role in the Greater Monadnock Public Health Network including membership in the Regional Planning Committee and the Healthcare Workforce Group. These groups work hard at All Hazard Planning and through education, exercises and drills, keep emergency preparedness at the forefront for the region.

Disaster and fire drills were held in accordance with state and local regulations. Education continues in the Safety Department as appropriate. This year's education included Emergency Preparedness, Emergency Planning for All Hazards and Evacuation of Health Care Facilities, all offered at the 2012 NH Emergency Preparedness Conference; Essentials of Coverage, by Primex and MACE 101, Regional Planning.

The Safety Officer is currently participating in an exercise planning team organizing a Point of Distribution drill, to be held in March 2013, involving local health care facilities, County and local business employees. The Safety Officer is also involved in a team planning and organizing the Cheshire County Employee Health Fair, available to all employees and offers a large array of health information, health testing, discounted gym memberships, self-sufficiency information, retirement information, local resource information, emergency preparedness, walking programs, healthy eating, disease information and lots of free give aways.

The Workers Compensation and the Temporary Alternative Duty program, managed by the Safety Officer, are current on the compensation process and are in compliance. The Safety Officer provided training on the worker's compensation process to all County management for a better understanding of worker's compensation claims and providing temporary alternative duty tasks.

The Joint Loss Management Committee and Maplewood Complex Safety Committee have worked hard on many complex issues. These individuals deserve to be recognized for their dedication and faithfulness, taking time out of their busy days to attend meetings or inspections and bringing forth issues that are brought to them by other co-workers. Both committees are vital in supporting and increasing awareness of workplace safety and risk management.

Respectfully Submitted,
Pamela Fortner, Safety Officer



Cheshire County Conservation District Financials - 2012 Treasurer's Report

The Board of Supervisors appreciates the continued support of the District's conservation programs by the Cheshire County Commissioners and the Cheshire County Delegation.

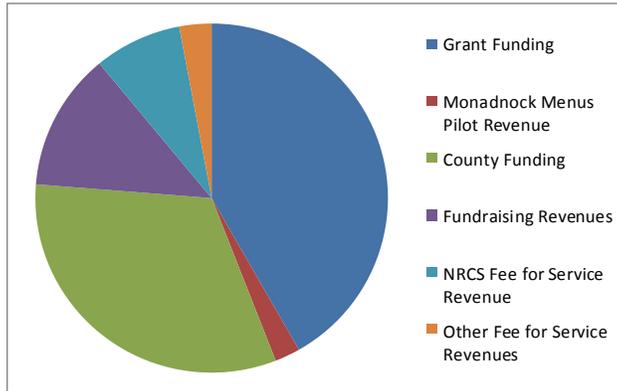
Also appreciated are the technical services offered by our "Partners in Conservation" the USDA Natural Resources Conservation Service, UNH Cooperative Extension, USDA Farm Service Agency and other cooperating agencies.



2012 Receipts - The revenues include prepayment of some grant awards for project work to be done in 2013.

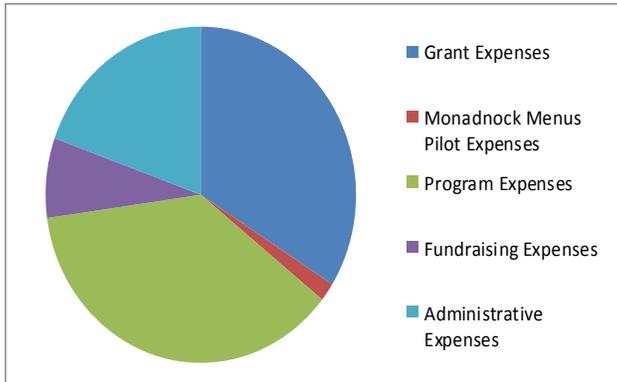
Income

Grant Funding	\$64,436	42%
Monadnock		
Menu Pilot	\$3,585	2%
County Funding	\$49,661	32%
Fundraising		
Revenues	\$19,683	13%
NRCS Fee for		
Service Revenue	\$ 12,401	8%
Other Fee for		
Service Revenues	\$4,554	3%



Expenses

Program Expenses	\$52,239	37%
Grant Expenses	\$47,851	34%
Monadnock Menu Pilot Expenses	\$2,495	2%
Administrative		
Expenses	\$27,544	20%
Fundraising		
Expenses	\$10,812	8%
Total	\$140,941	100%



Cheshire County UNH Cooperative Extension is a partnership between the University of New Hampshire and the county government, providing a direct link between the university and the citizens of Cheshire County. As stated in NH RSA 24:10, the mission of UNH Cooperative Extension “is to educate people so that they can make informed decisions” that strengthen youth, families and communities, sustain natural resources, and improve the economy.

The local communities have been the center of UNH Cooperative Extension program efforts since its establishment by Congress in 1914. Cheshire UNH Cooperative Extension is one of ten county offices that link the University to local communities. People may drop in or call for information, participate in programs presented by Extension Field Specialists, or access information via the county web site: <http://extension.unh.edu/Counties/Cheshire/Cheshire.htm>. We offer up-to-date information to help residents make informed choices, answer questions and help solve problems. We work to identify those issues critical to residents and to formulate non-formal education programs addressing those issues. Cheshire UNH Cooperative Extension helps individuals improve their health, helps families better manage their time and money, helps communities solve environmental or economic problems, help the food and agricultural industry keep up-to-date with developing technologies, and helps youth become tomorrow’s leaders.

Members of the Cheshire County UNH Cooperative Extension Advisory Council

Tiffany Briggs, Sullivan
Ryan Owens, Walpole, Vice Chair
Geoffrey Jones, Stoddard
Robert Hamm, Keene
Karen Balnis, Richmond
Jennifer Seher, Keene
Theresa Majoy, Richmond

Eloise Clark, Keene, Chair
Jennifer Risley, Keene
Sharlene Beaudry, Walpole
Rep. Sam Hawkes, Keene
Judi Lang, Munsonville
Jack Pratt, County Commission

Cheshire County UNH Cooperative Extension

Carl Majewski, Food and Agriculture
Christine Parshall, Nutrition Connections
Steve Roberge, Natural Resources, Office Administrator
Andrea Sawyer, Youth and Family
Diane DuGray, Administrative Assistant

Cooperative Extension carries out educational programs that address the issues that are most important to Cheshire County citizens. We focus our efforts in four program areas – Food and Agriculture, Forestry and Wildlife, Youth and Family, and Nutrition Connections – and are available to all Cheshire County citizens via traditional classroom seminars, workshops, volunteer trainings, one-on-one site-specific consultations, emails, fact sheets, articles and other forms of media and outreach.

Cheshire County UNH Cooperative Extension Summary of 2012 Educational Programs

Public Workshops / Educational Events	187 events, 2845 attendees
One-on-one Site Visits (forestry & agriculture)	125 visits, 7089 acres
Community Partnerships & Collaborations	68 collaborations or community projects
Assistance to Towns	22 towns
Phone/email/walk-in	1874 contacts
Soil Tests	168 tests
E-Newsletter Distribution	650 households
Afterschool Program Enrollment	800 total youth
4-H Clubs	20 clubs, 250 youth
Active Volunteers	142 volunteers

Steve Roberge, Extension Field Specialist
Natural Resources

The mission of UNH Cooperative Extension Forestry & Wildlife Program is to provide educational information and assistance to forestland owners, businesses, and natural resource professionals so they can make informed and responsible decisions about maintaining and/or enhancing a healthy forest resource while sustaining economic viability. This is primarily accomplished through one-on-one consultations, workshops & events and providing educational support to collaborating/partnering agencies, organizations and municipalities.

The forest resource of Cheshire County is considerable with 405,100 acres of forestland or 89% of the county. 388,900 acres are owned privately by an estimated 5,600 landowners. The harvesting of timber from privately owned lands, the consulting foresters overseeing the management and the 50 or so logging operators in the county working on these lands significantly contribute to the area's economy and certainly to the state's forest-based economy. The forests of Cheshire County and the rest of New Hampshire also provide the backdrop for a healthy tourism and recreation economy which generates considerable revenue for our local businesses and governments. It is crucial for the economic, environmental and social health of Cheshire County and New Hampshire that the 5,600 private forest landowners in Cheshire County take care of their forest resource and make informed decisions when they use it.

While the Cheshire County Forest Resources Field Specialist serves on a number of committees providing assistance, programs and workshops, the real strength of the Forestry & Wildlife program at the county level is the one-on-one contact and assistance with the public, landowners and professionals. While some contacts are made by phone, mail or email, many require a personal consultation and field visits. Other audiences can be reached through public forums, meetings, field demonstrations, workshops, newsletters, articles and radio spots.

Landowner Contacts, Woodlot Exams & Referrals

- 66 properties, 4,189 acres visited by the Cheshire County Forester. 75 individuals participated in these visits. *38 out of the 66 visits were new to Extension.*
- 21 Landowners were referred to a NH Licensed Forester. To date, 15 landowners have been in contact with a forester.

Woodlot exams vary in length of time, subject and acres covered. The woodlot exam is an opportunity for me to introduce the landowner to the resources they have available to successfully manage their land. The purpose of these visits is to answer any of the questions landowners may have and to provide options or information so landowners can manage their forestland to meet their needs while maintaining the health of the forest and the resources found in and around it. Quite often woodlot exams end with a referral to a consulting forester where the licensed professional can work with the landowner to manage their forest, prepare a planning document or harvest/sell timber.

A large portion of the time the Extension Field Specialist in Forest Resources is the primary contact for landowners interested in managing their forestland. Follow up visits are often required – especially if the extension field specialist works with the landowner to apply for grants or “cost-sharing” funds to carry out projects on their property.

Other Contacts (email, mail or phone)

- *1287 individuals, organizations, communities or businesses were assisted* in the area of forest/tree insects and diseases, environmental issues, current use and forest law inquires and other forest resource issues.

An example of assistance handled over the phone would be a Marlborough landowner interested in sub-dividing her land to give to her son and daughter-in-law to build their home. She wanted a portion of the land to remain in current use – therefore reducing the tax burden on the land. The sub-division she planned would have prevented the land from remaining in current use and significantly increased the property tax due to a utility-owned path that split the sub-division in half. Speaking with the landowner, the Extension Field Specialist in Forest Resources made her aware of this rule in the current use law and advised her to seek an alternative scenario. The landowner could not find help online or at town office before calling the UNH Cooperative Extension office in Keene.

Other examples of assistance from emails, mail or phone would be disease and pest identification, timber values, referrals of natural resource professionals and assistance with laws impacting forestlands and open space.

Workshops & Events

- *21 Public Workshops*, tours/events were led by the Extension Field Specialist in the past year covering a range of topics from best management practices on conserved lands to identification of the Asian Longhorned Beetle to management of forestlands for wildlife habitat and timber production.
- *574 People attended* those events.

Representation on Committees & Boards

- New Hampshire Board of Foresters member
- New Hampshire Maple Museum Board of Directors member
- Granite State Division Society of American Foresters Continuing Education Chair
- Southwest Regional Planning Commission Natural Resources Advisory Committee
- New Hampshire Tree Farm Program Cheshire/Sullivan County Chair

Collaborating/Partnering Agencies, Organizations, etc.

Andorra Forest - Stoddard NH	NH Farm & Forest Expo
Cheshire County Conservation District	NH Timberland Owners Association
Cheshire Medical Center	NH Tree Farm
City of Keene	Project Learning Tree
Farm Service Agency	Southwest NH Regional Planning Commission
Granite State Division Society of American Foresters	Town of Alstead
Harris Center for Conservation Education	Town of Chesterfield
Keene High School	Natural Resources Conservation District
Monadnock Conservancy	NH Fish and Game
National Wild Turkey Federation	Town of Swanzey
NH Department of Agriculture	Town of Troy
NH Dept. of Environmental Services	US Forest Service
NH Division of Forests and Lands	Yale University School of Forestry & Environmental Studies

Carl Majewski, Extension Field Specialist Food and Agriculture

With over 12,000 acres of cropland and over \$12.3 million in sales in products, agriculture has a strong presence in Cheshire County. There is also a large – and growing – segment of the population that is interested in raising vegetables, fruits, and/or animals for home food production. Programs in Agricultural Resources teach the skills and provide the information that enables both farmers and homeowners to produce crops efficiently and profitably, and to practice responsible land stewardship, which in turn helps them remain economically and environmentally viable.

In 2012, there were a wide range of programs for both commercial farms and for non-farming homeowners. There were workshops on extending the growing season, energy conservation in food production, and forage crops, focusing on current production practices and current research. In the field, there were farm-scale experiments and demonstrations evaluating new forage crops, and evaluating methods to determine fertilizer needs more accurately. The non-farming public attended workshops throughout the county that taught effective (and environmentally friendly) gardening practices, backyard animal husbandry, pruning techniques, and pest management.

Activities

- With Hannah Grimes and Cheshire Conservation District, organized and delivered two meetings focusing on value-added processing and energy-efficient irrigation in the “Energy for Food” Series, with a total of 52 participants
- With the Cheshire Conservation District, held a field demonstration in the use of no-till seeding equipment, with 15 participants
- Held a twilight meeting for vegetable producers focusing on soil health, with 35 participants
- Held 2012 Corn and Forage Meeting in Westmoreland, with 30 people attending
- 176 people attended workshops and presentations for home gardeners and backyard livestock owners focusing garden planning, introduction to backyard poultry, and garden pest management in gardens, and managing tree fruit crops for home gardens.
- Reviewed 168 home & garden soil tests
- Conducted field survey for yellow rattle (*Rhinanthus minor*) in pastures and hayfields with UNH Specialist for Integrated Pest Management
- Provided information to 587 people regarding home garden production, the home environment, pest identification, and soil fertility through phone calls, walk-ins, or email.
- With Dairy Specialists Mike Lunak and Pete Erickson, held a milker training session, with 13 participants
- Conducted 59 farm and site visits in Alstead, Chesterfield, Dublin, Fitzwilliam, Gilsum, Harrisville, Hinsdale, Keene, Rindge, Stoddard, Surry, Swanzey, Troy, Walpole, Westmoreland, and Winchester
- 14 visits made with UNH campus-based specialists
- 5 visits to new or beginning farms

Selected Impacts

- One farm that started adopting the techniques his milkers learned at the milker training reports that he has been able to reduce somatic cell counts in his milk from 350,000 to below 150,000. This, in turn, has enabled him to get a quality premium for his milk that is estimated to bring in several thousand dollars to the farm.
- As a result of farm visits, one farm has begun rotating corn and forage crops. He has found that corn grown after haycrops has substantially lower weed control and fertilizer costs, and intends to incorporate more of his fields in rotation next season
- A purchased-feed dairy operation contacted the office in the fall of 2010 because they were looking for alternatives to buying haylage. In our conversation, I mentioned the possibility of working with another farm to double-crop small grains with silage corn. They approached another dairy farm in Vermont with whom they had a relationship, and for the past two years, working with Extension, have experimented with the practice. The farm now reports that this arrangement has resulted in lower feed costs, which in turn improves the farm's profitability. Also, this effort has provided more options. Instead of being stuck purchasing feed from the one farm with less than satisfactory quality and/or prices, they now have greater flexibility to work with other farms in the area. They credit Extension with providing expertise to guide their cropping experiments; with helping to facilitate conversations between the two farms to come up with a mutually beneficial arrangement; and with

providing the means to conduct on-farm research to experiment with these practices, thereby reducing the financial risk for both farms.

- 23 people attended the Value-Added processing program. According to responses to a questionnaire distributed at the event:
 - 15% learned "a little" and 85% learned "a lot" about opportunities for marketing value-added products
 - 46% learned "a little" and 46% learned "a lot" energy efficient systems currently in use for food processing
 - 92% learned "a lot" about resources available for developing value-added products
- 15 people learned about the benefits of no-till planting, and they learned how to calibrate and use the Conservation District's seed drill. We produced a video of the session, available on the UNHCE YouTube channel. Several farms have since used the equipment on their fields instead of conventional tillage and establishment
- A grower in Cheshire County has been able to increase the proportion of marketable fruit and improve crop yields in high tunnel tomatoes after adjusting his soil fertility program as a result of several site visits and consultations
- Six months after participating in the on-farm food safety program, one farm has taken steps to improve the safety of their produce. They have done a better job communicating and enforcing hand-washing policy, and having employees wear single-use gloves when handling produce. They have also adopted a regular schedule for sanitizing buckets, crates, and produce bins, and they are looking into installing a UV water filter this winter.

**Christine Parshall, Program Associate
Nutrition Connections**

Nutrition Connections consists of two federal nutrition initiatives, **EFNEP** (Expanded Food and Nutrition Education Program) and **SNAP-Ed** (Supplemental Nutrition Assistance Program Education), whose missions are to provide education to low-income audiences in the areas of nutrition, food budgeting/shopping, cooking, and food safety.

Situation/Need

Nutrition and physical activity play vital roles in overall health. Research has found that diet is associated with the leading causes of death, many of which are preventable, including heart disease, obesity, diabetes, and several types of cancer. While rates of overweight and obesity continue to escalate, those with lower incomes have the highest rates. Lifestyle choices, along with other environmental factors and genetics, have a power influence on one's health and quality of life.

Response

Nutrition Connections works with limited-resource individuals, youth, and families in their homes and in group settings to deliver targeted nutrition education. Program participants gain knowledge to apply skills and change behaviors.

Public Value

When program graduates change their behavior, it is a benefit not only to themselves and their families, but to the community at large. Healthier individuals mean potentially lower health care costs in both the private and public sectors. Collaborations and partnerships with other community agencies and organizations maximize each partner's program dollars.

Adult Audiences

Of the 139 adults who participated in Nutrition Connections workshops and lesson series this year, 59 were enrolled in small group lesson series, home visits, or Eat Healthy Stay *Fit*, a correspondence course. Many more individuals participated in multiple workshop sessions at locations such as Workplace Success and area homeless shelters.

The following chart highlights some key demographics of Nutrition Connections households and results from behavior change surveys of sampled participants.

Total Participants	139
Households receiving food assistance	91%
Households with children	81%
Reside in Keene	49%
Reside in Cheshire County towns	51%
Improved at least one nutrition practice	81%
Improved at least one food resource management practice	75%

Adult Programs		
Program/Curriculum	Sponsoring Agency	Location
Cooking Matters for Families	Winchester Elementary School	Winchester School
Nutrition Connections Cooking Group using Food Stamp Tool Kit	Monadnock Developmental Services	Monadnock Developmental Services office, Keene
Cooking Matters for Adults	Head Start	Swanzy Head Start Center
Cooking Matters for Families	Troy After School Program	Troy Elementary School
Cooking Matters For Adults	Head Start	Keene Eastside Senior Housing
Cooking Matters for Families	In Shape for Youth	Millstream Community Center, Hinsdale
Food Stamp Tool Kit	Workplace Success	Southwestern Community Services

Nutrition Connections Cooking Group	Shelter from the Storm	Monadnock Adult Care Center, Jaffrey
Workshops: Meal Planning	Keene Housing Authority	Stone Arch Village Apartments, Keene
Food Stamp Tool Kit	Monadnock Center for Violence Prevention	Keene
How to Shop and Use EBT at Keene Farmer's Market	Southwestern Community Services	City Side Apartments, Keene
Eat Healthy, Stay Fit-Correspondence Course	Various referral sources	Cheshire County Towns
Home visits using Food Stamp Tool Kit	Various referral sources	Private Homes in Keene
Senior Wellness Fair Cooking Demonstration	Keene Senior Center	Keene Recreation Center
Cooking Demonstration	Community Garden Connections	Keene Family YMCA

Youth Audiences

Nutrition Connections reached 500 children and youth via classroom enrichment, after school programs, family cooking classes, and summer programs. Across Cheshire County, children cooked and tasted a variety of new foods while learning more about making healthy food choices.

School/Organization	Program	Grades
Winchester Elementary School	Cooking Matters for Families	Elementary
Jaffrey Head Start	Nutrition Connections "Youth Tool Kit"	Preschool
Ashuelot Head Start	Nutrition Connections "Youth Tool Kit"	Preschool
Hinsdale Elementary School	Nutrition Connections "Youth Tool Kit"	Elementary
Troy Elementary School	Nutrition Connections "Youth Tool Kit"	3 & 4
Gilsum Elementary School	Nutrition Connections "Youth Tool Kit"	K, 4-6
In Shape for Youth	Cooking Matters for Families, Hinsdale	4-9
In Shape for Youth	Cooking Matters for Teens, Keene	8-10
Keene Housing Authority	Cooking Club	Elementary
Northern Schools After School Program at Gilsum Elementary School	Cooking Club	Elementary
Troy Elementary School	Cooking Matters for Families	Elementary
Emerson School, Fitzwilliam	Nutrition Connections "Youth Tool Kit"	3 & 4

Statewide Efforts

Several times each year, *the Smart Choices and Smart Choices for Seniors* Newsletters are sent to SNAP recipients throughout NH. *Smart Choices* is a good source of referrals to *Eat Healthy, Stay Fit*, the Nutrition Connections home study course..

Through the **Healthy Schools NH** initiative, eligible schools may receive the parent newsletter *Nutrition Nuggets*. A new third and fourth grade nutrition curriculum is available as a “ready-to-use” kit. Other school resources are available through the Healthy Schools website: www.healthyschoolsnh.org.

Community Collaboration

Nutrition Connections depends upon a network of collaborations and partnerships. In Cheshire County, the following organizations help to make Nutrition Connections a success by hosting programs, referring participants, sharing resources, and more.

- Southwestern Community Services (Head Start, WIC, Workplace Success)
- Monadnock Developmental Services
- Monadnock Family Services
- Community Kitchen
- Monadnock Center for Violence Prevention
- Keene Housing Authority
- Shelter from the Storm
- River Center
- Keene State College
- Antioch University
- RISE
- Alstead School
- Gilsum School
- Hinsdale Elementary School
- Troy Elementary School
- Emerson School
- Keene Senior Center
- Keene Family YMCA
- Millstream Community Center
- Monadnock Adult Care Center
- Keene Unitarian Universalist Church

**Andrea Sawyer, Extension Field Specialist
Youth and Family**

Research has shown that youth development results from carefully planned elements that influence a child's development. National 4-H uses a model that strives to meet the four basic needs of youth: mastery, belonging, independence, and generosity. These areas parallel the traditional four H's – head, heart, hands, and health. The Cheshire 4-H program strives to include these elements in its programs to help youth develop the critical skills necessary for their future success. In addition, adults who work with youth within 4-H clubs or in school, or after school programs, are taught this model.

In addition to 4-H club administration, 4-H staff is expected to partner with other adults and youth collaborators to address youth issues and positively influence the quality of life for youth in their communities. I do this in two arenas: after school programs and community youth development.

INDEPENDENCE (Head) - Youth need to make thoughtful decisions, accept responsibility, exercise self-discipline, and move toward independence. They need to know they are able to influence people and events through decision-making and actions.

- 140 members participated in communication events at 4-H Day with 26 selected to go to State Activities Day. At State Activities Day, 4 members won their division, and 13 were selected to go to Eastern States Exposition (ESE) in West Springfield, MA. Judges reported that 4-H youth are more likely than other youth they know to display strong communication skills, poise and self-confidence.
- 90% of members completed and exhibited project work.
- 4 youth served on the 4-H Council, one as chair, 2 teens were elected to NH Teen Council
- One teen and one volunteer have been selected to be on the State 4-H Advisory Council.
- One teen and one volunteer have been selected to be on the State 4-H Foundation Board.
- 25% of members serve as officers and 60% of youth practiced leadership skills at club level or by helping at county events, leading activities for younger members and assisting with presentation of awards.
- The 4-H Kitchen at the fair serves not only as a fundraiser for the Cheshire 4-H Council, but also as hands on experience in applying workforce skills. Over 250 youth members and adults (including some Extension Council members and State Legislators) volunteering over 700 hours raised over \$6000. over the 5 days of the fair. 2 teen and 5 adults served as key leaders, supervising shifts, managing inventory, and troubleshooting.
- Horse members practiced marketing skills while participating in the ads campaign for the horse program, raising \$5000. for 4-H horse activities.

BELONGING (Heart) - Youth need to feel connected and physically and emotionally safe, know they are cared about, develop social skills, interact with diverse people, learn the value of cooperation, and experience long-term consistent relationships with adults other than parents. These provide a foundation for life-long participation in family, community and work environments.

- There were 50 4-H leaders who reported an average of 150 hours each of direct involvement with club members. 20 volunteers served in middle management roles. 12 new leaders were recruited, screened, and oriented. More than an additional 120 volunteers assisted with club and county activities, averaging 30 hours each. 243 youth were enrolled in 21 different 4-H clubs. Two new clubs were organized and there were 40 new members. 90% of youth completed their project and club work.
- A SET (science, Engineering, and Technology) leader training workshop provided leaders with information and activities on this National Initiative.
- Leader training workshop was held at Keene State College on promoting learning environments in 4-H. 15 volunteers participated in it.

GENEROSITY (Hands) - Youth need to feel they are connected and contributing members of their peer group, family, school and community. They need to realize they live in a global community which requires awareness and compassion for others. Bringing together individuals of different ages and diverse backgrounds strengthens a community's efforts to address issues.

- 80% of youth did a record, resume or scrapbook documenting their 4-H work.
- 21 4-H Clubs reported doing Community Service projects; some clubs accomplished more than one. 30 Cheshire County members did individual Community Service Learning projects. Other projects included: Christmas support for various charities, food collecting, helping at community events including Pickle Festival and Strolling of the Heifers, community flower planting, animal visits to elderly or youth with disabilities, community food kitchen assistance, animal rescue and humane society assistance, making wreaths for shut ins, baking and delivering Valentines Cookies to the elderly, participating in the Relay for Life, cleaning a church, adopting a family for the holidays, coat drive, SMS School Food Pantry, and flowers to residents of Maplewood.

MASTERY (Health) –The subject matter taught in 4-H projects is the foundation enabling 4-H youth to master skills and explore possible careers. 4-H volunteers utilize quality research-based content in providing opportunities for youth to learn.

- 20 youth participated in the county horse knowledge and skills contests. As a result of the contests, 11 youth were selected for state quiz bowl, 4 for state judging, and 3 for state hippology. Cheshire sent 4 seniors to the State Quiz Bowl Contest they placed 4th overall, and one member is on the NH State Team. She is participating in the National Contest in Louisville. The Junior Quiz Bowl team came in 2nd overall, and one member third high individual of the contest. At the State Judging Contest 7 youth participated, one junior placed 3rd, overall. At the State Hippology Contest 3 juniors and 2 seniors participated. 1 Senior Member placed 1st overall and was named to the state Hippology Team.

- Cheshire County hosted the State Horse judging and Hippology Contests.
- 4-H Horse Field Days was held with 40 youth participating. 13 youth were selected to participate in the state horse show. One driver was selected to go to ESE.
- Two Cheshire County youth were selected to attend National Dairy Quiz Bowl. Cheshire County had the high junior team, and the high individual of the junior contest. This State Contest was hosted by Cheshire County.
- Organized and managed the two day State Dairy Judging Tour which took place at farms in New York and Connecticut. Over 30 4-Hers participated from New Hampshire. Four members from Cheshire County qualified to be on the State Dairy Judging team which competed at Eastern States Exposition. Two members competed in the National Dairy Judging Contest in Madison Wisconsin. The New Hampshire team placed eighth in the National Contest (a first for New Hampshire) The team was coached by a former Cheshire County member, now a volunteer. One member of the team from Cheshire County placed in the top 25 of the contest.
- 26 Cheshire County 4-Hers attended State Dairy Show, in Lancaster, NH. One Beginner and one Intermediate were fit and show champions. Thirteen members qualified for Eastern States Exposition. At Eastern States Exposition, four Cheshire county members won in Dairy knowledge. One member had grand champion Jersey. Five Cheshire county members won best bred and owned awards at Eastern States. Two volunteers from our county helped chaperone the event.
- One Cheshire County youth and one volunteer attended National Dairy Conference in Madison, Wisconsin. Selection was based on a resume, interview, and their knowledge of the dairy industry.
- Six 4-Hers in the beef project attended Eastern States, along with three chaperones from Cheshire County. New Hampshire won the herdsmanship award, second place in senior records, first and second place in the poster contest, and third in the educational exhibit.
- Two teens were selected to go on National trips, and all four were selected for State Achievement Awards.
- 20 volunteers to judge at 4-H Day which is our communications event, 10 volunteers to judge records, 4 served as judges at State Activities Day. 50 volunteers judged or help superintendents at animal shows at the fair. Some of these volunteers were teens.
- 22 youth attended State Teen Conference, 15 were provided full scholarships and 6 half scholarships by the 4-H Council. The State Teen Conference was attended by over 200 teens. Two volunteers and one teen interviewed the 4-Hers for this event. Two volunteers chaperoned this event at the University of New Hampshire, and two teens were selected to be a member of the NH Teen Council which will plan the 2013 Teen Conference.

Afterschool Programming: The Cheshire County Afterschool Network (CCAN), on which I now serve plans trainings and educational opportunities for afterschool staff. 4-H curriculum was used at 6 sites, 4 sites had 4-H Clubs, and I have provided assistance with staff training, evaluation, and program environment.

700 Youth were reached through Afterschool or special interest project.

Continue to work with two volunteers with the Walpole school garden. They are harvesting produce which goes into the school lunch program. The volunteers also teaching some cooking classes using produce from the garden.

The Orchard School used the Power of Wind Curriculum, and several children built motorized wind mills.

Worked with the Jaffrey Rindge Rotary to help at their QUEST Camp this summer held at Franklin Pierce College. Two former 4-Hers along with myself and some volunteers from the Rotary taught the students about water quality, soils, and gardening using the 4-H Curriculum.

Grants Support Specialist Annual Report 2012

During the year of 2012, the position of the Grant Support Specialist transitioned into the Commissioner's Office under the direct supervision of the County Administrator. The work continued as it had been although outreach into the community increased. We collaborated with other stakeholders in the region to create a comprehensive list of data sources which is now on the "grants" page of our website.

The Grants Department had so many requests for technical assistance that we decided to hold a workshop in May of 2012 at our training room at the Department of Corrections. The full workshop was titled "Successful Grant Seeking and Writing Tips" which was co-sponsored by Monadnock United Way and Monadnock Giving. Feedback was so positive and requests were overwhelming for more details, so in September a second workshop was titled "Grant Management". Many local non-profits attended, as did grant seekers from White River Junction and the Seacoast.

We began working with the Cheshire County Conservation District to help them develop their Monadnock Farm and Community Connection Strategic Plan. Antioch University New England was able to partner with us and we were lucky to get intern Courtney Lewis to help us with getting baseline data for this project. This ultimately resulted in a successful application for a USDA grant to advance one of their goals for working more closely with the community and farmers on marketing strategies. This is just one example of ongoing efforts this department is involved in.

At the end of 2011, we were managing \$3.1 million dollars in grants. Some grants in the list below were completed throughout the year. One CDFA project was ended without completion. During 2012, we were unsuccessful in obtaining six awards for \$1,986,384 however we acquired an additional \$569,699 dollars in funding bringing us to a total of \$3.5 million in State, Federal and Local sources of revenue.

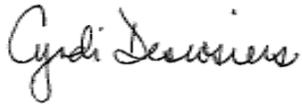
The following funding sources were being managed by Cheshire County during 2012:

Enforcing Underage Drinking Laws SFY12 for CC Sheriff's Office and county law enforcement agencies	\$ 20,000
Enforcing Underage Drinking Laws SFY10 for CC Sheriff's Office and county law enforcement agencies	\$ 12,000
Enforcing Underage Drinking Laws SFY11 for CC Sheriff's Office and county law enforcement agencies	\$ 17,000
Dept. of Justice, ARRA, FY09 for CC Sheriff's Office and county law enforcement agencies *completed	\$ 209,336
Bureau of Justice Assistance Edward Burne Memorial- for CC Sheriff's Office and Keene Police Department	\$ 26,538
Bureau of Justice Assistance Edward Burne Memorial- for CC Sheriff's Office and Keene Police Department	\$ 14,909
Homeland Security- Interoperable Emergency Communications for CC Sheriff's Office	\$ 3,562
National Highway Traffic Safety Admin., Operation Safe Commute Patrols for CC Sheriff's Office	\$ 3,600
National Highway Traffic Safety Admin., Operation Safe Commute Patrols for CC Sheriff's Office	\$ 4,050
Homeland Security- Voting System for CC Sheriff's Office	\$ 257,459
Homeland Security- Mobile Command Post for CC Sheriff's Office	\$ 271,003

Homeland Security- EMPG, Regional Radio Project	\$ 23,393
VAWA: Domestic Violence/Substance Abuse for CC Attorney's Office	\$ 30,000
VAWA: Domestic Violence/Substance Abuse for CC Regional Prosecutor Program	\$ 22,000
Dept. of Justice, ARRA, Custom Records Management Database System for CC Attorney's Office	\$ 45,950
Dept. of Justice, ARRA, Custom Records Management Database System for CC Attorney's Office	\$ 5,535
US Dept. of HHS for Monadnock Public Health Network	\$ 95,000
US Dept. of HHS for Monadnock Public Health Network	\$ 87,500
NH DHHS for Monadnock Public Health Network	\$ 7,000
NH Dept. of Pub Health for Monadnock Medical Reserve Corps	\$ 3,000
NACCHO for Monadnock Medical Reserve Corps	\$ 5,000
FTA 5310 Dept. of Transportation for Regional Transportation SF11	\$ 53,142
FTA 5310, Dept. of Transportation for Regional Transportation SFY12	\$ 94,182
Unity Place Accessible Apartments – CDFA <i>*ended</i>	\$ 43,157
Second Chance for Success- CDFA	\$ 500,000
Samson- CDFA	\$ 500,000
Brookbend East- CDFA	\$ 500,000
USDA, Farmers Market Promotion Program for the CC Conservation District	\$ 62,422
US Dept. of HHS SAPT Block Grant for Monadnock Voices for Prevention SFY11	\$ 75,000
US Dept. of HHS SAPT Block Grant for Monadnock Voices for Prevention SFY12	\$ 75,000
Bureau of Justice Assistance Bullet Proof Vests for CC Sheriff's Office and CC Dept. of Corrections, FY11	\$ 739
Bureau of Justice Assistance Bullet Proof Vests for CC Sheriff's Office and CC Dept. of Corrections, FY12	\$ 1,512
Bureau of Justice Assistance - Residential Sub Abuse Treatment, SFY11	\$ 15,000
Bureau of Justice Assistance- Residential Sub Abuse Treatment, SFY12	\$ 20,000
NH Energy Efficiency and Conservation Block Grant <i>*completed</i>	\$ 7,500
Dept. of Energy, ARRA, Energy Efficiency and Conservation Block Grant <i>*completed</i>	\$ 326,700
AMA Foundation for Monadnock Voices for Prevention	\$ 7,250

New Hampshire Charitable Foundation for Monadnock Voices for Prevention	\$ 14,944
New Hampshire Charitable Foundation for Monadnock Voices for Prevention	\$ 39,975
NH Dept. of Justice, Victims Witness for CC Attorney's Office, SFY11	\$ 26,500
NH Dept. of Justice, Victims Witness for CC Attorney's Office, SFY12	\$ 26,500
Total Grants Managed in 2012	\$ 3,553,358

Respectfully Submitted,



CPS/Grant Support Specialist

2012 County Farm Annual Report

This is a brief follow-up report of the 'County Farm' as the county ends its second year of a 5-year lease with a tenant operating the farm.

As you read in the 2011 Annual Report, the County Delegation voted to close the long-standing county-owned and operated dairy farm. At that meeting in March, Chair Weber recognized Rep. Meader for a motion: *"To cease the operation of the current dairy farm facilities as soon as practicable, but no later than June 30, 2011, and to authorize the Commissioners to undertake such actions to arrange for the sale of the various farm assets, pursuant to RSA 28:8a, excepting land, buildings and fixtures and, further, to authorize the Commissioners to solicit bids for the lease of the farmland and buildings in Westmoreland and to execute all documents and undertake all acts necessary to lease the property, pursuant to RSA 28:8-c and subject to ratification by the county convention.* Rep. Hunt seconded the motion. Upon a roll call vote the motion passed 19 in favor and 4 opposed."

In 2010 (the final full year the county operated the farm), the operating deficit was approximately \$194,000. Since 1991, the farm had lost a total of \$1.2 million or about \$59,000 per year. Hence the decision to close the farm was made to spare the taxpayers any further tax burden by continuing to subsidize the farm operation.

The County Commissioners, working in collaboration with the Delegation's Farm Committee guided a process to identify potential renters of the farm property. 2011 was the first year where the county leased the farmland and buildings to a farmer. We are now successfully completing the second year of a 5-year lease.

County expenses for the operation of the farm have dropped to being virtually nothing. Income from the farm rental and all farm buildings totaled \$40,440 for the 2012-year of leased operation. The tenant (Bo-Riggs Cattle Company) has performed in accordance with the lease and appears satisfied with the relationship with the county and with his success in dairy farming.

Respectfully Submitted,

Jack Wozmak, County Administrator

COUNTY OF CHESHIRE, NEW HAMPSHIRE
Financial Statements
With Schedule of Expenditures of Federal Awards
December 31, 2012
and
Independent Auditor's Report

COUNTY OF CHESHIRE, NEW HAMPSHIRE
FINANCIAL STATEMENTS
December 31, 2012

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**COUNTY OF CHESHIRE, NEW HAMPSHIRE
FINANCIAL STATEMENTS
December 31, 2012**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
County of Cheshire, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Cheshire, New Hampshire (the County) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on Governmental Activities

As discussed in Note 2 to the financial statements, management has not recorded a liability for other post-employment benefits in governmental activities and, accordingly, has not recorded an expense for the current period change in that liability. Accounting principles generally accepted in the United States of America require that other post-employment benefits attributable to employee services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee be accrued as liabilities and expenses as employees earn the rights to the benefits, which would increase the liabilities, reduce the net position, and change the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net position, and expenses of the governmental activities is not reasonably determinable.

Adverse Opinion

In our opinion, because of the significance of the matter described in the “Basis for Adverse Opinion on Governmental Activities” paragraph, the financial statements referred to above do not present fairly the financial position of the governmental activities of the County of Cheshire, New Hampshire, as of December 31, 2012, or the changes in financial position thereof for the year then ended.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the County of Cheshire, New Hampshire, as of December 31, 2012, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the County of Cheshire, New Hampshire has elected to change its method of accounting for the operations of its Nursing Home. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information on pages i-ix and 28-29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

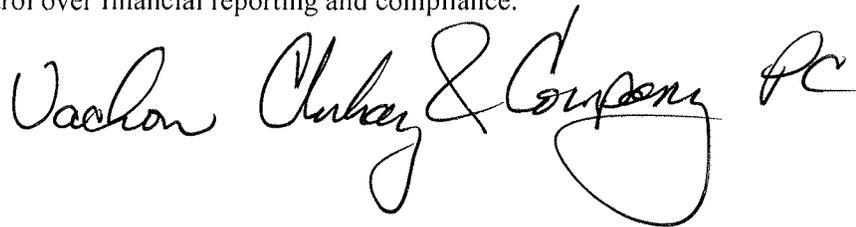
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Cheshire, New Hampshire's basic financial statements. The schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2013 on our consideration of the County of Cheshire, New Hampshire's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Cheshire, New Hampshire's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Vachon Chubbey & Company PC". The signature is written in a cursive, flowing style. The "V" is large and loops back. The "Chubbey" is written in a similar cursive style. The "& Company" is smaller and more compact. The "PC" is written in a simple, blocky font at the end of the signature.

Manchester, New Hampshire
May 23, 2013

CHESHIRE COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS

The discussion and analysis of Cheshire County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2012. The intent of this discussion and analysis is to look at the County's financial performance as a whole.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2012 are as follows:

- Effective for 2012, the County has changed its accounting method to include the operations of the Nursing Home within the General Fund.
- The County's net position for year-end was \$21,652,680 an increase of \$3,103,363, which represents a 16.73% increase over 2011 from \$18,549,317.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$6,965,409 an increase of \$1,339,373 from the prior year balance, as restated, of \$5,626,036. Of this amount, \$3,174,897 is available for spending (unassigned).
- At the end of the current year, unassigned fund balance for the General Fund was \$3,174,897, which represents a 24.59% decrease from the prior year balance of \$4,210,508. This decrease is mainly a result of combining the Nursing Home with the General Fund and adjusting for a portion of the accumulated prior amount that had been reported as being due from the Nursing Home. The decision to combine the Nursing Home within the General Fund was done specifically to provide a more clear presentation of the County's Fund Balance.

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:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

CHESHIRE COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. The statement of activities presents information showing how the County's net position changed during the current year. These 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.

The change in net position 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, non-financial 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 position and the statement of activities, the County is presented as one activity:

- **Governmental Activities**—All of the County's programs and services are reported here, including General Government, Public Safety, Human Services/Medicaid Expenses, Conservation and Economic Development as well as The County Nursing Home. These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues. The Nursing Home does generate a substantial amount of revenue in charges for services but does require funding by taxes as well.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain controls over resources that have been segregated for specific activities or objects. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The funds of Cheshire County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction on the use of moneys, the County has established many funds that account for the multitude of services provided to our residents. In 2012, the County has determined the General Fund and the ARRA Fund to be major governmental funds.

GOVERNMENTAL FUNDS—Governmental funds are used to account for essentially the same functions reported as governmental activities on the government wide financial statements. Most of the County's basic services are reported in these funds that focus on how money flows into and out of the funds and the year-end balances available for spending. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services being provided, along with the financial resources available.

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.

**CHESHIRE COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS**

The County maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds, identified earlier as the General Fund and the ARRA FMAP Fund. Data from the other governmental funds, which includes Hemenway Fund, Deeds Surcharge, JAG Grant Fund, Sheriff's Forfeiture Fund and Grant Funds are combined into a single, aggregated presentation.

PROPRIETARY FUNDS—The County has one proprietary fund. The County uses an internal service fund for its self-funded Health and Dental Insurance account.

FIDUCIARY FUNDS—Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds. The County's agency funds account for the Sheriff's Escrow, Registry of Deeds, Nursing Home Resident Funds and the Jail Inmate funds.

NOTES TO THE FINANCIAL STATEMENTS—The notes provide additional information that is essential to gaining a full understanding of the data provided on the government-wide and fund financial statements.

OTHER INFORMATION—In addition to the basic financial statements and accompanying notes, this report presents the General Funds actual revenues and expenditures as compared to the legally adopted budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

County assets exceeded liabilities and deferred inflows of resources by \$21,652,680 as of December 31, 2012. This is an increase in net position, of \$3,103,363 from 2011.

Cheshire County, New Hampshire Net Position
As of December 31, 2012 and December 31, 2011

	Governmental Activities	
	2012	2011
Current and Other Assets	\$ 12,430,068	\$ 11,531,930
Direct Financing Lease A/R	1,255,540	1,444,560
Capital Assets, Net	<u>43,260,611</u>	<u>44,444,052</u>
Total Assets	<u>56,946,219</u>	<u>57,420,542</u>
Current Liabilities	6,166,731	7,205,316
Non current Liabilities	<u>28,841,096</u>	<u>31,395,138</u>
Total Liabilities	<u>\$ 35,007,827</u>	<u>\$ 38,600,454</u>
Deferred Inflows of Resources		
Unearned Revenue	\$ 285,712	\$ 270,771
Net Position		
Net Investment in Capital Assets	12,314,265	\$ 10,724,209
Restricted	2,011,333	2,365,509
Unrestricted	<u>7,327,082</u>	<u>5,459,599</u>
Total Net Position	<u>\$ 21,652,680</u>	<u>\$ 18,549,317</u>

CHESHIRE COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS

Total net position is presented in three categories: net investment in capital assets, restricted and unrestricted.

The largest portion of the County's net position is related to capital assets (e.g., land and improvements, buildings and building improvements, machinery and equipment, vehicles, and infrastructure). The figure presented (\$12,314,265) is net of any related debt incurred to acquire those assets and represents 56.87% of total net position. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the County's net position (\$2,011,333 or 9.29%) represents resources that are subject to restrictions on how they can be used. For Cheshire County, those restrictions include those related to limitations imposed by statutes governed by the State of New Hampshire and unexpended proceeds from bonds, grants, and restricted donations.

The remaining portion (\$7,327,082 or 33.84%) represents the part that may be used to meet the County's ongoing obligations to citizens and creditors without constraints established by debt covenants, enabling legislation, or other legal requirements (unrestricted).

The next statement provided shows the changes in the net position for 2011 and 2012.

Cheshire County, Changes in Net Position

	Governmental Activities	
	2012	2011
Revenues:		
Program Revenues		
Charges for Services	\$ 11,078,723	\$ 12,128,970
Operating Grants and Contributions	5,642,631	4,326,580
Capital Grants and Contributions	<u>176,562</u>	<u>25,296</u>
Total Program Revenues	<u>16,897,916</u>	<u>16,480,846</u>
General Revenues		
Property Taxes	23,135,680	23,861,006
Interest and Investment	9,787	6,700
Other	<u>650,111</u>	<u>1,504,703</u>
Total General Revenue	<u>23,795,578</u>	<u>25,372,409</u>
Total Revenues	40,693,494	41,853,255
Expenses:		
General Government	4,609,979	4,441,778
Public Safety	7,836,635	8,456,957
Human Services	7,781,158	8,177,116
Conservation	197,489	246,099
Economic Development	1,012,862	507,527
Farm	0	268,960
Interest and fiscal charges	1,430,868	1,501,358
Cheshire County Nursing Home	<u>14,721,140</u>	<u>14,601,964</u>
Total Expenses	<u>37,590,131</u>	<u>38,201,759</u>
Increase (Decrease) in Net Position	<u>\$ 3,103,363</u>	<u>\$ 3,651,496</u>
Net position – beginning	<u>\$ 18,549,317</u>	<u>\$ 14,897,821</u>
Net position – ending	<u>\$ 21,652,680</u>	<u>\$ 18,549,317</u>

CHESHIRE COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS

Governmental Activities

Charges to users of governmental services made up \$11,078,723 or 27.22% of total government revenues and include such services as provided by the Nursing Home, Sheriff's Department, Department of Corrections, Court House Leases, Registry of Deeds, and Assisted Living Apartments. Additionally, the County receives revenue from operating grants and other contributions. In 2012, this totaled \$5,642,631 or 13.87% of total government revenue. Operating grants are used to fund expenses associated with programs such as the Domestic Violence Prosecutor, the Victim Witness Program and the Regional Prosecutor Program. Other contributions included in the amount are grants for Public Health initiatives and Enforcing Underage Drinking programs as well as Pro Share Funds to support Maplewood Nursing Home.

Property tax revenues are the County's largest revenue, accounting for \$23,135,680 or 56.85% of total government revenues. As noted previously, the County is able to recover some of its expenses through user charges, however, a great deal of County operations do not have revenue sources sufficient or available to meet their expenses and as a result are funded by Property Taxes.

One of the largest expenses funded through the assessment of taxes is associated with the obligation towards the Human Service Medicaid Expenses. This area is responsible for paying the County's share of funding for those Cheshire County residents needing Medicaid assistance. As of July 1, 2008, the County took on 100% of the non-federal share for residents in Long Term Care Facilities and for County residents receiving their care at home (Choices for Independence). As a result, the State of New Hampshire took over 100% of the non federal share of the other programs which included Board and Care of Children, Old Age Assistance, Aide to the Permanently and Totally Disabled and Provider Services. As the cost of these programs outweigh the cost of the LTC and Home Care programs, there was a "Hold Harmless" provision included in the statute that protected the Counties from being exposed to additional expenditures above normal inflationary rates for State Fiscal Years 2009 and 2010. After SFY 2010, the legislature establishes caps to determine the maximum liability exposure for these expenses on a biennial basis. The amount of 2012 County Taxes attributable to the State passthrough for these Medicaid State Programs was \$6,621,388 or 28.62% of County Taxes.

Although the Nursing Home is able to recover most of its expenses through user charges, the Nursing does require a substantial subsidy from property taxes.

As a government owned nursing home, the census of Medicaid residents is much higher than private nursing home levels. As of December 31, 2012, approximately 80% of the nursing home census consisted of residents needing Medicaid assistance in order to pay for their care. Based on the 2012 Medicaid cost report for Maplewood, the per diem rate was calculated to be \$315.91, however, the actual paid per diem as of December 31, 2012 was \$148.56 or \$167.35 per day short of 2012 costs. The supplemental payment provided an additional reimbursement averaging \$33.09 with the Proportionate Share Funds providing additional reimbursement of \$47.98 per day. These additional payments still leave the allowable per diem rate short by approximately \$86.28 per day.

As of January 1, 2013, the Medicaid rate for Cheshire County increased by \$4.66 per day to a daily rate of \$153.22

CHESHIRE COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS

The analysis for governmental activities indicates the total cost as well as the net cost of services. The net cost of services identifies the cost of those supported by tax assessments and unrestricted revenues that are not directly related to specific charges for services or grants and contributions that would offset those services.

**Cheshire County, Governmental Activities
For Year Ending December 31, 2012 and December 31, 2011**

	Total Cost of Services		Net Cost of Services	
	2012	2011	2012	2011
General Government	\$ 4,609,979	\$ 4,441,778	3,511,690	3,348,351
Public Safety	7,836,635	8,456,957	5,909,214	6,991,817
Human Services	7,781,158	8,177,116	6,966,549	6,407,103
Farm	0	268,960	0	(244,856)
Conservation	197,489	246,099	197,489	246,099
Economic Development	1,012,862	507,527	0	(1,040)
Nursing Home	14,721,140	14,601,694	2,676,405	3,472,081
Interest Expense	<u>1,430,868</u>	<u>1,501,358</u>	<u>1,430,868</u>	<u>1,501,358</u>
Total Expenses	<u>\$ 37,590,131</u>	<u>\$ 38,201,489</u>	<u>\$ 20,692,215</u>	<u>\$ 21,720,913</u>

Financial Analysis of County Funds

Cheshire County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

During the year ended December 31, 2011, the County implemented GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. Under Statement 54, the County has segregated fund balance into five classifications: Nonspendable, Restricted, Committed, Assigned and Unassigned. One major example of the effects caused by the implementation of GASB 54 is that the various Capital Reserve Fund balances are now reported as part of the General Fund.

As of December 31, 2012, the County's governmental funds reported a combined ending fund balance of \$6,965,409, an increase of \$1,339,373 in comparison with the prior year. Approximately 45.58% of this total (\$3,174,897) represents unassigned fund balance. This decrease is mainly a result of combining the Nursing Home with the General Fund and adjusting for a portion of the accumulated prior amount that had been reported as being due from the Nursing Home. The decision to combine the Nursing Home within the General Fund was done to provide a more clear presentation of the County's Fund Balance.

The amount of the County's unassigned fund balance is in line with our objective of retaining a minimum recommended level of 8%.

A complete description of the above mentioned classifications and a more detailed breakdown may be found on page 15 of the Notes to the Basic Financial Statements.

CHESHIRE COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS

Budgetary Highlights

By State statute, the County Convention must adopt its annual budget within 90 days after the beginning of the County's fiscal year. Therefore, any new purchases or proposed changes to the budget are not executed until the budget is adopted. On March 26, 2012, the County Convention adopted the 2012 budget. As adopted, the bottom line was down 4.24% (\$1,793,159) and taxes to be raised were 3.04% lower than 2011 (\$725,326) for total taxes to be raised of \$23,135,680.

Areas that contributed to the decrease included the following:

- Elimination of Fire Mutual Aid Funding. In 2012 the funding relationship ended with Fire Mutual Aid whereas FMA now bills the Cheshire County Towns/City directly. This change in the funding relationship decreased the county budget by \$686,603 in comparison to 2011.
- Reductions in staffing levels occurred in some departments that included the House of Corrections, Maplewood Nursing Home, County Attorney's Department, UNH Cooperative Extension, and to the Alternative Sentencing program. Many of the reductions were achieved through vacancies or through attrition.
- For 2012 the full year effect of closing the Cheshire County Farm was recognized. The original closing occurred in 2011 but having occurred mid year in 2011, the full effect was not recognized until 2012.
- A modest Increase in Health Insurance contributions of \$113,598.

On August 20, 2012 there was a budget amendment brought before the County Delegation amending the budget by \$573,510. This amendment was brought forward based on the receipt of ProShare Funds.

As a result of the supplemental budget, the total budget increased to \$41,062,903 still down by 2.88% (\$1,219,649) over the 2011 budget. This amendment did not have an impact on the original amount of taxes to be raised.

Capital Assets and Debt Administration

Capital Assets—The County's investment in capital assets for governmental as of December 31, 2012, was \$43,260,611 (net of accumulated depreciation). This investment in capital assets includes land and improvements, water and waste water systems, buildings and improvements, improvements other than buildings, machinery and equipment, vehicles, and construction in progress.

Major Capital projects and or equipment that was accomplished in 2012 include \$321,751 for a voting system for the Sheriffs Dispatch Center, \$79,288 for a nurse call system at Maplewood Nursing Home, \$23,000 for pavement repair at the Nursing Home, \$126,000 to demolish the Latchis Theater building that created parking for County Operations and \$171,000 in energy projects that included insulation at the Court House and HVAC upgrades as well as LED lighting at the County Administration building.

Note 7 – Detailed Notes of Capital Assets provides additional information about capital asset activity during 2012.

**CHESHIRE COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS**

Long-Term Debt—At December 31, 2012, the County had total general obligation bonded debt and notes payable outstanding of \$30,516,290. Of this amount, \$1,170,000 is for the Jaffrey District Court House and is reimbursed by the State of New Hampshire by way of a lease agreement. The annual payment schedule for the lease corresponds with the bond schedule principal and interest payments. Other outstanding debt includes bonds for the study of the new County Jail, which had a balance remaining of \$225,000 at year-end. Bonds for the construction of the County Correctional Facility had a balance outstanding at year-end for \$27,750,000 and the Geothermal Heating and Cooling System Bond for the County Correctional Facility had an outstanding balance at year-end of \$1,000,000. Additionally, the Water Treatment Upgrade Project that was funded by the State of New Hampshire Revolving Loan Fund had a balance of \$252,787. The County also utilized the State Revolving Loan Fund to upgrade its Waste Water Treatment Plan having an outstanding balance at the end of 2012 in the amount of \$118,503.

The County's long term bonded debt decreased by payments made of \$2,675,923 during 2012.

The current outstanding debt for Cheshire County is as follows:

**Cheshire County, Outstanding Debt
December 31, 2012**

	Governmental Activities	Years Remaining
Jail Expansion Study	\$ 25,000	9
Jaffrey District Court House	1,170,000	9
Jail Construction	27,750,000	15
Jail Geothermal System	1,000,000	12
Water Treatment Upgrade	252,787	3
Waste Water Trmnt Upgrade	<u>118,503</u>	4
Total Outstanding Debt	<u>\$ 30,516,290</u>	

In 2005, the first lease payment associated with the Energy Efficiency Project was due. Total principal for this project was \$1,070,543 and was spread out over a twelve (12) year period. The eighth principal payment was made on May 30, 2012 for \$87,000. The remaining principal due for this project as of December 31, 2012 is \$337,543.

Moody's has recently affirmed the Aa2 general obligation rating but did assign a negative outlook due to their concerns over the pressures of the Nursing Home receivables to the General Fund. In response to these concerns, Cheshire County has combined the Nursing Home operations within the General Fund so that adjusting entries that may indicate the nursing home actually is due funds to the General Fund will no longer accumulate.

Economic Factors

- The Cheshire County unemployment rate for December 2012 was 5.3%, which compares favorably to the State's rate of 5.6 %, the New England rate of 7.0% and the national rate of 8.3 %.

CHESHIRE COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS

- Most recent equalized assessed valuations of property used for appropriating Cheshire County's 2012 taxes were \$6,996,314,936. This is a decrease over the prior year assessed valuations of 3.37% or \$236,092,560.
- There were no outstanding tax payments due from any Cheshire County Town as of December 31, 2012.

Requests for Information

This financial report is designed to provide a general overview of the county's finances for all those with an interest in the governments' finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Sheryl A. Trombly, Finance Director, 33 West Street, Keene, NH 03431.

EXHIBIT A
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Statement of Net Position
December 31, 2012

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 9,076,078
Investments	48,818
Accounts receivable, net	2,057,690
Due from other governments	800,565
Prepaid expenses	77,154
Inventory	101,505
Current portion of direct financing lease receivable	<u>189,020</u>
Total Current Assets	<u>12,350,830</u>
Noncurrent Assets:	
Restricted cash	79,238
Direct financing lease receivable	1,255,540
Capital assets:	
Non-depreciable capital assets	1,381,521
Depreciable capital assets, net	<u>41,879,090</u>
Total Noncurrent Assets	<u>44,595,389</u>
Total Assets	<u>56,946,219</u>
DEFERRED OUTFLOWS OF RESOURCES	
Total Deferred Outflows of Resources	<u> </u>
LIABILITIES	
Current Liabilities:	
Accounts payable	1,086,671
Accrued expenses	1,573,697
Due to other governments	1,126,553
Current portion of deferred revenue on long-term receivable	53,690
Current portion of deferred bond premium	11,564
Current portion of bonds payable	2,105,000
Current portion of note payable	114,556
Current portion of capital lease payable	<u>95,000</u>
Total Current Liabilities	<u>6,166,731</u>
Noncurrent Liabilities:	
Deferred revenue on long-term receivable	220,870
Deferred bond premium	80,949
Bonds payable	28,040,000
Note payable	256,734
Capital lease payable	<u>242,543</u>
Total Noncurrent Liabilities	<u>28,841,096</u>
Total Liabilities	<u>35,007,827</u>
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	<u>285,712</u>
Total Deferred Inflows of Resources	<u>285,712</u>
NET POSITION	
Net investment in capital assets	12,314,265
Restricted	2,011,333
Unrestricted	<u>7,327,082</u>
Total Net Position	<u>\$ 21,652,680</u>

See accompanying notes to the basic financial statements

EXHIBIT B
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Statement of Activities
For the Year Ended December 31, 2012

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:					
General government	\$ 4,609,979	\$ 560,086	\$ 538,203		\$ (3,511,690)
Public safety	7,836,635	1,329,106	598,315		(5,909,214)
Human services	7,781,158	565,907	248,702		(6,966,549)
Conservation	197,489				(197,489)
Economic development	1,012,862		1,012,862		-
Nursing home	14,721,140	8,623,624	3,244,549	\$ 176,562	(2,676,405)
Interest and fiscal charges	1,430,868				(1,430,868)
Total governmental activities	<u>\$ 37,590,131</u>	<u>\$ 11,078,723</u>	<u>\$ 5,642,631</u>	<u>\$ 176,562</u>	<u>(20,692,215)</u>
		General revenues:			
		Property taxes			23,135,680
		Interest and investment earnings			9,787
		Miscellaneous			650,111
		Total general revenues			<u>23,795,578</u>
		Change in net position			3,103,363
		Net position - beginning, as restated			<u>18,549,317</u>
		Net position - ending			<u>\$ 21,652,680</u>

See accompanying notes to the basic financial statements

EXHIBIT C
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
December 31, 2012

	General Fund	ARRA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 5,522,235	\$ 1,759,327	\$ 152,964	\$ 7,434,526
Investments	12,721		36,097	48,818
Accounts receivable	2,055,793		1,897	2,057,690
Due from other governments	721,565		79,000	800,565
Due from other funds	46,557		13,218	59,775
Prepaid expenses	77,154			77,154
Inventory	101,505			101,505
Total Assets	<u>8,537,530</u>	<u>1,759,327</u>	<u>283,176</u>	<u>10,580,033</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources				
Total Assets and Deferred Outflows of Resources	<u>\$ 8,537,530</u>	<u>\$ 1,759,327</u>	<u>\$ 283,176</u>	<u>\$ 10,580,033</u>
LIABILITIES				
Accounts payable	\$ 872,706		\$ 79,000	\$ 951,706
Accrued expenses	1,236,267			1,236,267
Due to other governments	1,126,553			1,126,553
Due to other funds	14,386			14,386
Total Liabilities	<u>3,249,912</u>	<u>\$ -</u>	<u>79,000</u>	<u>3,328,912</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	285,349		363	285,712
Total Deferred Inflows of Resources	<u>285,349</u>	<u>-</u>	<u>363</u>	<u>285,712</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,535,261</u>	<u>-</u>	<u>79,363</u>	<u>3,614,624</u>
FUND BALANCES				
Nonspendable	178,659			178,659
Restricted	67,471	1,759,327	184,535	2,011,333
Committed	272,774			272,774
Assigned	1,308,468		19,278	1,327,746
Unassigned	3,174,897			3,174,897
Total Fund Balances	<u>5,002,269</u>	<u>1,759,327</u>	<u>203,813</u>	<u>6,965,409</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,537,530</u>	<u>\$ 1,759,327</u>	<u>\$ 282,813</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds 43,260,611

Other long-term assets are not available to pay for current period expenditures and therefore are not reported in the funds. 1,444,560

Internal Service Funds are used by the County to charge the costs of health and dental insurance. This amount represents the amount due from the Business-type Activities at year end. 1,540,436

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of:

Unearned revenue related to long-term receivable (274,560)
Unearned bond premium (92,513)
Bonds payable (30,145,000)
Notes payable (371,290)
Capital lease payable (337,543)
Accrued interest on long-term obligations (337,430)

Net position of governmental activities \$ 21,652,680

See accompanying notes to the basic financial statements

EXHIBIT D
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2012

	General Fund	ARRA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 23,135,680			\$ 23,135,680
Intergovernmental	4,631,012		\$ 1,157,986	5,788,998
Charges for services	11,055,055		23,668	11,078,723
Interest and investment income	8,384	\$ 782	118	9,284
Miscellaneous	792,623		17,683	810,306
Total Revenues	<u>39,622,754</u>	<u>782</u>	<u>1,199,455</u>	<u>40,822,991</u>
Expenditures:				
Current operations:				
General government	4,454,445		28,836	4,483,281
Public safety	6,417,574		21,474	6,439,048
Human services	7,690,627			7,690,627
Conservation	199,416			199,416
Economic development			1,012,862	1,012,862
Nursing home	14,620,919			14,620,919
Capital outlay	663,828		138,768	802,596
Debt service:				
Principal retirement	2,762,923			2,762,923
Interest and fiscal charges	1,473,707			1,473,707
Total Expenditures	<u>38,283,439</u>	<u>-</u>	<u>1,201,940</u>	<u>39,485,379</u>
Excess revenues (under) expenditures	<u>1,339,315</u>	<u>782</u>	<u>(2,485)</u>	<u>1,337,612</u>
Other financing sources (uses):				
Proceeds of long-term debt	1,761			1,761
Transfers in	331,970			331,970
Transfers out	-	(313,274)	(18,696)	(331,970)
Total other financing sources (uses)	<u>333,731</u>	<u>(313,274)</u>	<u>(18,696)</u>	<u>1,761</u>
Net change in fund balances	1,673,046	(312,492)	(21,181)	1,339,373
Fund balances at beginning of year, as restated	<u>3,329,223</u>	<u>2,071,819</u>	<u>224,994</u>	<u>5,626,036</u>
Fund balances at end of year	<u>\$ 5,002,269</u>	<u>\$ 1,759,327</u>	<u>\$ 203,813</u>	<u>\$ 6,965,409</u>

COUNTY OF CHESHIRE, NEW HAMPSHIRE	
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	
For the Year Ended December 31, 2012	
Net Change in Fund Balances--Total Governmental Funds	\$ 1,339,373
Amounts reported for governmental activities in the statement of activities are different because:	
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 as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	(1,173,181)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss of disposed capital assets reduced by the actual proceeds received from the sale of capital assets.	(10,260)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	59,020
Governmental funds report the effect of bond issuance premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	12,335
Proceeds from long-term debt are other financing sources in the funds, but debt issuances increase long-term liabilities in the statement of net position.	(1,761)
Repayment of principal on bonds and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	2,762,923
Revenue received from the State of New Hampshire and reported in the governmental funds are reported as a reduction of the direct financing lease receivable in the statement of net position.	(189,020)
The Internal Service Fund is used by the County to charge the costs of dental and health insurance to individual funds. The net cost of the Internal Service Fund is reported in Governmental Activities.	273,430
In the statement of activities, interest is accrued on outstanding bonds and capital leases, whereas in governmental funds, an interest expenditure is reported when due.	30,504
Change in Net Position of Governmental Activities	<u>\$ 3,103,363</u>

See accompanying notes to the basic financial statements

EXHIBIT E
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Statement of Net Position
Proprietary Funds
December 31, 2012

	Internal Service Fund
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 1,641,552
Total Current Assets	<u>1,641,552</u>
Noncurrent Assets:	
Restricted cash	<u>79,238</u>
Total Noncurrent Assets	<u>79,238</u>
Total Assets	<u>1,720,790</u>
DEFERRED OUTFLOWS OF RESOURCES	
Total Deferred Outflows of Resources	<u> </u>
LIABILITIES	
Current Liabilities:	
Accounts payable	133,797
Due to other funds	<u>46,557</u>
Total Current Liabilities	<u>180,354</u>
DEFERRED INFLOWS OF RESOURCES	
Total Deferred Inflows of Resources	<u> </u>
NET POSITION	
Unrestricted	<u>1,540,436</u>
Total Net Position	<u>\$ 1,540,436</u>

See accompanying notes to the basic financial statements

EXHIBIT F
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2012

	Internal Service Fund
Operating revenues:	
Charges for services	\$ 3,144,711
Total operating revenues	<u>3,144,711</u>
Operating expenses:	
Administrative	<u>2,871,784</u>
Total operating expenses	<u>2,871,784</u>
Operating income	<u>272,927</u>
Non-operating revenues:	
Interest revenue	<u>503</u>
Net non-operating revenues	<u>503</u>
Change in net position	273,430
Total net position at beginning of year	<u>1,267,006</u>
Total net position at end of year	<u>\$ 1,540,436</u>

See accompanying notes to the basic financial statements

EXHIBIT G
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012

	Internal Service Fund
Cash flows from operating activities:	
Cash received for interfund services provided	\$ 3,144,711
Cash paid to suppliers	<u>(2,839,447)</u>
Net cash provided by operating activities	<u>305,264</u>
Cash flows from investing activities:	
Investment income	<u>503</u>
Net cash provided by investing activities	<u>503</u>
Net increase in cash and cash equivalents	305,767
Cash and cash equivalents at beginning of year	<u>1,368,466</u>
Cash and cash equivalents at end of year	<u>\$ 1,674,233</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 272,927
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Accounts payable	<u>32,337</u>
Net cash provided by operating activities	<u>\$ 305,264</u>

See accompanying notes to the basic financial statements

EXHIBIT H
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2012

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 555,460
Due from other funds	1,168
Total assets	<u>556,628</u>
DEFERRED OUTFLOWS OF RESOURCES	
Total Deferred Outflows of Resources	_____
LIABILITIES	
Accounts payable	44,476
Due to others	119,838
Due to other governments	392,314
Total liabilities	<u>556,628</u>
DEFERRED INFLOWS OF RESOURCES	
Total Deferred Inflows of Resources	_____
NET POSITION	
Held in trust	_____
Total net position	<u>\$ -</u>

See accompanying notes to the basic financial statements

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Cheshire, New Hampshire conform to accounting policies generally accepted in the United States of America for local governmental units, except as indicated hereinafter. The following is a summary of significant accounting policies.

Financial Reporting Entity

The County of Cheshire, New Hampshire (the County) was established in 1769 under the laws of the State of New Hampshire. The County boundaries include twenty-three New Hampshire municipalities located in southwestern New Hampshire. The County operates under the Commissioner/Delegation form of government and provides services as authorized by state statutes.

The financial statements include those of the various departments governed by the Commissioners and other officials with financial responsibility. The County has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by the Governmental Accounting Standards Board (GASB).

Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

During the year ended December 31, 2012, the County implemented GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*" Under this new standard, financial statements will include deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities, and will report net position instead of net assets.

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is also eliminated to avoid "doubling up" revenues and expenses.

The statement of net position presents the financial condition of the governmental activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2012

2. Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The County employs the use of three categories of funds: governmental, proprietary and fiduciary.

1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources is reported as fund balance. The following are the County's major governmental funds:

The *General Fund* is the main operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund.

The *ARRA Fund* is used to account for the temporary increase in Federal Medical Assistance Percentages (FMAP) of 6.2%.

2. Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. The following is the County's proprietary fund:

The County is self-insured for its health and dental insurance. The activity associated with this self-insurance program is accounted in the *Internal Service Fund*.

3. Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The County maintains one type of fiduciary fund: agency funds. The County's agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The County's agency funds account for Sheriff's escrow and court-forfeited funds, Register of Deeds, Nursing Home resident funds, and the jail canteen/recreation fund.

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2012

Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the County are included on the Statement of Net Position.

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current, deferred outflows of resources, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

1. Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of year end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (see Note 3). Revenue from grants,

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2012

entitlements and donations are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes and interest on investments.

Charges for services and miscellaneous revenues (except interest on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received.

2. Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

Budgetary Data

The County's budget represents functional appropriations as authorized by the County Delegation. The County Delegation may transfer funds between operating categories as they deem necessary. The County adopts its budget under State regulations, which differ somewhat from accounting principles generally accepted in the United States of America in that the focus is on the entire governmental unit rather than on the basis of fund types.

Encumbrance Accounting

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable appropriation, is employed as an extension of formal budgetary integration in governmental funds. Encumbrances outstanding at year end are reported as a component of fund balance since they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services.

Cash and Cash Equivalents

The County pools its cash resources for the governmental and proprietary funds. Cash applicable to a particular fund is reflected as an interfund balance. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of the following:

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2012

Statement of Net Assets - Proprietary Funds:	
Cash and cash equivalents	\$ 1,641,552
Due to other funds	(46,557)
Restricted cash	<u>79,238</u>
	<u>\$ 1,674,233</u>

Investments

Investments are stated at their fair value in all funds. Certificates of deposit with a maturity of greater than ninety days from the date of issuance are included in investments.

Accounts Receivable

General Fund accounts receivable at December 31, 2012 are recorded net of an allowance for uncollectible receivables of \$298,991.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2012 are recorded as prepaid items.

Inventory

The County accounts for inventories under the consumption method on a first-in, first out basis. Inventories are recorded at cost.

Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position, but are not reported in the governmental fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair values as of the date received. The County maintains a capitalization threshold of \$5,000 for its governmental activities, except for its nursing home. The capitalization threshold of the nursing home is \$500. The County does not possess any intangible assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets of the business-type activities is also capitalized.

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2012

	<u>Description</u>	<u>Years</u>
	Land improvements	10-30
	Water system	30
	Wastewater system	30
	Buildings and improvements	5-40
	Vehicles and equipment	5-25

Compensated Absences

Employees earn vacation and sick leave as they provide services. Provision is made in the annual budget for vacation and sick leave. Vacation may be accrued to one and one-half times an employee’s annual earned vacation. Any unused vacation beyond this amount will be forfeited. Accrued/unused vacation has been included as a liability in these financial statements.

Employees may accumulate sick leave days up to ten days per year, cumulative to a maximum of sixty days. Any unused sick leave days in excess of sixty days are to be paid to the employee at the end of the year at a rate of one-half day for each excess day that has been accrued. No payment for unused sick leave is made upon termination.

Deferred Bond Premium

The issuance of general obligation bonds resulted in a difference between the bond proceeds and the actual principal to be repaid. This difference, reported in the accompanying financial statements as a deferred bond premium, is being amortized as a component of interest expense over the remaining life of the debt. The balance of the deferred bond premium in the Governmental Funds as of December 31, 2012 is \$92,513.

Accrued Liabilities and Long-Term Obligations

Except for the obligation for other post-employment benefits (see Note 2), all payables and accrued liabilities are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current resources are reported as obligations of the funds.

Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The County’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2012

Fund Balance Policy

GASB Statement 54 established new fund balance classifications and changed the definition of governmental fund types. Under Statement 54, the County has segregated fund balance into five classifications; Nonspendable, Restricted, Committed, Assigned, and Unassigned. These components of fund balance are defined as follows:

- **Nonspendable Fund Balance:** Amounts that are not in a spendable form (such as inventory or prepaid expenses) or are required to be maintained intact.
- **Restricted Fund Balance:** Amounts that can only be spent for the specific purposes stipulated by external resource providers (such as grantors) or the enabling legislation (federal or state law). Restrictions may be changed or lifted only with the consent of the resource providers or the enabling legislation.
- **Committed Fund Balance:** Amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision making authority (annual meeting of the County Delegation). Commitments may be changed or lifted only by the governing body taking the same formal action that imposed the constraint originally. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.
- **Assigned Fund Balance:** Amounts that the County *intends* to use for a specific purpose. For all governmental funds other than the General Fund, any remaining positive amounts are to be classified as "assigned". The Board of Commissioners expressly delegates this authority to the County Administrator. Items that would fall under this type of fund balance classification would be encumbrances.
- **Unassigned Fund Balance:** Amounts that are not obligated or specifically designated and are available for any purpose. The residual classification of any General Fund balance is to be reported here. Any deficit fund balance of another fund is also classified as unassigned.

In instances when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications may be applied, committed resources are to be applied first, followed by assigned and unassigned.

In accordance with the County's fund balance policy, the recommended minimum unassigned fund balance in its General Fund should equal 8% of the annual total budgeted appropriations. The recommended target balance is to maintain an unassigned fund balance between 8% and 11% of the annual total budgeted appropriations. Any amount of the unassigned fund balance in excess of the minimum balance may be appropriated by the Commissioners to offset property taxes as part of the budget approval process with the Delegation to set tax rates for the calendar year.

The Board of Commissioners may recommend to the Delegation through a budget amendment to appropriate funds from the unassigned fund balance even if such use decreases the unassigned fund balance below the recommended minimum balance in the event of emergency purposes or to alleviate unanticipated short-term budgetary problems, such as revenue shortfalls.

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2012

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Operating expenses, which include depreciation on capital assets, are necessary costs incurred to provide the service that is the primary activity of the proprietary fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. Significant estimates include the allowance for uncollectible receivables and depreciation expense.

NOTE 2--STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Other Post-Employment Benefits

The County did not implement GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Statement 45 requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The provisions of GASB 45 were required to be implemented by the County during the year ended December 31, 2009.

NOTE 3--PROPERTY TAXES

Property taxes levied to support the County are based on the assessed valuation of the prior April 1st for all taxable real property.

Under state statutes, the twenty-three Towns/City that comprise Cheshire County (all independent governmental units) collect County taxes as part of local property tax assessments. As collection agent, the Towns/City are required to pay over to the County its share of property tax assessments. The Towns/City assume financial responsibility for all uncollected property taxes under state statutes.

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2012

NOTE 4--RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2012, the County was a member of the New Hampshire Public Risk Management Exchange (PRIMEX). The County currently reports all of its risk management activities in its General Fund. The Trust is classified as a "Risk Pool" in accordance with accounting principles generally accepted in the United States of America.

The Trust agreement permits the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at December 31, 2012.

Property and Liability Insurance

PRIMEX provides certain property and liability insurance coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of PRIMEX, the County shares in contributing to the cost of and receiving benefit from a self-insured pooled risk management program. The program includes a Self Insured Retention Fund from which is paid up to \$500,000 for each and every covered property, crime and/or liability loss that exceeds \$1,000.

Worker's Compensation

PRIMEX provides statutory worker's compensation coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability coverage up to \$2,000,000. The program includes a Loss Fund from which is paid up to \$500,000 for each and every covered claim.

NOTE 5--DEPOSITS AND INVESTMENTS

The County has combined the cash resources of its governmental and proprietary fund types. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance.

Deposits and investments as of December 31, 2012 are classified in the accompanying financial statements as follows:

**COUNTY OF CHESHIRE, NEW HAMPSHIRE
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2012**

Statement of Net Position:	
Cash and cash equivalents	\$ 9,076,078
Investments	48,818
Restricted cash	79,238
Statement of Fiduciary Net Position:	
Cash and cash equivalents	<u>555,460</u>
	<u>\$ 9,759,594</u>

Deposits and investments at December 31, 2012 consist of the following:

Cash on hand	\$ 1,400
Deposits with financial institutions	9,709,376
Investments	<u>48,818</u>
	<u>\$ 9,759,594</u>

The County’s investment policy states that any excess funds which are not immediately needed for the purpose of expenditure may only be invested in certificates of deposit, overnight repurchase agreements, U.S. Government securities – Treasury bills, the New Hampshire Public Deposit Investment Pool and others as approved by the County Commissioners and the County Executive Committee.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. Currently, the County does not have an investment policy for assurance against custodial credit risk; however, the County has an agreement with the bank to collateralize deposits in excess of the FDIC insurance limits.

Of the County’s deposits with financial institutions at year end, \$10,033,442 was collateralized by securities held by the bank in the bank’s name.

Investment in NHPDIP

The County is a voluntary participant in the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool. The NHPDIP is not registered with the United States Securities and Exchange Commission as an investment company. The NHPDIP was created by state law and is administered by a public body of state, local and banking officials.

Investments in the NHPDIP are not investment securities and, as such, are not categorized by risk. The County’s exposure to derivatives is indirect through its participation in the NHPDIP. The County’s proportional share of these derivatives is not available. The fair value of the position in the investment pool is equal to the value of the pool shares.

NOTE 6--DUE FROM OTHER GOVERNMENTS

Receivables from other governments at December 31, 2012 consist of various federal, state and local municipal fundings. All receivables are considered collectible in full and will be received within one year. A summary of the principal items of intergovernmental receivables is as follows:

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2012

U.S. Marshall Service - federal inmates	\$ 99,855
Department of Justice - Public safety grants	99,962
Department of Health and Human Services - public health grants	20,078
State of New Hampshire - District Court bailiff reimbursement	21,335
State of New Hampshire - Medicaid reimbursements	259,325
State of New Hampshire - homeland security grants	203,252
Community development block grant	79,000
Miscellaneous grants and reimbursements	17,758
	<u>\$ 800,565</u>

NOTE 7--CAPITAL ASSETS

The following is a summary of changes in capital assets in the governmental funds:

	(as restated)			
	Balance			Balance
	<u>1/1/2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2012</u>
Capital assets not depreciated:				
Land	\$ 1,059,770			\$ 1,059,770
Construction in process	62,263	\$ 321,751	\$ (62,263)	321,751
Total capital assets not being depreciated	<u>1,122,033</u>	<u>321,751</u>	<u>(62,263)</u>	<u>1,381,521</u>
Other capital assets:				
Land improvements	499,271	149,056		648,327
Buildings and improvements	55,577,120	162,059	(16,200)	55,722,979
Water system	1,464,537			1,464,537
Waste water system	921,198			921,198
Vehicles and equipment	3,894,648	349,448	(113,857)	4,130,239
Total other capital assets at historical cost	<u>62,356,774</u>	<u>660,563</u>	<u>(130,057)</u>	<u>62,887,280</u>
Less accumulated depreciation for:				
Land improvements	(467,829)	(8,808)		(476,637)
Buildings and improvements	(14,855,490)	(1,729,387)	5,940	(16,578,937)
Water system	(821,761)	(56,936)		(878,697)
Waste water system	(355,121)	(33,551)		(388,672)
Vehicles and equipment	(2,534,554)	(264,550)	113,857	(2,685,247)
Total accumulated depreciation	<u>(19,034,755)</u>	<u>(2,093,232)</u>	<u>119,797</u>	<u>(21,008,190)</u>
Total other capital assets, net	<u>43,322,019</u>	<u>(1,432,669)</u>	<u>(10,260)</u>	<u>41,879,090</u>
Total capital assets, net	<u>\$ 44,444,052</u>	<u>\$(1,110,918)</u>	<u>\$ (72,523)</u>	<u>\$ 43,260,611</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 86,271
Public safety	1,449,589
Human services	98,880
Nursing home	458,492
Total	<u>\$ 2,093,232</u>

The balance of the assets acquired through capital leases as of December 31, 2012 is as follows:

**COUNTY OF CHESHIRE, NEW HAMPSHIRE
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2012**

Buildings and improvements	\$ 1,070,543
Less accumulated depreciation for:	
Buildings and improvements	<u>(401,454)</u>
Total	<u>\$ 669,089</u>

NOTE 8--DUE TO OTHER GOVERNMENTS

At December 31, 2012, the County had amounts due to other governments as follows:

State of New Hampshire - Department of Health and Human Services	\$ 973,338
New Hampshire Department of Revenue Administration - Nursing Facility Quality Assessment	<u>153,215</u>
	<u>\$ 1,126,553</u>

NOTE 9--DEFINED BENEFIT PENSION PLAN

Plan Description

The County contributes to the New Hampshire Retirement System (NHRS), a cost-sharing multiple-employer defined benefit pension plan administered by the NHRS Board of Trustees. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 54 Regional Drive, Concord, New Hampshire 03301.

Funding Policy

Covered public safety employees are required to contribute 11.55% of their covered salary, whereas general employees are required to contribute 7.0% of their covered salary. The County is required to contribute at an actuarially determined rate. The County's contribution rates for the covered payroll of public safety employees and general employees were 19.95% and 8.8%, respectively. The County contributes 100% of the employer cost for public safety officers and general employees of the County.

Per RSA-100:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The County's contributions to the NHRS for the years ending December 31, 2012, 2011, and 2010 were \$1,319,668, \$1,282,788, and \$1,165,676, respectively, equal to the required contributions for each year.

NOTE 10--SHORT-TERM OBLIGATIONS

The County issues tax anticipation notes during the year. These borrowings are to assist in the payment of operating expenses during the year and are guaranteed to be repaid from the tax revenue received in December from the Towns/City within the County.

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2012

The changes in short-term debt obligations for the year ended December 31, 2012 are as follows:

Balance - January 1, 2012	\$ -
Additions	19,000,000
Reductions	<u>(19,000,000)</u>
Balance - December 31, 2012	<u>\$ -</u>

NOTE 11--LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The changes in the County’s long-term obligations for the year ended December 31, 2012 are as follows:

	(as restated)				
	Balance			Balance	Due Within
	<u>1/1/12</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/12</u>	<u>One Year</u>
Bonds payable	\$ 32,560,000		\$ (2,415,000)	\$ 30,145,000	\$ 2,105,000
Note payable	337,717	\$ 294,496	(260,923)	371,290	114,556
Capital leases payable	424,543		(87,000)	337,543	95,000
Other long-term obligations	<u>292,735</u>	<u>1,761</u>	<u>(294,496)</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>\$ 33,614,995</u>	<u>\$ 296,257</u>	<u>\$ (3,057,419)</u>	<u>\$ 30,853,833</u>	<u>\$ 2,314,556</u>

Payments on the general obligation bonds, notes payable and capital leases of the governmental activities are paid out of the General Fund.

General Obligation Bonds

Bonds payable at December 31, 2012 are comprised of the following individual issues:

\$37,000,000 Correctional Facility Bonds due in annual installments of \$1,850,000 through October 2027; interest at 4.25%	\$ 27,750,000
\$2,600,000 Jaffrey District Courthouse Bonds due in annual installments of \$130,000 through October 2021; interest at 3.875% - 4.85%	1,170,000
\$1,300,000 Correctional Facility Geothermal Project Bonds due in annual installments of \$100,000 through August 2020 and \$50,000 through August 2024; interest at 2.00% - 4.00%	1,000,000
\$500,000 Correctional Facility Design Bonds due in annual installments of \$25,000 through October 2021; interest at 3.875% - 4.85%	<u>225,000</u>
	<u>\$ 30,145,000</u>

**COUNTY OF CHESHIRE, NEW HAMPSHIRE
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2012**

Debt service requirements to retire general obligation bonds for governmental activities at December 31, 2012 are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2013	\$ 2,105,000	\$ 1,275,015	\$ 3,380,015
2014	2,105,000	1,187,880	3,292,880
2015	2,105,000	1,100,013	3,205,013
2016	2,105,000	1,011,740	3,116,740
2017	2,105,000	923,063	3,028,063
2018-2022	10,270,000	3,278,400	13,548,400
2023-2027	9,350,000	1,185,375	10,535,375
	<u>\$ 30,145,000</u>	<u>\$ 9,961,486</u>	<u>\$ 40,106,486</u>

As included on the Statement of Activities (Exhibit B), interest expense for the year ended December 31, 2012 was \$1,349,497 on general obligation debt for governmental activities.

Notes Payable

Notes payable at December 31, 2012 are comprised of the following individual issues:

\$416,404 Water Project Upgrade Note due in annual installments of \$84,930 through July 2014 and \$82,927 through July 2015; interest at .895%	\$ 252,787
\$292,735 Wastewater Project Upgrade Note due in annual installments of \$29,626 through June 2016; interest at 0.97%. A total of \$146,367 was forgiven at the time of the initial payment.	<u>118,503</u>
	<u>\$ 371,290</u>

Debt service requirements to retire the notes payable for governmental activities at December 31, 2012 are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2013	\$ 114,556	\$ 3,412	\$ 117,968
2014	114,556	2,364	116,920
2015	112,553	1,317	113,870
2016	29,625	287	29,912
	<u>\$ 371,290</u>	<u>\$ 7,380</u>	<u>\$ 378,670</u>

As included on the Statement of Activities (Exhibit B), interest expense for the year ended December 31, 2012 was \$5,718 on the note payable for governmental activities.

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2012

Capital Lease Obligations

Capital lease obligations represent lease agreements entered into for the financing of equipment acquisitions. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations. Amounts are annually budgeted in the applicable function.

Capital leases payable at December 31, 2012 is comprised of the following individual issue:

Building improvements, due in varying annual installments through May 2016; interest at 4.67%	<u>\$ 337,543</u>
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Debt service requirements to retire capital lease obligations for governmental activities at December 31, 2012 are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2013	\$ 95,000	\$ 15,763	\$ 110,763
2014	103,000	11,327	114,327
2015	112,000	6,517	118,517
2016	<u>27,543</u>	<u>1,286</u>	<u>28,829</u>
	<u>\$ 337,543</u>	<u>\$ 34,893</u>	<u>\$ 372,436</u>

Direct Financing Lease Receivable

The County has entered into a direct financing lease agreement with the State of New Hampshire for a term of 20 years following construction of the Jaffrey District Court building. The semi-annual payments the County will receive are equal to the annual interest and principal payments on the bond. The State will occupy the District Court building and incur all direct costs associated with the building for the entire period. The County has agreed to sell the District Court building to the State for a purchase price of \$1 at the end of the lease. Future minimum lease payments to be received have been recognized in the governmental activities and are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2013	\$ 130,000	\$ 53,690	\$ 183,690
2014	130,000	48,230	178,230
2015	130,000	42,575	172,575
2016	130,000	36,790	166,790
2017	130,000	30,875	160,875
2018-2021	<u>520,000</u>	<u>62,400</u>	<u>582,400</u>
	<u>\$ 1,170,000</u>	<u>\$ 274,560</u>	<u>\$ 1,444,560</u>

NOTE 12--INTERFUND BALANCES AND TRANSFERS

The County has combined the cash resources of its governmental and proprietary fund types. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance. Interfund balances at December 31, 2012 are as follows:

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2012

	Due from		Totals
	General Fund	Internal Service Fund	
Due to General Fund		\$ 46,557	\$ 46,557
Nonmajor Governmental Funds	\$ 13,218		13,218
Fiduciary Funds	1,168		1,168
	<u>\$ 14,386</u>	<u>\$ 46,557</u>	<u>\$ 60,943</u>

During the year, several interfund transactions occurred between funds. Funds were transferred from the ARRA Fund to the General Fund to acquire capital assets. Funds transferred from the Nonmajor Governmental Funds to the General Fund represent administrative costs associated with a grant award.

Interfund transfers for the year ended December 31, 2012 are as follows:

	Transfer from		Totals
	ARRA Fund	Nonmajor Governmental Funds	
Transfer to General Fund	\$ 313,274	\$ 18,696	\$ 331,970
	<u>\$ 313,274</u>	<u>\$ 18,696</u>	<u>\$ 331,970</u>

NOTE 13—SELF INSURANCE

During the year ended December 31, 2000, the County established a Health and Dental Insurance Fund (an internal service fund) to account for and finance its self-insurance program. Under this program, the Health and Dental Insurance Fund provides coverage for up to a maximum of \$75,000 annually for each individual plan participant. The County purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss.

All funds of the County participate in the program and make payments to the Health and Dental Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability reported in the fund at year end is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information is available prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount for the past five years are as follows:

Year Ending December 31,	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Liability
2008	\$ 124,054	\$ 1,328,138	\$(1,308,809)	\$ 143,383
2009	143,383	2,065,974	(2,098,137)	111,220
2010	111,220	2,719,547	(2,717,938)	112,829
2011	112,829	2,483,553	(2,494,922)	101,460
2012	101,460	2,871,784	(2,839,447)	133,797

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2012

NOTE 14—RESTRICTED NET POSITION

Net position is restricted for specific purposes as follows:

ARRA Medicaid funds	\$ 1,759,327
County Extension Services	12,092
Donations	91,476
Correctional facility project	126,454
Sheriff's forfeiture funds	9,412
Miscellaneous grants	12,572
	<u>\$ 2,011,333</u>

NOTE 15—COMPONENTS OF FUND BALANCE

The County's fund balance components are comprised as follows:

<u>Fund Balances</u>	<u>General Fund</u>	<u>ARRA Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Prepaid expenses	\$ 77,154			\$ 77,154
Inventory	101,505			101,505
Restricted for:				
ARRA Medicaid funds		\$ 1,759,327		1,759,327
County Extension Services	12,092			12,092
Donations	55,379		\$ 36,097	91,476
Correctional facility project			126,454	126,454
Sheriff's forfeiture funds			9,412	9,412
Miscellaneous grants			12,572	12,572
Committed for:				
Capital Reserve Funds	272,774			272,774
Assigned for:				
Deeds surcharge			19,277	19,277
Miscellaneous special revenue fund			1	1
Reduction of 2013 tax rate	872,839			872,839
Encumbrances	422,400			422,400
Carryforward appropriations	13,229			13,229
Unassigned	<u>3,174,897</u>			<u>3,174,897</u>
	<u>\$ 5,002,269</u>	<u>\$ 1,759,327</u>	<u>\$ 203,813</u>	<u>\$ 6,965,409</u>

NOTE 16--COMMITMENTS AND CONTINGENCIES

Litigation

Legal counsel estimates that any potential claims against the County which are not covered by insurance are immaterial and would not affect the financial position of the County.

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2012

Other Contingencies

The County participates in the federally assisted Medicaid program at the County Nursing Home. This program is subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time; although the County expects such amounts, if any, to be immaterial.

Federal Grants

The County participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amounts, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

NOTE 17—CHANGE IN ACCOUNTING METHOD

Governmental Funds

Effective January 1, 2012, the County has changed its accounting method in reporting for the financial activity of its Nursing Home. Previously, the Nursing Home was reported as a proprietary fund and accounted for on the accrual basis. During the year ended December 31, 2012, management determined that the operations of the Nursing Home should be included within the General Fund, which is maintained on the modified accrual basis of accounting.

The impact of this change in accounting method on the General Fund and the Nursing Home Fund is as follows:

	General Fund	Nursing Home Fund
Fund Balance/Net Position - January 1 (as previously reported)	\$ 5,048,905	\$ 1,742,289
Amount of restatement due to reclassification of Nursing Home:		
Nursing Home equity as of January 1	1,742,289	(1,742,289)
Capital assets, net	(4,534,137)	
Bonds payable	102,300	
Notes payable	337,717	
Capital lease payable	326,898	
Other long-term obligations	292,735	
Accrued interest on long-term obligations	12,516	
Fund Balance/Net Position - January 1, as restated	<u>\$ 3,329,223</u>	<u>\$ -</u>

Net position of the governmental and business-type activities as of January 1, 2012 has been restated as follows:

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2012

	Governmental <u>Activities</u>	Business-type <u>Activities</u>
Net Position - January 1 (as previously reported)	\$ 15,769,263	\$ 2,780,054
Amount of restatement due to reclassification of Nursing Home:		
Nursing Home equity as of January 1	<u>2,780,054</u>	<u>(2,780,054)</u>
Net Position - January 1, as restated	<u>\$ 18,549,317</u>	<u>\$ -</u>

SCHEDULE 1
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 23,135,680	\$ 23,135,680	\$ 23,135,680	\$ -
Intergovernmental	3,959,364	4,939,109	4,484,645	(454,464)
Charges for services	12,219,999	11,859,258	11,055,055	(804,203)
Interest income	5,000	5,000	8,264	3,264
Miscellaneous	750,509	750,509	789,346	38,837
Total Revenues	<u>40,070,552</u>	<u>40,689,556</u>	<u>39,472,990</u>	<u>(1,216,566)</u>
Expenditures:				
Current:				
General government	4,580,011	4,534,226	4,460,792	73,434
Public safety	6,996,576	6,996,576	6,417,446	579,130
Human services	8,167,517	8,167,517	7,690,627	476,890
Conservation	116,488	116,488	115,030	1,458
Nursing home	15,786,742	16,007,527	14,834,546	1,172,981
Capital outlay	1,144,325	771,590	753,034	18,556
Debt Service:				
Principal retirement	2,610,687	2,610,687	2,616,556	(5,869)
Interest and fiscal charges	1,530,184	1,530,184	1,473,707	56,477
Total Expenditures	<u>40,932,530</u>	<u>40,734,795</u>	<u>38,361,738</u>	<u>2,373,057</u>
Excess revenues over (under) expenditures	<u>(861,978)</u>	<u>(45,239)</u>	<u>1,111,252</u>	<u>1,156,491</u>
Other financing sources (uses):				
Proceeds of long-term debt			1,761	1,761
Transfers in	474,834	724,834	339,360	(385,474)
Transfers out	(96,020)	(244,530)	(96,020)	148,510
Total other financing sources (uses)	<u>378,814</u>	<u>480,304</u>	<u>245,101</u>	<u>(235,203)</u>
Net change in fund balance	(483,164)	435,065	1,356,353	921,288
Fund balance at beginning of year				
- Budgetary Basis, as restated	<u>2,938,169</u>	<u>2,938,169</u>	<u>2,938,169</u>	<u>-</u>
Fund balance at end of year				
- Budgetary Basis	<u>\$ 2,455,005</u>	<u>\$ 3,373,234</u>	<u>\$ 4,294,522</u>	<u>\$ 921,288</u>

See accompanying notes to the required supplementary information

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2012

NOTE 1—BUDGET TO ACTUAL RECONCILIATION

General Fund

Amounts recorded as budgetary amounts in the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – General Fund (Schedule 1) are reported on the basis budgeted by the County. Those amounts differ from those reported in conformity with accounting principles generally accepted in the United States of America in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit D). General Fund budgetary revenues and expenditures were adjusted for encumbrances, non-budgetary revenues and expenditures, budgetary transfers, and the principal forgiveness of debt as follows:

	<u>Revenues, and Transfers</u>	<u>Expenditures and Transfers</u>
Per Exhibit D	\$ 39,956,485	\$ 38,283,439
Encumbrances, December 31, 2012		422,400
Encumbrances, December 31, 2011		(113,348)
Principal forgiveness of debt	(146,367)	(146,367)
Non-budgetary revenues and expenditures	(99,417)	(91,776)
Budgetary transfers	103,410	103,410
Per Schedule 1	<u>\$ 39,814,111</u>	<u>\$ 38,457,758</u>

Budgetary information in these financial statements has been presented only for the General Fund as there is no adopted budget for the ARRA Fund.

NOTE 2—BUDGETARY FUND BALANCE

The components of the budgetary fund balance for the General Fund at December 31, 2012 are as follows:

Nonspendable:	
Prepaid expenses	\$ 77,154
Inventory	101,505
Restricted for:	
Donations	54,898
Assigned for:	
Reduction of 2013 tax rate	872,839
Carryforward appropriations	13,229
Unassigned	<u>3,174,897</u>
	<u>\$ 4,294,522</u>

SCHEDULE I
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

Federal Granting Agency/Recipient State Agency/Grant Program/State Grant Number	Federal Catalogue Number	<u>Expenditures</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Pass Through Payments from Community Development		
Finance Authority		
Community Development Block Grants / State's Program and Non-Entitlement Grants in Hawaii	14.228	
#11-403-CDHS		\$ 245,900
#11-403-CDED		486,000
#10-403-CDPF		277,000
#09-403-CDHS		<u>3,962</u>
Total Department of Housing and Urban Development		<u>1,012,862</u>
DEPARTMENT OF JUSTICE		
Pass Through Payments from the New Hampshire		
Department of Justice		
Violence Against Women Formula Grants - Recovery Act	16.588	
#2010-WF-AX-0042		30,000
#2009-EF-S6-0019		<u>22,000</u>
		<u>52,000</u>
Residential Substance Abuse Treatment for State Prisoners	16.593	
#2010-RT-BX-0039		<u>6,087</u>
Enforcing Underage Drinking Laws Program	16.727	
#2011CD29		<u>4,300</u>
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to States and Territories	16.803	
#2009-SU-B9-0019		<u>51,458</u>
Received Directly From U.S. Treasury Department		
Bulletproof Vest Partnership Program	16.607	
		<u>1,413</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	
#2010-DJ-BX-0959		<u>21,556</u>
Total Department of Justice		<u>136,814</u>
DEPARTMENT OF TRANSPORTATION		
Pass Through Payments from the New Hampshire		
Department of Transportation		
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	
#NH-65-X001		<u>80,437</u>
State and Community Highway Safety	20.600	
#315-12A-018		<u>947</u>
Total Department of Transportation		<u>81,384</u>

See notes to schedule of expenditures of federal awards

SCHEDULE I
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

Federal Granting Agency/Recipient State Agency/Grant Program/State Grant Number	Federal Catalogue Number	<u>Expenditures</u>
DEPARTMENT OF ENERGY		
Received Directly From U.S. Treasury Department		
Energy Efficiency and Conservation Block Grant Program (EECBG) - Recovery Act #DE-EE0000668	81.128	<u>8,250</u>
Pass Through Payments from the New Hampshire Department of Education		
Energy Efficiency and Conservation Block Grant Program (EECBG) #DE-FOA-0000013	81.128	<u>129,237</u>
Total Department of Energy		<u>137,487</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Pass Through Payments from the Town of New Ipswich, New Hampshire		
Medical Reserve Corps Small Grant Program #IMRCSG101005-01	93.008	<u>3,624</u>
Pass Through Payments from the National Association of County and City Health Officials		
Medical Reserve Corps Small Grant Program #5MRCSG101005-02	93.008	<u>2,430</u>
Pass Through Payments from the New Hampshire Department of Health and Human Services		
Public Health Emergency Preparedness	93.069	<u>87,092</u>
Pass Through Payments from the Community Health Institute		
National Bioterrorism Hospital Preparedness Program #36681-06	93.889	<u>3,000</u>
Pass Through Payments from the New Hampshire Bureau of Drug and Alcohol Services		
Block Grants for Prevention and Treatment of Substance Abuse #95846502	93.959	<u>66,525</u>
Total Department of Health and Human Services		<u>162,671</u>
DEPARTMENT OF HOMELAND SECURITY		
Pass Through Payments from the New Hampshire Department of Safety		
Emergency Management Performance Grants	97.042	<u>23,393</u>
Interoperable Emergency Communications	97.055	<u>2,838</u>
Homeland Security Grant Program	97.067	<u>321,701</u>
Total Department of Homeland Security		<u>347,932</u>
Total Expenditures of Federal Awards		<u>\$ 1,879,150</u>

See notes to schedule of expenditures of federal awards

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2012

NOTE 1—GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Cheshire. The County's reporting entity is defined in Note 1 of the County's basic financial statements.

NOTE 2—BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 of the County's basic financial statements.

NOTE 3—RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The recognition of expenditures of federal awards has been reported in the County's basic financial statements as intergovernmental revenues in the governmental and proprietary funds as follows:

Major Governmental Fund:	
General Fund	\$ 719,747
Nonmajor Governmental Funds	<u>1,159,403</u>
	<u>\$ 1,879,150</u>

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

Independent Auditor's Report

To the Board of Commissioners
County of Cheshire, New Hampshire

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Cheshire, New Hampshire as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County of Cheshire, New Hampshire's basic financial statements, and have issued our report thereon dated May 23, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Cheshire, New Hampshire's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Cheshire, New Hampshire's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Cheshire, New Hampshire's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

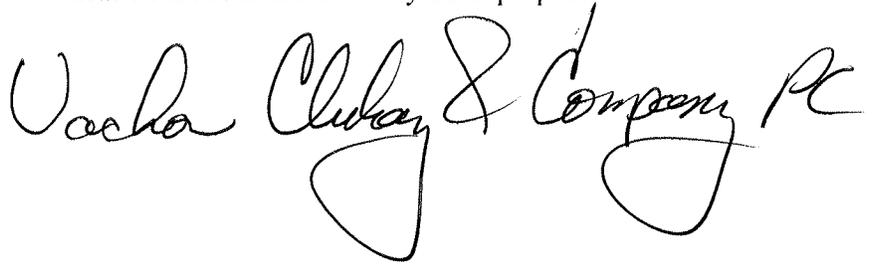
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Cheshire, New Hampshire's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Usha Chibbar & Company PC". The signature is written in a cursive, flowing style.

Manchester, New Hampshire
May 23, 2013

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Independent Auditor's Report

To the Board of Commissioners
County of Cheshire, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited the County of Cheshire, New Hampshire's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County of Cheshire, New Hampshire's major federal programs for the year ended December 31, 2012. The County of Cheshire, New Hampshire's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County of Cheshire, New Hampshire's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Cheshire, New Hampshire's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County of Cheshire, New Hampshire's compliance.

Opinion on Each Major Federal Program

In our opinion, the County of Cheshire, New Hampshire complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

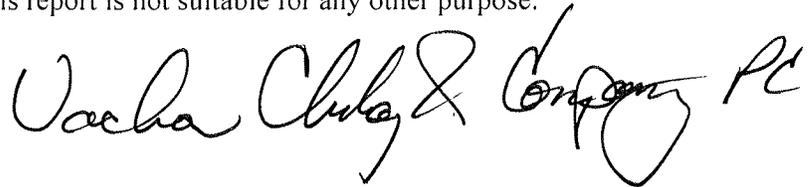
Report on Internal Control Over Compliance

Management of the County of Cheshire, New Hampshire is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County of Cheshire, New Hampshire's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Cheshire, New Hampshire's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Vacha Chubey & Company PC". The signature is written in a cursive, flowing style.

Manchester, New Hampshire
May 23, 2013

**County of Cheshire, New Hampshire
Schedule of Findings and Questioned Costs
Year Ended December 31, 2012**

Section I—Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: *adverse*
 Internal control over financial reporting:
 Material weakness(es) identified? _____yes X no
 Significant deficiency(ies) identified
 not considered to be material weaknesses? _____yes X none reported
 Noncompliance material to financial statements noted? _____yes X no

Federal Awards

Internal Control over major programs:
 Material weakness(es) identified? _____yes X no
 Significant deficiency(ies) identified
 not considered to be material weaknesses? _____yes X none reported

Type of auditor’s report issued on compliance
 for major programs: *unqualified*

Any audit findings disclosed that are required
 to be reported in accordance with
 Circular A-133, Section .510(a)? _____yes X no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.228	Community Development Block Grants / State’s Program and Non-Entitlement Grants in Hawaii
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B program: \$ 300,000.

Auditee qualified as low-risk auditee? _____yes X no

Section II—Financial Statement Findings

There were no findings relating to the financial statements required to be reported by GAGAS.

Section III—Federal Award Findings and Questioned Costs

There were no findings and questioned costs as defined under OMB Circular A-133 .510(a).

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Monday, January 9, 2012
33 West Street, Keene, NH 03431

PRESENT: Representatives Butynski; Chase, Hawkes, Hunt; Johnson (Jane), Leraudeau, Meader, Moore (Robert, Jr.), Sad, Sterling; Tatro, Weber, Weed, Commissioners Zerba, Administrator Wozmak, Finance Director Trombly, Director King, Registrar of Deeds Hubal, Project Manager Bouchard

ABSENT: Representatives Emerson.

Chair Hunt opened the meeting at 09:00 AM

At the request of the Chair Commissioner Zerba provided a short recap of the proposed 2012 budget citing an overall reduction of 2.97%. Two items were noted: negotiations with the union regarding rate increases and the removal of FMA from the county budget and the impact on that shift. Rep. Sterling asked about the change to Fire Mutual Aid (FMA) and how it evolved. Administrator Wozmak provided the background of the transition from a County responsibility to the individual towns.

Questions were raised regarding wages and benefits and increases in wages. Currently, under the CBA, the contractual wage adjustment is slated to be a 3.9% cost of living increase and a 1% longevity increase. Administrator Wozmak noted that the amount currently in the budget was an initial placeholder for discussion purposes but not sufficient to cover the actual contractual amount. Wozmak said he is engaged in discussion with the union to seek concessions from the contract provisions. Finance Director Trombly note that staff hired since 2008 have received only very minimal increases and many are at or near the same level as when they started. Administrator Wozmak noted that the current union contract is set to expire in March 2013 therefore a schedule for the new contract negotiations is currently being set.

Administrator Wozmak said that the Commissioners want it to be clear that the proposed budget is a true tax lowering budget. Wozmak then provided an overview of the tax impact implications on the towns and how the State Department of Revenue Administration works to set town tax rates. He then covered the issues and problems inherent in the current system regarding the timing of the DRA setting tax rates, the towns being able to collect local taxes, and the impact on the County that the slow, or late payments from the towns has on the Counties ability to pay its obligations.

A question was asked concerning the low amount of rental income from the farm and Director Trombly pointed out that the current number reported income for a six month period not for a full year.

Rep. Sad inquired if any action was imminent on the sale of the Blood Farm. As of now, there has not been a market value for the property but one is expected. There is some concern however that the renting entity maybe affected by potential state budget cuts to their operating funds which might impede their ability to continue to rent the building.

Rep Hunt asked about the status of the Latchis Theater. Administrator Wozmak responded that he has a meeting pending to review the conversion of the Theater site to a surface parking lot with the

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Monday, January 9, 2012
33 West Street, Keene, NH 03431

goal of providing additional parking for the new courthouse. He said that the building certainly must come down and that, if the courthouse is to begin to be constructed in the Spring of 2012, this parking will need to be available to provide for the parking that gets displaced due to construction.

A question regarding the financing status of the new Courthouse was asked and Wozmak stated that everything was in place with the exception of a bond for about \$1.6 million dollars that is under review by the City.

A letter from the town of Nelson was then presented to the Executive Delegation for consideration. The letter asked for abatement of a late penalty of \$110.00 that was assessed by the County for the late payment of taxes by one day. **A motion was made by Rep Weber to recommend to the full delegation that the County release the town of Nelson from payment of the \$110.00 late fee assessed by the County. The motion was seconded by Rep. Sad and upon vote of the Executive Committee passed unanimously.**

The Executive Committee then took-up discussion of the County Facilities proposed 2012 budget. Director King pointed out that the outside services budget will remain at the same level as the previous year when asked about outsourcing of tasks that his staff were not certified to complete. Manager King then gave an overview of the MNH budget. Discussion stated regarding the usage of fuel and the purchasing of fuel (spot market vs. pre-buy). Director King expressed a concern of the rising cost of #4 fuel used for heating and reminded everyone that it had reached \$128 a barrel the previous year.

Representative Butynski asked about the facilities manager wages that seem to go up and down. Finance Director Trombly investigated the matter and reported to the delegation that reflects the payment or non-payment of accrued sick time once the maximum allowable sick time limit has been reached.

A question concerning the cost of electrical usage at MNH was asked and Director King responded that the rates that the County was able to obtain through PSNH and TransCanada were extremely competitive and the current rate structure is locked in for the next 1.5 years.

Director King then responded to questions concerning vehicle maintenance, the cost of maintenance at the old jail facility, the water use rates and costs for MNH, road work needed for storm drainage issues, and the cost of electric usage at the Courthouse.

Representative Weber inquired on the budget for plastic ware why this is being purchased. Director Trombly stated it is for the kitchen in the building. The executive committee recommended removing this item. Director King was requested to find the value of the plastic ware and cups so that this may be reduced in the budget. Rep. Hunt stated that he believes that the water coolers should also be cut at all facilities and this was also moved forward as a recommend cut for full delegation consideration.

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Monday, January 9, 2012
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Director King was asked about his capital equipment priorities for 2012 and provided the following list of items that need to be addressed. 1.) A new nurse call system, 2.) upgrade of door locks for the south end of MNH, 3.) replacement of the transfer switch for the MNH generator, 4.) Completion of ducting work behind laundry dryers, 5.) tile replacement in resident showers, 6.) Pavement repair.

Rep. Hunt asked if the bulk of the cost of the items can be covered under ARRA funding instead of using any capital reserve funds. Director Trombly will increase ARRA Revenue and decrease Capital Reserve revenue to off-set capital expenditures where possible.

The Delegation then took-up review of the Deeds department proposed budget. Administrator Wozmak pointed out that Registrar Hubal had already met the 2012 budget reduction requests due to restructuring (eliminating a position) of the department a number of months ago. A discussion ensued regarding the use of microfilm and the need for archival storage for registry documents. No changes were made to the budget request.

Director Trombly presented the Treasurer portion of the budget and recapped the need for the TANS borrowing and how the TANS process worked. No changes were made to the budget request.

Human Resources budget was presented by Director Hurley. Director Hurley presented her request for a half time position (.5 FTE) that would be partially offset by the current HR support staff member moving from 40 hours to 32 hours. After discussion there was not much support to move forward with the request.

General County presented by Trombly – Insurance and workman compensation claims were discussed and no changes were made to the budget.

Delegation: Presented by Administrator Wozmak
Travel is up due to increase in meetings and no changes were made to the budget.

Human Services presented by Finance Director Trombly – this department now only consists of Medicaid pass through. No change in the budget was made.

Personnel Administration presented by Director Trombly – Discussion concerning the success of the County self-insurance plan ensued and it was learned that the County has run approximately 5-10% below peer groups over the past decade. No change was made to the proposed budget.

At 11:33 Chair Hunt made a motion to adjourn and the motion passed unanimously.

Respectfully Submitted,

Jane Johnson, Clerk

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Thursday, January 19, 2012
12 Court Street, Keene, NH 03431

PRESENT: Representatives Butynski; Chase, Hawkes, Hunt; Moore (Robert, Jr.), Sad, Sterling, Weber, Weed, Johnson (Jane), Commissioner Zerba, Administrator Wozmak, Finance Director Trombly, Project Manager Bouchard

ABSENT: Representatives Emerson, Lerandeau, Meader, Smith, and Tatro.

Chair Hunt opened the meeting at 07:06 PM

The meeting was open to the public for comments concerning the elimination of the Alternative Sentencing / Mental Health Court Department from the 2012 County Budget. The following members of the public spoke;

Honorable Judge Burke, Keene District Court

Without taking a position regarding the program, Judge Burke gave his “*view from the bench*.” He said the two most difficult issues facing me as a Judge are 1.) Setting appropriate conditions of release (on bail) and 2.) the sentencing side of things. There are so many mental health or substance abuse or more commonly both conditions in the people we see, and if they are a threat to themselves or others, and if I don’t have enough information to detain them, then I have to incarcerate them. “I need as many resources as I can get” he said. Referrals to this program come from prosecutors and police. The model is a Sequential Intercept System and the big advantage is that I can look across the courtroom and know whether or not we have the resource needed to assist the person in the community. If I don’t have this resource, bail conditions will look quite different. On the sentencing side, I will have to exalt specific deterrence rather than general deterrence. I need resources and information and if I can deal with this person with option of the program, I can better determine what’s best for that person. These decisions are hard. They affect families, real people, not just one person, but many people”

David Lauren, DV Prosecutor

“After consultation, some cases are better suited for district court for alternative sentencing and mental health court. This program provides an important tool for felony prosecution”

Ken Jue, Former CEO of MFS

Mr. Jue provided a history of Alternative Sentencing Program and Mental Health Court. He said that a multi-disciplinary group of people from the region went to Seattle to visit the mental health court there. This group included a deputy sheriff, two police officers from two departments, a state legislator, as well as mental health professionals from several agencies. The trip was, in part, paid for by a substantial donation from a community member. Following that trip, he described the first year of planning and the success record and permissive legislation. During this planning year, all of the stakeholders (police, prosecution, defense, and court personnel) met regularly to scope out the rules, relationships and legal issues surrounding the initiation of a mental health court. This work demonstrated and continues to demonstrate a uniquely strong working relationship in this

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community between these various interests. A law was passed that permitted the formation of a pilot mental health court in Cheshire County and this model has been visited by many jurisdictions over the past decade.

Jay McCormick, Regional Prosecutor

“We are so fortunate to have this program in our county. I worked in Suffolk County and they had nothing like this. Everyone just went to jail. If we didn’t have it, we wouldn’t have the option of individual services, our only option would be to hold them overnight in our jail and would they really be able to give them the services they need there? This program provides different and rehabilitative services for the safety of our community.”

Rep. Bill Butynski asked a question of Judge Burke whether the Commissioners consulted with him prior to recommending that the program be cut. Judge Burke responded that he had many conversations with Mr. Wozmak both last year when cuts were proposed and later when the entire program was in jeopardy although he was not specifically asked whether he supported the cuts or not.

Jan Peterson, Managing Attorney

“Mental Health and the law collide. We had to educate both sides. Sometimes we can’t get an appointment for a medical review for six weeks. Mental Health beds go down, jail beds go up. This is the best system we’ve come up with. It’s quick. It’s the voice for the voiceless. It’s an amazing multidisciplinary system.”

Doug Iosue, Case Manager, LCSW, CCHOC

Mr. Iosue said that they book nearly 1,800 in our jail each year and he has 350 inmate in his caseload a year and that 80% have substance use disorder, 40-50% have a Mental Health diagnosis needing meds, only 20% are employed, 20% have health insurance. He said that a small percentage of his clients in jail also end up in the alternative sentencing program and he feels comfortable that, upon release to the program, they get the structure, support and services they need. They frequently leave with huge debts, paying restitution, few have insurance, most have child support due and paying for medication and therapy is impossible without this program.”

Martha Jacques, Public Prosecutor in Jaffrey and Keene

Martha explained that she provides prosecution services for many area towns both within and without the county. She said: “Expand this program, don’t cut it! This program diverts people from the criminal justice system. Hillsborough does not have a program like this and we wish it were in Jaffrey Court System. I can’t imagine what life would be like without this program. It would be devastating”

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Michael Hager, Program Graduate, Swanzey

“I’m a gratefully recovering alcoholic and addict. This program isn’t one person. It’s an entire family. I learned to live on life’s terms. I am a better husband, better father. I have a wonderful life now. I almost got thrown out the program if you can believe it? I’m 40 and in better health than I was in my 20’s. This is the first time I have been in court without being required to be here. This program doesn’t just save one person- you saved my entire family”

Mr. Hager spoke about the program director, Michael Potter: “I could not see in myself what Michael saw in me” He gave great credit to the staff at this program and at Phoenix House for seeing his potential to recover and become a productive member of the community.

Amelie Gooding, Phoenix House

Ms. Gooding said she works for Phoenix House which provides many services to the recovering community and their program has a 75% completion rate. She said that she has nothing but good things to say about the program.

Meg Connor, Clinical Mental Health Counselor

Meg said: “I don’t like taxes. But that the change in people after this program is immeasurable. Prevention is cheaper than the aftermath.” She went to cite a case where one of the clients has been able to deal with previously debilitating Mental Health issues and is now a small business owner and taxpayer.

Tanya Cornell, Provider

As a provider, Tanya said that medication management is a high demand. She said, “This team is amazing”. These clients are the most inspiring. Clients realize that the team is not the enemy-they are here to support them. If this is cut, there will be consequences for years and years to come”

Michael Potter, Program Director

Michael provided some national information on the overall success of programs such as this.

Matthew Hill, Public Defender’s Office

“If this program doesn’t exist, people will be in jail, without jobs, not paying rent and how is that an effective cost savings? This program doesn’t take every person coming to them. Not everyone is a good candidate. People come from all around to see this program. Incarceration vs. benefits long term for the community should be your consideration.”

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Rob Rooney, MFS Chair

Mr. Rooney commented that this has been an effective program for more than a decade and that it was a great bit of foresight of the people in this community to put this together so long ago. As chair of Monadnock Family Services, he urges you to keep the program, there is data to support its success”

Katy Hagar, around 10 year’s old, daughter of a graduate

“My Dad started to be a stranger. I was afraid I was losing my Dad and I’m glad he got better”

Lizette Foley, employee ASP/MHC

This program reflects a nationwide trend. It says a lot about the program that last year when we asked providers and vendors to cut their fees due to budget cuts, they did. They believe in this program and serving this population.”

Eric Hedin, Director of Recovery Support Services, MFS

“This program keeps people in the community, which is our goal as well. It is a coordinated service, staying out of the courtroom. I don’t have numbers- I have the faces, the smiles to support this!”

Heather, in ASP/MHC program now

“This program is not only saving money, but you’re saving lives. I’m extremely grateful for this program.”

Jay Buckley, Public Defender’s Office

“Something to consider is how this affects the employers, families, getting kids to schools, providing medical care to parents, pets, etc. When someone is incarcerated, it affects families, not just individuals”. This program is very, very important.

Meg Zanger, formerly of Family Strength

“When someone isn’t involved with Alternative Sentencing, we see the results. You are digging a hole deeper and deeper if you eliminate this program”

Jeff Hewett, Graduate

“This program made me re-evaluate my life. It offered me solutions. I’ve stayed employed. I’m paying taxes, child support and am an active member of the community. It gave me a second chance. I’m forever grateful”

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Maryann Strong, Substance Abuse Counselor

Ms. Strong stated that she came from an area where no program like ASP/MHC was available. “Erasing a line in a budget doesn’t erase a problem. If people are incarcerated, they make no contribution to the community; cause more evictions, more stress and strain on the system. It’s an amazing difference with this program here”

Kevin Holfelner

Mr. Holfelner was a prior per-diem staff member at ASP/MHC. He stated that he was supportive of the statements of the previous speakers and that in keeping with the Vision 2020 model the County should maintain the program. “What do we want the county to become”?

Rep. Hunt stated that this was “a very difficult decision” and thanked everyone for coming. He also introduced other State Representatives, Chase and Weed, who were in attendance.

Two other members of the public then asked to be heard and spoke;

Ethan Frock, Graduate ASP

“I’m a graduate. I have a sale pending on a home in Keene. I am not a drain anymore. I have been employed five years now and am a supervisor who deals with some employees who have substance abuse problems. It’s tough. Without this program, I would never have made it this far.”

Dakota Adams – Identified himself as 23 years old and a graduate of ASP

“If it weren’t for this program, I would be involved with the police and seeing Judge Burke. They reached out their hand to me and it has made all the difference. I would be that constant drain you are all talking about if it were not for this program. We are what matters. “WE are your data”

At 08:14 there being no further public comment, Chair Hunt made a motion to adjourn and the motion passed unanimously.

Acceptance Authorized

J. Wozmak, Clerk Pro Tempore

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Monday, January 23, 2012
33 West Street, Keene, NH 03431

PRESENT: Representatives Butynski; Chase, Hawkes, Hunt, Lerandean, Meader, Sad, Sterling, Weber, Commissioner Zerba, Administrator Wozmak, Finance Director Trombly, Project Manager Bouchard

ABSENT: Representatives Emerson, Johnson (Jane), Moore (Robert Jr.), and Smith

The Executive Committee convened to review Outside Agencies Budget Requests for 2012.

Chair Hunt opened the meeting at 09:00 AM

HCS (Home Healthcare, Hospice and Community Services) Staff members Duquette, Olmstead, Skeels, and Ashworth presented their request for 2012 funding. The services that HCS provides and the funding sources for these services were reviewed. It was noted that previous sources of funding that HCS has relied upon have been eliminated or reduced and that as a result various elements of the programs provided by HCS have had to be curtailed. The delegation members queried HCS on a number of services and cost areas and asked for clarification on distribution of services. No change was made to the proposed budget.

The MCVP (Monadnock Center for Violence Prevention) budget request was then reviewed and a discussion regarding the office space occupied by MCVP in the courthouse ensued. Being housed in the courthouse is a huge asset to the organization, because it is a secure building. If they were not in that location they would have to spend additional money to hire security. The funding that is received by the county offsets the cost of the rent. As The close proximity to the court system is very advantageous to cut down on any travel costs associated with going back and forth to the courts. No change was made to the proposed budget.

MFS – (Monadnock Family Services) Staff Birney, Skalaban, Forsher, and Cook were present to discuss MFS's 2012 budget request. Changes in staffing within the organization were discussed as and the financial difficulties that the organization faces. MFS has eliminated 10 positions and decreased the salaries of the existing staff and reviewed the options of closing satellite offices. It was explained they have used their line of credit to continue operations thus far but those monies have now been completely used up. The continued viability of the organization may be in question. No change was made to the proposed budget.

MDS (Monadnock Developmental Services) Staff members Coates and Green presented the MDS request. MDS provides individuals with developmental and related disabilities the means to live as independently as possible in their own community. The delegation members asked a number of questions covering services provided and MDS's interaction with other local service agencies. Also covered was how the services provided to clients has changed over the years. No change was made to the proposed budget.

Community Kitchen – Staff members Ray and Iozo presented their request for funding for 2012. Discussions regarding the program changes with the new staff in place, and the new director Ms. Ray were reviewed. Ms. Ray said that the Kitchen is building a relationship with the NH Food bank.

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Creating this relationship opens the possibility of buying through the Feeding America resource. Feeding America is a national organization that has incredible buying power and can offer reduced food costs to the operation of the kitchen. Ms. Ray explained that the Community Kitchen will be meeting with the selectmen of each town in the near future to make them aware of the services that can be provided to each of their municipalities. No change was made to the proposed budget.

JCC and CHINS – (Juvenile Court Diversion Program and Children In Need of Services) Staff member Sadowski presented. Ms. Sadowski reviewed the clients who are served by the two programs and the mission of the organization. Also discussed was the success rate of the program and the value to the community. The mission of CHINS is to help children with behavioral issues prior to any crime being committed and JCC covers children who have already entered the court systems. Ms. Sadowski stated that the State of NH has eliminated funding for both of these programs. No change was made to the proposed budget.

Child Advocacy Center – Staff members Hart and Palestino presented. The mission of the Monadnock Region Child Advocacy Center (MRCAC) is to protect abused children. Members include local, county and state law enforcement agencies; the New Hampshire Division for children, Youth and Families; the Cheshire Country Attorney's office; and medical/mental health professionals. The delegation members asked a number of questions concerning funding and prosecution rates being obtained. Hart stated that they have been successful in obtaining a 40% increase in prosecution rates since the center has been open and when comparing counties that have CAC programs against those who do not, on average it costs \$1,300.00 less per case in prosecution costs for counties with the program in place. No change was made to the proposed budget.

There being no further business scheduled Chair Hunt made a motion to adjourn at 11:33 and the motion passed unanimously.

Respectfully Submitted,

Jane Johnson, Clerk

MINUTES
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Monday, January 30, 2012
33 West Street, Keene, NH 03431

PRESENT: Representatives Butynski; Chase, Hunt; Johnson (Jane), Meader, Moore (Robert Jr.), Sad, Sterling, Tatro, Weed, Commissioners Pratt and Zerba, Administrator Wozmak, Finance Director Trombly, Superintendent Van Wickler, DOC Case Manager Iosue, Conservation District Manager Costello, UNH County Office Administrator Roberge, Director Scribner, Project Manager Bouchard

ABSENT: Representatives Emerson, Hawkes, Lerandean, Smith, and Weber

Chair Hunt opened the meeting at 09:00 AM

The Department of Corrections proposed 2012 budget was reviewed. A discussion concerning the cost of propane and the geo-thermal heating system at the jail started. The requested 45k department budget cut was discussed and Superintendent Van Wickler spoke to the Director of Training position being eliminated and the duties being dispersed to the existing staff. Van Wickler then spoke to the cost of the medical issues that DOC has to deal with and cited a number of examples of the high costs that can be incurred due to inmate illness and diseases. He went on to say that the increase of hours from .5 FTE to FTE requested in the 2012 budget for the Licensed Drug and Alcohol Counselor (LADAC) was "vital" to the operation of the facility.

A question was raised pertaining to the cost of per-diem nursing and Van Wickler reviewed how per-diem nurses are scheduled and utilized in the facility.

Rep. Sad then asked about the use of Correctional Officers for medical transports. Van Wickler reviewed the polices in place for both County and Federal inmates pointing out that the Federal inmates are required by contract to have two armed CO's on 24 hour watch whenever they are placed in a hospital. He further said that the cost for the federal inmates can be recovered but that despite the use of per-diem police personnel when possible, the overall staffing levels at the jail are currently 7 personnel short of the optimum level and it is having adverse effects on being able to run the facility as intended.

The cost of meals was then discussed and it was learned that DOC is no longer able to purchase commodity goods from the federal programs. The dietary manager said that the program now has a focus on schools not jails. In response to a question about buying locally he stated he to buy locally when he can but the cost of items is an on-going concern.

The cost of the city water and sewer charges were reviewed and noted as being high.

Rep. Weed asked about the cost increase in equipment repair and was informed that it is due to the fact that the manufacturer's warranties have now run out and service contracts are required to cover the cost of maintenance and replacement if needed.

Rep. Butynski asked a question concerning the number of inmates currently held in the facility and it is possible to close one of the housing units to save money. Superintendent Van Wickler spoke at

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length explaining the various levels of classification and the Court mandated no contact orders that would make such a decision impossible to implement.

Rep. Hunt asked a question concerning the marketing of DOC to other counties and to the Federal Prisons. Van Wickler told the committee that he is in at least weekly contact with the various counties and almost daily contact with the Federal agencies.

Rep. Chase asked if DOC was experiencing an increase in cost due to mental health issues of the inmates. Van Wickler said that they were "absolutely" seeing an increase because of this issue. Case Manager Iosue then spoke to the increase in homelessness and in serious mental issues that the jail is seeing. He stated that currently there are 5-10 very seriously mentally inmates and that approximately 85% of all inmates that he provides services to have drug abuse issues.

A question concerning the cost of prescription drugs arose and was addressed by Superintendent Van Wickler informing the committee of the efforts to save money whenever possible by buying common drugs through a discount program put into place with a local grocery chain that was saving the County a great deal of money. No change was made to the proposed budget.

The Public Health budget was then reviewed. The public health budget item(s) are areas that allow grant money to be accounted for in the budgeting process. Currently the County has \$3.7 million dollars under management and this number is expected to grow in the coming year. The added cost of the LADAC .5 FTE for DOC is expected to be covered by a grant from these line items. No change was made to the proposed budget.

The Conservation District budget was then reviewed. District Manager Costello reviewed the requested budget and spoke at length of a pilot program that is seeking grant funding to begin a Food Hub distribution program. This program could possibly include rehabbing the former jail into a food processing and storage building. She then spoke to questions from the committee concerning coordinating efforts among County farms to grow for specific markets and the cost of distributing and selling food stuffs. The goal would be to create sustainable markets for local farmers. No change was made to the proposed budget.

The UNH Cooperative Extension budget was taken up for review and discussion. Administrator Roberge spoke to the issue of the reorganization plan put into effect to meet the requested 45K budget reduction and how they were able to meet the goal through elimination of an administrative position and an educator staff slot. They are also reducing office space requirements. They may also be impacted by a further 25% reduction from UNH funding that will further contract programs. Discussions concerning community partnerships, the wood stove exchange program, possible long horn beetle impacts on the state and timber sales were covered. No change was made to the proposed budget.

The Information Technology budget was then reviewed. Director Scribner presented the proposed budget and answered questions from the committee concerning leasing vs. buying equipment, the

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cost of upgrading software, and the possible reduction of the number of computers being used in the county. No change was made to the proposed budget.

There being no further business to discuss, at 12:00 PM Chair Hunt made a motion to adjourn and the motion passed unanimously.

Respectfully Submitted,

Jane Johnson, Clerk

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Monday, February 6, 2012
201 River Road, Westmoreland, NH

PRESENT: Representatives Butynski; Chase, Hunt; Meader, Weber, Commissioners Pratt and Zerba, Administrator Wozmak, Finance Director Trombly, Administrator Kindopp, Administrator Miffek, and Project Manager Bouchard

ABSENT: Representatives Emerson, Hawkes, Johnson (Jane), Leraudeau, Sad, Sterling, Moore (Robert Jr.), and Smith

The Executive Committee convened to review Maplewood Nursing Home and Assisted Living Facility Budget Requests for 2012.

Chair Hunt opened the meeting at 09:15 AM

ALF (Assisted Living Facility) Administrator Miffek answered questions from the delegation concerning room capacities and rate competitiveness within the local community. A discussion of movement between ALF and the nursing home was taken up and Medicaid qualification questions were addressed. No change was made to the proposed budget.

MNH - Maplewood Nursing Home – Administrator Kindopp and staff presented the 2012 requests. Kindopp answered question from the delegation concerning Medicaid revenue levels, suitability requirements of the facility for some potential residents and spoke to the tangled and often convoluted Medicaid rules in place that the staff must deal with on a daily basis in order to receive timely and appropriate compensation for services provided.

The Quality Assurance, Dietary, Nursing, TLC, Environmental Services, Activities, Social Services, Occupational Therapy, Physical Therapy, and Speech Therapy operational and capital equipment budget requests were reviewed in-detail. No changes were made to the proposed budgets.

There being no further business scheduled Chair Hunt made a motion to adjourn at 12:17 and the motion passed unanimously.

Respectfully Submitted,

J. Wozmak, Clerk Pro Tempore

MINUTES
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Monday, March 12, 2012
Administration Building
33 West Street, Keene, NH

PRESENT: Representatives Butynski; Emerson, Chase, Hawkes, Hunt, Johnson, (Jane), Leraudeau, Moore, R., Sad, Sterling, Tatro, Weber, Commissioners Pratt, Patt and Zerba, Administrator Wozmak, Finance Director Trombly, Grant Specialist Desrosiers, County Attorney Heed, Sheriff Foote, and Project Manager Bouchard

ABSENT: Representative Meader

The Executive Committee convened to review the County Attorney and Sheriff budget status for 2012 and to discuss the Alternative Sentencing Program.

Rep. Leraudeau opened the meeting at 09:01AM.

Rep Leraudeau recognized Administrator Wozniak who provided the Representatives with the statutory requirements for completing the budget by March 31st. After some discussion it was agreed that March 26, 2012 would be the date for the full delegation to meet to discuss and pass the 2012 budget.

The Chair then recognized Commissioner Patt who provided background information and a slide presentation on the process used to formulate the Commissioners budget and gave an overview of the present fiscal challenges that the County faces. The slide presentation provided to the executive delegation follows these minutes as an attachment for the record.

The Chair recognized County Attorney Heed who spoke to his departments' personnel, and organizational structure and said that he will be unable to achieve the requested \$45,000 reduction to his payroll line but that he was able to achieve a 35K payroll reduction in his department by reducing one position. He did not feel he could take more than one full position and still carry out the work of his office. Rep. Hunt thanked him for this effort and suggested that the Executive Committee might accept the approximate \$35,000.

Sheriff Foote earlier sent a letter to the Executive Committee stating that he felt it was not possible to make any reductions in his budget. He reviewed his organizational structure and transport services were discussed at length. The Sheriff said that if he lost one deputy, that he would have no choice but to stop all transports that his office has been doing for many years as a "courtesy" for Cheshire County towns for the transport of inmates to and from court. Rep. Butynski asked why such a drastic measure of stopping all transports would be needed given that there are at least six other deputies and he came in under budget on deputy payroll by \$30,000? Rep. Hunt mentioned several times that given the tough times we are in, to be providing these transports as a "courtesy" was troubling to say the least. Rep. Tatro asked if the jail officers could transport and whether the county could bill the towns for the transportation costs.

A discussion began around the cost to the County, the cost impact on the individual towns if the service were cut back or discontinued and why the new policy on mandatory video arraignment would not relieve much of the transport pressures.

Sheriff Foote said that he was finding it impossible to cut a deputy position and still be able to provide the level of service needed by the towns and court. Rep Weber pointed out that at the last meeting the Sheriff as

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told that the 45K cut could come from non-personnel budget items. Chair Hunt strongly reiterated Rep. Weber's comments and suggested that the Sheriff relook at his budget within the next week to find the 45K reductions. Rep. Hunt advised the Sheriff that either he worked to find the reduction or the committee would find it.

After a short break, the Executive Committee reconvened at 10:20AM and took up the discussion of the Alternative Sentencing program.

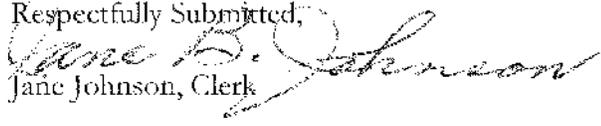
Rep. Butynski spoke at length concerning his desire to maintain the program as presently constituted and spoke passionately for the value of the program to the community from the aspects of providing highly needed human services and also from the overall cost avoidance of incarceration. He went on to present two funding options that he thought could maintain the program and meet budget requirements but which would utilize more of the ProShare funds.

Commissioner Pratt spoke to the extreme discomfort that the Commissioners have in allocating the very uncertain ProShare funds given that we are already adding \$300,000 to the 2012 budget and that we may have to cover further Medicaid shortfalls in the second half of 2012, which could total another \$176,000. In addition, any shortfall in corrections revenue could cause the budget to be destabilized. Further use of ProShare funds was dangerous, said Pratt. Rep. Hunt agreed and said that his recollection was that in the past, our use of ProShare was limited to reducing taxes or to supplement capital reserves at the nursing home. He was concerned about further dipping into an uncertain revenue stream.

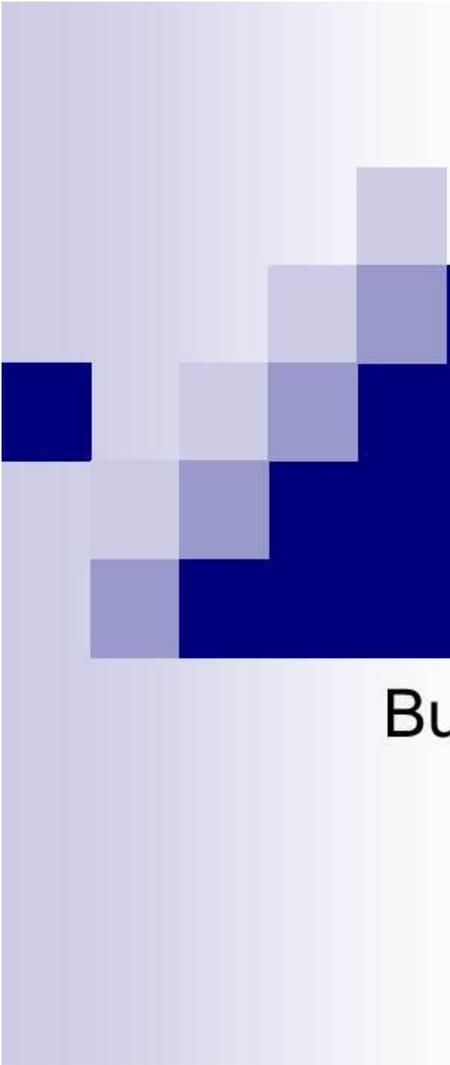
Hunt said that he was more supportive of the program when it was much smaller in size and cost. Director Potter spoke to his recent visit to the Drug Court program in Grafton County and how the program uses a sliding fee scale for the clients it serves. He also spoke at length regarding the manner in which jail days and the resulting costs are avoided by having clients in his program vs. being incarcerated. The history of Alternative Sentencing funding was reviewed and a discussion of funding alternatives was discussed at length. The conversation then turned to places that the program could be housed and what a reduced program would look like. Administrator Wozmak was asked to look into reducing the Alternative Sentencing program cost and, in cooperation with the Commissioners, will explore a reduction in the program that might make the program half its current size.

There being no further business scheduled Chair Hunt made a motion to adjourn at 11:43AM and the motion passed unanimously.

Respectfully Submitted,


Jane Johnson, Clerk

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Cheshire County Budget

Budget Highlights for 2011 & 12

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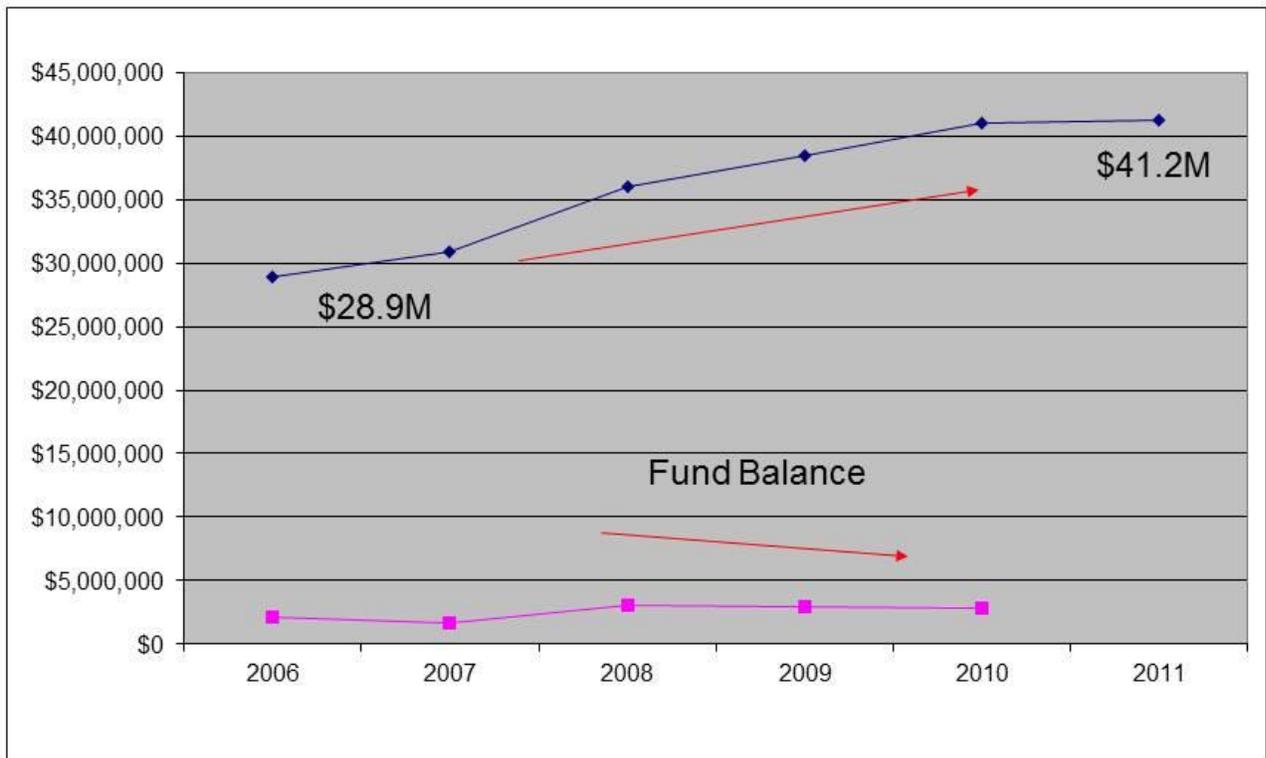


2011 Budget Components

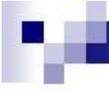
- Total Budget = \$41.2M
 - \$24.4M Operating Budget
 - \$4.4M Debt Service
 - \$9M Medicaid
 - \$3M County Administered Health Plan
 - \$655K Mutual Aid
 - \$325 Regional Prosecutor
 - Some Additional Grant Appropriations

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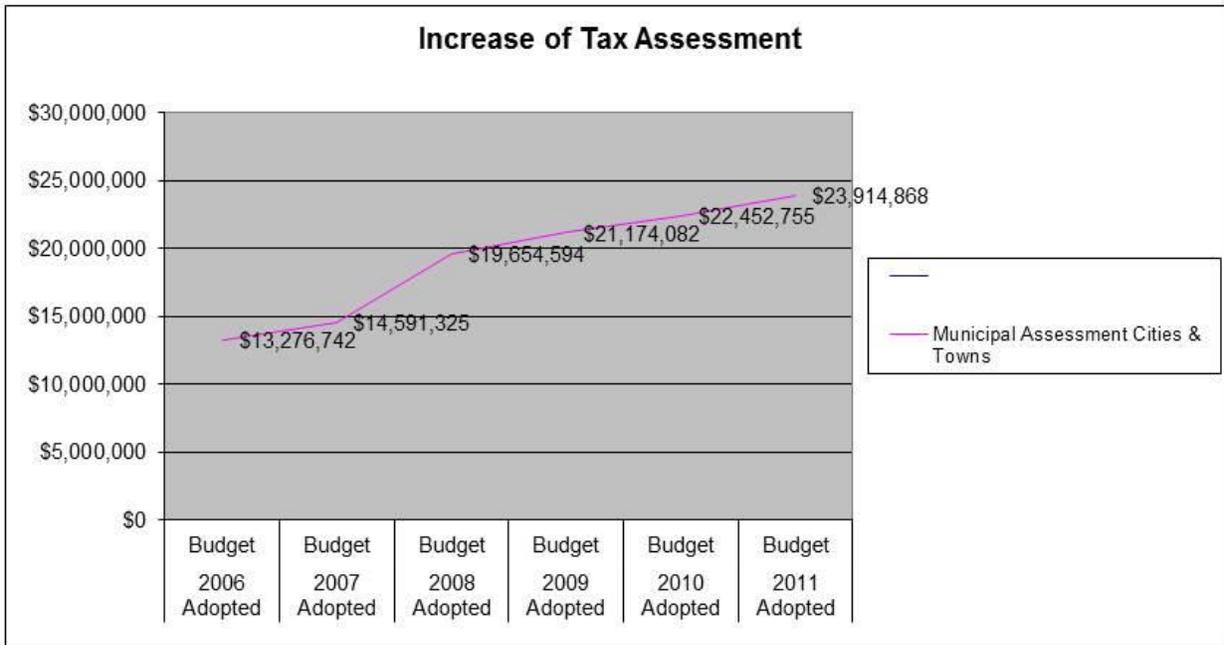
Count Budget Overall '06-'11



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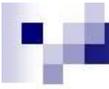


Municipal Assessment Increase '06-'11

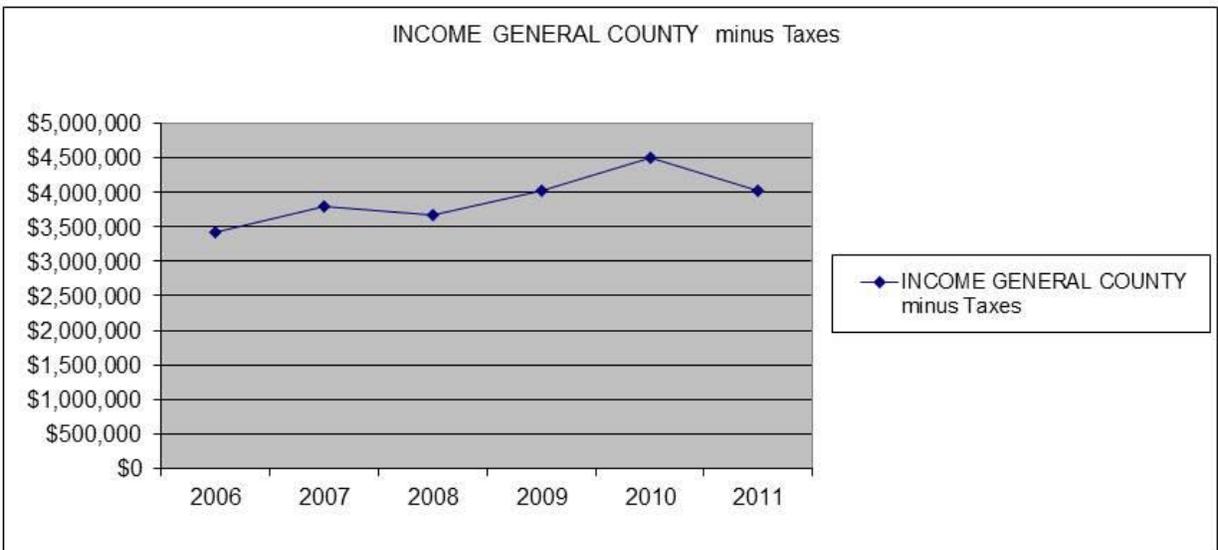


From 2006 to 2011 Tax Assessment increased by \$ 10,638,126

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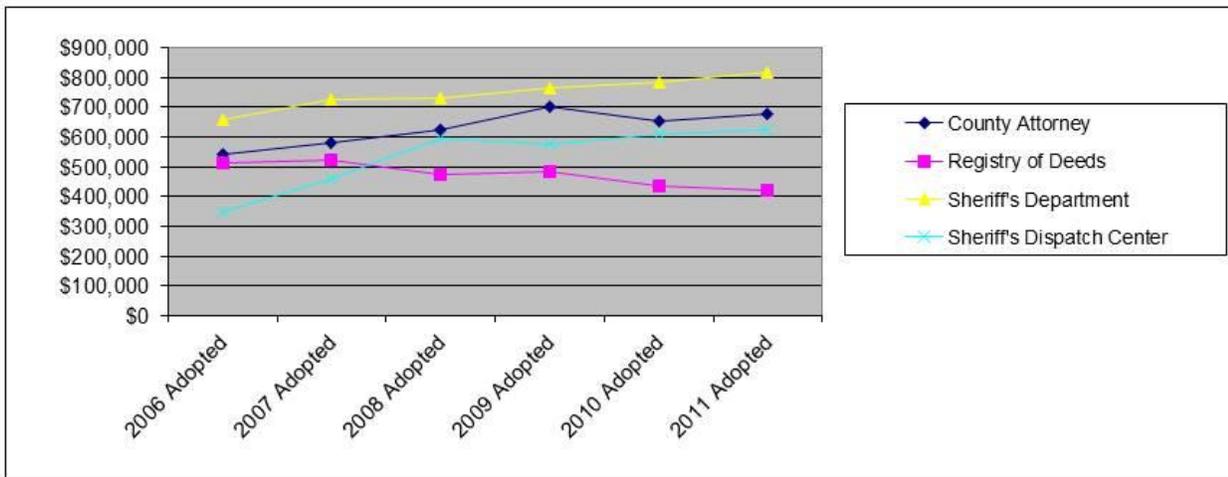


General County Income



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Elected Official's Budgets

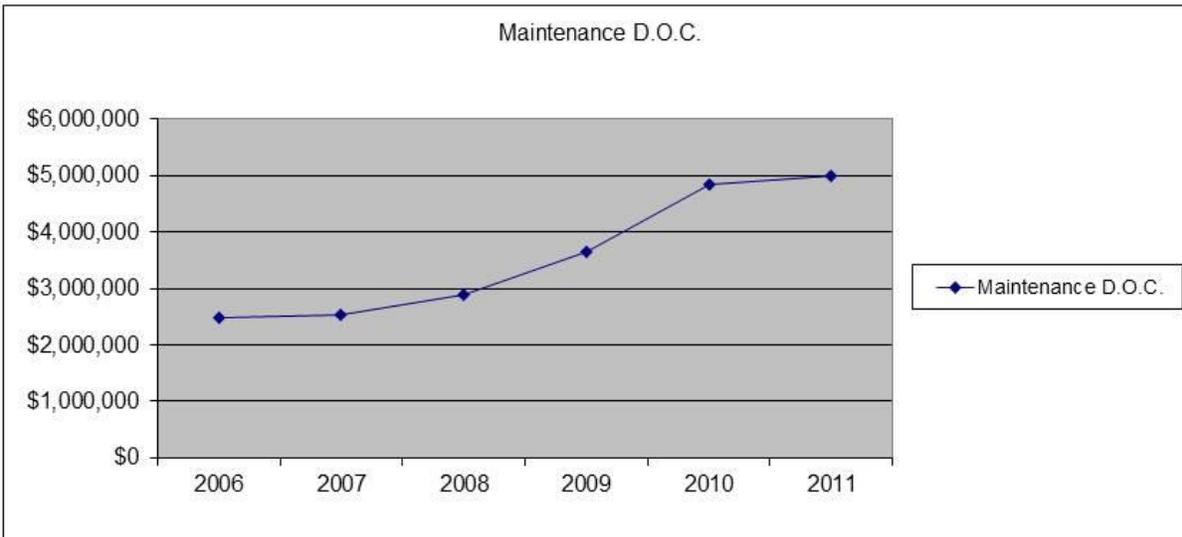


Sheriff's Department	\$659k to \$819k = +\$160k	+24%	
Sheriff's Dispatch	\$350k to \$622k = +\$270k	+77%	expanded by 2008 vote
County Attorney	\$550k to \$680k = +130k	+23%	
Registry of Deeds	\$511k to \$420k = -91k	-18%	

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Department of Corrections

(We have something to show for this increase)

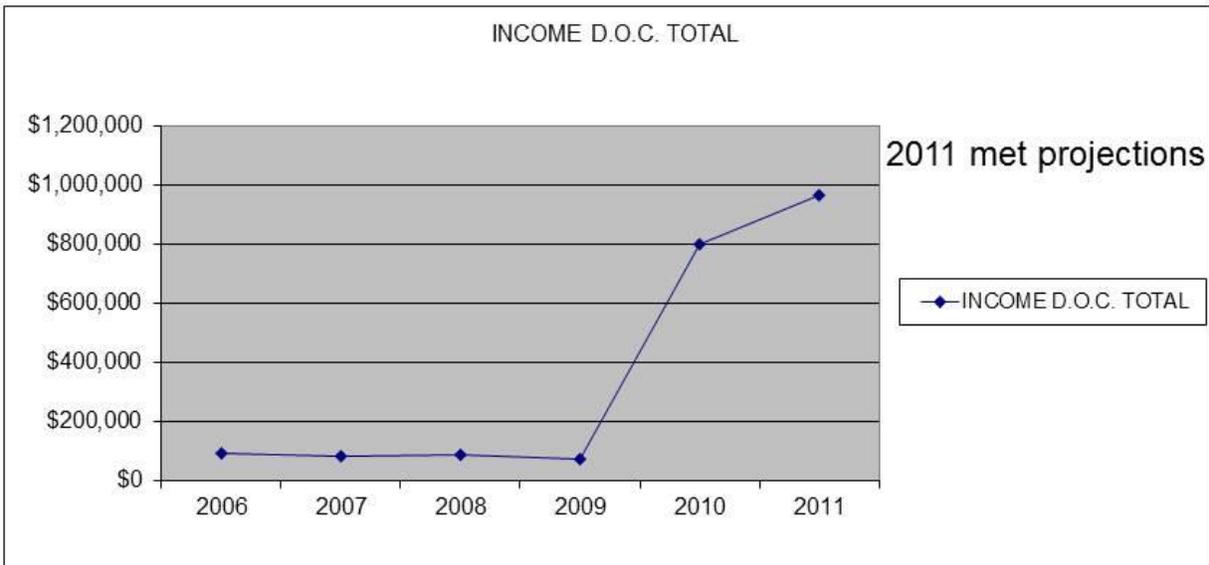


\$2.49M to \$4.99 equals an increase of \$2.5M

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Department of Corrections Income

Offsets increase in operational cost



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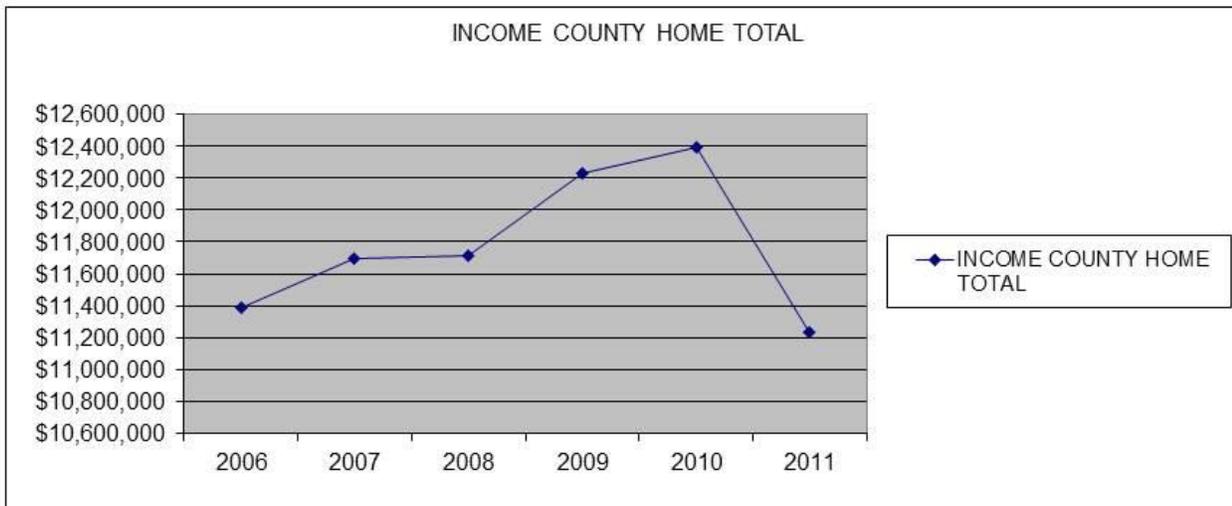


The Rest of the Story

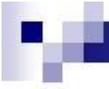
- Municipal Assessments for the Jail result in approximately \$6.5M in new taxes
- Including the revenues projected in 2011 lowers this to approx. \$5.5M
- Municipal Assessments from 2006 -2011 have increased \$10.6M overall
- Where is the other \$5M?

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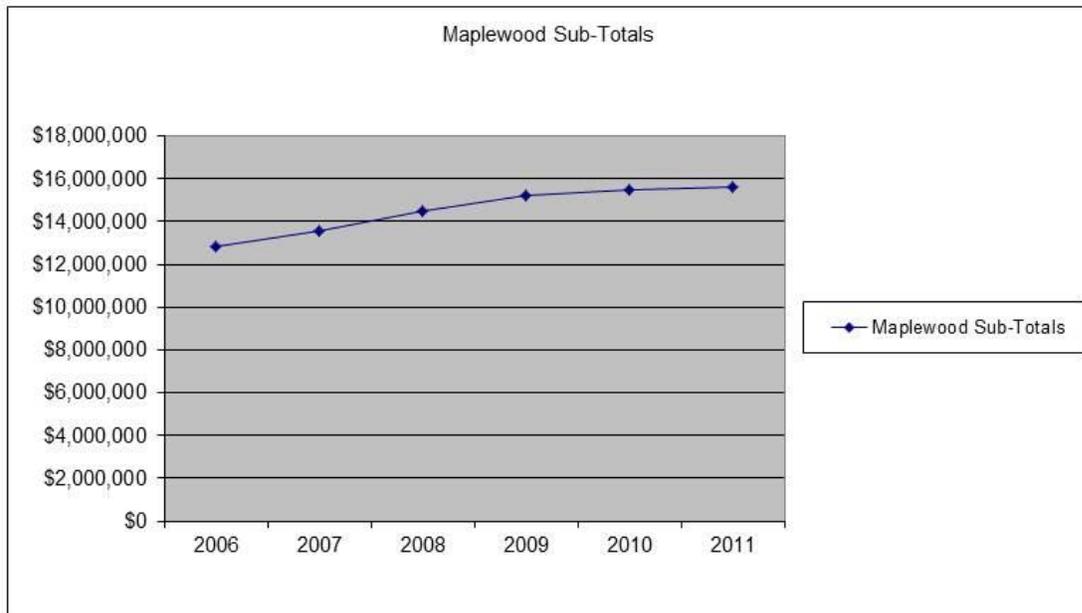
Income from Maplewood Nursing Home has declined dramatically



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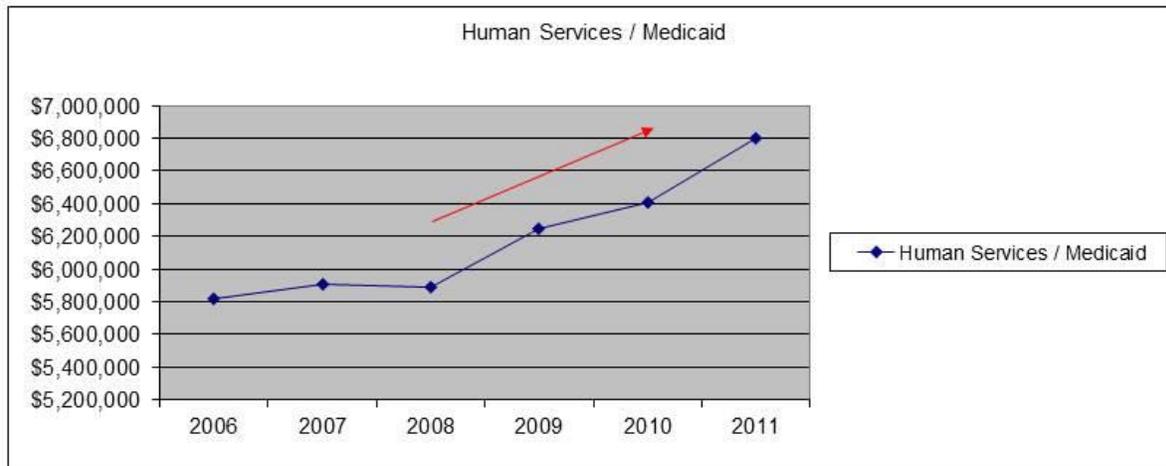
Maplewood Expenses Increase



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Medicaid RSA 167:18-A

Baby Boomers start retiring at the rate of 10,000 people per day every day for the next 19 years. Medicaid is a subset of this group



The RSA was voted 2008: the County now makes \$545k monthly payments to cover all residents on Medicaid for every nursing home based in county

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Breakdown of 2011 Tax Assessment

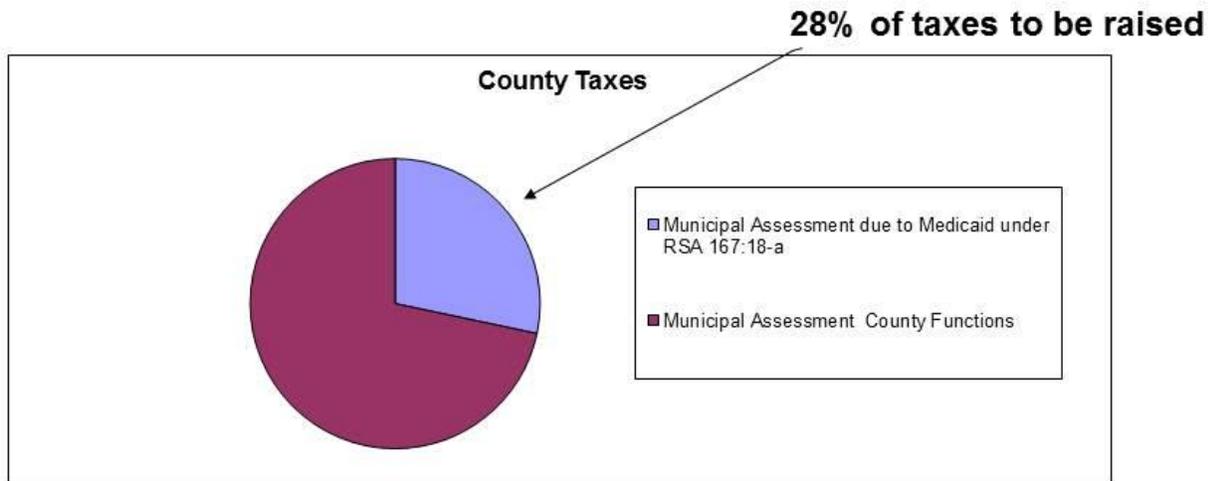
Municipal Assessment due to Medicaid State Passthrough	\$6,836,060.00	29%
Municipal Assessment Nrsng Hm subsidy for Medicaid Residents	\$2,141,389.00	9%
Municipal Assessments for Debt Service	\$4,342,855.00	18%
Municipal Assessments for Fire Mutual Aid*	\$640,465.00	3%
Municipal Assessments for Outside Services	\$220,913.00	1%
Municipal Assessments for Quasi Govt - Other	\$240,358.00	1%
Municipal Assessment County Functions	<u>\$9,492,828.00</u>	40%
Total Taxes to be raised	\$23,914,868.00	100%

*This number is from before the additional \$46k is voted back in.

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Property Tax Contribution- Medicaid

- Under **RSA 167:18-a** each NH County collects Medicaid Tax Contr.
- Counties collect 100% of the Non-Federal share of Medicaid \$
- Cheshire County's Share is 6.8% of the total State mandate
- Cheshire County collects \$6,836,060 and pays NH 1/12 every month

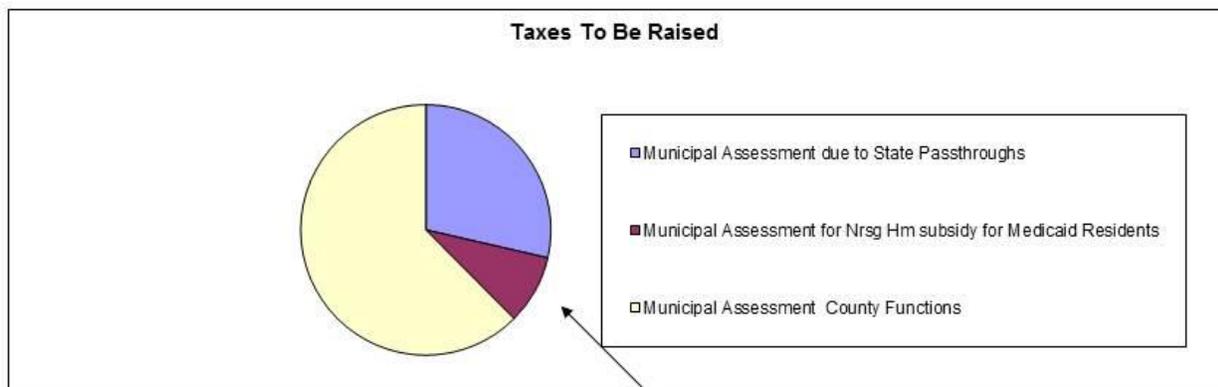


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Property Tax Contribution / Complete Medicaid Impact

In 2012 the rate was decreased by > \$10.00 per day

- The total Medicaid impact is actually much greater
- Taxpayers subsidize the Medicaid reimbursement at the County Home
- The cost of services in 2011 was \$270 ea. day vs. \$170 payment per day
- The difference is calculated as part of the Property Tax

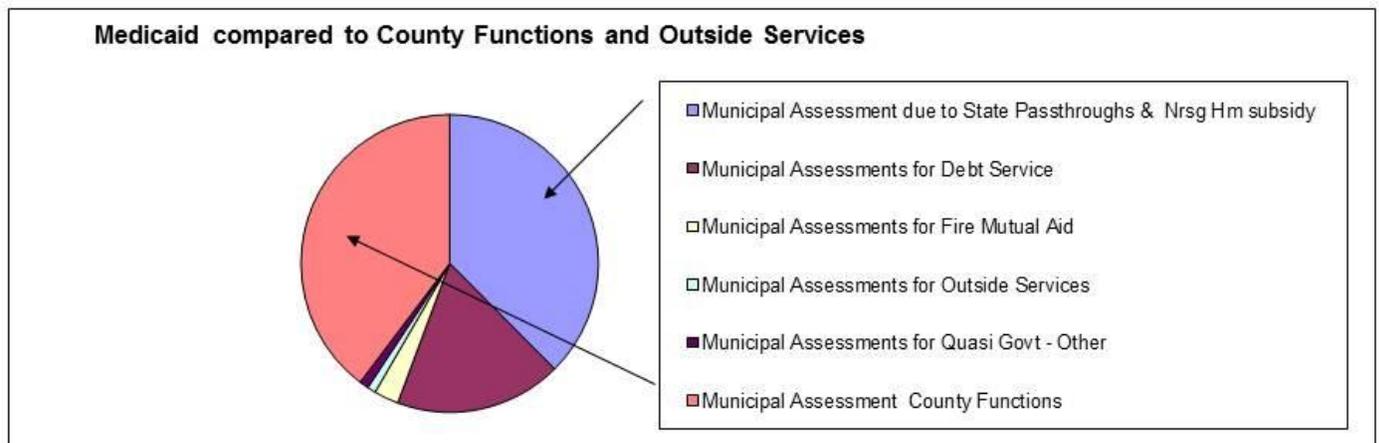


Nursing Home Subsidy is an additional 9% of the Property tax figure

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Property Tax Contribution: Medicaid vs. Services

- Cheshire County is also the fiscal agent for several other programs
 - Fire Mutual Aid in 2011
 - Outside Services performed by MFS and others
 - Regional Prosecutor Program paid for by individual Towns
 - UNH Extension Program



Total taxes to be raised for County Operations is equal to Medicaid 39%/38%

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Medicaid pressure on County services

- County services are under increasing pressure.
- Services includes discretionary and non-discretionary programs.
- Discretionary programs are piloted to address community needs
 - Discretionary programs start as pilot programs and can grow beyond the County's umbrella
 - Cheshire County pilot programs examples:
 - Fire Mutual Aid
 - Drug Take Back Program
 - Alternative Sentencing

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Budget Crossroads 2012

- The County's basic services will endure further cuts if discretionary programs continue to take money away from mandatory programs.
- The County has not budgeted necessary Capital Reserve (Rainy Day) funds for over a decade. The combination of discretionary program funding, Medicaid, and the lack of fiscal planning is a serious issue going forward.

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Monday, March 19, 2012
33 West Street, Keene, NH

PRESENT: Representatives Butynski; Emerson, Chase, Hawkes, Hunt, Johnson, (Jane), Leraudeau, Meader, Moore, R., Sad, Sterling, Tatro, Weber, Commissioners Pratt, Patt and Zerba, Administrator Wozmak, Finance Director Trombly, Grant Specialist Desrosiers, County Attorney Heed, Sheriff Foote, Registrar of Deeds Hubal, and Project Manager Bouchard

ABSENT: None

Chairman Hunt opened the meeting at 09:01AM

Chairman Hunt distributed a budget reduction printout from the Sheriff that shows a total reduction of \$45,000.00 from the Sheriff's Department that meets the request of the Executive Delegation.

The Sheriff spoke to the cuts and explained how the savings were achieved. One of cuts discussed was the reduction of gasoline expenses by \$3,112.00 and the current cost of gas. The Sheriff explained that with the better gas mileage of the new vehicles he was able to get through ARRA funds this year coupled with purchasing gasoline through the State contract he believed that the cut could be met.

The Executive Committee then turned to the Alternative Sentencing budget and Rep. Butynski provided handouts on the Alternative Sentencing program that showed projections of anticipated savings to the County by preventing people from being incarcerated. The handout featured quotes from the National Conference of State Representatives, the Federal Government Accountability Office, and the Center on Addiction and Substance Abuse from Columbia University all spoke to the cost benefit of Drug Courts and Alternative Sentencing like programs for the communities they serve.

Several of the Representatives spoke to the impact that closing the program down would have on families and the community social service agencies. The common message was that ultimately more costs would be placed on the County, not fewer, if the program were terminated.

The discussion then turned to the use of ProShare funds and their used in the 2012 budget. Commissioner Patt pointed out that all of the anticipated \$300,000.00 ProShare funds for 2012 have been allocated to the current budget and if the Medicaid reimbursement rate from the State does not increase in July as hoped for, there will be a \$176,000.00 shortfall in the 2012 budget. He stated that it is even possible that the current rate could be cut further creating an even larger budget deficit.

Rep Butynski then asked what the Commissioners were proposing for funding the Alternative Sentencing program that did not use ProShare funds. Administrator Wozmak said that the Commissioners maintain that their proposed budget should move forward. However, based on the request that the Commissioners had received from the Executive Committee they were proposing to further reduce funding from outside agencies and reallocate funds so that \$128,921.00 could be applied to the program.

Rep. Tatro asked if anything was done to reduce the rent that the program is currently paying and Administrator Wozmak said that he had been in contact with the landlord and had discussed reducing the rent by 50%. Those negotiations continue.

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Rep. Hawkes questioned if the proposed cuts to outside agencies would affect the survivability of the any agencies. The financial state of several agencies was discussed however no definitive answers were able to be reached. Commissioner Pratt spoke to the concern that he has over either further use of ProShare or additional reductions in outside agencies.

An extended discussion began and Rep. Weber moved to restore \$10,000 to the budget from funds to be removed from outside agencies but the motion was not seconded as Rep Butynski asked for further discussion on the motion. After lengthy deliberations, **Rep. Butynski moved to allocate additional ProShare funds in the amount of \$30,000.00 to the Commissioners proposed budget for the Alternative Sentencing program for a new total of \$158,921.00 added back to the program. The motion was seconded by Rep. Hawkes. Upon vote, the motion passed with nine yeas and four nay votes.**

Rep. Butynski then moved to add an additional \$30,000.00 from ProShare funds to the Alternative Sentencing program, which would restore all the funds cut by the Commissioners. Commissioner Pratt interjected that \$30,000.00 could not fund an additional position. Rep. Butynski said that he would leave the decision of what could be done with the funds to the program director and the Commissioners. Rep Hunt then spoke to his reasons for not increasing funding beyond the \$158,921.00 level. Discussion continued and Rep. Butynski reiterated his belief that the program actually saves the County money in the long run. Rep. Butynski's motion failed for lack of a second.

Rep. Weber then made a motion to recommend the Executive Committee's budget of \$40,489,393 to the full delegation for their consideration and approval. Upon vote the motion passed unanimously. The amounts to be raised by taxes would be \$16,405,182 for the operating and capital budget of the county, plus \$6,730,498 for that amount that represents the Medicaid pass-through.

The Executive Committee then took up the bi-annual review of the elected official's salary. The committee was presented with salaries of elected officials from other counties in the state as a benchmark and a discussion began among the representatives and between the representatives and Sheriff Foote and Registrar of Deeds Hubal. The Register of Deeds had requested a \$10,000 increase in her salary. No other specific requests were received. There was discussion about a 5% increase as well as a 7% increase given that four years has passed since the last increase and that these rates will stand for another two years. After much deliberation **Rep. Sad moved to increase the Elected Officials salaries by three percent (3%) to begin January 2013. The motion was seconded by Rep. Butynski and upon vote passed 9 to 4.**

There being no further business to discuss the Chairman Hunt moved to adjourn the meeting. The motion passed unanimously.

Respectfully Submitted,

Jane Johnson, Clerk

MINUTES
Cheshire County Delegation Meeting
Monday, March 26, 2012
Grand Jury Room, County Courthouse
12 Court Street, Keene, NH

PRESENT: Representatives Butynski; Emerson, Chase, Hawkes, Hunt, Johnson, (Jane), Leraudeau, Moore, R., Sad, Sterling, Tatro, Weber, Weed, Parkhurst, Roberts, Meader, Smith, Carr Lindsey, Byrnes, Cartwright, Dwinell, Moore, C., Commissioners Pratt, Patt and Zerba, Administrator Wozmak, Finance Director Trombly, and Project Manager Bouchard

ABSENT: Representatives Byrnes, Carr, Johnsen, (Gladys)

The full delegation convened to review the proposed Executive Committee County budget for 2012.

Rep. Weber opened the meeting at 7:03PM

Rep Hunt spoke to how the Executive Committee struggled to keep the Alternative Sentencing Program alive but said that no one knows if the ProShare funds will come in at level that will pay off the 'credit card' borrowing that was done to keep the program.

Rep. Leraudeau asked if the vote to move the budget to the full delegation for consideration was unanimous. Rep. Hunt said it was unanimous.

Rep Weed was recognized and addressed the funding of the Alternative Sentencing Program and said that he fully expected the ProShare to cover the 'credit card' payment. He went on to ask if the data from the last ten years on ProShare was available. A list had been prepared and was handed out to delegation members.

Rep. Tatro asked that if the ProShare funds come in short of expectations will the monies be removed from the ASP program. Rep. Hunt responded that because the budget was already allocated, any shortfalls would have to come out of the operating budget.

Rep. Weber reminded everyone that if the ProShare funds come in short of expectations and do not fund the allocated amounts in the present budget then the entire budget is on the table at that point.

It was also pointed out that the August readjustment of the Medicaid reimbursement from the State will be significant issue as well.

Rep. Cartwright asked why there was an increase in meals costs at the jail. Superintendent Van Wickler said that it was due to an overall increase in inmate population and the switching over to a contractor to for kitchen management. Rep. Cartwright then asked if federal inmates were being received and Superintendent Van Wickler stated that they were getting federal inmates but at a lower level then was budgeted. He is working to bring up the population levels by staying in constant touch with the federal agencies. He went on to say that the federal inmate transport program will probably exceed the projected amount if the current run rate continues.

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Rep. Hunt moves “to accept the Executive Committee Budget for 2012 in the amount of \$40,489,393.00” as recommended. The motion is seconded by Rep. Butynski. Upon vote the motion passed with 19 Yays, and 2 Nays with 3 absences.

Rep. Butynski then rose and spoke to allocating an additional \$15,000.00 to the Alternative Sentencing Program and \$15,000.00 to Monadnock Family Services. Rep. Butynski distributes a number of documents on Drug Court and Mental Health Courts and spoke at length of the value of the Alternative Sentencing Program.

Rep. Weed rose and spoke in favor of the Alternative Sentencing Program and said that the program was actually saving the county money by avoiding incarceration of people.

Rep. Hunt then spoke in opposition to further funding and said that the Executive Delegation had worked very hard to keep the program alive and he hoped that the representatives would honor and support the committee process by voting no to increased funding for the two programs.

Rep. Chase then spoke for her support of the increase and spoke of the family that she mentors that is involved with the ALS program.

Rep. Sterling spoke against the motion because of the increase in Pro Share funds being asked for and stated that the current budget already has \$370,000.00 of Pro Share funds built into the spending and to allocate more Pro Share monies was not prudent.

Rep. Lerandeau spoke in opposition of the additional allocation and said he agreed with the statements made by Rep. Hunt concerning the work of the Executive Committee in creating the budget.

Commissioner Patt rose to discuss the that a total of \$816,000.00 of Pro Share funds were already in the budget. (Including Pro Share monies from 2011 used to make up funding gaps in the 2012 budget). He then said that if the 2012 mid-year Medicaid payment does not increase it will create a further deficit of \$176,000.00 and there is a potential revenue shortfall of \$238,000.00 at the Department of Corrections. Overall, the 2013 budget will start approximately \$900,000.00 “in the hole”.

Commissioner Pratt spoke next saying that it is important for delegates to understand that Pro Share was not used in the operating budget until 2-3 years ago. Pro Share monies have been a safety net up until now and a shortfall in Pro Share monies this year could result in radical budget cuts in the last months of the 2012 budget. He said this would be the only way to not to break the pledge that they had given to the voters not to increase overall taxes.

Rep. Roberts then rose and spoke to his past support of the Alternative Sentencing Program but said that due to the financial outlook he could not support an increase in funding for either ASP or MFS.

Rep. Weber then spoke to the motion and said that for all of the reasons that others have already spoken to, she will have to vote against the motion as it contains to many contingencies.

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At the end of the discussion period Rep. Butynski made the following motion:

Motion to amend the total budget with an increase of \$30,000.00, including \$15,000.00 to be added to the Alternative Sentencing Program and \$15,000.00 to added to Monadnock Family Services, with the monies to be taken from Pro Share monies available in June of July assuming that sufficient Pro Share monies are available. If \$30,000.00 Pro Share monies are not available, the budget shall not be increased. Rep. Weed seconded the motion and upon vote, the motion failed with 16 Nay's, 5 Yays, and 3 absence.

Rep. Meader then rose and made the following motion: "Motion to approve taxes to be raised from cities and towns for the operation and capital budget of the county for 2012 in the amount of \$16,405,182 which represents 41% of the total County budget". Rep. Lerandeau seconded the motion. Upon vote of the delegation, the motion passed with 19 Yays, 2 Nays, and 3 absence.

Rep. Lerandeau made a motion to approve taxes to be raised from cities and towns for the obligations mandated by RSA 167:18-a in the amounts of \$6,730.498.00 which represents 17% of the total County budget. The motion was seconded by Rep. Meader. Upon vote of the delegation, the motion passed with 20 Yays, 1 Nay, and 3 absence.

The delegation then took up the discussion of the Elected Officials compensation for the next electoral cycle. A number of suggestions were discussed and after much debate Rep. Parkhurst made the following motion: "Motion to vote on elected officials salary effective January 1, 2013"

Commissioners – at rate of \$9,785.00 per year
Treasurer – at rate of \$4,995.00 per year
Register of Deeds – at rate of \$55,620.00 per year
County Attorney – at rate of \$72,100.00 per year
Sheriff – at rate of \$51,500.00 per year

The motion was seconded by Rep. Hunt and upon vote of the delegation the motion passed with 18 Yays, 3 Nays, and 3 absence.

A discussion of the Blood Farm that is part of the County farm was taken up. A history of the farm and the cost of the farmhouse was discussed and the delegation was asked if they wished to consider selling the farm. This topic has been discussed in the past but no clear consensus had emerged during previous discussions. An extended discussion ensued and a range of topics concerning taxes, building repairs, market analysis prices, and configuration of the proposed parcel were covered. Rep. Sad who is the Chair of the County Farm Committee stated that the sale of the farm would not impact the farm and she would be in favor of the sale of the portion of the County property that contains the Blood farm parcel. Rep. Sadd then moved to authorize the Commissioners to investigate the sale of the Blood farm and the motion was seconded by Rep. Sterling. Rep. Tatro said that he would feel more comfortable if the motion were not open ended to proceed with the sale of the Blood farm and would like a proposal from the Commissioners with details. After more discussion Rep. Weber took a straw poll to determine if the majority of the delegation would like to see a formal proposal for the sale of the farm and the majority agreed that a detailed

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proposal to be sent to the Executive Committee was the way to proceed. The motion by Rep. Sadd was then withdrawn and the Commissioners will prepare an analysis of the property to be presented to the Executive Committee.

Administrator Wozmak then spoke of the current status of the new Courthouse and the need to tear down the Latchis building shell so that it may be converted to parking to be used during the construction of the new courthouse. A discussion started concerning if the Latchis could or should be saved and rehabbed or if the best and highest use of the site would be as a parking facility. After much discussion Rep. Hunt said that the Executive Committee should be presented with alternatives for the structure and then a decision could be reached how to proceed.

There being no further business scheduled Chair Hunt made a motion to adjourn at 8:30PM and the motion was seconded by Rep. Chase. Upon vote the motion passed unanimously.

Respectfully Submitted,

Jane Johnson, Clerk

MINUTES
Cheshire County Executive Committee Meeting
Monday, June 4, 2012 7:00 PM
Grand Jury Room, County Courthouse
12 Court Street, Keene, NH

PRESENT: Representatives Butynski; Hunt, Johnson, (Jane), Leraudeau, Moore, R., Sterling, Tatro, Weber, Meader, Commissioners Pratt, Patt and Zerba, Administrator Wozmak, Finance Director Trombly, and Project Manager Bouchard

ABSENT: Representatives Emerson, Hawkes, Sad

The Executive delegation convened for the first quarter County budget review for 2012.

Rep. Hunt opened the meeting at 7:07PM

Finance Director Trombly presented the first quarter budget status for 2012 and submitted the following:

At the end of the first quarter (March 31), expenses are on target-with a combined excess of \$256,869 after adjusting for major items that have not been expended due to timing. Overall county expenses are estimated at 75.31% remaining with Maplewood at 76.26% remaining. As of March 31, 2012, budget balances should be at approximately 75% remaining.

At the end of the first quarter, revenues adjusted for the tax collection pattern, are 75.21% overall for the county remaining and Nursing Home revenues at 76.99% remaining. As revenues should also be around 75% remaining, this indicates that revenues are nearly on target for General County but are falling short for the Nursing Home. The totals combined amounts to a shortage of approximately \$275,361.

A discussion of the cost of running Maplewood nursing home began and Rep. Butynski spoke to the low rating of Maplewood on the Medicare website and this led him to contact the head of a state agency who has knowledge of the nursing home quality rating system. Butynski said that this agency director said the rating was misleading for a number of reasons and that he (the agency director) was very positive about Maplewood's quality.

Speaking further about the Maplewood issue raised by Rep. Butynski, Administrator Wozmak spoke about an investigation and staff change within the licensing and surveying department of the state that resulted in two employees being removed from employment. This was a welcome investigation and a major issue for the several county-operated homes that had experienced a (alleged) deliberate pattern of bad surveys that the facility administrators felt was unjust. There was an (alleged) animus against the county homes, hence the investigation. With the removal of certain state employees, we expect the fairness of surveys to improve. Rep. Butynski said he appreciated hearing the whole story and felt it was important for the other State Representatives to be aware of this issue.

Administrator Wozmak and Project Manager Bouchard presented an overview of the Blood Farm at the request of the Executive Committee. The purpose of the overview was to bring forward previous discussion concerning the possible sale of the Blood Farm property. After extended discussion a decision to table the discussion until more clarity was obtained regarding the long-term use of the farm and former jail building and the impact that selling the Blood Farm might have on the current farmland lease. In addition, Commissioner Patt underscored that currently the Blood Farm house rental covers the cost of taxes and that this property is not a burden upon the taxpayer.

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There was discussion about the fact that there are two separate capital reserve funds that used to be used to fund the county dairy operation. Given that we are no longer operating the farm, it was recommended by the Commissioners to consolidate these two capital funds into one fund as a matter of convenience and ease of administration. Rep. Weber then made the following motion; **“To accept the recommendation of the County Commissioners to consolidate the Farm Equipment Capital Reserve account in the amount of \$73,668.68 and the Farm Buildings Capital Reserve account of \$26,781.52 to form one Capital Reserve account in the amount of \$99,791.52 to be entitled “Farm Capital Reserve Account”.**”
The motion was seconded by Rep. Sterling and upon vote passed with 9 Yea’s, 0 Nay’s.

Administrator Wozmak and Project Manager Bouchard then informed the Executive Committee that they were prepared to make a presentation on the Latchis Theater building. Due to a conflict of interest, Rep. Jane Johnson left the meeting prior to the Wozmak and Bouchard presentation. The presentation covered multiple financial scenarios on converting the Latchis property into a County parking lot. The session began with the Delegation Chair, Rep. Weber advising all representatives that due to the serious potential conflict regarding bids that have been submitted related to the disposition of the Latchis, that no representative should discuss the specifics of this meeting to anyone outside this group.

The lot is needed in order to provide parking for county needs, especially before we begin construction of the new Courthouse scheduled to begin sometime in the fall of 2012. The present Winter Street parking lot adjunct to the existing Courthouse will be the site of the new Courthouse and 84 parking spaces will be lost during construction. Once construction is complete, approximately 38 spaces will be restored, leaving need for additional, replacement, parking. This will require the addition of at least 25 – 30 parking spaces in the immediate vicinity of 12 Court Street and 33 West Street. Four scenarios were presented to the Executive Committee detailing the short and long-term costs and benefits of a sale of the property as well as the cost/benefit of retaining the property for the county to develop and operate as a parking lot for county business. The Commissioners said that it appeared from the cost/benefit analysis that the best economic scenario was one where the county retained ownership of the land and invested the necessary funds to develop it into parking. There was extensive discussion about the prospects and consequences of simply selling the land to the highest bidder or working with the City of Keene to incorporate this into a parking system. After discussion it was decided to bring the discussion of the disposition of the Theater forward to the full delegation at an August 2012 meeting to be scheduled with the consensus that the county would retain ownership, demolish the building and create parking for county use. Rep. Hunt wanted it to be clear that if non-county people were to use this parking area, that the Commissioners examine the fees that could be charged for such use.

There being no further business scheduled Chair Hunt made a motion to adjourn at 8:17PM and the motion was seconded by Rep. Weber. Upon vote the motion passed unanimously.

Respectfully Submitted,

Delegation Chair Rep. Weber, Clerk Pro Tempore

MINUTES
Cheshire County Delegation Meeting
Monday, August 20, 2012 7:00 PM
Grand Jury Room, County Courthouse
12 Court Street, Keene, NH

PRESENT: Representatives Hunt, Johnson, (Jane), Lerandean, Sad, Sterling, Tatro, Weber, Meader, Dwinell, Parkhurst, Smith, Weed, Commissioners Pratt, Patt and Zerba, Administrator Wozmak, Finance Director Trombly, Facilities Director King, and Project Manager Bouchard

ABSENT: Representatives Butynski, Byrnes, Cartwright, Chase, Emerson, Hawkes, Johnsen G., Moore, C., Moore, R., and Roberts.

Rep. Weber opened the delegation meeting at 7:03PM for the purpose of consideration of the County Commissioners Proshare fund budget allocations for the 2013 budget.

Rep. Weber opened the meeting asking for a moment of silence to note the passing of Rep. Daniel Carr. It was noted that Rep. Butynski's mother had also recently passed and she and Rep. Butynski were remembered in the moment of silence as well.

Rep. Sad then presented the following motion, seconded by Rep. Weed:

Motion made to increase revenue line #3404.10.00 (State of NH Proportional Share Funds) by \$1,589,251 for the receipt of State of NH Proportional Share Funds not previously budgeted, and to authorize the use of Proshare funds by reducing Maplewood Revenue lines by \$360,741 to offset revenue shortfalls due to a Medicaid Rate Decrease as well as census level deficits; by adding \$175,000 to account #4900.89.11, Maplewood Capital Improvements for necessary roof repairs; \$20,000 to account #4915.89.00, MNH Capital Reserves for a 50% grant match for a generator for the Maplewood Water Treatment Facility; \$480,000 to fund balance to replace the use of fund balance in 2012; \$128,510 to Maplewood Capital Reserves, account # 4915.89.00; and reserving the remaining \$425,000 by applying to fund balance to offset 2013 Projected MNH Revenue shortfall.

Commissioner Patt spoke to the justification of the recommendations by the Commissioners and at the conclusion of his remarks a discussion of the impact on taxes and need for capital reserve accounts began.

Rep. Hunt moved to make an amendment to the motion not to place \$120,000.00 in capital reserves for Maplewood but instead to use the monies to reduce taxes. An extended discussion began and Director Trombly was asked what the impact on taxpayers would be if the \$120,000.00 was used for tax reduction. The resulting calculations show that the impact on the average taxpayer would be about \$4.00.

The discussion then turned to the need to for the need to begin systematic capital reserves set-asides in order to maintain a number of aging systems and buildings in the County.

At the conclusion of the discussion Rep. Hunt amendment motion to allocate \$120,000.00 for tax reduction failed on a vote of 8 Nay's and 5 Yea's.

Upon vote of the original motion to accept the Commissioners recommendations as presented by Rep. Sad the motion passed with 12 Yea's and 1 Nay.

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Cheshire County Delegation Meeting
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Rep. Sad then presented the following motion that was seconded by Rep. Lerandeau;

Motion made to increase revenue line #3359.10.00 (Freed up Funds –ARRA FMAP) by \$125,000 and to authorize the use of these funds by increasing account # 4900.89.00 (Capital Outlay) by \$125,000 in order to demolish the building located on 0 Lamson Street, Keene known as the “Latchis Theater” and to create parking for County purposes.

The Representatives asked a number of questions concerning the operational and logistical requirements to demolish the building and asked about the ability to pave the lot based on the funds being requested.

Administrator Wozmak said that he did not think that it was going to be possible to get the lot paved this year due to timing of the removal of the superstructure and the on-coming winter season. He went on to say that it was most likely that any request for funding to pave the lot would be in the 2013 budget request.

Rep. Lindsey spoke at length against the demolition of the structure and his concern of losing yet another historic downtown structure.

Rep. Sterling spoke for the removal of the building saying that the present shell of the theater serves no useful purpose to the taxpayers.

At the conclusion of the discussion a vote was taken and the motion to allocate \$125,000 to demolish the Latchis Theater passed with 9 Yea’s and 4 Nays.

Rep. Sterling then moved: **To accept the recommendation of the County Commissioners and Executive Committee to consolidate the Farm Equipment Capital Reserve account in the of \$73,674.53 and the Farm Buildings Capital Reserve account of \$26,116.31 to form one Capital Reserve account in the amount of \$99,790.84 to be entitled “Farm Capital Reserve Account”.**

Following a short question and discussion period, a vote was taken and the motion passed with 13 Yea’s and 0 Nay’s.

Rep. Smith then moved and was seconded by Rep. Lerandeau: **Motion made to increase revenue line #3915.00.00 (Transfer from Capital Reserve Funds) by \$25,000 to allow for the use of Farm Capital Reserve Funds and to authorize the use of these funds by increasing account # 4900.89.15 (Capital Outlay – Farm) by \$25,000 in order to repair and replace the roof on the Farm House known as the “Blood Farm” located at 300 River Road.**

A discussion concerning the types of materials to be used to replace the existing slate roof began. It was discussed that the replacing the slate roof with another slate roof was extremely costly and that other options had to be considered. The use of ‘fake’ slate was discussed however this option is approximately twice the material cost of standard three (3) tab architectural singles.

At the conclusion of the discussion, a vote was taken and the motion passed with 10 Yea’s and 3 Nay’s.

MINUTES
Cheshire County Delegation Meeting
Monday, August 20, 2012 7:00 PM
Grand Jury Room, County Courthouse
12 Court Street, Keene, NH

Rep. Smith then presented a motion, seconded by Rep. Lerandean: **Motion made to increase revenue line #3359.10.00 (Freed up Funds –ARRA FMAP) by \$100,000 and to authorize the use of these funds by increasing account # 4900.89.19 (Capital Improvement Court House) by \$100,000 in order to replace the failed Roof Top Air Conditioning Unit at the Cheshire County Superior Court House building.**

Director King spoke to the need for the replacement of the air conditioner due to its age saying that parts are no longer available for a 1978 vintage unit.

Following a short discussion a vote was taken and the motion passed with 12 Yea's and 0 Nay's.

Administrator Wozmak then spoke to the matching grant opportunities available from the State LCHIP fund to assist in the acquisition of a backup generator for the nursing home and the repair of the Courthouse building with the goal of beginning a program to re-point the failing brick façade in order to prevent further deterioration of the structure and funds to restore the cupola. Administrator Wozmak said that he was looking for a consensus from the delegation to proceed with the submission of the grant and that specific matching grant funding amounts would be presented for consideration during the 2013 budget process. The pursuit of the grant requires the County to agree to the principals if the Land Trust Alliance Standards and Practices and the Secretary of the Interior Standards. The Representatives asked questions concerning the condition of the building. After discussion, there was unanimous consensus to support the request to seek an LCHIP grant to make improvements on the Historic Court House. There was no opposition to this project. Administrator Wozmak was authorized to proceed with the grant submission.

Rep. Sad then moved and was seconded by Rep. Hunt: To amend the 2012 County budget to the amount of \$41,062,903. Upon vote, the motion passed with 12 Yea's and 0 Nay's.

At 8:18PM there being no further business for the Delegation to consider, the meeting was adjourned.

Respectfully Submitted,
Jane Johnson, Clerk

MINUTES
Cheshire County Delegation Meeting
Monday, August 20, 2012 7:00 PM
Grand Jury Room, County Courthouse
12 Court Street, Keene, NH

PRESENT: Representatives Hunt, Johnson, (Jane), Leraudeau, Sad, Sterling, Tatro, Weber, Meader, Dwinell, Parkhurst, Smith, Weed, Commissioners Pratt, Patt and Zerba, Administrator Wozmak, Finance Director Trombly, Facilities Director King, and Project Manager Bouchard

ABSENT: Representatives Butynski, Byrnes, Cartwright, Chase, Emerson, Hawkes, Johnsen G., Moore, C., Moore, R., and Roberts.

Rep. Weber opened the delegation meeting at 7:03PM for the purpose of consideration of the County Commissioners Proshare fund budget allocations for the 2013 budget.

Rep. Weber opened the meeting asking for a moment of silence to note the passing of Rep. Daniel Carr. It was noted that Rep. Butynski's mother had also recently passed and she and Rep. Butynski were remembered in the moment of silence as well.

Rep. Sad then presented the following motion, seconded by Rep. Weed:

Motion made to increase revenue line #3404.10.00 (State of NH Proportional Share Funds) by \$1,589,251 for the receipt of State of NH Proportional Share Funds not previously budgeted, and to authorize the use of Proshare funds by reducing Maplewood Revenue lines by \$360,741 to offset revenue shortfalls due to a Medicaid Rate Decrease as well as census level deficits; by adding \$175,000 to account #4900.89.11, Maplewood Capital Improvements for necessary roof repairs; \$20,000 to account #4915.89.00, MNH Capital Reserves for a 50% grant match for a generator for the Maplewood Water Treatment Facility; \$480,000 to fund balance to replace the use of fund balance in 2012; \$128,510 to Maplewood Capital Reserves, account # 4915.89.00; and reserving the remaining \$425,000 by applying to fund balance to offset 2013 Projected MNH Revenue shortfall.

Commissioner Patt spoke to the justification of the recommendations by the Commissioners and at the conclusion of his remarks a discussion of the impact on taxes and need for capital reserve accounts began.

Rep. Hunt moved to make an amendment to the motion not to place \$120,000.00 in capital reserves for Maplewood but instead to use the monies to reduce taxes. An extended discussion began and Director Trombly was asked what the impact on taxpayers would be if the \$120,000.00 was used for tax reduction. The resulting calculations show that the impact on the average taxpayer would be about \$4.00.

The discussion then turned to the need to for the need to begin systematic capital reserves set-asides in order to maintain a number of aging systems and buildings in the County.

At the conclusion of the discussion Rep. Hunt amendment motion to allocate \$120,000.00 for tax reduction failed on a vote of 8 Nay's and 5 Yea's.

Upon vote of the original motion to accept the Commissioners recommendations as presented by Rep. Sad the motion passed with 12 Yea's and 1 Nay.

MINUTES
Cheshire County Delegation Meeting
Monday, August 20, 2012 7:00 PM
Grand Jury Room, County Courthouse
12 Court Street, Keene, NH

Rep. Sad then presented the following motion that was seconded by Rep. Lerandeau;

Motion made to increase revenue line #3359.10.00 (Freed up Funds –ARRA FMAP) by \$125,000 and to authorize the use of these funds by increasing account # 4900.89.00 (Capital Outlay) by \$125,000 in order to demolish the building located on 0 Lamson Street, Keene known as the “Latchis Theater” and to create parking for County purposes.

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Rep. Sterling spoke for the removal of the building saying that the present shell of the theater serves no useful purpose to the taxpayers.

At the conclusion of the discussion a vote was taken and the motion to allocate \$125,000 to demolish the Latchis Theater passed with 9 Yea’s and 4 Nays.

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Following a short question and discussion period, a vote was taken and the motion passed with 13 Yea’s and 0 Nay’s.

Rep. Smith then moved and was seconded by Rep. Lerandeau: **Motion made to increase revenue line #3915.00.00 (Transfer from Capital Reserve Funds) by \$25,000 to allow for the use of Farm Capital Reserve Funds and to authorize the use of these funds by increasing account # 4900.89.15 (Capital Outlay – Farm) by \$25,000 in order to repair and replace the roof on the Farm House known as the “Blood Farm” located at 300 River Road.**

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At the conclusion of the discussion, a vote was taken and the motion passed with 10 Yea’s and 3 Nay’s.

MINUTES
Cheshire County Delegation Meeting
Monday, August 20, 2012 7:00 PM
Grand Jury Room, County Courthouse
12 Court Street, Keene, NH

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Director King spoke to the need for the replacement of the air conditioner due to its age saying that parts are no longer available for a 1978 vintage unit.

Following a short discussion a vote was taken and the motion passed with 12 Yea's and 0 Nay's.

Administrator Wozmak then spoke to the matching grant opportunities available from the State LCHIP fund to assist in the acquisition of a backup generator for the nursing home and the repair of the Courthouse building with the goal of beginning a program to re-point the failing brick façade in order to prevent further deterioration of the structure and funds to restore the cupola. Administrator Wozmak said that he was looking for a consensus from the delegation to proceed with the submission of the grant and that specific matching grant funding amounts would be presented for consideration during the 2013 budget process. The pursuit of the grant requires the County to agree to the principals if the Land Trust Alliance Standards and Practices and the Secretary of the Interior Standards. The Representatives asked questions concerning the condition of the building. After discussion, there was unanimous consensus to support the request to seek an LCHIP grant to make improvements on the Historic Court House. There was no opposition to this project. Administrator Wozmak was authorized to proceed with the grant submission.

Rep. Sad then moved and was seconded by Rep. Hunt: To amend the 2012 County budget to the amount of \$41,062,903. Upon vote, the motion passed with 12 Yea's and 0 Nay's.

At 8:18PM there being no further business for the Delegation to consider, the meeting was adjourned.

Respectfully Submitted,
Jane Johnson, Clerk

MINUTES
Cheshire County Delegation
Organizational Meeting &
Public Hearing on the Proposed 2013 Budget
Monday, December 10, 2012 – 7:00 PM
12 Court Street, Keene, NH

PRESENT: Representatives Hunt, Eaton, Robertson, Parkhurst, Butynski, Lerandeau, Roberts, Johnson, Sad, Weber, Burridge, Chase, Johnsen G., Tatro, Ames, Berch, Ley, Mann, Phillips, Shepardson, Commissioners Pratt, Zerba, and Patt; Administrator Wozmak, Assistant Finance Director Hall, Project Manager Bouchard

ABSENT: Representatives Weed, Emerson, and Young

Chair Weber opened the 2013-2014 Organizational meeting at 7:00PM

Chair Weber asked for nominations for the new Chair of the Delegation for the upcoming two-year term. Rep. Lerandeau nominated Rep. Tatro with multiple Representatives seconding the motion. The motion passed unanimously.

Rep. Tatro then nominated Rep. Eaton as vice-chairman of the delegation. No other nominations were received. The motion to elect Rep. Eaton as vice-chairman passed unanimously.

Rep. Butynski then nominated Rep. Sad as Clerk with multiple Representatives seconding the motion. The motion was passed unanimously.

The slate of Representatives to be appointed to the Executive Committee of the delegation was placed on the floor for discussion.

Nominated for the Executive Committee were:

Rep. Hunt
Rep. Eaton
Rep. Robertson
Rep. Weed
Rep. Emerson
Rep. Butynski
Rep. Johnson
Rep. Sad
Rep. Tatro
Rep. Berch
Rep. Mann

There being no opposition or other nominations, the proposed slate was approved unanimously.

07:14PM the Organizational Meeting for the 2013-2014 Cheshire County Delegation was adjourned.

At 07:15PM the public Delegation meeting is called to order by Chairman Tatro.

MINUTES
Cheshire County Delegation
Organizational Meeting &
Public Hearing on the Proposed 2013 Budget
Monday, December 10, 2012 – 7:00 PM
12 Court Street, Keene, NH

Commissioner Pratt explained the highlights of the 2013 recommended Commissioners Budget and cites the work that was done to keep the overall tax increase to 0.47 above the 2012 budget. The Chairman asked if there were any questions from the public regarding the budget. Hearing none, the Chair closed the public hearing on the budget at 7:19PM and opened the Delegation meeting.

At 07:20PM **Rep. Weber moves to authorize the Register of Deeds to expend 2013 surcharge funds in the amount of \$21,954.00. Rep. Eaton seconded the motion.** After discussion and research, the breakdown of the requested funds was found to be as follows; \$14,400.00 for on-going website services, \$6,000.00 for the purchase of a card scanner, and \$1,554.00 for a book and page printer. **After a roll call vote, the motion passed unanimously with 20 Yea's and 0 Nay's.**

Commissioner Pratt began a discussion of the methods by which the State Department of Revenue Administration (DRA) sets the County tax rates and the impact that their formula's and decisions have on all of the town's in the County. He stated that the formula's and methods used are extremely complex and are very difficult to understand which leads many to infer that there are gross inequities in the calculation of the various towns tax rates. To address these concerns the Commissioners have asked the DRA to meet with the various town select boards and possibly the Executive Committee of the Delegation to explain the process.

Rep. Eaton then moved to authorize the acceptance of the six year renewal of the Memorandum of Understanding (MOU) between the County and University of New Hampshire's Cooperative Extension Program. Rep. Weber seconded the motion.

Steve Roberge of the Cooperative Extension rose to answer a question concerning the cost of the program to the County. He stated that the MOU has been in place since 1952 (60 years) and the only thing that has changed in this version of the agreement is the addition of new funding strategies that avoid the downshifting of costs to the Counties. He stated that the program cost will remain at a static percentage and the Counties will not be asked for additional monies. He also stated that the cost of the 2013 program is actually lower than the 2012 program.

Upon a roll call vote the motion to re-authorize the MOU between the University of New Hampshire's Cooperative Extension Program and the County of Cheshire for a six (6) year period passed unanimously with twenty (20) Yea's and zero (0) Nay's.

At 7:43PM a motion to adjourn the Delegation meeting was made, with multiple seconds, and upon vote the motion passed unanimously.

Respectfully Submitted,

Rep. Tara Sad, Clerk

MINUTES
Cheshire County Executive Committee
Monday, December 10, 2012 – 7:45 PM
12 Court Street, Keene, NH

PRESENT: Representatives Hunt, Eaton, Robertson, Butynski, Johnson, Sad, Tatro, Berch, Mann, and Weed, Commissioners Pratt, Zerba, and Patt; Administrator Wozmak, Assistant Finance Director Hall, Treasurer Parker, and Project Manager Bouchard

ABSENT: Representatives Emerson

At 7:46PM Chairman Hunt called the Executive Meeting to order.

Rep. Tatro moved to nominate Rep. Hunt as Chair of the Executive Committee. No other nominations were forthcoming. Upon a roll call vote, Rep. Hunt was elected Chair unanimously.

Rep. Eaton was then nominated for vice-chair and Rep. Sad seconded the motion. There being no other nominations, upon a roll call vote Rep. Eaton was elected as vice-chair unanimously.

Rep. Sad was then nominated as Clerk of the Executive Committee, seconded by Rep Eaton. Upon a roll call vote, Rep. Sad was elected as Clerk unanimously.

The committee then undertook a general discussion of the Maplewood Nursing home status and Administrator Wozmak discussed the MNH deficit and how the downshifting of Medicaid cut backs has widened the deficit over the years. He stated that MNH has become the nursing home of last resort for many individuals in the County. He stated a report regarding the nursing home would be forthcoming.

The Executive Committee then took-up a discussion of the 2013 Budget review schedule and it was decided that the first meeting would take place on Monday January 7, 2013 at 9:00AM at the Department of Corrections training room. A complete schedule will sent out by the Director of Finance once it is ready. The goal is for the Executive Committee to complete their review of the budget by the end of February and to present it to the full delegation in March for approval.

Rep. Eaton made a motion to authorize the Treasurer of the County of Cheshire, upon request of the Cheshire County Board of Commissioners to borrow in anticipation of taxes an amount not to exceed \$24 million dollars for the 2013 budget year, January 1, 2013 to December 31, 2013. Rep. Berch seconded the motion. Upon roll call vote, the motion passed unanimously with nine (9) Yea's and zero (0) Nay's.

There being no other business to conduct, Rep. Eaton moved to adjourn the meeting and upon vote the motion passed unanimously.

Respectfully Submitted,

Tara Sad, Clerk