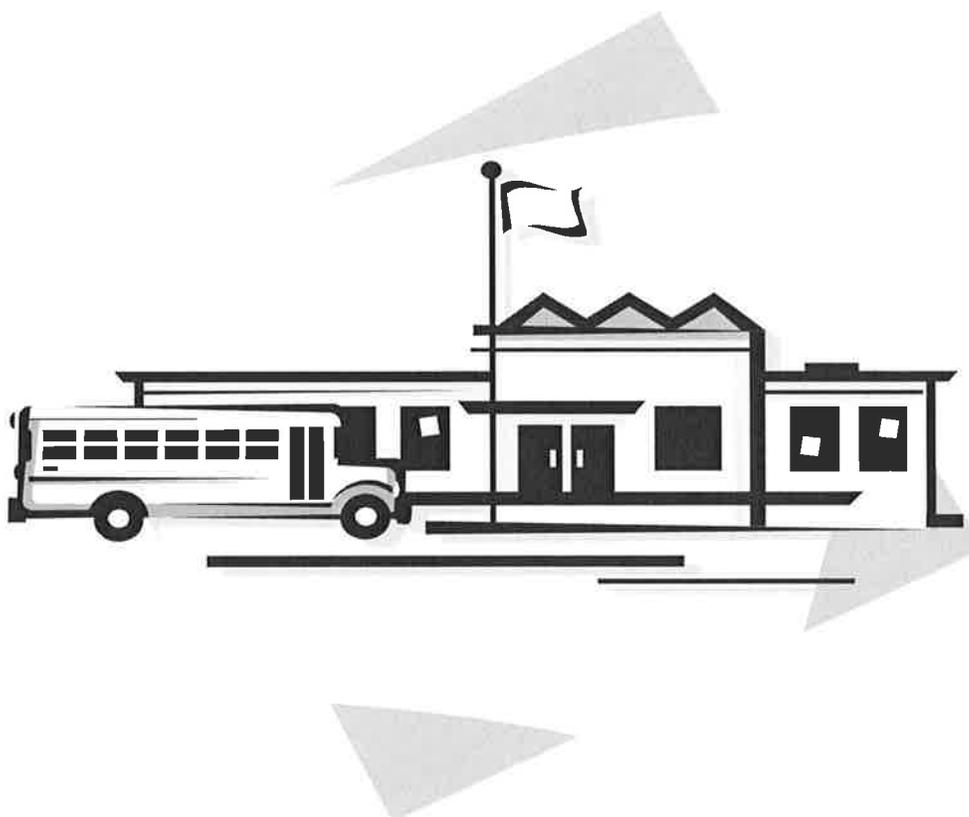


ANNUAL REPORT
of the
LITCHFIELD
NEW HAMPSHIRE
SCHOOL DISTRICT



2012

IN MEMORIAM



**ZACHARY A. TILBE
DECEMBER 15, 1994—NOVEMBER 25, 2012**

**CAMPBELL HIGH SCHOOL
CLASS OF 2013
LITCHFIELD SCHOOL DISTRICT**

**LITCHFIELD SCHOOL DISTRICT
ANNUAL REPORT – 2012**

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SCHOOL DISTRICT OFFICERS

MODERATOR

John G. Regan

CLERK

Lynn Baddeley

TREASURER

Lynn Baddeley

SCHOOL BOARD

John York, Chair
Term Expires March 2013

Mary Prindle, Vice-Chair
Term Expires March 2013

Patricia D'Alleva
Term Expires March 2014

Derek Barka
Term Expires March 2015

Dennis Miller
Term Expires March 2015

Cam Viola
Jayla Brennan
Student Representatives to the Board 2012-2013



LITCHFIELD SCHOOL DISTRICT

School Administrative Unit #27

Litchfield Board of Education

One Highlander Court

Litchfield, NH 03052

Phone: (603) 578-3570

Fax: (603) 578-1267

Equal Opportunity Employer

John York, Chair

Mary Prindle, Vice Chair

Dennis Miller

Derek Barka

Patricia D'Alleva

2012 ANNUAL REPORT SCHOOL BOARD CHAIR

To My Fellow Residents of Litchfield,

What a year 2012 has been for our schools! We welcomed four new administrators to our schools this year. Dr. Brian Cochrane was hired as the Superintendent of Schools, Scott Thompson was hired as the new Principal of Griffin Memorial School, Laurie Rothhaus was promoted to Principal of Campbell High School, and Devin Bandurski was hired as the Director of Special Services. With these new hires and promotion we had to say goodbye to four valued members of the Litchfield School District:

Superintendent of Schools

Dr. Elaine Cutler

GMS Principal

Bo Schlichter

CHS Principal

Bob Manseau

Director of Special Services

Ronda Gregg

We thank these dedicated individuals as well as others who retired last year for their service to Litchfield schools and the students and families who they so ably served. We also welcomed over 40 new employees to the district for the 2012-13 school year.

In December of 2012, the Litchfield School Board and Litchfield Education Association agreed to a new contract. If ratified by the community in the spring, this contract will allow the schools to continue to improve their academic programs through the improved utilization of our most important resource—our teachers. A change in the health care provider with a change in out-of-pocket costs to the individuals allow for savings, which can be used to defray the cost of salary provisions to our teachers. The school board hopes all citizens support Warrant Article 2, the new LEA contract, in the coming election.

The introduction of the Common Core standards to all schools and the need for updating our technology in the schools continues to be a high priority for the school board. Dr. Cochrane introduced four areas of focus for the coming years to the school board, teachers, staff, administrators and budget committee:

Common Core State Standards:

Aligning instruction to higher learning expectations for all students along with personalization and performance at the high school.

Special Education:

Moving the district's Special Services Program from a response/compliance approach to a proactive delivery approach and creating better alignment between resources and student needs.

Education Technology:

Rebuilding and updating the district's technology infrastructure and capacity to support education and administrative functions with improved technology and software.

Building & Grounds:

Moving the district's facilities maintenance program from a reactive repair and maintain approach to a proactive preventive maintenance and asset management approach.

Our proposed operating budget for the 2013-2014 year will see an increase of \$245,861 from the 2012-2013 budget (2013-2014 budget \$20,990,591); an increase of 1.19%. However, the estimated revenues for the budget were reduced by \$811,380, which will greatly impact the tax rate. Following are the two biggest areas where revenue was reduced:

State Education Adequacy Aid	\$372,783
Fund Balance Reduction from 2011-2012 Budget	\$292,494

Thank you for the opportunity to serve you, the citizens of Litchfield, as your School Board Chair for this last year. I would like to thank my fellow board members Trish D'Alleva, Dennis Miller, Derek Barka and Mary Prindle for their dedication and commitment to the Litchfield School District.

Please continue your support of student education and activities in Litchfield.

Respectively submitted

John York
School Board Chairman



LITCHFIELD SCHOOL DISTRICT

School Administrative Unit #27

One Highlander Court
Litchfield, NH 03052

2012 ANNUAL REPORT SUPERINTENDENT OF SCHOOLS

Every year brings changes and challenges and this year has been no exception. With respect to changes, this year has been a busy one.

In March, Derek Barka was elected to the Litchfield School Board replacing Jason Guerrette and Mr. York was reelected as School Board Chair. I would like to take this opportunity to thank Mr. Guerrette for his service to the school district and for his continued interest in the quality of education in Litchfield. With the retirement of Dr. Elaine Cutler as Superintendent in June, I was fortunate to have been chosen as the new Superintendent for the Litchfield School District and I am thankful for the opportunity. Devin Bandurski has also taken over as the Director of Special Services and Shawn Power is the new Technology Coordinator, reporting to Kyle Hancock, the Director of Technology. At Griffin Memorial School, Scott Thompson replaced former Principal Bo Schlichter who retired at the end of the 2011-12 school year. As well, long time reading teacher Connie Faro replaced the retiring Carol Mace as Assistant Principal at GMS. At Campbell High School Laurie Rothhaus begins her first year as Principal, moving from her former position as Assistant Principal to replace the retiring Bob Manseau. Chris Corkery was hired as the new Assistant Principal at CHS replacing Ms. Rothhaus. There were also a significant number of changes in personnel throughout the teaching and support staff.

As a result of the latest Claremont court decision involving educational funding, the New Hampshire Department of Education implemented a new accountability system for schools in 2011-2012. The system is designed to determine if NH public schools are providing students with the “opportunity for an adequate education” as defined in state law. All three schools were deemed to be providing students with the opportunity for an adequate education.

The district office and schools have been working diligently on the implementation of the Common Core State Standards (CCSS). Led by Curriculum Director Dr. Julie Heon, teacher teams have been working to make significant changes to curriculum, instruction and assessment in order to meet the more demanding criteria of the CCSS and to help students graduate career and college ready. For the second consecutive year storms in October forced school cancellations. This year the cause was the loss of power due to hurricane/super storm Sandy.

The fall was very busy with both contract negotiations with the Litchfield Educational Association (LEA) and budget deliberations occurring concurrently. As of the end of 2012, the LEA has ratified the tentative agreement and the School Board and Budget Committee are scheduled to vote on the contract early in the new year.

Several events have impacted the district financially this year. Over the last year we have seen a significant increase in the number of students identified as having disabilities. This has resulted in the development of many new Individual Education Plans (IEPs) requiring additional teacher and

paraprofessional resources. This resulted in significant costs that were not built into the 2013 budget. As a result, the School Board has authorized use of the Special Education capital reserve fund and we expect that the use of some of the roughly \$103,000 in this fund will need to be expended this year. As well, Litchfield Middle School needed to replace its fire control panel. This repair essentially consumed \$50,000 of the \$52,000 capital reserve fund used for emergency building repairs.

The budget process was completed in late December. The approved 2013 general fund operating budget was \$19,584,684. The budget committee's proposed 2014 operating budget was \$20,990,591, for a net increase of \$245,861.

The following fixed costs required in 2014 that were not in the approved 2013 budget include:

- IEP Required SPED hires of \$274,837
- New Hampshire Retirement System rate increase of \$229,591
- Common core standards implementation instructional materials costs of \$99,336.27
- Current year out-of-budget grade 1 teacher of \$58,143
- Contracted First Student rate increase of \$29,538
- SPED transportation of \$21,284.92
- Health insurance rate increases of \$19,441

Total projected fixed cost increases required in the 2014 budget are \$732,171.19. After covering all of the new fixed costs, the budget committee's proposed fiscal 2014 budget will result in a reduction of \$499,740 from the 2013 year's budget. At this time the impact of the budget cuts is unknown. School and district administration and the School Board will be taking up this conversation in the new year.

I would like to thank the community for its ongoing support of the schools and also thank the teachers and staff in the school district for their hard work and dedication.

Respectfully,

Brian Cochrane
Superintendent of Schools



LITCHFIELD SCHOOL DISTRICT

School Administrative Unit #27

One Highlander Court
Litchfield, NH 03052

ANNUAL REPORT

BUSINESS AND FINANCE

I am pleased to submit my annual report on the District's business and financial operations.

The District closed fiscal year 2012 with an unassigned fund balance for the General Fund of \$392,494, a decrease of \$379,612 or 49.17% from the prior year. Unanticipated revenues accounted for \$65,668 of this fund balance which the district must return to the taxpayers in the year-end fund balance. A budget underspend of \$326,826 or 1.70% of the general fund operating budget contributed to the year-end unassigned fund balance. Major areas of underspend were: \$116,821 in health insurance due to the actual rates coming in at 6.0% below the guaranteed maximum rate used in budgeting; utilities (electricity, fuel oil, propane and gasoline) underspend of \$55,363 helped by above average temperatures last winter; self-funded programs underspend of \$56,340; and non-SPED and self-funded salaries and benefits (excluding health insurance) underspend of \$236,022, of which \$37,500 was due to not requiring the budgeted half-time kindergarten teacher and paraprofessional. Special education overspent their total budget by \$15,740. While not a large overspend, it was a major change to our financial results as we usually have a significant underspend in the SPED total budget. The prior three years averaged a budget underspend of \$293,959 (\$334,794 in 2009, \$148,682 in 2010, and \$398,400 in 2011).

All required reports to both the NH Department of Education and NH Department of Revenue Administration were successfully submitted accurately and on time.

Last year we continued to expand our use of technology to help us improve levels of service and productivity. Our facility scheduling application was expanded to allow community groups to request usage of our facilities over the internet. We also initiated our paperless initiative to help improve productivity and reduce costs through the use of technology to automate our business and human resources processes.

I want to acknowledge the continued excellent work and dedication of Jo Ellen Bellerive, our Chief Accountant, Christine Lavacchia, our Payroll Coordinator, and Ann Inamorati, our Food Service Bookkeeper. I also want to acknowledge Deb Mahoney, our HR Director, for her valuable contributions and support in the business and finance operations of the district.

Our Buildings & Grounds operations continued to concentrate on improving the maintenance of our facilities and maintaining a clean and healthy environment. Major projects in 2012 included: replacement windows at Griffin; replacing the fire alarm system at the Middle School; and a replacement track at Campbell.

I wish to acknowledge the excellent and dedicated work of our facilities team: Sue Ayer (Campbell High), Matt Bennett (District-wide Building & Grounds Coordinator), Tony Kobelenz (Middle School), and Dave Ross (Griffin Memorial) and their staff for their excellent job in maintaining our facilities and grounds for our students and staff. I also want to acknowledge and thank Jack Williams who retired this year after twelve years of service at the Middle School.

A separate report is being submitted by the Director of Technology. I want to take this opportunity to acknowledge and thank Kyle Hancock, Director of Technology, and Shawn Power, Technology Coordinator, for their continued excellence in supporting the technology needs of the district.

A separate report is also being submitted by the Director of Food Service. I want to take this opportunity to acknowledge and thank Hilda Lawrence, our Food Service Director, and her staff, for their hard work and continued commitment to the students and staff of the district.

As we enter 2013, my team and I look forward to meeting the challenges of providing the best services possible to support the programs of the district.

Respectfully Submitted,

Stephen F. Martin
Business Administrator



LITCHFIELD SCHOOL DISTRICT

School Administrative Unit #27

One Highlander Court

Litchfield, NH 03052

2012 ANNUAL REPORT DEPARTMENT OF SPECIAL SERVICES

The Special Services Department, which encompasses Special Education services, 504 oversight, English Language Learners, and home schooled students, has had a year of transition. In addition to having Jennifer Dolloff as our Interim Director for five months in 2012, I began as Director of Special Services on July 1st. My tenure as director has gotten off to a busy start, as there has been a dramatic increase in the number of students with educational disabilities in the past year.

Because of the changes in administration this past year, there were fewer initiatives taken than in years past. There were, however, several meetings of the Parent Support Group for parents to meet and discuss issues with representatives of the Parent Information Center (PIC). Parents and teachers that attended these sessions found them to be a worthwhile endeavor, where parents could voice concerns and constructive ideas to assist other parents in supporting their children. The plan is to begin this support group again in 2013.

This year we welcomed into the district a new Speech Pathologist, Emily Checkoway, which brings the district total to a much needed staff of four district speech pathologists. The high school special education department also increased their staff back up to four case-managers when Matthew Cawley joined the team. In addition, Robert Gannon filled a vacated case manager position. The district also welcomed a new School Psychologist, Jonas Taub as well as Virginia Hennighausen, ESOL Teacher. And finally, the Special Education staff has been rounded out by the addition of several new paraprofessional positions, as well as new staff to replace vacated positions.

I would like to thank all of our dedicated special services staff. They work tirelessly to ensure that the needs of our students are met. I look forward to another successful school year and I am honored to work for such a dedicated community.

Sincerely,

Devin Bandurski
Director of Special Services



LITCHFIELD SCHOOL DISTRICT

School Administrative Unit #27

One Highlander Court
Litchfield, NH 03052

2012 ANNUAL REPORT CURRICULUM AND INSTRUCTION

Thank you to the faculty, staff and administration for supporting our curriculum and instruction work during the past year. The implementation of the New Hampshire adopted Common Core State Standards has been a high priority.

Both the English/Language Arts and Math Committees have worked diligently to revise our district curriculum documents to reflect the Common Core Standards. Monthly meetings are spent deconstructing the Standards into the discrete knowledge and skills required by students. The members of these committees are teacher leaders and work with their school-based colleagues on the transition to the standards. The Common Core Standards include much of what was expected by the previous state learning expectations. In some cases the Standards require learning at an earlier grade, in greater depth and/or greater focus. The Common Core Standards and the accompanying appendices can be found at www.corestandards.org.

New Hampshire state testing will soon change to align with the standards. The new Smarter Balanced state testing is based upon the Common Core Standards and will begin in the spring of the 2014-2015 school year. Grades 3-8 and 11 will continue to be tested. The current NECAP testing will occur only once more in October of the 2013-14 school year before the transition to the new state testing. Sample test items are released regularly and can be found at <http://www.smarterbalanced.org/sample-items-and-performance-tasks/>.

District professional development focused primarily on technology integration, familiarity with the Common Core Standards and planning for the transition to the Standards. At the end of the last school year, all faculty and staff participated in various sessions regarding the use of technology and integration into instruction. Many of our classrooms now have SMART Board technology and much of the training was focused on the uses of the SMART Board. We continued that training into the current school year.

Some faculty members and administrators attended optional sessions regarding the Common Core Standards in early August. All elementary staff, along with middle and high school English, language arts, reading, math and special education teachers attended similar sessions during the opening workshop days at the beginning of the school year. We have begun implementation of the Standards throughout this school year in anticipation of full implementation as required during the 2013-14 school year.

Respectfully submitted,

Julie S. Heon, Ed. D.
Director of Curriculum and Instruction



LITCHFIELD SCHOOL DISTRICT

School Administrative Unit #27

One Highlander Court
Litchfield, NH 03052

2012 ANNUAL REPORT TECHNOLOGY

The year 2012 had many great achievements in technology for the Litchfield School District. We have successfully completed the implementation of our wireless guest networks throughout the entire school district. Any student or staff member is now able to bring his/her own Wi-Fi device and sign onto the school's network while keeping all the school's resources safe and secure as well. We have also invested in network monitoring software which allows the IT department to be proactive in correcting issues and gives us greater insight into our network performance.

Our biggest accomplishment in 2012 was the implementation of our Virtual Server infrastructure. Although this is invisible to most people, it has given the school district a much more stable and reliable network infrastructure. We are now able to move workloads and resources with ease and assign appropriate resources to each of these workloads. The result is a very dynamic infrastructure, which allows us to provide a great number of more services without any additional hardware resources.

In addition to our Virtual Server Infrastructure we made significant strides in increasing the reliability of our network at GMS through our rewiring project. The first phase of this project was started in 2011 with the implementation of a fiber optic network backbone. We have now run new and faster network cables to 50% of the GMS classrooms. By replacing the older copper wires which provided the basis for our network, we have been able to increase the network speed and reliability for our teachers and students.

While we have made great strides in allowing staff and students to bring in their own technology and providing a reliable infrastructure; we are experiencing significant difficulties with the age of our equipment at GMS and LMS. At GMS, all of our teacher and student equipment is now over four years old with over 50% of that equipment being six to eight years old. At LMS we have similar issues with only 14% of teacher and student computers being three years old. The remaining 86% of LMS staff & student computers are four to eight years old. Due to the age of this equipment we have experienced a great deal of hardware failure and are unable to install new software.

The school district's goal and next major investment in technology will be to replace these aged computers at GMS and LMS with faster, reliable and up to date equipment. Where possible we will be implementing thin clients, to replace classroom desktop computers, which will pose a significant savings to the district with a reduced energy cost, streamlined management and easier upgrade path. We hope to begin this upgrade in the summer of 2013 pending budgetary approval.

Respectfully submitted,

Kyle Hancock
Director of Technology



LITCHFIELD SCHOOL DISTRICT

School Administrative Unit #27

One Highlander Court
Litchfield, NH 03052

2012 ANNUAL REPORT FOOD SERVICE

I am pleased to submit the annual report for the Litchfield School District Food Service Program. In my 14 years with the district, I have had the pleasure of working with a hard working food service staff, supportive administration and SAU staff, dedicated faculty and support staff and wonderful students. Together we continue to make strides in improving and advancing the food service program throughout the years.

Lunch prices have increased by \$.10 at all the schools due in part by a federal mandate. Section 205 of the "Healthy, Hunger-Free Kids Act of 2010" requires that schools participating in the National School Lunch Program provide the same level of support for paid lunches as they are for lunches served to students eligible for free or reduced lunch. We are required to increase lunch prices over the next several years to meet these new federal reimbursement rates.

The "Healthy, Hunger-Free Kids Act of 2010" also imposes stricter nutrition guidelines to help fight the obesity epidemic in the country. The new standards have been implemented in schools in September, 2012. Meal patterns and portion sizes have changed the set standards for calories, fat, sugar, and sodium levels for different age levels. Students must now take a serving of fruit and/or vegetable along with two other food items on the menu to count as a reimbursable meal and be charged the price of a lunch. The Litchfield School Lunch Program has already been following some of these standards for many years. We continue to encourage healthy eating by our students by limiting the fat and sugar and increasing the whole grains. Our milk is either fat free white or flavored or has 1% fat. We also serve 100% fruit juice, water, and other beverages which meet nutrition guidelines. We have increased the use of whole grains by using whole wheat breads, pizza crusts and breading for chicken nuggets and patties, and using brown rice. Snacks, a la carte food and vending machine food in the cafeteria all meet nutrition standards.

We are into our fourth year of our Special Milk Program for the kindergarten students at Griffin Memorial School. This program offers kindergarten students who are in school for half day sessions to purchase non-fat chocolate or white milk or 1% fat white milk for snack time at a reduced rate of 25 cents, or free to those who qualify. Currently there is an average of 23 students or 46% of enrolled kindergarten students who participate in this program.

At GMS, an average of 54% of its enrolled students from Grades 1-4 purchased a reimbursable lunch this year. Students have a choice of a hot entrée, sandwich or chef salad alternate. A la carte food items include fruit and vegetable daily as well as ice cream (low fat and reduced sugar), which is sold once a week. We are introducing new foods into the menu including hummus and yogurt fruit parfaits.

Special thanks go to my GMS staff: Cristen Thorpe, Laura Dampolo, Pat Covey and Mary Franck for all their hard work and enthusiasm in providing the students at Griffin Memorial School a healthy and delicious lunch.

At Litchfield Middle School, the lunch participation rate remains high with about 50% of students taking a reimbursable hot lunch. Lunch choices include a featured hot lunch meal, sandwich alternate, chef salad, and salad bar alternate which all include the required protein, bread, vegetable, fruit and milk component. We have added another lunch alternate called the “Brunch Lunch”, which includes a whole grain waffle, low sugar syrup, cheese stick, raisins and milk. The salad bar continues to be popular with students, faculty, and staff. Vegetable and fresh fruit consumption has increased.

Special thanks to my hard working staff at Litchfield Middle School: Debi Hayes, Cathy Snyder, Lynn Richardson and Janice Barrett. I wish to acknowledge and thank Debi Hayes who has provided 20 years of dedicated and excellent service to the students and staff at the Litchfield Middle School. Congratulations also to Cathy Snyder who was the winner of the NH Association of Middle School Educators Recognition Award for amazing service to students. Her service goes above and beyond her work in the kitchen.

Campbell High School offers a Breakfast Program with reimbursable meals subsidized by the USDA and feeds an average of 52 students daily. Reimbursable lunch offerings include two or three hot lunch entrees and pre-plated salads. Participation rate for reimbursable meals is 25% of enrollment and a much higher rate with à la carte sales. During National Nutrition Week in October, there were nutrition activities throughout the week and special foods featuring a variety of squash, apples, beans and pumpkin.

Thanks go to the kitchen staff at Campbell High School for making it all happen: Janet Belhumeur, Judy Latsha and Linda Summit. Eleanor Ricard has retired after seven years with the Lunch Program. Ellie was a hard worker and provided excellent customer service to students and staff at Campbell. I wish her well in her retirement. We welcome Christine Bratton to the Campbell team.

Our local and state sanitation inspection reports continue to be in compliance with required regulations that have been updated to reflect the new Food Codes. New employees will be working on certification for food safety and sanitation by completing the ServSafe Food Safety and Sanitation course and exam that is required for all school food service employees.

I would like to thank the maintenance staff for helping to keep the kitchen clean and equipment maintained. I would also like to extend my appreciation to Matt Bennett, the district Building and Grounds Coordinator, for his time and efforts transporting the kitchen’s empty cans and cardboard to Campbell where Dennis Perrault and his recycling team process them. Campbell has increased their recycling efforts to include composting the kitchen’s produce scraps.

I also would like to thank our bookkeeper, Ann Inamorati, who is into her third year with the program, and has been doing a wonderful job. She has worked hard to make the food service accounting and Mealtime computer system more efficient.

Our appreciation and thanks also to the SAU staff, to Stephen Martin, Business Administrator and to Dr. Brian Cochrane, Superintendent, for their continued assistance and support.

Respectfully submitted by,

Hilda Lawrence
Food Services Director

LITCHFIELD SCHOOL ADMINISTRATIVE UNIT #27 STAFF - 2012 - 2013

<u>Name</u>	<u>Position</u>	<u>Degree</u>	<u>Salary</u>
Bandurski, Devin	Director Special Service	M	\$84,771.00
Cochrane, D. Brian	Superintendent	Ph. D.	\$118,500.00
Hancock, Kyle	Director Technology	B	\$66,598.00
Heon, Jule	Director Curriculum & Instruction 80%	Ed. D.	\$70,120.00
Lawrence, Hilda	Director Food Service	B	\$49,477.00
Mahoney, Deborah	Director Human Resources	B	\$64,189.00
Martin, Stephen	Business Administrator	M	\$97,598.00

LITCHFIELD SCHOOL DISTRICT STAFF 2012 - 2013

<u>Name</u>	<u>Position</u>	<u>Degree</u>	<u>Salary</u>
Checkoway, Emily	Speech Pathologist	M	\$36,254.20
Deslauriers, Jill	Speech Associate	B	\$60,642.00
Hegarty Follis, Kathleen	Occupational Therapist	M	\$45,348.00
Henninghausen, Virginia	ESOL Teacher	B	\$30,642.75
Mague, Danielle	Speech Pathologist	M	\$47,007.00
McGarry, Kathrine	Speech Pathologist	M	\$62,781.00
Pelland, Elin	School Social Worker	M - LICSW	\$53,544.00
Selig, Tari	School Psychologist	CAGS	\$61,378.00
Taub, Jonas	School Psychologist	M	\$68,000.00

Griffin Memorial School

229 Charles Bancroft Hwy.

Litchfield, NH 03052

Scott Thompson
Principal

Phone (603) 424-5931

Fax (603) 424-2677

Constance Faro
Assistant Principal

2012 PRICIPAL'S ANNUAL REPORT

As I approach the mid-point of my first year as Principal of Griffin Memorial School, I am delighted to have the opportunity to report on the status of the school.

There have been a number of significant changes at Griffin in 2012. We had four retirements in June. Three long-time teachers retired after many years in the district. Margaret Parent retired after teaching for 39 years, 37 as a fourth grade teacher. Connie Faro retired after serving as our reading specialist for 37 years. Penny Shupe retired after 23 years, most recently as one of our founding kindergarten teachers. And, of course, Martin "Bo" Schlichter retired after 26 years as an administrator in the district, the last seven as principal of Griffin Memorial School. We are delighted that two of the retirees came back in part time positions, Connie Faro as the assistant principal and Margaret Parent as the Title I math tutor. The PTO saw fit to memorialize Bo Schlichter's contribution by dedicating the new (2010) playground to him. I would like to add that in my first few months at Griffin, I have been impressed and delighted by the level of caring, the deep professional knowledge, and the commitment to our students that the faculty and staff at Griffin continually display.

Our students continue to show strong academic achievement and growth. The following chart shows comparison data for students at Griffin Memorial School, compared to students from across NH in the same grade level, based on the fall, 2011 NECAP results in reading and mathematics.

	% Proficient With Distinction	% Proficient	% Partially Proficient	% Substantially Below Proficient
Grade 3 Rdg., GMS	30	62	6	2
Grade 3 Rdg., NH	24	57	13	6
Grade 3 Math, GMS	26	56	13	6
Grade 3 Math, NH	28	48	15	8
Grade 4 Rdg., GMS	35	58	6	1
Grade 4 Rdg., NH	26	53	14	7
Grade 4 Math, GMS	38	50	10	2
Grade 4 Math, NH	29	47	14	9

We recognize that student achievement begins with students maintaining a positive attitude toward their school environment and school experience. To help make sure this attitude is nurtured, our guidance office provides a character education program for all students. As in years past, each month is connected with a positive social value such as courage, responsibility, and friendship. This theme is discussed at the classroom level and students actively consider the meaning of this value to them. Their reflections are read over the loudspeaker by the guidance counselor, Ms. Seiden, and they are also posted in the hallways for all to read. This year our staff had a second round of training about the use of Morning Meeting to build community bonds within the classroom and to teach pro-social skills, including anti-bullying

strategies. Our Green Team (for fourth graders) is an environmental awareness group that helps run our recycling program. This year, Ms. Seiden added a new service organization for third graders, Kindness Counts. Their first show of social activism came quickly, as they were called upon to raise money for the victims of Hurricane Sandy, the historic and devastating storm of October, 2012. The students raised nearly \$250.00 through their penny drive.

Although the general trend in enrollment still seems to be downward in the school and district, the enrollment in some specific grades was unexpectedly high this year. With enrollment for this year's kindergarten projected at 56, the district eliminated one of the portable classrooms over the summer. Last June, Kindergarten ended the year with 63 students. However, Grade 1 began the year with 97 students, leading us to request the reinstatement of an additional classroom teacher. Preschool grew to 26 by the end of October, and as we got additional new students, we were required to reconfigure the schedule to add another session. We were very appreciative of the support from the SAU and the School Board in dealing with these challenges when they arose.

This year the PTO made several significant and lasting donations to the school. The PTO donated funds to purchase a climbing wall in the gymnasium, and that was installed in the fall of 2012. The PTO also contributed funds for an additional SMART Board, giving us one in each grade level. Teachers have created many interactive lessons that use the SMART Board technology to engage students in a direct and exciting way. The PTO, in partnership with the school, has formed a committee to look into the need for further enrichment opportunities at GMS. This committee's work began with a survey of staff, which resulted in the determination that enrichment opportunities, especially in the academic areas of math, science and reading, are needed in order to keep our most capable students motivated and engaged. This year, the PTO added Destination Imagination to the list of activities they already sponsor for our students. In August, parent volunteers worked with district staff to install a new butterfly garden in the area between the Kindergarten portables and the main building.

Another innovative use of technology this year was in the reading program. Chris Tate, our new reading specialist, has created a voluntary reading program for fourth graders using the Moodle platform. The students are grouped into sections of twenty. They each read a book and use the Moodle site to share ideas, answer questions from their teacher, learn about their assignments and submit completed work. We see this as an excellent training for future academic experiences, as such online models are fairly commonplace in high school and college settings.

Our staff is joined with the rest of the Litchfield district and districts across the country in preparing for the Fall 2013 implementation of the Common Core State Standards. Working in teams and on committees with our Curriculum Director, our teachers have studied the new standards and worked toward identifying possible gaps in our current curriculum. As a result of this work, we were able to identify some areas of need in texts and materials for the 2013-14 budget. We were fortunate to have been able to receive an updated version of our mathematics text, EnVisions, at minimal cost to the district, and in time to be put into use starting in August, 2012. In addition, our staff is working to implement specific techniques and strategies brought to us by our math consultant, Mahesh Sharma.

We look forward to continued success in the coming year, with the ongoing support of the central office staff, our school board, and our engaged and committed parent community. I appreciate the opportunity I have been given to serve as principal at GMS.

Sincerely,

Scott Thompson
Principal

Griffin Memorial School Staff 2012 - 2013

<u>Last Name</u>	<u>First Name</u>	<u>Position</u>	<u>Grade</u>	<u>Salary</u>
ADAMAKOS	KRISTIN	TEACHER KINDERGARTEN	M	\$53,644.00
ALLEN	TRACY	TEACHER - GRADE 2	B	\$52,430.00
ASHE	AMY	TEACHER - GRADE 4	M	\$56,963.00
BEACH	ERIN	TEACHER - GRADE 1	B	\$39,410.00
BENOIT	SUSAN	TEACHER - GRADE 2	B	\$54,492.00
COHEN	JULIE	TEACHER - GRADE 4	M	\$45,348.00
COTE	DORIS	TEACHER - GRADE 2	M	\$64,233.00
CULLEN KENT	PAULA	TEACHER - GRADE 4	B	\$58,510.00
DEPLOEY	SAMANTHA	TEACHER PRE-KINDERGARTEN	B	\$48,090.00
DOUCETTE	SANDRA	TEACHER - GRADE 1	M	\$64,233.00
ELEY	ALLISON	TEACHER SPECIAL EDUCATION	B	\$53,430.00
ELLIOTT	SHAUN	TEACHER - GRADE 4	B	\$33,623.00
FARO	CONSTANCE	ASST PRINCIPAL ELEMENTARY 50%	CAGS	\$29,311.00
HAARLANDER	JESSE	TEACHER - PHYSICAL ED	B	\$36,517.00
HALE MILLER	HEIDI	TEACHER ART	M	\$62,781.00
HAYES	AMANDA	TEACHER SPECIAL EDUCATION	B	\$33,623.00
JOHNSTONE	SANDRA	TEACHER - GRADE 1	M	\$55,304.00
LABELLE	BARBARA	TEACHER MUSIC	M	\$62,781.00
LAPLANTE	ANGELA	TEACHER - GRADE 3	B	\$43,750.00
LEARY	STACEY	TEACHER - GRADE 4	M	\$53,644.00
LEVESQUE	CAROL	TEACHER - GRADE 3	M	\$61,781.00
LLEWELLYN	SARAH	TEACHER - GRADE 3	B	\$45,436.00
MCGOWAN	SUSAN	TEACHER - GRADE 2	M	\$64,686.00
MICHALEWICZ	INGA	TEACHER - GRADE 2	M	\$61,781.00
O'CONNELL	ERIN	TEACHER - GRADE 1	M	\$47,007.00
PATTEN	KRISTEN	TEACHER - GRADE 3	M	\$47,007.00
PREVEL-TURMEL	MELINA	LIBRARIAN	M	\$64,686.00
SAWICKI	MARGARET	TEACHER SPECIAL EDUCATION	B	\$46,644.00
SAXTON	MARY	TEACHER SPECIAL EDUCATION	M	\$62,781.00
SEABROOK	SUSAN	NURSE	B/RN	\$56,376.00
SEIDEN	FERN	GUIDANCE COUNSELOR	M	\$52,965.00
SIBONA	JESSICA	TEACHER - GRADE 3	B	\$48,090.00
SWEETSER	TINA	TEACHER KINDERGARTEN	M	\$47,007.00
TATE	CHRISTINE	READING SPECIALIST	M	\$61,482.00
THOMPSON	SCOTT	PRINCIPAL ELEMENTARY	CAGS	\$88,360.00
WEBSTER	LISA	TEACHER - GRADE 1	M	\$42,029.00

Litchfield Middle School
19 McElwain Drive
Litchfield, New Hampshire 03052-2328

Thomas Lecklider
Principal

Telephone 424-2133 · Fax 424-1296

Kerry Finnegan
Assistant Principal

2012 PRINCIPALS ANNUAL REPORT

At Litchfield Middle School, we are proud of our achievements over the past year. From academics to athletics to the arts/music programs to our extra-curriculars, there is much to celebrate. We challenge our students each day to “Do Your BEST”, which captures the essence of our core values as a school. Our “BEST” acronym reminds students to “Believe in Yourself, Extend a Helping Hand, Show Respect and Take Responsibility”. In many ways, we exemplified these values as a school community this year. Additionally, in our three school goals we continue to focus on the areas of achievement, climate and community. In this report I will highlight our accomplishments in each of these areas.

We said goodbye to a few staff members as they stepped into a new journey in their retirement. Our facility manager, Jack Williams, opened our building each day for twelve years and greeted staff and students with a friendly smile. His impact on our school community was far reaching. Because of his positive outlook on each day, he truly made LMS a better place. After a wonderful career in which she touched thousands of students’ lives, Jean Dodge, 7/8th grade Math teacher, retired this past summer. Jean had a true passion for her subject and cared deeply about students and colleagues.

We welcomed a number of new staff this year, who have quickly fit right into our community: Elizabeth Dodd (8th Grade Science/Social Studies), Mike Goulet (Custodian), Jessie Girvin (7th/8th Grade Science), and Linda Meltzer (Reading Specialist). We also had a few staff change roles within the District and building this year. Cheryl Berhane (former LMS Math Tutor) is teaching 8th Grade Math/Social Studies, Jessica Guerrette (former 8th Grade Social Studies teacher) assumes 7th/8th Grade Language Arts, Tony Kobelenz (former custodian) is our Facility Manager, Tracey Moulaison (former CHS Math Tutor) is now our Math Tutor, Audra McCollem (former 6th Grade Science/Language Arts Teacher) has taken on 7th Grade Social Studies, Liz Nute (former CHS Spanish teacher) fills our Spanish leave position, and Martha Thayer (former Language Arts teacher) has assumed a new role as our full-time Reading Specialist. A number of paraprofessionals joined our LMS team this year: Brian DeCinto (transfer from CHS), Elisha Planty, Lucille Champagne (transfer from GMS), Tricia Curtis (transfer from GMS), Joanne Utrera, Andrew Gora, Nicole Mathieu, and Jennifer Munroe.

Of the many accomplishments at the Litchfield Middle School this past year, one that we are most proud of is in the area of student achievement. Near the end of May, the State of New Hampshire released their list of schools which made Adequate Yearly Progress (AYP) as measured by the New England Common Assessment Program (NECAP) for the previous year. Our school celebrated making “whole school” Adequate Yearly Progress (AYP) in the areas of both Math and English this past year again, a wonderful achievement.

We continue to work hard to achieve AYP status in math and reading with our special education subgroup. This year, we continue to implement our restructuring plan through our School Improvement Team, focusing specifically on the needs of these learners. Our plan includes broadening the remedial services students receive in reading and math, staff training in the area of Differentiated Instruction provided by consultant Jodi O'Meara, and graphing the results of student goal setting as it relates to their achievement. We re-structured our CORE class this year (formerly Directed Study) so that we were more effectively using the time to meet the learning goals and objectives of the individual students. This included adding a pass/fail component to the course and building on resources to maximize student learning.

New Hampshire continues to work toward the transition to the Common Core State Standards (CCSS). This year teams have been working on various levels including district, instructional teams, and departments to align current curriculum documents to the CCSS. Additionally, our teachers have received professional development to this end. Mahesh Sharma, math consultant, continues to provide training to our math teachers with instructional strategies in the areas of number sense, automaticity, and curriculum scope/pace. He also brings expertise and support to our work on the Common Core.

In an effort to further promote reading and literacy, our sixth graders began a program with GMS, "Reading Buddies". Throughout the year, groups of our students team up with first graders and share books with them. We were overwhelmed at the positive feedback from the elementary students. The program recently kicked off this fall for another year with new and bigger plans. Also, LMS partnered with the Aaron Cutler Memorial Library to support a book club for adolescents "Page Turners". I would like to thank Carrie-Ann Pace for her efforts in launching this valuable club.

Our student body is also assessed on the Northwest Evaluation Association Assessment (NWEA) in January and May. This is an online standardized test in math, language usage, and reading. The results of this test are reported instantly, allowing teachers, students, and parents an opportunity to learn quickly about the student's level of achievement. We are particularly proud of our school results last spring as our students again achieved significantly above their grade level national norms in math, reading, and language usage.

Our summer programs (Reading/Math Summer School, Extended School Year, and Title I Reading) provided programming for around 40 students. I am thankful for the directors (Jeanne Henriquez, Ed Lettich, and Martha Thayer) of each of these programs and for their excellent work with our students. Additionally, the students involved in the program made noteworthy progress.

The attention of our Positive Behavior Interventions and Support (PBIS) team continued our focus on promoting positive student interactions at LMS. The state passed a new anti-bullying law late in 2010, then revised it in 2011. Fortunately, our school has been well ahead of the curve on working with students on these sensitive topics.

Over the past couple of years, students in our school completed a book study on the topic of respectful student interactions and bullying. Through these book studies, rich discussion ensued. The primary book that our study focused was *The Revealers* by Doug Wilhelm. In April, Doug Wilhelm visited our school for the day presenting on the themes of his books to our student body. Some of our classes that had completed *The Revealers* study moved on to the sequel, *True Shoes* prior to Mr. Wilhelm's visit. Our PTO also sponsored guest speaker Chris Poulos (former

professional BMX stunt rider). We used these events as catalysts for many positive follow-up discussions with our students. As a result of our extensive work with students over the past couple of years, we have seen a dramatic reduction in what were already low incidences of student conflict at LMS. The feedback from our student and parent community has been positive and reassuring.

We feel that it is critical for our students to make a positive connection to school outside of the classroom. To this end, we offer an extensive co-curricular program including music, sports, and clubs. This year, we achieved at a high level and attendance was excellent in these programs.

Our School-Wide Geography Bee was quite competitive this year. Kathy Sidilau, again, did a wonderful job of coordinating the program. Congratulations to our champion, Trevor Gomes, and Runner-up, Anthony Sturzo.

We are proud of our two 2012 NH Middle School Scholar Leaders, Sarah Hobbs and Alexander Thorpe. They were honored at a special ceremony in Manchester last June. Additionally, they each chose a teacher who had a significant impact on their learning at LMS: Kim Nolan and Cathy McPhee.

The LMS Student Council is always a positive presence in our school. Each quarter, they sponsor a "Class Acts" breakfast where students (joined by their parents) are recognized for exhibiting the positive qualities that are outlined in our core values (Believe in Yourself, Extend a Helping Hand, Show Respect, and Take Responsibility). This year we awarded over 100 students with this honor.

In an effort to increase participation in Student Council, we held school-wide elections this fall. Congratulations to Luis Galvez-Soza on his election as president. In addition, we now have Student Council representatives for each homeroom along with students holding positions as Secretary and Vice-President.

Each year the Lion's Club coordinates a Peace Poster contest around the region. Our school winner this year was Gabriele Hogan. The message for this year's poster was "Children Know Peace". Thank you to Mary Cummings and Kathy Garabedian for their work in coordinating the several LMS entries.

Our athletic programs had a phenomenal year bringing home championships in each season. This past fall, our volleyball team, which joined the Tri-County League two seasons ago, won the Tri-County Championship behind the coaching of Amy Paradise. The winter season saw our Lady Raiders Basketball Team top off an undefeated season with the Tri-County Championship led by Coach Paul Larose. Last spring, for the fifth consecutive season, our softball team won the Tri-County Championship under Coach Brian DeCinto. Over the past year, all of our other teams made their respective Tri-County Tournament. We continue to have very high numbers of students trying out for our sports teams. This fall alone, we had 190 students involved in tryouts.

Our Band and Chorus Programs continue to thrive. We had five students qualify and attend the New Hampshire Honors Band: Kylie Elliot, Veronica Nordyke, Anya Rochussen, Gabriel Desjardins, and Abigail Quigley. At the Great East Festival in June, both our band and chorus were awarded the gold medal. Both groups also scored an "A" and "B" respectively at Large Group Festival. The band and chorus hosted a tremendously successful "Music & Macaroni" family night in February where over 100 people enjoyed an evening of food and student musical performances.

Deb Briggs continues to coach our Lego-Robotics Team. This year our team advanced all the way to the State Championship round in Manchester. At this event, we were honored to receive the Teamwork Award. This program has served as a nice feeder to Campbell High School's team.

We are proud of the partnership we have with our school community. Our Math Department hosted their second annual Family Math Night in February, which included fun math activities for students and parents to participate in. They tripled the turnout from the first year with close to 60 parents and students attending. Our Family Reading Night in March was a fantastic event for our school community. Donna Turco and Patty Waggoner facilitated literacy-based activities for students and their families. We also opened the book fair up to the community for the evening.

Our PTO continues to support our middle school programs in countless ways including their work on such events as Opening Day, enrichment assemblies, and fifth grade activities. Our annual Terry Fox fundraiser yielded terrific results again this year. Our total donation to the Norris Cotton Cancer Center exceeded \$1500. Unfortunately, due to adverse weather conditions, we were not able to make the walk to Darrah Pond.

Project Safeguard, a seventh grade program involving a day of workshops and presentations focusing on issues that concern adolescents and their families, was held at St. Anselm's College in May. Over 140 students attended, many with their parents. I would like to thank the many parents, community members, and staff members (with special recognition to Assistant Principal Kerry Finnegan) who were, again, instrumental in helping organize this meaningful event.

With the ongoing paperless initiatives in our District, our office staff has been required to approach their work in new and different ways. Leslie Pearce and Andrea Hamilton continue to play a critical role in making these important transitions happen.

We made significant improvements to our facility over the past year. Our parking lots were resealed and relined. Also, the flooring was replaced, carpet to tile, in the gymnasium-entrance corridor, nurse's office, and along the Unified Arts hallway. As I write this report, we are preparing to replace our fire control panel. Tony Kobelenz and our custodial crew have worked tirelessly to keep the building and grounds in great shape.

Finally, I would like to thank you, Dr. Cochrane, along with your staff, Business Administrator Steve Martin, Curriculum Director Julie Heon, and Special Education Coordinator Devin Bandurski for the support and assistance you have offered me.

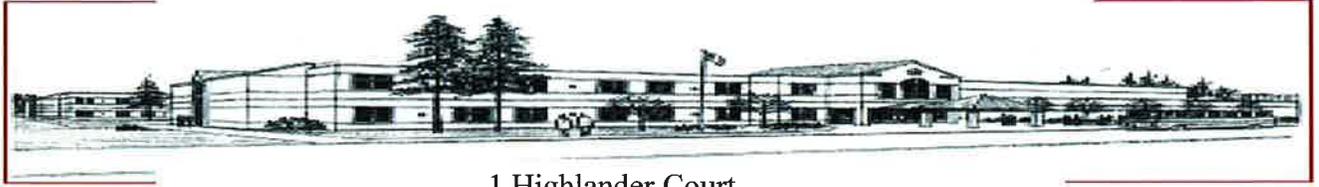
Respectfully Submitted,

Thomas Lecklider

Litchfield Middle School Staff 2012 - 2013

<u>Last Name</u>	<u>First Name</u>	<u>Position</u>	<u>Grade</u>	<u>Salary</u>
BERHANE	CHERYL	TEACHER - GR 8 MATH/SOCIAL STD	M	\$58,371.00
BERUBE	AMY	TEACHER - GR 7 SCIENCE	B	\$48,090.00
CARLSON	SUSAN	TEACHER - GR 7/8 MATH	M	\$43,689.00
CARR	MAUREEN	NURSE	B/RN	\$55,376.00
CORBEIL	ROBIN	TEACHER COMPUTERS	B	\$51,456.00
CORBETT	JODY	TEACHER - GR 7 ENGLISH	M	\$52,965.00
CUMMINGS	MARY	GUIDANCE COUNSELOR	M	\$59,779.00
DODD	ELIZABETH	TEACHER - GR 8 SCIENCE/SOCIAL STD	M	\$40,370.00
DWYER	HEATHER	TEACHER - GR6 ENGLISH	M	\$56,963.00
ELLIS	LYNNE	GUIDANCE COUNSELOR	M	\$61,733.00
FINNEGAN	KERRY	ASST PRINCIPAL MIDDLE SCH	CAGS	\$73,757.00
GARABEDIAN	KATHLEEN	TEACHER ART	M	\$61,733.00
GILMORE	DAVID	TEACHER - PHYSICAL ED	B	\$37,963.00
GIRVIN	JESSICA	TEACHER - GR 7/8 SCIENCE	B	\$37,963.00
GUERRETTE	JESSICA	TEACHER - GR 7/8 ENGLISH/SOCIAL STD	M	\$58,622.00
HENRIQUEZ	JEANNE	TEACHER SPECIAL EDUCATION	M	\$53,644.00
HOELZEL	STEPHANIE	TEACHER SPECIAL EDUCATION	B	\$48,090.00
IRVING	CHERYL	TEACHER - GR 6 MATH	B	\$56,376.00
LANGTON	DEBRA	TEACHER - GR 6 SCIENCE	B	\$55,376.00
LASOCKI	LISA	TEACHER FACS	M	\$60,281.00
LECKLIDER	THOMAS	PRINCIPAL MIDDLE SCHOOL	M	\$96,859.00
LEES	KARLA	TEACHER - SPECIAL EDUCATION (partial year)	M	\$24,214.92
LEFOLEY	KAREN	TEACHER - GRADE 5	M	\$61,781.00
LEITE	CAROLYN	TEACHER MUSIC	B	\$56,376.00
LETTICH	EDWARD	TEACHER SPECIAL EDUCATION	M	\$42,029.00
LOVE	HOLLY	TEACHER - GRADE 5	M	\$62,781.00
MARTIN	KAREN	TEACHER TECH EDUCATION	B	\$58,142.00
MCCOLLEM	AUDRA	TEACHER - GR 7 SOCIAL STD	M	\$58,075.00
MCPHEE	CATHERINE	TEACHER - GR 7/8 SOCIAL S	B	\$58,510.00
MEDEIROS	MARY	TEACHER - GR6 ENGLISH	M	\$61,482.00
MELTZER	LINDA	READING SPECIALIST 50%	M	\$27,006.92
NEGRON	CHRISTINA	TEACHER - SPECIAL EDUCATION (partial year)	M	\$24,091.77
NOLAN	KIM	TEACHER - GR 8 ENGLISH/SOCIAL STD	M	\$61,781.00
NUTE	ELIZABETH	TEACHER SPANISH	B	\$36,517.00
O'BLENIS	FAYE	TEACHER - GR 7 MATH	M	\$51,262.00
ROONEY	CHRISTINE	TEACHER HEALTH	M	\$54,668.00
SIDILAU	KATHLEEN	TEACHER - GR 6 SOCIAL STD	B	\$56,376.00
STEIN	HEATHER	TEACHER - GRADE 5	B	\$35,070.00
TARR	TERESA	TEACHER - GRADE 5	B	\$56,376.00
THAYER	MARTHA	READING SPECIALIST	M	\$63,233.00
WAGGONER	PATRICIA	LIBRARIAN	M	\$38,194.00
ZINGALES	ELIZABETH	TEACHER - GRADE 5	M	\$62,781.00

Campbell High School



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Lisa M. Petry
Director of Guidance
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John N. Patterson
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Campbell High School's mission is to join together with parents, students, staff and community to become a collaboration of learners born of character, courage, respect and responsibility.

2012 PRINCIPAL'S ANNUAL REPORT

Dear Dr. Cochrane:

I am pleased to present this report to the community on our many accomplishments at Campbell High School.

Campbell High School was invited to become a member of the New England Secondary School Consortium. The Consortium has identified CHS as a leader in innovative thinking, core competencies, and assessment. In July the Commissioner of Education, Virginia Barry, invited the administration and Mr. Hicks to the National Educational Conference in Atlanta to accept the Newman Award on behalf of the State of New Hampshire. Robert Manseau and I also presented at this conference on Drop-Out Prevention. Other speakers included Bill Gates, Sandra Day O'Connor, and Commissioners of Education from states around the country.

Campbell's science NECAP results are the highest ever, scoring 13 percentage points above the state average with Proficient and Proficient with Distinction. Student Science NECAP success was celebrated and recognized during a school assembly, an advisory pizza party and some prizes given as rewards.

Science students continue to obtain college credit through the dual enrollment program at Campbell through Southern New Hampshire University. Twenty one students taking "Honors Anatomy and Physiology" with Linda Frost or "AP Environmental Science" with Chet Orban are working towards earning college credits.

Our commitment to the visual and performing arts continues to afford our students opportunities to be successful on many levels. Paula Barry and Denise Freeman facilitated the process of the NH Scholastic and Art Allstate Programs. Seven students received Gold Key, Honorable Mention, and Silver Key awards in the New Hampshire Scholastic Art Program: Brendon O'Keefe, Sarah Belisle, Samantha Radcliffe, Madeline Vinskus, Rebekah Gibson, Jacob Mercier and Kyle Messer. Though none of our students were chosen for the All State Program this year, CHS continues to participate in National, State,



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Community and School based art exhibitions. These exhibitions help our students grow as artists and learn to critically think about the way they perceive their works. Student art from the entire district is displayed at the high school during the month long Celebration of the Arts in March. This happens in conjunction with district wide concerts and is a good way for parents to see the development of students as artists from kindergarten through twelfth grade in one building.

The New Hampshire Interscholastic Athletic Association has a Student Athlete Leadership Committee. During the 2011-2012 school year students John Houston, Nicholas Sturzo and Amanda Miller served on this committee. In the 2012-2013 school year Amanda Miller, Connor Perry and Emily Paquin are selected members. I am serving as the Administrator Liaison to the committee and Mrs. Dawn Miller is my assistant for that work. Rene Lubinski has been nominated to the state wide Spirit Committee of which I am also Chair. This year I have also been appointed by Pat Corbin to the Executive Council to serve as the Principal member (NHASP) for that committee.

At the NHADA/NHIAA Leadership Conference in March of 2012, Campbell High School was well represented. Caitlin Heaton and Connor Perry attended the Youth Summit at Waterville Valley to work with Special Olympics on Unified Games and learned about the Youth Activation Committee now being formed in New Hampshire. Caitlin Heaton volunteered to be a member of New Hampshire's Youth Activation Committee; they will work toward creating a positive environment for people with intellectual disabilities in our state.

The Boys Varsity Basketball Team finished with a 15-3 regular season record last winter and lost in the state quarterfinals. Players receiving individual honors included Academic All-State selections (Chuck Neild, Kyle Mun, John Houston and Jacob Morgan). Max Gouveia was selected to the Second Team All-State in Division III. Coach Roye decided to retire from a distinguished coaching career at the conclusion of the school year and was replaced by veteran coach John Langlois, who has five state titles on his resume.

The self-funded Wrestling Team continues to improve under the direction of Coach Gannon, posting a 13-3 record within our division. The team finished fourth in the Division III State Tournament and produced an individual state champion in Conor Douglas. Kian Fuertes and Jared Saunders placed second in the state as well.

Winter Spirit remains strong under the direction of Coach Renee Lubinski and her volunteer assistant, Erin Alukonis. The Spirit teams consistently place well in competitions and this year was no exception. The athletes placed first in one competition and runner-up in the very tight NHIAA Winter Championships. The team also does an outstanding job of supporting our athletic teams in their role as cheerleaders.

In the spring season, the Girls Varsity Softball Team had an undefeated regular season and finished with an 18-1 record. The season concluded with a tough loss in the state semi-finals. Pitcher Allie Nolan had a 15-1 record while Brittany McNulla and Emily Paquin both batted over .500 for the year.

Baseball coach, Jim Gorham, added another stellar season to his career finishing as runner-up at the NHIAA Division III Championship. It was the third time the Cougars have made it to the finals in the last four years. Chuck Neild and Christian Bourgea received First Team All-State status while Cody Caron and Connor Sahlin made the second team.



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The track team had great success under the direction of Coach Kevin Hodge. The boys were 36-0 and the girls were 33-3 in dual meets. At the state tournament the boys placed fourth and the girls were ninth. The renovation of the track should help this program continue to grow.

Campbell High School's Student Council was selected as a 2012 Honor Council by the New Hampshire Association of Student Councils. In order to receive this honor, members of the Student Council submitted a portfolio that included service, fundraising, spirit, and governmental activities, and pictures for the 2010-2011 academic year. The Campbell Student Council received this distinguished award at the New Hampshire State House on Friday, May 25, and was given a gold plate to add to their Honor Council plaque.

At the end of each year teachers are recognized by our Principal and Assistant Principal for the following awards: Leadership Award, Andrea Ange and Linda Frost; Service Award, Shannon Szepan; Extra Mile Award, Denise Freeman; Going Above and Beyond Award, Dennis Perreault; and Campbell High School Teacher of the Year, Diane Angelini. Cheri Pitrone also received special recognition for her contributions to the wellbeing of the CHS Community. In addition to our in-house recognition of faculty, Andrea Ange received the School Librarian of the Year Award at the 2012 EDies. Mrs. Ange is currently the President of the New England School Library Association. Chet Orban was awarded the high school New Hampshire Environmental Educators award. This award recognizes individuals who stand out as exemplary in their ability to engage students in environmental studies in lasting and meaningful ways. This is a wonderful acknowledgement of Chet's outstanding work at Campbell High School.

Francis Wayland Parker nominees for the school include: Zachary Waggoner (senior), Angela Valenti (junior), Amanda Simoneau (sophomore). Three Campbell High School students participated in the St. Paul's Advanced Studies Program over the summer: Christina Lepore, Justin Prindle and Zachary Waggoner.

Leah Stagnone (junior) was awarded the President's Volunteer Service Award. Kathryn Kierstead (senior) was named a Nation Merit Scholar for the PSAT's. We had two students who had perfect scores on a portion of their SAT's. Christina Lepore (senior) received a perfect score on the writing portion of the SAT's. Lucas Dube (2012 graduate) received a perfect score on the math portion.

Amy Bosteels, a sophomore this year at Campbell High School, will serve as our HOBY (Hugh O'Brien Youth Leadership Program) representative at the May 2013 HOBY conference. Amy was nominated based on her fine academic achievement, her activities and contributions within the school community, and her involvement in the local community. Last year for HOBY, we had two representatives, Matthew Woods and Andrew Picard.

The Campbell Recycling program was named the School Recycler of the Year by the Northeast Resource Recovery Association. The award recognizes the best school recycling program in New Hampshire. It is essentially the equivalent of a state championship in recycling. Students Josh Letourneau, Ben Page, and Joe Simoneau, accompanied by Sue Ayer, Matt Bennett, and Dennis Perreault accepted the award on behalf of CHS at the NRRRA Annual Conference in June, 2012. This September the program has begun a trial composting program at the high school with the cooperation of the CHS Food Services staff.

Student achievement remains our number one job. We have identified a number of indicators of success. In order to be successful students must complete their education, which includes a Sophomore and Senior Project, and earn twenty-four credits to receive a Campbell High School Diploma. On Friday June 8th one



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hundred and sixteen students graduated as the Class of 2012 from Campbell High School. The members of the Class of 2012 brought respect and dignity to the graduation exercises through their participation in the pomp and circumstance of the evening. We are proud to report that 83% of the graduating class will be attending a two or four year college or university. Nine CHS students graduated from Londonderry Night School in June 2012. As we work to personalize our learning experiences for students, Campbell will continue to seek opportunities to partner with members of our community as well as surrounding communities to be sure as many students as possible are successful and ready for work or college when they leave us.

Our New Hampshire Scholars initiative continues to expand. The program seeks to encourage all students to take a rigorous core curriculum over the four years spent in high school, and brings business leaders into the school to encourage students to acquire the skills and knowledge that will help them in college and careers. When New Hampshire Scholars was introduced to our school in 2010, twenty-six students graduated as NH Scholars. In 2012, forty-three seniors graduated with the distinction. The graduating class of 2013 has sixty-three students who are on track to graduate as New Hampshire Scholars. We are glad to see the numbers continue to increase. We would like to send out a special "Thank You" to all the local business leaders who have provided support, ongoing activities and incentives for our students: Fred C. Church Insurance, UNH Cooperative Extension, Harvey Construction, Fair Point Communications, BAE Systems, Institute of Electrical and Electronic Engineers, New Hampshire Scholars Director Scott Powers and team UNH at Manchester, NH Business Magazine, New England Small Tube Corporation, Focal Point Counseling, irobot.com, Mass College of Pharmacy and Health Science, Rivier University Criminal Law Department, NECC Department Of Criminal Justice, Dr. Gonzales Orthopedic Surgeon, Dr. McKearin (chemist and parent), Pennichuck Corporation, Litchfield Middle School staff and Campbell High School staff. Teacher Lesleigh Grant is to be commended for her work with this program.

For the 2012-13 school year Mrs. Laurie Rothhaus, CHS assistant principal for five years, was hired as the principal of Campbell High School. Mr. Christopher Corkery is our new CHS assistant principal. The following new staff members also joined Campbell High School this year: Mr. Matthew Cawley and Mr. Robert Gannon - special education teachers, Mr. Steven Levine - part-time health teacher, Ms. Linnea Manley - earth science teacher, Mrs. Katie Stella - environmental and physical science teacher, Ms. Virginia Hennighausen - ESOL tutor, Mr. Alex Scarelli - English language arts teacher, and paraprofessionals - Mrs. Barbara Rohan, Mr. Paul Childs, Mr. Chip Cloutier, Mr. Andrew Gagne, Ms. Wenda Schultz, and Ms. Cheri Watkins.

Campbell High School Student Council started the year in a positive and exciting way by hosting the first annual Welcome Back Teachers Day. This day was a great success by having students welcome back their teachers and demonstrating Campbell spirit. As the teachers walked in through the back wing, music was playing and the students cheered at the start of the school year. Teachers loved the event and we hope to keep doing it in the future to begin the school year sending a positive message.

The fall athletic season had many exciting moments as well. Coach Bob Gannon's Girls Soccer Team continued their run of success. The team finished 13-5 and made it to the NHIAA Semi-Finals. First Team All-State went to senior Casey Mellen. The boys team lost in the quarterfinal round. Ian Hutchinson made First Team All-State. Jacob Morgan is this year's recipient of the Senior Excellence Award from the National Soccer Coaches Association of America.

The Varsity Volleyball program took another step in building a championship program under the direction of Coach Colin Walker. The team finished an unprecedented undefeated regular season posting



a 16–0 record. We eventually lost in the State Semi-finals. Jayla Brennen received individual accolades in First Team All-State, First Team All-Area, and school record for kills with 672.

The cross country team has more than doubled in size under the direction of Coach Kelly Fraser. Sophomore Sean Munnely set a new CHS course record and qualified for the prestigious Meet of Champions.

Varsity Football had a good year, finishing 7-2 in the regular season before losing in the semi-final round. First Team All-State went to Trevor Duquette, Jordan Lang and Vinnie Bucci. Jesiah Wade also made the All-State Team and set school records by rushing for 2204 yards and 34 touchdowns.

Another successful Mole Day brought about excitement and strange events in Chemistry. Dick Sauchuk introduced the mole dance, pin the tail on the mole, and eating “dirt pie”. Students enjoyed these activities as they learned the importance of the mole.

This year the Engineering class has returned with lots of project based learning. Charles Chretien has included projects such as testing the material properties of pasta (tensile strength, bending strength, and Young’s modulus) for the purpose of building pasta bridges to span one meter, and building a microprocessor controlled pneumatic snowman with lights and music to display in the CHS entry.

The Science department at CHS hosted an Astronomy Week. This new event organized by Chet Orban and Linnea Manley generated much excitement with the highlight being an Astronomy evening with a presentation and a viewing using high power telescopes by the NH Astronomical Society. This community event was a great success.

Linnea Manley and Katie Stella organized a group of 27 young women from Campbell to attend the “FIRST Women in Science and Technology Forum”. This forum provided an opportunity for high school girls to meet professional women and receive guidance through workshops, panel discussions and interview sessions in order to inspire and motivate young women in science.

In November, Mr. Phil Martin, Mrs. Denise Freeman, Mr. Bill Hicks and four students: Zach Waggoner, Andrea Demos, Josh Flynn, Molly Gillespie and I traveled to Connecticut to speak to the Connecticut Association of Public School Superintendents on personalized education in a competency-based learning community. The State of Connecticut paid for this trip entirely and Campbell is very proud to have this kind of recognition for our work.

The Campbell faculty is entering its final year of working with Maureen Tracy from the UNH Institute of Disabilities on building a multi-tiered approach to designing supports and interventions for academic and behavioral success. Campbell was originally invited to participate in the grant funded program because of our below average graduation rates among students identified with special needs. This past year, our special needs students and regular education students achieved a 100% graduation rate. Our task this school year is to formalize the processes we have developed and have a systematic approach to supporting our at risk population.

CHS continues to support students with courses taken through the Virtual Learning Academy Charter School. VLACS is now the largest high school in New Hampshire and offers tuition-free, online courses. There are twenty-five CHS students enrolled in VLACS courses. Courses run the gamut from American History to Marine Science. We had eleven students receive credit for their work this past year. We continue to support advanced academic work in a variety of ways. Zach Waggoner, who took AP



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Calculus at Campbell last year as a Junior, took a Calculus II class at UNH Manchester this fall. Zach also finished a music course designed with Mr. Martin to support his specialized musical interest in the accordion.

Ashley Briand, a Class of 2013 senior at CHS, received her LNA in the fall of 2012 through LNA Health Careers in Nashua. She was the only high school student in the program. Ashley will be presenting her experience in the LNA course as her senior project in May 2013.

Performing arts are alive and well at Campbell High School. Throughout the year, CHS students have been honing performance skills in ensembles, as well as in exploratory dance and acting courses. In February, several student musicians performed for adjudicators at the New Hampshire Solo and Ensemble Festival, held on the UNH campus in Durham. In March, CHS singers and instrumentalists took part in district-wide music concerts with their peers at GMS and LMS. Choral and band students earned performance honors at the Festivals of Music held in Massachusetts in May. Both instrumental and choral ensembles performed at the Litchfield Memorial Day events as well. In June, music department students performed a spring concert with a focus on jazz, Broadway, pop/rock, and movie music. This autumn, the department began musical and education preparations for a New Orleans trip to be held in February 2013. The highlight of the fall was the selection of four CHS musicians to New Hampshire All-State honors: Megan Connor (Jazz All-State choir), Molly Connor (Jazz All-State honor choir), Kian Fuertes (Jazz All-State band), and Gabriel Desjardins (All-State orchestra). The music department also put on a winter concert, featuring repertoire of classics as well as uplifting holiday material. In October, music teacher and band director Phil Martin was selected by the National Coalition for Core Arts Standards to serve on the Guitar/Keyboard/ MIDI subcommittee, writing next generation National Standards in the Arts. In December, 44 student musicians and their chaperones from Waverley College in Australia visited Campbell High on a cultural exchange. Our theatre students are currently in rehearsals for a comedic play to be performed in January 2013.

Campbell is working hard to align our curriculum with the Common Core. The English and Math Departments have spent time working with the district curriculum director to be sure that our curriculum supports the Common Core State Standards and our students will be ready when they are assessed during the spring of 2015. I am indebted to the work of our curriculum facilitators, Shawn Flynn, Meredith Potter, Linda Frost, and Heidi Paris, as well as our librarian/media specialist, Andrea Ange, for their valuable work in adoption of the common core.

Student Council held Homecoming week with a very successful Homecoming Dance. Everyone dressed very nice and a great outcome of 275 students attended this celebration.

The 12th annual Make A Difference Week ended before Thanksgiving break as Campbell High School and Litchfield Middle School participated in donating over 2,000 non-perishable items to the Litchfield Food Pantry.

Campbell High School continues to work toward transparency and better communication with our community. We use the district-wide system to apprise parents and community members of events at Campbell High School. The website is regularly updated and as links change or are no longer working, notification is sent to our webmaster. The website is very deep covering everything from academics to our parent-teacher organizations. We continue to improve and work together to get accurate information to our community.



In addition to these forms of communication, teachers have websites of their own, such as Mrs. Szepean's activepe.com and Mr. Orban's new.schoolnotes.com. Several teachers are piloting the use of Schoology and other web based applications to assist with student learning and increase communication between teachers, students and parents.

The CHS Safety Committee, under the leadership of Kelly Fraser, is primarily working on improving our current emergency plans as well as general teen safety, such as promoting safe driving habits. We continue to be grateful to the Litchfield and surrounding area emergency personnel and the Litchfield recreation committee for their support and assistance in working toward a safe and productive learning environment.

One of our students, Zach Tilbe, lost his battle with heart disease on November 26th. Zach was a senior at CHS and a student whose optimism and humor touched us all. We will miss him deeply.

Campbell High School is fully accredited by the New England Association of Schools and Colleges. Teachers Heidi Paris and Linda Frost are chairing the current NEASC team which is reviewing the school's Core Values, Beliefs and Learning Expectations. In the New Year, Heidi and Linda will be chairing a team of students, parents, teachers, board members, and community members working on this task.

It is my honor to serve as Principal of Campbell High School where we believe that all students can learn at high levels with multiple pathways. I am proud to lead amazing dedicated teachers and staff through the 21st Century, but there continues to be room for improvement. The task of seeking high achievement for all students remains our constant purpose, and we will continue to focus our attention ever more closely on achievement and results.

I want to thank our administrative assistants, Cheri Pitrone, Christine Ferraro, Melissa Pelletier, Sharon Ford, Dawn Miller and Michelle Vecchiarello, as well as our custodians and food service staff for their continuous hard work and dedication. I'd also like to thank the Friends of Music, Athletic Boosters, and all of our parents who have helped out in a number of ways, for their interest and support.

Finally, I would like to thank Dr. Cochrane and the SAU staff, for their continuing efforts to support our mission.

Respectfully submitted,

Laura A. Rothhaus
Principal



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Campbell High School Staff 2012 - 2013

<u>Last Name</u>	<u>First Name</u>	<u>Postion</u>	<u>Grade</u>	<u>Salary</u>
ANGE	ANDREA	LIBRARIAN	M	\$63,186.00
ANGELINI	DIANE	TEACHER HS MATH	B	\$43,750.00
BAKER	RACHEL	NURSE	B/RN	\$42,303.00
BALLOU	JUSTIN	TEACHER HS SOCIAL STUDIES	B	\$40,857.00
BARRY	PAULA	TEACHER TECH EDUCATION 87.5%	B	\$33,217.63
BOUTSELIS	MICHAEL	TEACHER HS ENGLISH	B	\$35,070.00
BROWN	ERIN	TEACHER HS ENGLISH	M	\$50,325.00
BURNS	AIMEE	TEACHER HS ENGLISH	B	\$49,536.00
CALLINAN	JODI	GUIDANCE COUNSELOR 50%	M	\$25,992.50
CAWLEY	MATTHEW	TEACHER SPECIAL EDUCATION	M	\$48,431.05
CHRETIEN	CHARLES	TEACHER HS SCIENCE	M	\$44,920.00
COOPER	NATHAN	TEACHER HS SOCIAL STUDIES	B	\$36,517.00
CORKERY	CHRISTOPHER	ASST PRINCIPAL HIGH SCH	M	\$80,913.00
DELEAULT	JILL	TEACHER MUSIC	M	\$48,667.00
FLYNN	SHAWN	TEACHER HS MATH	B	\$55,376.00
FREEMAN	DENISE	TEACHER ART	M	\$64,686.00
FROST	LINDA	TEACHER HS SCIENCE	M	\$61,781.00
GANNON	ROBERT	TEACHER SPECIAL EDUCATION	M	\$60,281.00
GATHERUM	DAIZHA	TEACHER SPANISH	B	\$40,857.00
GATHERUM	LAURIE	TEACHER BUSINESS	B	\$42,303.00
GINGRAS	DAVID	TEACHER HS SOCIAL STUDIES	M	\$45,348.00
GNAEGY	LYNN	TEACHER FACS	M	\$60,281.00
GORMAN	CATHERINE	TEACHER HS MATH	M	\$62,781.00
GRANT	LESLEIGH	TRANSITIONAL SPECIALIST	M	\$60,281.00
HICKS	WILLIAM	STUDENT SUPPORT COUNSELOR	M	\$63,186.00
KAHN	LESLIE	TEACHER FRENCH 87.5%	B	\$37,015.13
KEEFE	PATRICK	TEACHER HS ENGLISH	M	\$51,985.00
LEVINE	STEVEN	TEACHER HEALTH 50%	B	\$26,938.00
LIST	SAMUEL	TEACHER HS MATH	B	\$39,083.00
MANLEY	LINNEA	TEACHER HS SCIENCE	B	\$33,623.00
MARTIN	PHILIP	TEACHER MUSIC 87.5%	M	\$54,933.38
MCDONOUGH	SHAWN	TEACHER COMPUTERS	M	\$64,233.00
MOWER	CHARLES	TEACHER TECH EDUCATION 62.5%	TECH	\$24,631.25
ORBAN	CHESTER	TEACHER HS SCIENCE	M	\$65,686.00
PARIS	HEIDI	TEACHER HS SOCIAL STUDIES	M	\$43,689.00
PARKER	DAWN	TEACHER SPECIAL EDUCATION	B	\$42,303.00
PARSONS	JEFFREY	GUIDANCE COUNSELOR	M	\$62,781.00
PATTERSON	JOHN	DIR OF HS ATHLETICS	M	\$70,700.00
PERREAULT	DENNIS	TEACHER HS SOCIAL STUDIES	M	\$61,482.00
PETRY	LISA	DIR HS GUIDANCE	M	\$70,700.00
POTTER	MEREDITH	TEACHER HS ENGLISH	M	\$56,372.00
ROMEIN	KIRK	TEACHER ART	B	\$46,644.00
ROTHHAUS	LAURIE	PRINCIPAL HIGH SCH	M	\$99,000.00
SAUCHUK	RICHARD	TEACHER HS SCIENCE	M	\$63,186.00
SCARELLI	ALEX	TEACHER HS ENGLISH	M	\$37,051.00
STELLA	KATIE	TEACHER HS SCIENCE	B	\$40,857.00
SZEPAN	SHANNON	TEACHER - PHYSICAL ED	M	\$53,644.00
TARDIF	RAE	TEACHER SPANISH	M	\$56,963.00
WILBUR	LIANA	TEACHER HS MATH	B	\$36,517.00

Campbell High School Class of 2012

Brandon Michael Alward
 Dylan John Andrews
 Melissa Danielle Arnone
 Rebecca Elizabeth Arnone +
 Rebekah D. Avitabile
 Carolyn Grace Baker
 Andrew M. Barnes
 Michael William Barrett
 Giovanni (John) Francesco Battaglia
 Brian Kenneth Bean, Jr.
 Zachary Steven Belanger
 Sarah Elizabeth Belisle !^#
 Jessica Taylor Belzil ^*
 Joseph R. Blanchette
 Alexandra Sterling Bonneau ^*
 Matthew E. Boucher
 Trevor Bourque
 Cameron Carl Branco ^+
 Garrett Egan Bryant +
 Christopher M. Bullock
 Nathan R. Byron
 Lindsay I. Chamberland
 Dennis Berton Champagne
 Brianna N. Charette *#
 Nicholas S. Christino ^
 John Stanley Cialek ^^+
 Cassandra Elizabeth Clark
 Nicole Anna Cordingley !^+#
 Ryan M. Crimmins
 Ashlyn M. Daniel-Nuboer ^
 Alexa Rae DiBenedetto
 Kevin Justin Doucette ^
 Lucas Michael Dube !^*+#
 Owen Hunor Duffy
 Matthew David DuLong
 Matthew Joseph Efstratiou ^
 Dominique Marie Fiorentino
 Haley Nicole Freeman

Kristen Marie Frost !^#
 Kevin Andrew Gallagher !^*#
 Jessica Galvez Soza
 Ashley Christa Gannon !^*+#
 Lauren Elizabeth Garand
 Timothy Stephen Gee
 Daniel Joseph Gottsche ^
 Sean Addison Gray ^
 Tyler E. Griffin ^
 Alex Rachael Haasis
 Kristina Marie Hall
 Samantha Lynn Hall
 Michael John Harte ^
 Timothy Shane Heaton ^
 Samantha Kerry Hensley
 Logan Higgins
 John Michael Houston !^*#
 Jared J. Johnson ^
 Jake William Jollymore
 Peyton Alexander Jorgensen ^+
 Catherine Nora Kelley ^
 Cody J. Lacombe
 Shannon E. Lake
 Jessy Lamontagne ^
 Kyle J. Landry
 Matthew T. Lantagne
 Kelsey A. Latsha ^
 Shannon Marie Lavigne ^*
 Adam Joseph Littlefield ^
 Dayna Lynn MacQueen
 Kelsey Marie Mahon
 Travis Earl Manning ^*
 Julia Marie Marra
 Jeffrey Louis Martin
 Christopher Edward McCarthy
 Stephanie Mae McGregor !^*#
 Jennifer Marion McLaughlin ^*
 Jacob Mercier ^#
 Kyle Ezra Messer ^

Allyson Marie Methot
 Christina Marie Minervini ^
 Bryan G. Moreau
 Kyle Kam Mun !^*+#
 Reagan Elizabeth Napoli
 Charles Thomas Neild III !^*#
 Travis John Nesbitt
 Brendon Michael O'Keefe
 Robert J. O'Neil
 James Kevin Orlando ^*
 Ryan Christopher Pease
 Elizabeth Aron Pettis
 Robert Philbrook
 Matthew James Phillips ^
 Caroline Rose Piana
 Olivia Ashley Planty
 Michelle Denyse Pomerleau
 Bionka Joy Pouliot ^*#
 Katie Pearl Prince Smart
 Samantha Fontenault Radcliffe
 Aaron Jerard Repole
 Garrett Michael Sahlin ^
 Daniel L. Simard ^
 Samantha A. Sonnesso
 Nicholas Mark Sturzo ^
 Meghan Eileen Sweeney ^
 Devin P. Tardif
 Laura Marie Towne ^*#
 Richard Alton Vass III
 Krystina Julia Viafora
 Michael R. Vigeant
 Madeline Renée Vinskus ^#
 Carol Lorraine Wade
 Kellie René Wallman#
 Shawn Robert Warner
 Laura Ashley Whittick
 Maddison Taylor Wilson
 Cameron M. Yoos ^

Valedictorian - Lucas Dube Salutatorian - John Houston

! Top Ten ^ New Hampshire Scholars * National Honor Society + Student Council # Academic Excellence

2012-2013 LITCHFIELD SCHOOL DISTRICT CALENDAR

School Board Approved 2/22/12

AUGUST 2012				
M	T	W	Th	F
		1	2	3
6	7	8	9	10
13	14	15	16	17
20	21	22	23	24
27	28	29	30	31

- 15 Administrative Retreat
- 22 New Teacher Orientation
- 28-30 Teacher Workshop

FEBRUARY 2013				
M	T	W	Th	F
				1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	28	

- 6 Delayed Opening only for CHS Students – 9:35am
- 25-Mar 1 Winter Recess - NS

16 days

SEPTEMBER 2012				
M	T	W	Th	F
3	4	5	6	7
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28

- 3 Labor Day
- 4 1ST Day of School
- 19 Delayed Opening only for CHS Students – 9:35am

19 days

MARCH 2013				
M	T	W	Th	F
				1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	28	29

- 1 Winter Recess - NS
- 12 Teacher Workshop – NS
- 13 Delayed Opening only for CHS Students – 9:35am

19 days

OCTOBER 2012				
M	T	W	Th	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30	31		

- 8 Columbus Day - NS (observed)
- 31 Delayed Opening only for CHS Students – 9:35am

22 days

APRIL 2013				
M	T	W	Th	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30			

- 10 Delayed Opening only for CHS Students – 9:35am
- 22-26 Spring Recess - NS

17 days

NOVEMBER 2012				
M	T	W	Th	F
			1	2
5	6	7	8	9
12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

- 6 Parent/Teacher Conf.-NS
- 12 Veterans Day - NS (observed)
- 21-23 Thanksgiving Recess

17 days

MAY 2013				
M	T	W	Th	F
		1	2	3
6	7	8	9	10
13	14	15	16	17
20	21	22	23	24
27	28	29	30	31

- 9 Senior Project Evaluation – Early Release for CHS Grades 9, 10, & 11 –12:30pm
- 27 Memorial Day - NS (observed)

22 days

DECEMBER 2012				
M	T	W	Th	F
3	4	5	6	7
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28
31				

- 12 Delayed Opening only for CHS Students – 9:35am
- 24-Jan 1 Holiday Recess - NS

15 days

JUNE 2013				
M	T	W	Th	F
3	4	5	6	7
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28

- 14 Graduation (Tentative)
- 18 Last day of School for Students (tentative)
- 19 Teacher Workshop
- 24 Last day with 4 non-blizzard bag snow days

12 days

JANUARY 2013				
M	T	W	Th	F
	1	2	3	4
7	8	9	10	11
14	15	16	17	18
21	22	23	24	25
28	29	30	31	

- 1 New Year's Day - NS
- 21 Martin Luther King, Jr. Day - NS

21 days

NOTES:

Shaded Days and NS = No School

Delayed Opening CHS Only - 9:35 am

Early Release CHS Grades 9, 10 & 11 Only – 12:35 pm

Snow days will be made up at end of school year (June)

SEPT thru JAN - 94 DAYS FEB thru JUNE - 86 DAYS
180 Total Student School Days – 190 School, Snow & TW Days

Please Mark Your Calendar:

Tentative Date Deliberative Session February 2, 2013 – 2 pm
 Voting Day March 12, 2013

LITCHFIELD SCHOOL DISTRICT

ENROLLMENT - PROJECTIONS ELEMENTARY

Grade	Enrolled October 1, 2011	Enrolled October 1, 2012	Projected September 2013
Pre	19	25	20
Kindergarten	64	57	59
1	103	93	82
2	101	103	92
3	115	101	105
4	105	115	100
Total	507	494	458

ENROLLMENT - PROJECTIONS MIDDLE SCHOOL

Grade	Enrolled October 1, 2011	Enrolled October 1, 2012	Projected September 2013
5	113	116	122
6	137	115	119
7	105	137	115
8	151	111	139
Total	506	479	495

ENROLLMENT - PROJECTIONS HIGH SCHOOL

Grade	Enrolled October 1, 2011	Enrolled October 1, 2012	Projected September 2013
9	126	145	107
10	122	123	139
11	127	114	114
12	118	123	111
Total	493	505	471

**Combined
Totals**

1506

1478

1424

**LITCHFIELD SCHOOL DISTRICT
DELIBERATIVE SESSION
February 4, 2012
The State of New Hampshire**

Time, Place: The meeting was called to order at 2:00 p.m. in the Campbell High School Auditorium.

Present: Moderator, Mr. John G. Regan, presiding.

School Board members: Mr. John York, Chair; Mrs. Mary Prindle, Vice Chair; Mr. Dennis Miller, Mr. Jason Guerrette; and Mrs. Patricia D'Alleva.

Dr. Elaine Cutler, Superintendent of Schools; Mr. Stephen Martin, Business Administrator; Mr. Kyle Hancock, Director of IT; Michele E. Flynn, School Board Administrative Assistant; Ms. Lynn Baddeley, School District Clerk; Gordon Graham, Attorney for the District.

Mr. Tom Lecklider Litchfield Middle School Principal; Mr. Martin ("Bo") Schlichter, Griffin Memorial School Principal; Mrs. Laurie Rothhaus, Principal Elect, Campbell High School.

Budget Committee members: Mr. John Harte, Chair; Mr. Chris Pascucci; Mr. Mike Falzone; Mr. William Spencer; Mr. John Brunnell, (Selectmen's Representative).

Ballot clerks: Mrs. Trisha Regan, Mrs. Joan McKibben.

Mr. Regan invited members to join him in the Pledge of Allegiance.

Mr. Regan introduced Mr. Phil Reed, Vice Moderator, and reviewed the Moderator's rules and protocol for the Deliberative Session according to state law.

Mr. Regan introduced Mr. John York, School Board Chair. Mr. York introduced School Board members, SAU staff, and attorney.

Mr. Regan introduced Mr. John Harte, Chairman of the Budget Committee. Mr. Harte introduced Budget Committee members.

Mr. Regan announced that elections will be held on March 13, 2012 from 7:00 am – 7:00 pm at CHS.

Note: The order of business of the Deliberative Session is sometimes conducted out of the warrant articles' numeric sequence. Recording activity in chronological order would make the minutes difficult to follow; therefore, the articles will be listed, with action taken thereon, in the order in which they were listed on the warrant.

As is customary, Mr. Regan asked voters if they were in favor of allowing non-voters and employees of the school district who were in attendance to comment during the meeting.

The majority was in favor of allowing non-voters and/or employees of the district to comment during deliberative session by voice vote.

Mr. Regan read Article A.

ARTICLE A.

To elect by ballot the following School District Officers:
School Board Member 3-Year Term
School Board Member 3-Year Term

The Moderator opened discussion of Article A.

Hearing no discussion, **Article A stands as written.**

Mr. Regan read Article 1 and indicated that Mr. York would speak to the article.

ARTICLE 1

Shall the Litchfield School District vote to raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by the vote at the first session of the annual school district meeting, for the purposes set forth herein, totaling Twenty Million, Eight Hundred Nine Thousand, Six Hundred Ninety-Four dollars (\$20,809,694)? Should this article be defeated, the default budget shall be Twenty Million, Nine Hundred Thirty-Two Thousand, Four Hundred One dollars (\$20,932,401), which is the same as last year, with certain adjustments required by previous action of the Litchfield School District or by law; or the School Board may hold one special meeting, in accordance with RSA 40:13 X and XVI, to take up the issue of a revised operating budget only.

This Article was not recommended by the School Board because of a tied vote (2-2-0) and recommended by the Budget Committee by a vote of 5-2-0.

Mr. York commented that the School Board and the Litchfield Education Association were not able to reach agreement on a new contract. He explained that the negotiation process began in November 2011 and an impasse was declared in January 2012. Mr. York indicated that there will be no CBA article on the Warrant.

Mr. York referred to the list of major changes impacting the FY13 Proposed General Fund Operating Budget, highlighting the following:

- Purchase of the 2 classroom kindergarten portable with Impact Fees;
- Middle School fire alarm replacement, which will be installed in phases.

Mr. York indicated that the major changes impacting the budget result in total increases in the amount of \$1,276,789.

Mr. York referred to the Budget Committee's recommended changes to the FY13 Proposed General Fund Operating Budget, highlighting the following additions:

- Addition of SAU Actuarial Services;
- Addition for LMS Parking Lot Sealing & Striping.

Mr. York indicated that the Budget Committee's changes to the budget resulted in a total decrease of \$586,331.

Mr. York summarized a comparison between the FY13 School Board Recommended Budget and the FY13 Budget Committee Recommended Budget:

- School Board Recommended Budget: \$21,396,025
- Budget Committee Recommended Budget: \$20,809,694.

Mr. York referred to the Object Account summary. He explained that object accounts are used to describe the services or commodities obtained as a result of the specific expenditure. Mr. York referred to the General Fund Object Account Summary comparison. He indicated that the years 2009-10 and 2012-13 were highlighted because they provide a level comparison. Mr. York mentioned that the total number of students is also included for each year in the summary.

Mr. York referred to the Location Account summary. He explained that location accounts are used to describe the physical location where the activity or cost is used or expensed (i.e. GMS or District-wide). Mr. York referred to the General Fund Location Summary comparison. He indicated that the years 2009-10 and 2012-13 were highlighted. He noted that there were notable changes in the District-wide location account due to special education tuition, special education transportation, special education administration, and special education services.

Mr. York referred to the Estimated 2012 Revenue Analysis. He explained that the analysis reflects local, state, and federal sources of revenue. Mr. York indicated that High School Impact fees were used this year to reduce the high school bond payment. He noted that Elementary Impact fees will be used next year to purchase the GMS two classroom portable. Mr. York mentioned that the analysis reflects a reduction of federal funds as well.

Mr. York referred to the Total Appropriations and Tax Rate slide. He explained that this information provides a general idea of where the money is coming from and how it compares to previous years. Mr. York indicated that the total school property tax (local and state) impact on the tax rate may result in an increase of \$559 on a \$240,000 home, or an increase of \$746 on a \$320,000 home if the budget and all warrant articles is approved by voters.

Mr. York referred to the FY13 Default Budget, which is required by SB2 towns and would become the approved budget if the proposed budget is not approved by voters. He explained that the default budget calculation is defined by law as:

- Base is the current year's appropriated budget (MS-22)
- Increased/decreased by any costs that are required by law (special education, 504 services, bargaining agreements, leases, etc.)
- Increased/decreased by any cost required to maintain existing level of services (step increases, but no COLA adjustment to non-CBA salaries, benefit cost changes, etc.)
- Reduced by one-time expenditures.

Mr. York indicated that the FY13 Default Budget total is \$20,932,401.

Mr. Guerrette commented that salary increases are not included in the school operating budget, but step increases are included. Mr. Martin and Dr. Cutler both confirmed that there are no step

or range increases included in the operating budget. Mr. Martin indicated that step increases are included in the default budget, but not in the operating budget.

Marsha Finnegan, 147 Talent Road, queried why the operating budget is lower than the default budget. Mr. York indicated that the default budget includes what is needed to run the district based on last year.

Mrs. Finnegan queried if the employee separation payment total is relative to employees who were laid off. Mr. York indicated that the employee separation payment is the total cost of the separation packages for seven employees who are leaving the district next year.

Cindy Couture, 41 Stark Lane, queried why the Budget Committee reduced special education tuition, services, and transportation. Mr. Harte commented that all reductions were based upon the current spending in special education. He indicated that the Budget Committee felt that the reductions were warranted based on historical spending.

Mrs. Couture queried if the Budget Committee considered that there are generally anticipated placements in special education. Mr. Harte indicated that the budget included the anticipated placements, but they are not confirmed commitments. He commented that typically the Budget Committee analyzes what is expended annually.

Mrs. Couture commented that there has recently been a judgment regarding under-identified special education students in Litchfield and new criteria will result in students being re-evaluated for services. She queried if the Budget Committee took this information into consideration. Mr. Spencer commented that the Budget Committee has done this each year and the budget is still under spent. He mentioned that he had prior knowledge of the special education issue and therefore a smaller reduction was taken.

Mr. York queried how Mr. Spencer could have had prior knowledge of the special education issue.

Mrs. Couture queried if the Budget Committee took into account that the District may see an influx of students based on the new criteria. Mr. Spencer indicated that the total special education budget is regularly underspent.

Mrs. Couture queried if the special education budget is currently underspent. Mr. Spencer indicated that he is not aware that the special education budget is currently underspent. He commented that rather than take the normal reduction, the Budget Committee took a lesser reduction.

Mrs. Couture asked if the School Board has any information regarding the special education budget. Mr. Miller responded that there is currently \$460 left in the special education budget for the remainder of the year.

Mr. Spencer asked for the ending balance of the special education budget and the remaining activity in special education accounts for the remainder of the year. Mr. Martin indicated that the ending balance is currently unknown; however, our expenditures are significantly ahead of this time last year.

Mr. Guerrette indicated that there is a \$100,000 Special Education Capital Reserve account.

Mr. York commented that Mr. Spencer did not receive any information about the special education situation at any Budget Committee meeting as this was non-public information. He queried about the source of Mr. Spencer's information. Mr. Spencer commented that he was not able to reveal his source, but stated that he took the information into account when making his proposal to take a lesser reduction.

Kathy Follis, 8 Mike Lane, commented that she heard a statement at a School Board meeting that special education funding was short at that time. Mr. York indicated that the capital reserve will be used if special education is overspent.

Mrs. Follis queried if there were further reduction in special education. Mr. York explained that the School Board asked for \$248,566 in special education tuition and the Budget Committee reduced it by \$120,000.

Mr. Spencer clarified that when reviewing the budget with the special education director and the Superintendent, we were informed that one of the out of district tuition placements did not exist at the original amount. He indicated that is the reason for the reduction of \$120,000.

Marsha Finnegan, 147 Talent Road, queried how many students were included in the \$248,000 request. Mr. York indicated that there was no set total number of students. The number varies according to the needs of the students. He commented that students that need services receive services.

Mrs. Finnegan queried about the addition of six paraprofessionals. Mr. York affirmed the six additional paraprofessionals and commented that is the total across the schools.

Mrs. Finnegan queried how the total special education tuition is calculated. Mr. York indicated that information is provided by the Director of Special Services.

Jeff Douglas, 49 Burgess Drive, made a motion to increase the FY13 general fund operating to \$20,813,194, an increase of \$3,500 for CHS wrestling transportation. The motion was seconded.

Mr. Regan asked for discussion on the motion.

Mr. Douglas commented that currently the CHS Wrestling team is self-funded. He explained that he is trying to get a portion of their budget funded in the operating budget to make it part of CHS athletics and to make the team less dependent on fundraising.

Chris Pascucci, 12 Colonial Drive, commented that this discussion is related to the proposed warrant article. He asked if the discussion could be tabled until that article is discussed.

Mr. Regan indicated that the motion will be discussed now as the budget article will be closed by that time.

Steve Callinan, 3 Augusta Way, commented that transportation fees are being requested because we are bound by the District to use the school buses to transport the students. Mr. Callinan

indicated that the District should pay that cost. He noted that wrestling has been in operation in Litchfield for more than three years and has gained much support.

Mr. York commented on the motion. He indicated that the funds for transportation are currently included in the operating budget. He noted that adding this money to the budget would be including it twice. Mr. York indicated that this is a revenue issue.

Jason Allen, 33 Chasebrook Circle, commented that in the budget it appears that transportation was moved to the self-funded account. He noted that it makes it appear there is no money from the taxpayers to fund transportation. Mr. Allen requested moving it into the operating budget so taxpayers will help provide funding.

Mr. York explained that transportation is included in the budget. He commented that the issue is identifying the revenue source.

Mr. Callinan wanted to clarify that if the money is in the budget, does there have to be revenue for the expenses. Mr. York commented in the affirmative.

Mr. Douglas rescinded the motion. The second was withdrawn.

Ralph Boehm, 6 Gibson Drive, commented that we are voting on the expenditures, not the revenue.

Betty Vaughn, 19 Stark Lane, queried what happens if the special education is overspent. Mr. York indicated that we will find the overage in another area of the budget or use the capital reserve fund.

Mrs. Vaughn queried if it is a federal mandate to fund special education for students. Mr. York indicated that if there is such cost that offsets the balance of the budget, the School Board would ask for an emergency appropriation in March.

Lynne Ober, State Representative, 3 Heritage Circle, Hudson, NH, commented that she and Dr. Cutler testified in Concord on Tuesday on a bill to allow school districts to hold 2.5% of their budget for unexpected expenses. She noted that one of the School Board members came to Concord to oppose the bill. She indicated that many members of the Senate Education Committee were favorable of the bill.

Cindy Couture, 41 Stark Lane, made a motion to increase the FY13 General Fund Operating budget to \$20,846,194 to increase special education services. The motion was seconded.

Mrs. Couture indicated that she made a motion to increase the budget by \$33,000 because she is concerned about what is ahead with special education.

Mr. Regan asked Mrs. Couture to clarify the total amount in her motion.

Mrs. Couture adjusted the motion to increase the budget to \$20,842,694.

Derek Barka, 8 Simeon Lane, asked for confirmation that the special education tuition total is not an estimate.

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Dr. Cutler indicated when costing tuition for the budget, there is some projection and some identified students. She explained that the District is aware of some preschools that have special education children. Dr. Cutler clarified the news article mentioned by Mrs. Couture. She indicated that there was a complaint, but no court case or judgment. She explained that the checklist that was being used in evaluations was deemed too restrictive. Dr. Cutler indicated that the checklist has been revised and no penalties or money were involved. She noted that the District is in the process of using a consultant to re-evaluate student files that were found ineligible. She commented that there is a possibility that more children may need services, but we have to wait until the evaluation is completed. Dr. Cutler noted that we can't tie every dollar to every child because children change and grow, and events happen that could necessitate services. She agreed with Mr. Spencer that historically the District returns more special education funds to the town.

Mr. Barka commented that the District has always returned special education money.

Mr. Guerrette commented that the Board decides what to return to the town. He noted that revising the checklist is a positive step.

Mr. Spencer commented that the Budget Committee reduced the special education tuition budget based on historical under spend record. He explained that \$220,000 was proposed and we took 85% of that total. Mr. Spencer indicated that this year the budget is \$160,000.

Ralph Boehm, 6 Gibson Drive, queried the how much of the total funds returned last year was special education. Mr. York commented that of the \$773,000 returned, \$320,000 was from special education.

William Barrett, 53 Pilgrim Drive, commented that he supports Mrs. Couture's motion. He indicated that historically we return money to the town and he believes that an influx of special education students will result from the re-evaluation.

Kathy Follis, 8 Mike Lane, thanked Mr. Spencer for his clarification. She queried if students have been denied services because of the checklist that was previously used to evaluate students.

Dr. Cutler commented that she cannot say if more students have or have not been identified. She noted even if a youngster was not coded they would still receive additional assistance. Dr. Cutler expressed confidence that we have good services in place at all schools for all students.

Penny Shupe, 8 McQuestin Circle, queried the cost of the consultant for the special education evaluation. Mr. York commented that \$27,500 was encumbered to cover the cost of the consultant.

Mr. Spencer, 9 Cranberry Lane, made a motion to call the question. The motion was seconded.

The motion to increase the FY13 Operating budget to \$20,842,694 passed by show of hands.

Sue Seabrook, 18 Bear Run Drive, queried if the \$33,000 increase will be used specifically for special education services. Mr. York indicated that the \$33,000 is added to the budget bottom line.

There were no further amendments or discussion, **Article 1 stands as amended and will appear on the ballot as amended.**

Mr. Regan read Article 2 and indicated that Mr. York would speak to the article.

ARTICLE 2

Shall the Litchfield School District vote to raise and appropriate the sum of Forty Thousand, Four Hundred Ninety-Two dollars (\$40,492), which represents salary and benefit costs for a 1% cost-of-living adjustment pool for non-union positions? These positions include: administrators, administrative assistants, building/grounds staff, Certified Occupational Therapy Assistant, custodial staff, food service staff, monitors, paraprofessionals, psychologists, School Administrative Unit staff, site facility managers, social worker, tutors, and elected officials (other than School Board members). The final distribution of this pool will be made by the School Board.

This Article was not recommended by the School Board because of a tied vote (2-2-1) and was not recommended by the Budget Committee by a vote of 3-4-1.

Mr. York commented that the article requests approval for a 1% COLA salary increase pool for non-union staff.

Ralph Boehm, 6 Gibson Drive, commented that this is not a petition article and queried why it is on the Warrant if it does not have School Board approval.

Mr. York indicated that he School Board approved the article for inclusion in the Warrant, but did not recommend the article. He noted that some Board members believe the article should be on the Warrant for transparency.

There were no amendments or further discussion, **Article 2 stands as written and will appear on the ballot as written.**

Mr. Regan read Article 3 and indicated Mr. York would speak to the article.

ARTICLE 3

Shall the Litchfield School District vote to raise and appropriate the sum of Six Thousand, Four Hundred Fifteen dollars (\$6,415) for the purpose of funding salaries, benefits, and supplies for grade level teaching and paraprofessional positions for the Summer Reading Program at Griffin Memorial School for grades 2 to 3 and grades 3 to 4 previously funded through a federal grant?

This Article was recommended by the School Board by a vote of 5-0-0 and recommended by the Budget Committee by a vote of 6-1-0.

Mr. York commented that the article requests approval to reinstate a summer reading program for students moving to grades 3 and 4. He indicated that we currently have a summer reading program for students moving to grade 2. Mr. York commented that the program was previously funded by a federal grant that is no longer available.

Mr. Guerrette commented that it is clear GMS does well in Reading, which can be partially attributed to this program.

There were no amendments or further discussion, **Article 3 stands as written and will appear on the ballot as written.**

Mr. Miller made a motion to restrict reconsideration of Article 1. The motion was seconded. The motion passed by voice vote.

Mr. Miller made a motion to restrict reconsideration of Article 2. The motion was seconded. The motion passed by voice vote.

Mr. Miller made a motion to restrict reconsideration of Article 3. The motion was seconded. The motion passed by voice vote.

Mr. Regan announced that there would be a break for special announcements and recognitions.

Mr. York recognized former School Board member Cindy Couture for her work and years of service on the School Board. Mrs. Couture accepted her award, thanking the School Board and the community. She commented that it was a privilege to serve the school district and the community.

Mr. Harte recognized Dr. Cutler for her tenure in Litchfield. He commended her efforts and thanked her for her years of service. Dr. Cutler commented that preparing a budget is amazing work. She noted that she is astounded that community members spend hours putting it all together and receive no compensation. Dr. Cutler indicated that the Budget Committee members are respectful of the process and people coming before them. She commented that the mutual respect is most appreciated. She stated that she has enjoyed working with the Committee members and shared her gratitude for the support of the community. Dr. Cutler commented that we all care about the children and want them to have the best education.

Ralph Boehm, NH State Representative, spoke about a redistricting bill.

Phil Reed, 7 Forest Lane, commented that he had the opportunity of working periodically at CHS. He stated that he is always impressed with the beauty and physical condition of this building. Mr. Reed commended the building and grounds staff, and the students, for taking care of our building.

Mr. Miller mentioned that another District employee is retiring this year. He commended Principal Bo Schlichter and thanked him for his years of service on behalf of the School Board and the community.

Mr. York mentioned that Principal Bob Manseau is retiring. He commended Mr. Manseau for his service to the community and for his award as NH Principal of the Year.

Mr. Regan read Article 4 and indicated Mr. York would speak to the article.

ARTICLE 4

Shall the Litchfield School District vote to raise and appropriate the sum of Twenty-Five Thousand, Eight Hundred Thirty-Six dollars (\$25,836) for the purpose of funding salary, benefits, professional development, and supplies for a part-time, school year Reading Specialist at Campbell High School previously included in the operating budget?

This Article was recommended by the School Board by a vote of 5-0-0 and not recommended by the Budget Committee by a vote of 4-4-0.

Mr. York commented that Article 4 is a request to reinstate a part time reading specialist at CHS. He explained that this position was removed in the current budget due to a reduction in adequacy aid. The position was not added back in September. Mr. York indicated that the School Board believes in continuing support for all students in reading.

Mr. Guerrette commented that he supported the article.

Betty Vaughn, 19 Stark Lane, expressed support for a reading specialist indicating her son's positive experience with a reading specialist.

There were no amendments or further discussion, **Article 4 stands as written and will appear on the ballot as written.**

Mr. Regan read Article 5 and indicated Mr. York would speak to the article.

ARTICLE 5

Shall the Litchfield School District vote to raise and appropriate the sum of Thirty-Three Thousand, Seven Hundred Ninety-Nine dollars (\$33,799) [to be added to the \$32,000 already included in the operating budget], for the purpose of funding the salary and benefit costs to convert the Athletic Trainer services at Campbell High School from a contracted service, which is included in the operating budget, to a full-time district employee?

This Article was recommended by the School Board by a vote of 3-2-0 and not recommended by the Budget Committee by a vote of 1-7-0.

Mr. Miller commented that this article is to convert contracted services for the high school athletic trainer to a district employee. He indicated that there is money in the budget to support the contracted services. He explained that the amount in the article will be added to what is already included in the budget. Mr. Miller indicated that the additional hours of the trainer services will be available to student athletes in the treatment of injuries, strengthening and rehabilitation.

William Barrett, 53 Pilgrim Drive, queried why the Budget Committee opposed the article.

Mr. Spencer commented that there is an existing contract. He expressed concern that the proposed cost in addition to the contracted cost is too high. Mr. Spencer mentioned that another high school in the region re-negotiated their contract with their trainer and reduced the hourly rate as well as negotiated some free services at the facility. He believes the contract should be

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re-negotiated. He indicated that there are very few high schools with a full time trainer in New Hampshire.

Sue Seabrook, 18 Bear Run Drive, queried if the trainer now contracted by the District will be moved into the full time position or will the position be advertised.

Mr. Miller indicated that the administration handles staff hiring. He believes the process would be to advertise an open position. Mr. Miller clarified that the amount in Article 5 is based on the contracted amount and includes benefits.

Mrs. Seabrook queried if the hours would be flexible and if there was a salary survey was completed. Mr. Miller affirmed that the hours would be flexible. He indicated that there was no data on a full time trainer.

Mrs. Seabrook commented that the contracted rate is usually a higher rate. Mr. Miller commented that this is an estimated salary and benefits. Mr. Martin clarified that if converted to an hourly rate, it is a lower rate.

Mr. Pascucci commented that the issue needs to be discussed logically. He indicated that the Budget Committee was provided a list of justifications that included:

- many state require a full time trainer at high schools;
- provides injury prevention for teams that leave early for away games;
- provides injury rehabilitation;
- in-house rehabilitation (as opposed to off-site) saves costs;
- windfall for parents (if we expand to more trainer hours, parents do not have to go to their own doctors).

Mr. Pascucci commented that there was no other school that had this position for a comparison. He indicated that the windfall mentioned would only be for parents of athletes. Mr. Pascucci was concerned that the community will be taking care of the responsibilities of private insurance. He believes that the justifications do not satisfy the needs or the request.

Mr. Miller commented that it is a fact that participation in sports can result in injury. He indicated that concussions are a serious issue. He explained having a trainer on site when these types of injuries occur helps manage the risk of repeat injury if a student athlete returns from an injury early. Mr. Miller indicated that we are not relying on the trainer for a diagnosis, but an evaluation. He commented that he has seen the impact the current trainer has on student athletes. Mr. Miller reviewed a list of injury statistics and commented that the trainer spent over 5,000 hours on preventative measures for athletes. Mr. Miller indicated that the trainer is available for pre-season, weekends, holidays, and vacations.

Sue Seabrook, 18 Bear Run Drive, commented that she has no objection to having a trainer, but would like to see a lower salary.

Mr. Martin indicated that the amount in the article includes benefits. He estimated that the total salary for the trainer (if the article passes) would be approximately \$40,000.

Mr. Spencer clarified that a trainer is necessary. He is in favor of re-negotiating a lower rate.

A community member queried if the current trainer is moved to full time, will he continue to keep his other job. Mr. York indicated that is not the District's business. It is a personal issue.

The community member queried if the current trainer will take the benefits here or at his other job. Mr. York indicated that the proposed full time position is not being created for the current trainer. He explained that the full cost of a position is required to be budgeted.

Chris Pascucci, 12 Colonial Drive, commented that contracted costs include salary and benefits. He believes that a renegotiated contract rate would be less costly. He indicated that there is more flexibility in hours allotted for services with a contract. Mr. Pascucci commented that he does not believe there is a need for a full time trainer.

Mr. York clarified that the Board proposed an increase of 1300-1400 hours and for the trainer to continue under contract. He indicated that the Budget Committee reduced it lower than the existing hours.

Jason Guerrette, 11 Perry Court, commented that outsourcing is always less costly and can adequately satisfy what you need to do. He indicated that outsourcing can scale back or increase the contractor scale based on the need at the time.

Cindy Couture, 41 Stark Lane, queried if it were possible to reword the article to ask the community if they want to increase the trainer's salary and hours.

Attorney Gordon Graham commented that the subject matter of the article is to hire a full time employee; not add hours. He explained that rewording the article would be changing the purpose and subject matter of article.

A community member queried if the article passes, would the trainer provide his/her own liability insurance. Mr. Miller indicated that he or she would automatically be covered on the District's existing policy without an increase.

There were no amendments or further discussion, **Article 5 stands as written and will appear on the ballot as written.**

Mary Prindle, 26 Deerwood Drive, made a motion to restrict reconsideration of Article 4. The motion was seconded. The motion passed by voice vote.

Mary Prindle, 26 Deerwood Drive, made a motion to restrict reconsideration of Article 5. The motion was seconded. The motion passed by voice vote.

Mr. Regan read Article 6 and indicated Mr. York would speak to the article.

ARTICLE 6

Do you favor offering the Campbell High School Wrestling program as part of the athletics budget paid for by the taxpayer? The Wrestling program is currently included in the operating budget as a self-funded program, in the amount of Nine Thousand, Eight Hundred Twenty-Five dollars (\$9,825). If this article fails, CHS Wrestling will continue to be offered as a self-funded program with all program costs offset by revenues.

This Article was recommended by the School Board by a vote of 3-2-0, and not recommended by the Budget Committee by a vote of 2-5-0.

Mr. York commented that this article requests approval for the CHS Wrestling program paid for by taxpayers. He explained that the cost associated with the article is included in the budget in self-funded programs.

Jeff Douglas, 49 Burgess Drive, commented about the disclaimer in the article that states if the article fails the program will continue to be offered as a self-funded program. He indicated that it was stated that if the disclaimer was not included in the article and the article failed we would not be able to run the program. Mr. Douglas queried why a disclaimer did not appear in any other article.

Mr. York explained that if the disclaimer were not included and the article fails, it restricts the District's responsibility to use funds to pay for the program. Furthermore, if this were the case and funds were donated to run the program, the District would be restricted from using them.

Attorney Graham commented that Article 5 contains similar language regarding contracted services included in the budget. He indicated that it basically serves the same purpose as the language in Article 6.

Mr. Douglas commented that the language seems prejudicial. He suggested rewording the article to say "raise and appropriate the sum for the wrestling program as a self-funded program".

Attorney Graham indicated that would be a double appropriation since the program is already included in the budget.

Mr. York commented that the wrestling program is included in the budget. He indicated that the question the article is asking is if the taxpayers will fund it or will it be funded by fundraising.

Attorney Graham commented that this is an advisory article where you are advising the Board on how they should count the revenue for this program. He explained that it has no affect on funding for the program as there is a line in the budget for the program. Attorney Graham indicated that this article is simply asking if the revenue for the program should be raised by volunteers or by taxation. He commented that the end sentence clarifies that you can run the program whether the article passes or fails.

Jason Guerrette, 11 Perry Court, commented that regardless of what the voters say, the Board can spend the money.

Mr. Douglas commented that we are just asking to remove the revenue source from fundraising to taxation. Attorney Graham affirmed the statement. Mr. York commented that the Board is trying to protect the program so that it may continue regardless of the vote.

Michael Carignan, 19 Bristol Way, commented no matter what the voters say the Board can use the money in the budget. Attorney Graham commented that the statement is correct, but the Board has a history of listening to the voters. He explained that the Board has a specific amount to spend on wrestling in the budget and can either find the money in the budget or tell those running the program to raise the funds. Attorney Graham commented that the Board will know

how they want wrestling funded once the document that determines the tax rate is registered in September.

Mr. Pascucci commented that power is reserved for the Board to do many things without coming to the voters. He indicated that the voters are being asked if we want wrestling to be paid for by the taxpayers or fundraising. The number in the article will be added to the tax base for this year only. Mr. Pascucci indicated that if the article passes, the voters are giving the Board approval to fund the program forever in the budget, no matter the cost. He commented that all sports should be funded to a point. Mr. Pascucci indicated that he did not recommend the article for consistency reasons because the program will always be included in the budget.

Mr. Miller commented that funding for co-curricular programs is historically included in the budget. He indicated that the Board's process asks that a program be successful for three years. After that time we will include it in the budget.

Doug Orlando, 8 Pilgrim Drive, commented that wrestling is a great program and he supports its inclusion in the budget.

Steve Callinan, 3 Augusta Way, queried if all the wording is necessary in the article.

Mr. Falzone commented it sounds confusing, but the statement at the end gives the voter the freedom to vote no.

Jason Allen, 33 Chasebrook Circle, queried if all the wording in the article is necessary.

Mr. York commented that the Board's concern is to protect the program from the "no means no" law.

Attorney Graham referred to RSA 32:10, I (e), indicating that if there is an appropriation in the article and it is reduced to zero, then "no means no" applies and the District cannot expend funds in that line. He clarified that is not what this article means. Attorney Graham explained that this article means either the program will become part of the athletics budget or it will remain as a self-funded program.

Jeff Douglas, 49 Burgess Drive, made a motion to restrict the wording of Article 6 to the first sentence (question). The motion was seconded.

Cindy Couture, 41 Stark Lane, commented if this article is not an appropriation, there should be no recommendation by the Budget Committee. Attorney Graham confirmed that the Budget Committee can make a recommendation on any article.

Kathy Follis, 8 Mike Lane, commented that the playground situation was similar and there was no disclaimer in the article. Mr. York indicated that the playground was an appropriation and was not included in the budget.

Mrs. Follis commented that if the article fails, the Board can still choose to fund the program. Mr. Regan indicated that the line item remains in the budget, but how it is funded is different.

Mrs. Follis queried the point of voting on the article. Mr. York commented that if the article fails the Board does not have to find the money in the budget.

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Kevin Smith, 47 Garden Drive, commented that it is good to include all the wording in the article. He indicated that the program is part of the budget. Mr. Smith noted if the wording of the article is restricted to the first sentence and it is voted down, and voters see the Board expending funds on the program, this could cause contention with those who did not attend this session.

Mr. York agreed.

Mr. Douglas withdrew the motion. The second was withdrawn.

There were no further amendments or discussion, **Article 6 stands as written and will appear on the ballot as written.**

Mr. Regan read Article 7 and indicated that the Petitioner would speak to the article.

ARTICLE 7 (Petitioned Article)

Shall Litchfield, NH adopt the provisions of RSA 40:14-b to delegate the determination of the default budget to the municipal budget committee which has been adopted under RSA 32:14?

This is a Petitioned Article and requires a three-fifths (3/5) ballot vote to pass. This Article is not recommended by the School Board by a vote of 2-3-0.

Jason Guerrette, 11 Perry Court, provided a presentation regarding the RSA 40:14-b. He commented that the law defines what is included in the default budget. He stated that law does not mention the default is to maintain the existing level of services. Mr. Guerrette indicated that the Local Government Center (LGC) provided an explanation that the default budget is essentially a budget freeze – the amount of money from the previous year – not the amount for the same items or services in coming year.

Mr. Guerrette commented that until the Board has the actual contract for oil or fuel it is unknown what the cost will be in the coming year; therefore, higher costs cannot be included in the default budget. He indicated that the District upgraded the lighting and has an expenditure of future electric costs. Mr. Guerrette commented if the Board decides to begin purchasing something new to the District it cannot be included in the default budget. He noted that Article One states if the operating budget fails, the Board can call a special meeting to take up the issue of a revised operating budget only, which has not yet been done.

Mr. Guerrette commented that legal opinion from the District's attorney concurs with the law, but indicates that the default is not a budget freeze. Mr. Guerrette commented that he had made a motion during a Board meeting to contact the NH Department of Revenue Administration (DRA) and NH LGC regarding clarification on the default budget and the motion failed.

Mr. Guerrette indicated that the default budget is not reviewed by any authority to ensure the law is followed. He commented that the only relief is to petition Superior Court. Mr. Guerrette mentioned that a court petition is pending regarding the default budget. He commented that the Budget Committee is trusted to prepare the operating budget and should be preparing the default budget. Mr. Guerrette suggested that the Budget Committee and School Board can collaborate regarding preparation of the default budget.

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Cindy Couture, 41 Stark Lane, asked if the Budget Committee members would comment on preparation of the default.

Mr. Spencer commented that if the voters want the Budget Committee to prepare the default budget, we will do a good job. He added that it would result in a different default budget than the District.

Mr. Pascucci expressed support for the article. He commented that there is no overseeing body to check the default that the School Board creates. He indicated that it could contain mistakes. Mr. Pascucci commented that the preparation of the default budget should be a mechanical process. He indicated that it was brought to his attention this year because the administration asked the School Board to include additional items in the default budget. Mr. Pascucci stated that he is concerned that the proposed default budget is illegal. He commented that he has heard objections that the Budget Committee does not have the resources to prepare the default. He indicated that the Budget Committee can work with the Business Administrator to prepare the default budget.

Mr. Harte commented that he does not want the Budget Committee to take on the responsibility of preparing the default budget. He indicated that the process may be mechanical, but is not that black and white. Mr. Harte noted that there are many things in the RSA's that can be interpreted. He commented when you give the power over both budgets to one committee, who will oversee them. Mr. Harte indicated that the Budget Committee does not want to control everything, but wants to recommend what we believe is a fair budget. Mr. Harte mentioned that Mr. Guerrette's suggestion that the School Board and Budget Committee share the responsibility of preparing the default is a valid one. He commented that there may be challenges as far as interpretations of law, but he does not want the responsibility of preparing the default budget.

Kevin Waggoner, 11 Riverview Circle, commented that he agreed that the Budget Committee should not prepare the default budget.

Janine Lepore, 17 Greenwich Road, commented that the School Board is in the best situation to determine the default budget. She indicated that it would be appropriate for the Budget Committee to review the default. Mrs. Lepore disagreed with giving one body all the power. She commented that she supports the current procedure.

Mrs. Prindle directed her response to Mr. Pascucci's comment about illegality regarding the default budget. She commented that the School Board takes their responsibility seriously. She indicated that the School Board seeks out legal opinion from their attorney. Mrs. Prindle believes Mr. Pascucci's comment is not an accurate perception to share with the community.

Tim Wade, 11 Bear Run Drive, commented that if there is no authority that oversees the default budget, the Budget Committee would have complete control over the budget and could prepare whatever they want under the RSA. He indicated that he does not support the article.

Mr. York commented that two years ago the same article was brought before the voters and they overwhelmingly voted it down. He indicated that the people who supported the town's purchasing practice/policy in 1996 are the same people who want voters to support this article even though the voters said no.

Cindy Couture, 41 Stark Lane, commented that she views this as removing the checks and balances. She indicated that this is not about working together, but giving the power to one committee. Mrs. Couture commented that the Budget Committee should not assume that the District Business Administrator will assist in preparation of the default budget. She commented that the Budget Committee does not have a budget for legal support to oversee and conform to laws.

Jason Guerrette, 11 Perry Court, commented that this is about an open and honest method of preparing the default budget. He stated that with this article there is oversight to ensure accuracy. He indicated that there are currently no checks and balances for the School Board to ensure accuracy.

Mr. Spencer commented that he takes his responsibility seriously as a Budget Committee member. He indicated that there is no one on the Budget Committee pushing this article.

Chris Pascucci, 12 Colonial Drive, disagreed with Mr. York's statement. He questioned the legality of what is included in the default budget. Mr. Pascucci believes that the law is not being followed.

Mr. Miller indicated that there are several questions about what is required to be included in the default budget. He noted that according to law, there are requirements by the State for school approval. Mr. Miller commented that the Budget Committee has no resources for legal expenses in the event of a lawsuit. He indicated that the District is required to provide kindergarten facilities and the law does not dictate how to fund those facilities. Mr. Miller noted that the portable would be required to be provided whether by lease or purchase.

Nick D'Alleva, 15 Cutler Road, commented that he signed the petition because he was concerned that the School Board was about to add a \$1M to the default budget. He indicated that some of these items were included in the proposed budget. Mr. D'Alleva commented that many people attended the meeting regarding the default budget and some of the proposed items were removed. Mr. D'Alleva believes that if the group did not attend, the items would not have been removed.

Mr. Miller clarified that there were not \$1M worth of additions proposed to the default budget. He indicated that those items were questioned for consideration. He commented that, currently, the Budget Committee's budget is going to the voters and not the School Board's budget.

Robin Corbeil, 4 Nesmith Court, commented that she believes the Budget Committee supports the petition article because she sees their names on the petition. She indicated that she cannot afford to have children in the district who are not getting a good education, or a house that is not valued. She asked for the turmoil and rhetoric to stop.

Patricia Waggoner, 11 Riverview Circle, queried how many signatures are required on a petition article in order for the article to be included on the Warrant. Mr. Graham responded that 25 signatures are required.

Mrs. Waggoner queried why Budget Committee members would sign the petition if they were not in support.

Mr. Harte commented that he signed it to see if it is important to the voters. He indicated that he was against the Budget Committee having the responsibility to prepare the default. Mr. Harte commented that because he is against it does not mean that he is right.

Mr. Pascucci commented that he objects to the amount of money included in the default for the kindergarten portable. He believes that the lease amount of the portable that is in this year's budget should be included in the default and not the purchase price. He indicated that there are rules we should follow. Mr. Pascucci noted that if the operating budget fails, the School Board has the right to hold a special meeting. He commented that this is about interpretation of the law.

Mr. Miller clarified that the lease for the portable will expire before the new budget is implemented. He noted that the District will not be under contract and there will be no lease money in the FY13 budget. Mr. Miller indicated that the default budget is what we need to operate – no new programs, current staff – no twisting or spinning.

Nick D'Alleva, 15 Cutler Road, commented that the School Board has two budgets – the proposed budget and the default budget. He indicated that the reason he signed the petition was because of the School Board's actions.

Mr. Miller clarified that the operating budget is owned by the Budget Committee and if this article is approved by the voters, the Budget Committee will own the default budget.

Jason Guerrette, 11 Perry Court, disagreed with Mr. Miller's comments regarding what is required for school approval. He indicated that he did not suggest not including fuel or oil in the default budget. Mr. Guerrette commented this is about interpretation. He stated that Attorney Graham and the LGC and DRA believe another. He indicated that we have two attorneys' positions.

Attorney Graham clarified that there are not two attorneys' positions. He indicated that the LGC interpretation about the default budget is a generic presentation only.

Robin Corbeil, 4 Nesmith Court, commented that she is tired of hearing about what is the bare minimum we can do. She indicated that she wants to be proud of her school system. She believes Litchfield is a great community and is tired of hearing the negative. Mrs. Corbeil commented that we need to start thinking about our community. She commented that a good school system draws good people to our town. Mrs. Corbeil expressed support for the School Board's role in preparing the default budget.

Sue Ayer, Hildreth Drive, asked if the discussion can be stopped. The Moderator indicated that there is no question to call.

Dennis Miller, 37 Wren Street, asked Mr. Guerrette who was representing the petition, why he stood in front of people and expressed non-support for the Budget Committee and is now asking for support for this article.

Mr. Guerrette responded that he has observed much within the budget process. He believes that the School Board is not preparing the default budget the way the RSA dictates. He indicated that he has not heard anyone talk about bare minimum for the schools. Mr. Guerrette commented that we should provide for our children excellently, but we arrive at it differently.

Mr. Pascucci commented that the default budget was created by a set of rules and there should not be any opinions in it. He indicated that if discretion is given on the default budget, a majority could vote to strip the default the same way they could vote to add to the default. Mr. Pascucci commented that no one is talking about bare minimums. He indicated that the School Board should work in conjunction with the Budget Committee.

Mr. Regan commented that the discussion is repetitive. He indicated that if there is no new discussion, the meeting will be adjourned.

Ann Moody, 28 Garden Drive, queried about the \$2M the District received from the State.

Mr. York commented that the money was returned to the taxpayers. He indicated that there was a decrease in taxes.

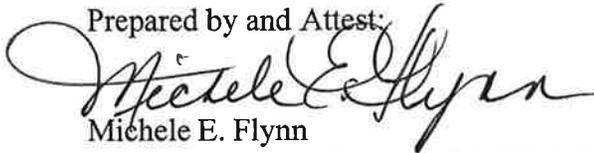
Mrs. Moody commented that the default should have been decreased by \$2M as was the operating budget.

There were no amendments or further discussion, **Article 7 stands as written and will appear on the ballot as written.**

The Moderator thanked all who attended and accepted a motion to adjourn at 5:55 p.m. The motion was seconded. The motion passed unanimously by voice vote.

A true record of the Litchfield School District Deliberative Session,

Prepared by and Attest:

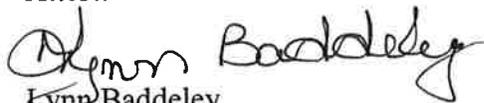


Michele E. Flynn

Administrative Assistant to the Litchfield School Board

A true record of the Litchfield School District Deliberative Session

Attest:



Lynn Baddeley

School District Clerk

Submitted: February 8, 2012



**2012 LITCHFIELD SCHOOL DISTRICT WARRANT
STATE OF NEW HAMPSHIRE**

To the inhabitants of the School District of the Town of Litchfield in the County of Hillsborough and the State of New Hampshire, qualified to vote upon district affairs:

FIRST SESSION OF ANNUAL MEETING (DELIBERATIVE)

You are hereby notified that the first session of the annual meeting of the School District of the Town of Litchfield will be held at Campbell High School, 1 Highlander Court, in said Litchfield on Saturday, February 4, 2012, at 2:00 o'clock in the afternoon for explanation, discussion, and debate of warrant articles number 1 through number 7. Warrant articles may be amended subject to the following limitations: (a) warrant articles whose wording is prescribed by law shall not be amended, and (b) warrant articles that are amended shall be placed on the official ballot for a final vote on the main motion, as amended.

SECOND SESSION OF ANNUAL MEETING (VOTING)

You are hereby notified that the second session of the annual meeting of the School District of the Town of Litchfield will be held at Campbell High School, 1 Highlander Court, in said Litchfield on Tuesday, March 13, 2012, at 7:00 o'clock in the forenoon for the choice of School District Officers elected by official ballot, to vote on questions required by law to be inserted on the official ballot, and to vote on all Warrant Articles from the first session on official ballot per RSA 40:13, VII. The polls for the election of School District Officers and other action required to be inserted on said ballot will open on said date at 7:00 o'clock in the forenoon and will not close earlier than 7:00 o'clock in the evening.

ARTICLE A

To elect by ballot the following School District Officers:

School Board Member
School Board Member

3-Year Term
3-Year Term

ARTICLE 1 *(as amended at Deliberative Session 2-4-12)*

Shall the Litchfield School District vote to raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by the vote at the first session of the annual school district meeting, for the purposes set forth herein, totaling Twenty Million, Eight Hundred Forty-Two Thousand, Six Hundred Ninety-Four dollars (\$20,842,694)? Should this article be defeated, the default budget shall be Twenty Million, Seven Hundred Thirty-Eight Thousand, Three Hundred Fifteen dollars (\$20,738,315), which is the same as last year, with certain adjustments required by previous action of the Litchfield School District or by law; or the School Board may hold one special meeting, in accordance with RSA 40:13 X and XVI, to take up the issue of a revised operating budget only.

Not Recommended by the School Board
(0-3-2)

Recommended by the Budget Committee
(5-2-0)

ARTICLE 2

Shall the Litchfield School District vote to raise and appropriate the sum of Forty Thousand, Four Hundred Ninety-Two dollars (\$40,492), which represents salary and benefit costs for a 1% cost-of-living adjustment pool for non-union positions? These positions include: administrators, administrative assistants, building/grounds staff, Certified Occupational Therapy Assistant, custodial staff, food service staff, monitors, paraprofessionals, psychologists, School Administrative Unit staff, site facility managers, social worker, tutors, and elected officials (other than School Board members). The final distribution of this pool will be made by the School Board.

Not Recommended by the School Board
because of a tied vote (2-2-1)

Not Recommended by the Budget Committee
(3-4-1)

ARTICLE 3

Shall the Litchfield School District vote to raise and appropriate the sum of Six Thousand, Four Hundred Fifteen dollars (\$6,415) for the purpose of funding salaries, benefits, and supplies for grade level teaching and paraprofessional positions for the Summer Reading Program at Griffin Memorial School for grades 2 to 3 and grades 3 to 4 previously funded through a federal grant?

Recommended by the School Board
(5-0-0)

Recommended by the Budget Committee
(6-1-0)

ARTICLE 4

Shall the Litchfield School District vote to raise and appropriate the sum of Twenty-Five Thousand, Eight Hundred Thirty-Six dollars (\$25,836) for the purpose of funding salary, benefits, professional development, and supplies for a part-time, school year Reading Specialist at Campbell High School previously included in the operating budget?

Recommended by the School Board
(5-0-0)

Not Recommended by the Budget Committee
because of a tied vote (4-4-0)

ARTICLE 5

Shall the Litchfield School District vote to raise and appropriate the sum of Thirty-Three Thousand, Seven Hundred Ninety-Nine dollars (\$33,799) [to be added to the \$32,000 already included in the operating budget], for the purpose of funding the salary and benefit costs to convert the Athletic Trainer services at Campbell High School from a contracted service, which is included in the operating budget, to a full-time district employee?

Recommended by the School Board
(3-2-0)

Not Recommended by the Budget Committee
(1-7-0)

ARTICLE 6

Do you favor offering the Campbell High School Wrestling program as part of the athletics budget paid for by the taxpayer? The Wrestling program is currently included in the operating budget as a self-funded program, in the amount of Nine Thousand, Eight Hundred Twenty-Five dollars (\$9,825)? If this article fails, CHS Wrestling will continue to be offered as a self-funded program with all program costs offset by revenues.

Recommended by the School Board
(3-2-0)

Not Recommended by the Budget Committee
(2-5-0)

ARTICLE 7 (Petitioned Article)

Shall Litchfield, NH adopt the provisions of RSA 40:14-b to delegate the determination of the default budget to the municipal budget committee which has been adopted under RSA 32:14?

Three-fifths (3/5) ballot vote required.

Not Recommended by the School Board
(2-3-0)

GIVEN UNDER OUR HANDS AT SAID LITCHFIELD THIS 25th DAY
OF JANUARY 2012.



John York, Chair

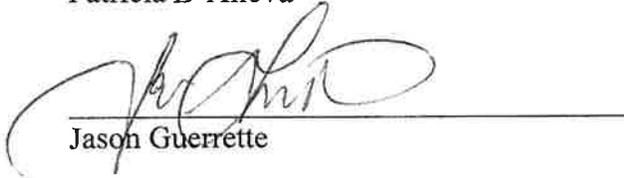


Mary Prindle, Vice Chair

Dennis Miller



Patricia D'Alleva



Jason Guerrette

Litchfield School Board

Petition Warrant Article

Shall we adopt the provisions of RSA 40:14-b to delegate the determination of the Litchfield School District default budget to the municipal budget committee which has been adopted under RSA 32:14?

	Print Name	Signature	Address
1.	Nicholas D'Alleva	Nicholas D'Alleva	15 CUTLER RD. LITCHFIELD NH
2.	Patricia D'Alleva	Patricia D'Alleva	15 Cutler Rd.
3.	Brenda D'Alleva	Brenda D'Alleva	15 Cutler Rd
4.	STEVE CATMAN	Steve Catman	16 CUTLER RD
5.	Jo-Ann Catman	Jo-Ann Catman	16 Cutler Rd
6.	GREG MAUROGEORGE	Greg Maurogeorge	16 Cutler RD
7.	Lynne A. Mason	Lynne A Mason	13 Cutler Rd.
8.	Elizabeth Mason	Elizabeth Mason	13 Cutler Rd.
9.	Ben Mason	Ben Mason	13 Cutler Rd.
10.	BOB MASLANKA	Robert Maslanka	14 CUTLER RD.
11.	IRENE MASLANKA	Irene Maslanka	14 Cutler Rd.
12.	JAMES H. MAUROGEORGE	James H. Maurogeorge	16A CUTLER RD
13.	SUSAN M. MAUROGEORGE	Susan Maurogeorge	16A CUTLER RD.
14.	MATTHEW E MASON	Matthew E Mason	13 CUTLER RD
15.	Rebecca L. Mason	Rebecca L Mason	13 Cutler Rd.
16.	George Lambert	George Lambert	3 Lydston Lane
17.	Rhonda Lambert	Rhonda Lambert	3 Lydston Lane
18.	JOAN FULTON	Joan Fulton	1 UNDERWOOD DR.

Petition Warrant Article

Shall we adopt the provisions of RSA 40:14-b to delegate the determination of the Litchfield School District default budget to the municipal budget committee which has been adopted under RSA 32:14?

Signature

Address

1. Chris Pascucci
12 Colonial dr Litchfield NH
2. JOHN HARTE
29 GREENWICH RD
3. WILLIAM SPENCER
9 CRANBERRY LN
4. Raymond Peoples
205 Charles Bancroft Hwy Litchfield
5. Margaret Pascucci
12 Colonial Drive Litchfield NH
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

Petition Warrant Article

Shall we adopt the provisions of RSA 40:14-b to delegate the determination of the Litchfield School District default budget to the municipal budget committee which has been adopted under RSA 32:14?

	Print Name	Signature	Address
1.	Jason Guenette		11 Perry Ct
2.	Keith Potter		8 Pinecrest Rd
3.	GERARD PASCUCCI		16 DIXON DR.
4.	JOHN PASCUCCI		16 DIXON DR.
5.	HOPKINS GUENETTE		11 PERRY CT.
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ARTICLE 3

Shall the Litchfield School District vote to raise and appropriate the sum of Six Thousand, Four Hundred Fifteen dollars (\$6,415) for the purpose of funding salaries, benefits, and supplies for grade level teaching and paraprofessional positions for the Summer Reading Program at Griffin Memorial School for grades 2 to 3 and grades 3 to 4 previously funded through a federal grant?

Recommended by the School Board
(5-0-0)

Recommended by the Budget Committee
(6-1-0)

Article Passed - Yes: 1,012
No: 564

ARTICLE 4

Shall the Litchfield School District vote to raise and appropriate the sum of Twenty-Five Thousand, Eight Hundred Thirty-Six dollars (\$25,836) for the purpose of funding salary, benefits, professional development, and supplies for a part-time, school year Reading Specialist at Campbell High School previously included in the operating budget?

Recommended by the School Board
(5-0-0)

Not Recommended by the Budget Committee
because of a tied vote (4-4-0)

Yes: 659
Article Failed - No: 921

ARTICLE 5

Shall the Litchfield School District vote to raise and appropriate the sum of Thirty-Three Thousand, Seven Hundred Ninety-Nine dollars (\$33,799) [to be added to the \$32,000 already included in the operating budget], for the purpose of funding the salary and benefit costs to convert the Athletic Trainer services at Campbell High School from a contracted service, which is included in the operating budget, to a full-time district employee?

Recommended by the School Board
(3-2-0)

Not Recommended by the Budget Committee
(1-7-0)

Yes: 380
Article Failed - No: 1,192

ARTICLE 6

Do you favor offering the Campbell High School Wrestling program as part of the athletics budget paid for by the taxpayer? The Wrestling program is currently included in the operating budget as a self-funded program, in the amount of Nine Thousand, Eight Hundred Twenty-Five dollars (\$9,825)? If this article fails, CHS Wrestling will continue to be offered as a self-funded program with all program costs offset by revenues.

Recommended by the School Board
(3-2-0)

Not Recommended by the Budget Committee
(2-5-0)

Yes: 663
Article Failed - No: 918

ARTICLE 7 (Petitioned Article)

Shall Litchfield, NH adopt the provisions of RSA 40:14-b to delegate the determination of the default budget to the municipal budget committee which has been adopted under RSA 32:14?

Three-fifths (3/5) ballot vote required.

*Not Recommended by the School Board
(2-3-0)*

**Yes: 581
Article Failed - No: 942**

A true report of the 2012 Litchfield School District election results, prepared by:



**Michele E. Flynn
Administrative Assistant to the School Board
March 14, 2012**

A true report of the 2012 Litchfield School District election results, attest:



**Lynn Baddeley
School District Clerk
March 14, 2012**

**2013 LITCHFIELD SCHOOL DISTRICT WARRANT
STATE OF NEW HAMPSHIRE**

To the inhabitants of the School District of the Town of Litchfield in the County of Hillsborough and the State of New Hampshire, qualified to vote upon district affairs:

FIRST SESSION OF ANNUAL MEETING (DELIBERATIVE)

You are hereby notified that the first session of the annual meeting of the School District of the Town of Litchfield will be held at Campbell High School, 1 Highlander Court, in said Litchfield on Wednesday, February 6, 2013, at 7:00 o'clock in the evening for explanation, discussion, and debate of warrant articles number 1 through number 4. Warrant articles may be amended subject to the following limitations: (a) warrant articles whose wording is prescribed by law shall not be amended, (b) warrant articles that are amended shall be placed on the official ballot for a final vote on the main motion, as amended, and (c) no warrant article shall be amended to eliminate the subject matter of the article.

SECOND SESSION OF ANNUAL MEETING (VOTING)

You are hereby notified that the second session of the annual meeting of the School District of the Town of Litchfield will be held at Campbell High School, 1 Highlander Court, in said Litchfield on Tuesday, March 12, 2013, at 7:00 o'clock in the forenoon for the choice of School District Officers elected by official ballot, to vote on questions required by law to be inserted on the official ballot, and to vote on all Warrant Articles from the first session on official ballot per RSA 40:13, VII. The polls for the election of School District Officers and other action required to be inserted on said ballot will open on said date at 7:00 o'clock in the forenoon and will not close earlier than 7:00 o'clock in the evening.

ARTICLE A

To elect by ballot the following School District Officers:

School Board Member
School Board Member

3-Year Term
3-Year Term

ARTICLE 1

Shall the Litchfield School District vote to raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by the vote at the first session of the annual school district meeting, for the purposes set forth herein, totaling Twenty Million, Nine Hundred Ninety Thousand, Five Hundred Ninety One dollars (\$20,990,591)? Should this article be defeated, the default budget shall be Twenty-One Million, Five Thousand, Thirty-One dollars (\$21,005,031), which is the same as last year, with certain adjustments required by previous action of the Litchfield School District or by law; or the School Board may hold one special meeting, in accordance with RSA 40:13 X and XVI, to take up the issue of a revised operating budget only.

*Recommended by the School Board
(4-0-0)*

*Recommended by the Budget Committee
(7-1-0)*

ARTICLE 2

Shall the Litchfield School District vote to approve the cost items included in the collective bargaining agreement reached between the Litchfield School District and the Litchfield Education Association which calls for the following increases in salaries and benefits:

Year	Estimated Increase
2013-2014	\$ 110,329
2014-2015	\$ 162,856

and further to raise and appropriate the sum of One Hundred Ten Thousand, Three Hundred Twenty Nine dollars (\$110,329) for the 2013-2014 fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels over the amount paid in the prior fiscal year.

*Recommended by the School Board
(5-0-0)*

*Recommended by the Budget Committee
(7-0-0)*

ARTICLE 3

Shall the Litchfield School District vote to authorize, indefinitely until rescinded, the retention of year-end unassigned general funds in an amount not to exceed, in any fiscal year, 2.5 percent of the current fiscal year's net assessment, for the purpose of having funds on hand to use as a revenue source for emergency expenditures and over expenditures under RSA 32:11, or to be used as a revenue source to reduce the tax rate, all in accordance with RSA 198:4-b, II?

*Recommended by the School Board
(4-0-0)*

*Recommended by the Budget Committee
(7-1-0)*

ARTICLE 4

Shall the Litchfield School District vote to have the School Board include a statement of the estimated tax impact in future warrant articles concerning the annual budget and all special warrant articles?

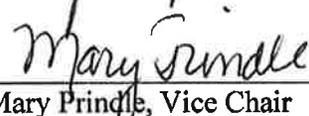
*Recommended by the School Board
(4-0-0)*

*Recommended by the Budget Committee
(7-0-0)*

**GIVEN UNDER OUR HANDS AT SAID LITCHFIELD THIS 25th DAY
OF JANUARY 2013.**

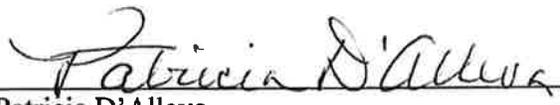


John York, Chair

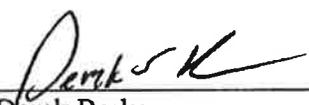


Mary Prindle, Vice Chair

Dennis Miller



Patricia D'Alleva



Derek Barka

Litchfield School Board

**LITCHFIELD SCHOOL DISTRICT
DELIBERATIVE SESSION
February 6, 2013
The State of New Hampshire**

Time, Place: The meeting was called to order at 7:00 p.m. in the Campbell High School Auditorium.

Present: Moderator, Mr. John G. Regan, presiding.

School Board members: Mr. John York, Chair; Mrs. Mary Prindle, Vice Chair; Mr. Derek Barka; and Mrs. Patricia D'Alleva.

Dr. Brian Cochrane, Superintendent of Schools; Mr. Stephen Martin, Business Administrator; Mrs. Devin Bandurski, Director of Special Services; Mr. Kyle Hancock, Director of IT; Michele E. Flynn, School Board Administrative Assistant; Ms. Lynn Baddeley, School District Clerk; Gordon Graham, Attorney for the District.

Mr. Tom Lecklider Litchfield Middle School Principal; Mr. Scott Thompson, Griffin Memorial School Principal; Mrs. Laurie Rothhaus, Principal, Campbell High School.

Budget Committee members: Mr. John Harte, Chair; Mr. Chris Pascucci; Mr. Andrew Cutter; Mr. William Spencer; Mrs. Cynthia Couture, Mr. George Lambert (Selectmen's Representative).

Ballot clerks: Mrs. Trisha Regan, Mrs. Nancy Pinciario.

Mr. Regan invited members to join him in the Pledge of Allegiance.

Mr. Regan introduced Mr. Phil Reed, Vice Moderator, and reviewed the Moderator's rules and protocol for the Deliberative Session according to state law.

Mr. Regan introduced Mr. John York, School Board Chair. Mr. York introduced School Board members, SAU staff, and attorney.

Mr. Regan introduced Mr. John Harte, Chairman of the Budget Committee. Mr. Harte introduced Budget Committee members.

Mr. Regan announced that elections will be held on March 12, 2013 from 7:00 am – 7:00 pm at CHS.

Note: The order of business of the Deliberative Session is sometimes conducted out of the warrant articles' numeric sequence. Recording activity in chronological order would make the minutes difficult to follow; therefore, the articles will be listed, with action taken thereon, in the order in which they were listed on the warrant.

As is customary, Mr. Regan asked voters if they were in favor of allowing non-voters and employees of the school district who were in attendance to comment during the meeting.

The majority was in favor of allowing non-voters and/or employees of the district to comment during deliberative session by voice vote.

Mr. Regan read Article A.

ARTICLE A.

To elect by ballot the following School District Officers:

<i>School Board Member</i>	<i>3-Year Term</i>
<i>School Board Member</i>	<i>3-Year Term</i>

The Moderator opened discussion of Article A.

Hearing no discussion, **Article A stands as written.**

Mr. Regan read Article 1 and indicated that Mr. York would speak to the article.

ARTICLE 1

Shall the Litchfield School District vote to raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by the vote at the first session of the annual school district meeting, for the purposes set forth herein, totaling Twenty Million, Nine Hundred Ninety Thousand, Five Hundred Ninety One dollars (\$20,990,591)? Should this article be defeated, the default budget shall be Twenty-One Million, Five Thousand, Thirty-One dollars (\$21,005,031), which is the same as last year, with certain adjustments required by previous action of the Litchfield School District or by law; or the School Board may hold one special meeting, in accordance with RSA 40:13 X and XVI, to take up the issue of a revised operating budget only.

This Article was recommended by the School Board by a vote of 4-0-0 and recommended by the Budget Committee by a vote of 7-1-0.

Mr. York indicated that the 2013-2014 Budget Committee Recommended Operating budget totals \$20,990,591. The 2013-2014 Default Operating budget totals \$21,005,031.

Mr. York commented that external budget factors include a reduction of \$811,000 in local, state and federal revenues and an increase of \$771,000 in required costs to maintain existing level of services or increases required by law. Mr. York listed some of the reasons for the decrease in revenue:

- Decrease of \$118,000 in impact fees
- Decrease of \$36,151 in Catastrophic Aid
- Decrease of \$392,783 in Adequacy Aid
- Decrease of \$40,000 in Disabilities Programs
- Negative balance for current budget.

Mr. York listed some of the increases in required costs:

- NH Retirement Rate Increases \$229,591
- Current Year Out-of-Budget SPED IEP Hires (1 Teacher and 8 Paraprofessionals) \$195,761
- Common Core State Standards \$99,336
- 6 New Special Education paraprofessionals to meet IEP requirements 2014 \$79,076
- Current year Out of Budget grade 1 teacher \$58,143
- Transportation contracted rate increase \$29,538
- Partial funding of 1 current Special Education teacher for IEP requirements (previously funded by federal grants) \$28,396
- Health Insurance rate increase \$19,441
- Special Education transportation (net of rate increase) \$16,721
- Non-Union course reimbursement \$15,000.

Mr. York noted that other increases in the budget include:

- District Approved Technology Plan (equipment, software, support) \$113,349
- Increase in Buildings & Grounds repairs, maintenance, equipment \$96,980
- LMS Special Education Student Support services Program teacher \$69,378
- GMS Parking Lot Partial Replacement \$53,500
- Building Needs Assessment Study for Capital Plan \$35,000
- 1% COLA for Non-LEA, Non-Administrator staff and a \$5,000 Salary increase pool for administrators \$30,962
- PPACA tax contingency \$20,000
- Special Education District-wide Autism & Behavioral Specialist (net of \$71,000 saving in out of district tuition) \$13,035
- Regular Substitute teacher salaries \$13,000

Total increases: \$1,216,207.

Mr. York explained that was the total impacting the general fund operating budget prior to sending the budget to the Budget Committee. The Budget Committee recommended reductions in the amount of \$528,762 to the FY14 budget. Budget Committee recommended reductions were listed as follows:

- GMS Parking Lot \$53,500
- GMS Bathroom partitions \$12,103
- LMS \$20,000
- CHS \$80,000
- Special Education Autism Behavioral position \$84,035
- Special Education LMS Student Support position \$69,378
- Special Education out of district tuition added back in +\$71,000
- Technology (GMS Virtual Desktop) \$42,000
- Curriculum \$3,650
- District-wide reduction of 2.5 staff \$148,000
- B & G Building Needs Assessment \$35,000
- Ground Storage Building \$14,000
- School Board \$3,500

Mr. York noted that the Recommended School Board Total Operating budget [before Budget Committee reductions] totaled \$21,519,353. The Budget Committee Recommended Operating budget totaled \$20,990,591 – a difference of \$528,762.

Mr. York explained that the budget is presented by object accounts, which are used to describe the services or commodities obtained as a result of the specific expenditure; and by location accounts, which are used to describe the physical location where the activity or cost is used or expensed.

Mr. York explained that the total appropriation and tax rate shows how the budget impacts the taxpayers. He noted that the FY14 Budget Committee Recommended budget will be a \$1.33 increase on the tax rate, which equates to \$322 increase on a home assessed at \$240,000 and \$429 increase on a home assessed at \$320,000.

Phil Reed, 7 Forest Lane, commented that he took note of the difference of special education funding between the School Board and Budget Committee recommendations. He commented that under federal law, if we need to incur the costs of special education we will have to pay for it one way or another. He asked for an explanation of the reductions from the Budget Committee. Mr. Reed also asked how close the federal government is coming to funding [on Special Education].

John Harte, Budget Committee Chair, explained that the Budget Committee reduced the Special Education budget in two ways: reduction of the Psychologist and the Autism & Behavioral Specialist. He explained that \$71,000 was added back into the budget to offset the latter reduction. Mr. Harte noted that the Budget Committee members believe that a new position, such as the Behavioral Specialist, should be placed on the warrant. He indicated there were no changes to Special Education tuition.

Mr. York commented that in answer to Mr. Reed's second question, the federal government is not close to that funding.

Jason Guerrette, 11 Perry Court, asked why Deliberative Session was held on a weeknight. Mr. York indicated it was the one night that worked best for the School Board.

Mr. Guerrette asked if revenue decreases were impacted by the declining population. Mr. York answered in the affirmative.

Mr. Guerrette asked if a reduction in services could have been chosen in place of a tax increase. Mr. York answered in the negative.

Mr. Guerrette commented that the Board chose to create legally bound issues which resulted in an increase, such as the Technology Plan. He asked if those costs could have been mitigated. Mr. York indicated that some of the increases are a result of meeting the Superintendent's four goals.

Mr. Guerrette asked about the tuition reimbursement costs and why they were not mitigated. Mr. York indicated that the non-LEA tuition reimbursement is a benefit in the administrators' contacts. He noted that benefit could have originated with a previous Board.

Sue Seabrook, 18 Bear Run Drive, asked if we had an expectation of the number of special education students with the potential hiring of the Behavior Specialist. Mr. Martin indicated that the position was removed by the Budget Committee who recommended outsourcing the services.

Mrs. Seabrook asked Budget Committee members what was the basis for their recommendation and what, if any, was the financial gain.

Mr. Harte indicated this was a new position that the Committee members believe should be placed on the warrant. He commented that we looked at all the services and felt that it would have impacted the increase in taxes. Mr. Harte noted that the \$71,000 that was added back into the budget was a gain. He indicated that student needs will still be met out of district.

Mrs. Seabrook commented that there is a large out of district tuition cost. She asked if we had that position we may break even or save money. Mr. Harte indicated there is no evidence to support that statement.

Mr. Spencer, Budget Committee member, commented that some of the Budget Committee members felt that a new position should be placed on a separate warrant article, but the School Board did not show support to do so.

Mr. York noted that the Budget Committee was informed that there were approximately 20 other students that were identified that would have benefitted from this position.

Jason Guerrette, 11 Perry Court, thanked the Budget Committee for following the previous warrant articles from 2003 and 2004 when deliberating over the budget. He asked if any of the employees that were budgeted a 1% COLA or administrators that may receive salary adjustments from the salary pool receive additional raises.

Mr. York indicated that employees will receive no step raises this year.

Mr. Guerrette asked if the Board has not chosen to unfreeze their steps this year. Mr. York confirmed that non-LEA steps remain frozen.

Mr. Guerrette commented that he believes that Common Core State Standards (CCSS) is an unfunded mandate. He asked why the School Board has chosen to fund it and why it was not placed on the warrant.

Mr. York indicated that the School Board is supportive of CCSS and voted to accept CCSS. He explained that after a long discussion with legal counsel, it was clear that the State mandated implementation of CCSS and the Town can implement CCSS as they wish. Mr. York noted that the School Board elected to move forward with CCSS.

Mr. Regan, the Moderator, asked for an explanation of CCSS.

Dr. Cochrane indicated that the standards were adopted by the State Board of Education in July 2010. The State has mandated the standards be implemented by 2014. He explained that it would be prudent not to purchase textbooks at this time to allow the texts to be aligned to the standards.

Ralph Boehm, 6 Gibson Drive, commented that this is not a law. He noted that no law was passed for CCSS and nothing came through the Legislature. He commented that this is a rule mandated illegally by the Department of Education.

Robin Corbiel, 4 Nesmith Court, asked if the School Board believes this path is best for students. Mr. York answered in the affirmative.

George Lambert, 3 Lydston Lane, commented that it is a complicated issue whether CCSS is required by the Legislature or the Board of Education. He indicated that attorneys will argue about the requirements of implementation for several years. He commented that the School Board is charged by the State Board of Education with selecting and implementing the curriculum.

Ann Moody, 28 Garden Drive, asked why there is a \$1M difference between the Operating budget and Default budget. Mr. York clarified that the difference is only \$15,000.

Mrs. Moody asked if there are any duplicate items in the default budget. Mr. York indicated the Default budget is a reflection of the budget from last year.

Jason Guerrette, 11 Perry Court, asked if the savings in health benefits (teachers' contract) that may be realized will be in the Default budget. Mr. York indicated that those savings are not included in the Default budget.

Mr. Guerrette asked if there are any items in the in the proposed budget that are less than last year or do not exist that are included in the default budget.

Mr. Martin (Business Administrator) explained that there is no default budget detail. He noted the default budget is a mechanism used to get to a number and does not contain line items. He indicated that some major increases were either removed or reduced.

Mr. Guerrette asked if there are items in the proposed budget that are less than last year. Mr. Martin answered in the affirmative.

Mr. Guerrette asked if those items exist in the default budget. Mr. Martin indicated they do not.

Marsha Finnegan, 147 Talent Road, asked, in regard to the six paraprofessionals budgeted for special education, what was the increase of students. Mr. York indicated there are 10 students.

Mrs. Finnegan asked how many 1:1 paraprofessionals. Mr. York indicated there are four.

Mrs. Finnegan asked for the total of those paraprofessionals per school. Mr. York indicated GMS will have five and LMS will have one.

Mrs. Finnegan asked, with regard to the increased budget for Food Service, if students will be able to have third lunch or will they still run out of food. Mr. Martin indicated that with the new federal implemented nutrition standards and reduced portion sizes, many students were buying more than one lunch because they were hungry; however, that problem has been resolved.

Mrs. Finnegan asked how the District can be sure the issue is resolved. Mr. Martin indicated there have been no complaints.

Betty Vaughn, Stark Lane, if there will be two budgets (one recommended by the School Board and one by the Budget Committee) on the ballot. Mr. Regan indicated there will be one budget that was recommended by both the Board and Budget Committee.

Mr. Lambert commented that the Budget Committee reviews the budget recommendation from the Board and determines what the community can afford and then presents their recommendations to the voters. If the voters do not approve the recommended budget, the default budget will be funded. He noted that the difference between the budgets is \$15,000.

Mrs. Vaughn commented that the presentation is confusing when three budgets are presented. She indicated that she supports having the most money for the children in the budget.

Mr. Lambert indicated that more money is not always better.

Mrs. Vaughn commented that in this case more money is better because the lack of money must be spent wisely. She noted that the Budget Committee did a good job, but at the same time she believes there is not enough money in the operating budget.

Mr. York indicated that the School Board supports the Budget Committee's budget.

Mr. Barka agreed that there should be more money in the budget, but the School Board believes that with both committees in support, the budget has a good chance of being approved.

Kathleen Follis, 8 Mike Lane, motioned to call the question. The motion was seconded. The motion carried by voice vote.

Hearing no amendments or further discussion, the Moderator concluded that **Article 1 stands and will appear on the ballot as written.**

During a short intermission, Mr. York announced that Mr. Martin, Business Administrator, is leaving Litchfield to work in Pelham School District. He wished him luck in his new position.

Dr. Cochrane congratulated Mr. Martin and thanked him for his service to the District.

Mr. York thanked Mr. Harte for seven years of service on the Budget Committee.

Mr. York presented Mr. Guerrette with a token of recognition for his service on the School Board.

Mr. Regan read Article 2 and indicated that Mr. York would speak to the article.

ARTICLE 2

Shall the Litchfield School District vote to approve the cost items included in the collective bargaining agreement reached between the Litchfield School District and the Litchfield Education Association which calls for the following increases in salaries and benefits:

<i>Year</i>	<i>Estimated Increase</i>
<i>2013-2014</i>	<i>\$ 110,329</i>
<i>2014-2015</i>	<i>\$ 162,856</i>

and further to raise and appropriate the sum of One Hundred Ten Thousand, Three Hundred Twenty Nine dollars (\$110,329) for the 2013-2014 fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels over the amount paid in the prior fiscal year.

This Article was recommended by the School Board by a vote of 5-0-0 and was not recommended by the Budget Committee by a vote of 7-0-0.

Mr. York commented that the School Board and the LEA spent the Fall working on a new collective bargaining agreement. In December, the LEA ratified the agreement and the School Board accepted. The contract is for 2013-2015 with no retroactive costs for the current year. Mr. York explained that the School Board focused on savings in health benefits. There are no COLA's included in the agreement. Mr. York noted that in Year 1, each step and grade salary increases to the salary from the next step. Each LEA member receives an equivalent one step salary increase based on this adjusted schedule. The schedule adjustment was needed to increase entry level salaries to be more competitive. Mr. York indicated that there is a step increase in Year 2; however, 44% of the membership will receive no increase as they are on the top step of the schedule. A \$300 increase in longevity payment is included for those on the top step in Year 2. Changes were made to the co-curricular/athletic stipends.

Mr. York noted that there will be a new health insurance provider – School Care, which results in a lower cost health plan. There are two plans: Open Access, which includes deductibles, and an HMO. Copays are increasing and employee cost share will increase to 17% for the HMO and 15% for Open Access. Mr. York indicated that the first year saving could be approximately \$173,000 based on the assumption that all members will opt for the HMO plan. Mr. York noted that this is an assumption and the total amount of the savings is unknown until Open Enrollment. There are changes to the Reduction in Force language, teaching load, work year and work day.

Mr. York indicated that the cost of the agreement reflects saving in health care that offsets those costs.

Jason Guerrette, 11 Perry Court, asked if there are deductibles included in the plans. Mr. York noted there are deductibles with the Open Access plan. He asked Mrs. Mahoney to explain the deductible amounts.

Deb Mahoney, Director of Human Resources, explained that Open Access deductibles range from \$250 for individual plans to a maximum of \$1,000; the 2 person or family plan has a \$2,000 maximum deductible.

Mr. Guerrette asked if the article fails, where will the District find the money to pay make up for the savings. Mr. York indicated if the article fails, the operating budget assumes there will be no change in benefits.

Mr. Guerrette asked if the article fails, is the savings included in the default budget. Mr. York commented that that if the article fails, there is no savings included in the budget. He noted that we reduced the contract by the amount of the savings otherwise the increase for Year 1 would have been higher.

Mr. Guerrette commented if the teachers' contract fails and there are no savings, the District will have the money to cover. If the contract passes and we realize the savings, the operating budget is grossly appropriated to cover the savings.

Mr. York indicated that money is used in the teachers' contract. The savings is in the benefits and will move from benefits to salaries.

Marsha Finnegan, 147 Talent Road, asked about the average salary for a teacher. Mr. York indicated the average salary is \$53,100.

Mrs. Finnegan commented it is to the teachers' advantage for the voters to say no to the contract. Mr. York clarified that it is not to their advantage if the article fails. He noted that if the article fails, the savings will not be realized and the money will go to the health insurance company.

Mrs. Finnegan commented that there is language in the contract that teachers only have to work half a day. Mr. York clarified that those half days are before school begins.

Sue Seabrook, 18 Bear Run Drive, commented that currently we have LGC as our insurance company, which is a higher cost and will continue to increase. She noted the LEA adopted a new health insurance company as a savings for the District.

Ralph Boehm, 6 Gibson Drive, commented that the contract has a net increase of \$110,000.

Mrs. Seabrook indicated that the employees' costs increase while the District's costs decrease.

Ann Moody, 28 Garden Drive, asked if the special education increases are included in the default budget.

The Moderator noted we are now discussing Article 2, Collective Bargaining Agreement.

Mrs. Moody asked if that cost is included in the operating budget and the default budget. Mr. York indicated the cost for the CBA is included in both budgets.

Mrs. Moody asked if in addition to health insurance teachers receive vacation time. Mr. York noted that they do not receive vacation, sick or personal time.

Jason Guerrette, 11 Perry Court, asked about the longevity payment increase. Mr. York indicated that the longevity payment is increasing from \$1,500/\$2,500 to \$1,800/\$2,800.

Mr. Guerrette commented that 44% of the staff will be at the top of the schedule in Year 2 with a 20% increase in wages. Attorney Graham clarified that only the longevity increase is 20%.

Hearing no amendments or further discussion, the Moderator concluded that **Article 2 stands as written and will appear on the ballot as written.**

Mr. Regan read Article 3 and indicated Mr. York would speak to the article.

ARTICLE 3

Shall the Litchfield School District vote to authorize, indefinitely until rescinded, the retention of year-end unassigned general funds in an amount not to exceed, in any fiscal year, 2.5 percent of the current fiscal year's net assessment, for the purpose of having funds on hand to use as a revenue source for emergency expenditures and over expenditures under RSA 32:11, or to be used as a revenue source to reduce the tax rate, all in accordance with RSA 198:4-b, II?

This Article was recommended by the School Board by a vote of 4-0-0 and recommended by the Budget Committee by a vote of 7-1-0.

Mr. Barka, 8 Simeon Lane, made a motion to restrict reconsideration of Article 2. The motion was seconded and carried by voice vote.

Mr. York explained that Article 3 is requesting voter approval for the School District to retain a portion of its year-end fund balance under RSA 198:4-b, II. The School District may retain its year-end unassigned fund balance in the amount up to 2.5% of that year's net assessment. The net assessment is the Voted Appropriations (MS-22) less Estimated Revenues (MS-24) less the State Adequacy Education Grant. Authorization for the retention remains unless rescinded by the voters.

The retained fund balance can only be used for:

- Managing the tax rate impact from year-to-year
 - The School Board can adjust the percentage retained between 0% and 2.5% in order to reduce the amount needed to be added to that year's tax rate
 - A source of revenue in the event of an emergency expenditure request
 - The School Board must document the emergency
 - The Budget Committee must approve the expenditure

- The NH DOE Commissioner must approve the expenditure.
- The amount retained is not cumulative from year-to-year
 - Each year only up to 2.5% of the net assessment can be retained if there is an available year-end unassigned fund balance.

Kathleen Follis, 8 Mike Lane, commented that she would like to hear why the Budget Committee supports this article.

Mr. Pascucci commented that he does not support the article. He noted that this article is asking you to take any end of year money and place in new fund instead of returning the fund back to the taxpayers. He believes the town cannot afford it. Mr. Pascucci commented that property tax is increasing and he would prefer that end of year money is returned to the taxpayers. He indicated that there will be future tax implications as this money will automatically be replenished. He commented when you vote to support this article you give permission for it to be funded from year to year. Mr. Pascucci indicated that aside from the criteria, there are other ways for money to be withdrawn from this fund.

The Moderator redirected the question from Mrs. Follis.

Mr. Harte commented that the Budget Committee recommended the article because if there is an emergency those monies are not fully funded in operating budget. He indicated if a major situation occurs that requires more than is in the budget, the money is available. He noted that this fund will allow the schools to have a reserve in case of an emergency.

Mr. Spencer commented that the Budget Committee will be meeting after Deliberative Session to revisit the article and some members may change their vote for recommendation.

Scott Corbeil, 4 Nesmith Court, asked if the 2.5% can be used to offset some of the education funding in the event the Legislation changes school funding again.

Mr. York answered in the affirmative and commented that the School Board could opt to take nothing and remaining end of year money would go to offset tax increases. Mr. York referred to Mr. Pascucci's statements and commented that the Building Maintenance Capital Reserve Fund had a balance of \$52,700 of which \$52,000 was used to replace the LMS Fire Safety System. The Special Education Capital Reserve Fund will have \$5,000 remaining \$100,000 will be used for out of district tuition costs. Mr. York indicated that this article is a better plan because it removes the spending process from the School Board and gives it to the Budget Committee. If the Budget Committee does not agree to expend, no money will be withdrawn.

Lynn Ober, former State Representative, commented that she was one of the co-sponsors of the bill that passed last year. She explained that the town has been able to retain a surplus from what was appropriated and not spent, but districts had to return every dollar unless they were able to encumber funds. She noted that it took two years to craft the legislation. She worked with Superintendents across the state. Mrs. Ober noted that the district may only retain up to 2.5% of the unexpended fund balance. She indicated this is not a slush fund; it is only for emergency expenses or catastrophic failure. She explained that the district can call the emergency, go to the

School Board and Budget Committee for approval. If the Budget Committee approves the expenditure, it then goes to the NH DOE for approval. Mrs. Ober commented that it is not always possible to know what you need 18 months in advance when budgeting. The district must spend funds for Catastrophic Aid in advance and are then reimbursed the following year. This fund would be for use in case of emergency without negatively impacting the education of your students.

Ralph Boehm, 6 Gibson Drive, commented that to clarify confusion, the amount cannot exceed 2.5%, but that percentage can be lower. He indicated that was verified through the state committee, NHSBA and DRA.

Bill Spencer, 9 Cranberry Lane, commented that this was an unusual year (default budget, new administration, special education costs). He indicated that prior to this year, he could not recall an instance when we had an issue we could not handle in the budget without going to the reserve funds. He commented that this is a solution looking for a problem.

Mike DeMarco, resident, commented we are looking to take \$300,000 in excess money and place in an account at the end of the year to use for an emergency. He indicated that \$300,000 to approximately 9,000 residents does not equate to much out of pocket. He commented that his small business carries a reserve account and he supports the article.

Mr. Pascucci commented that this fund is not necessary when we currently have something in place. He indicated that he is aware that the reserve fund was used this year because operating budget failed last year. He commented that if the School Board brought forward a warrant to replenish the reserve fund this year it would have been supported by the Budget Committee. Mr. Pascucci indicated that the Special Education Reserve may not have to be used this year. He commented that there are issues to indicate it may have to be spent this year, but we are not there yet. He noted that if asked for in a warrant, replenishment of the reserve fund would have been supported.

Mr. DeMarco asked if the money is set aside at the end of the year, does it remain for the following year and does it increase. Mr. York indicated that the money comes from the unexpended year end fund balance.

Mr. DeMarco noted that this is not extra money from the taxpayers.

Mr. Boehm commented that the school budget voting is done ahead of time for the following year. He suggested that the District can include a supplemental budget in the warrant for the current year if they anticipate an occurrence or expenditure.

Andrew Cutter, 6 Moose Hollow Road, expressed his support for the article. He indicated the funds would be a safety net to cover expenditures that may not be foreseen. He commented that he is not in favor of the percentage.

Andrew Cutter, 6 Moose Hollow Road, made a motion to amend Article 3 to read:

Shall the Litchfield School District vote to authorize, indefinitely until rescinded, the retention of year-end unassigned general funds in an amount not to exceed \$100,000 in any fiscal year, for the purpose of having funds on hand to use as a revenue source for emergency expenditures and over expenditures under RSA 32:11, or to be used as a revenue source to reduce the tax rate, all in accordance with RSA 198:4-b, II?

The motion was seconded.

Mr. Cutter indicated that a fixed dollar amount keep a cap on the fund.

Mr. York announced that legal counsel stated the amount must be worded as a percentage of the net assessment.

Mr. Boehm concurred with legal counsel.

Mr. Regan indicated that he motion is out of order.

Andrew Cutter, 6 Moose Hollow Road, made a motion to amend Article 3 to read:

Shall the Litchfield School District vote to authorize, indefinitely until rescinded, the retention of year-end unassigned general funds in an amount not to exceed, in any fiscal year, 1 percent of the current fiscal year's net assessment, for the purpose of having funds on hand to use as a revenue source for emergency expenditures and over expenditures under RSA 32:11, or to be used as a revenue source to reduce the tax rate, all in accordance with RSA 198:4-b, II?

The motion was seconded.

Mr. York commented that the School Board does not endorse the amendment to Article 3.

Ann Moody, 28 Garden Drive, asked if the percentage is based on the tax rate.

Mr. Martin commented that it is based on the net assessment. He explained each year the DRA gives the net assessed value on which the tax rate is set and which is the amount the voters vote on the MS-22 (bottom line budget), less anticipated revenues and less the state adequacy grant. He noted that the DRA will take the percentage and determine what we can retain.

Mr. DeMarco commented that he is not in favor of retaining less than 2.5%. He indicated that the reserve funds were used quickly and the money retained will most likely be used quickly as well.

Mr. Regan commented that the voters can choose to rescind this next year.

Robin Corbeil, 4 Nesmith Court, expressed support for Article 3. She commented that we have used the reserve funds and not chosen to replenish those funds. She indicated that an additional \$150,000 is needed in the event of another year like the current year.

Mr. York commented that we should understand that most likely there will not be \$300,000 to retain this year as the budget is over spent at the present time. He indicated that the expectations for this budget are not anywhere near that amount.

Mrs. Corbeil asked if the School Board can decide to take less than the percentage if they choose.

Mr. Guerrette commented that “up to” is a legal term and they cannot choose to retain less than the 2.5% in this account.

Mr. York indicated that the School Board can choose to retain less, but not more than the percentage in the article.

Attorney Graham clarified that the retention of funds is not an account or a fund. It is a balance sheet only. He explained that towns have had this authority for over 20 years. This is the first time districts have been given this authority. He commented that this is not an account, but a revenue amount. Attorney Graham explained that the amount is determined annually and cannot be exceeded by the percentage that is set. The purpose is that it can be used to reduce taxes and return any remaining to the taxpayers, or in the event of a loss of revenue and to expend from this amount through the Budget Committee and the NH DOE.

Mr. Guerrette asked if there is anything in the proposal that cannot be done with existing law. He commented that the reserve funds can be replenished if needed and does not see the need to change the current method.

Mr. York commented that money cannot be placed into capital reserve funds arbitrarily.

Mr. Regan redirected discussion to the amendment.

Mike DeMarco made a motion to call the question. The motion was seconded. The motion passed by voice vote.

Mr. Regan asked for a vote on the amended article. The voice vote was inconclusive. Mr. Regan asked for a show of hands.

The amendment failed 35-30 by a show of hands.

Mr. Guerrette asked what is new that we cannot do now.

Mr. York indicated that this allows us to create a fund that is necessary and removes the process from the School Board and allows the Budget Committee and NH DOE to grant approval for expenditures.

William Barrett, 53 Pilgrim Drive, indicated that the Budget Committee is changing their vote on the article and asked how that would be reflected.

Mr. Harte commented that once revoted, it will be reflected on the ballot.

Betty Vaughn, Stark Lane, expressed her support for Article 3.

Mr. DeMarco commented that people seemed to be in favor of the town doing something similar at the Town Deliberative Session.

Chris Pascucci, 12 Colonial Drive, commented that this is different. He indicated he is in support of reserve funds. He noted if this article is approved, it may take years to get to \$300,000. Mr. Pascucci commented that the capital reserve funds have not been used in years. He expressed that he was not in favor of the percentage stated in the article.

Phil Reed, 7 Forest Lane, made a motion to end debate of Article 3. The motion was seconded. The motion passed by voice vote.

Hearing no amendments or further discussion, the Moderator concluded that **Article 3 stands as written and will appear on the ballot as written.**

Mr. Regan read Article 4 and indicated Mr. York would speak to the article.

ARTICLE 4

Shall the Litchfield School District vote to have the School Board include a statement of the estimated tax impact in future warrant articles concerning the annual budget and all special warrant articles?

This Article was recommended by the School Board by a vote of 4-0-0 and recommended by the Budget Committee by a vote of 7-0-0.

Mr. York commented that this article will allow the tax impact to be noted on each article.

William Barrett, 53 Pilgrim Drive, asked if this is a state requirement.

Mr. York commented that the only requirement is that the voters vote on the article.

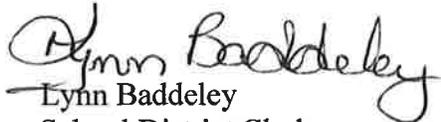
Hearing no amendments or further discussion, the Moderator concluded that **Article 4 stands as written and will appear on the ballot as written.**

The Moderator thanked all who attended and accepted a motion to adjourn at 9:10 p.m. The motion was seconded. The motion passed unanimously by voice vote.

A true record of the Litchfield School District Deliberative Session,
Prepared by:


Michele E. Flynn
Administrative Assistant to the Litchfield School Board

A true record of the
Litchfield School District Deliberative Session
Attest:


Lynn Baddeley
School District Clerk

Submitted: February 13, 2013

LITCHFIELD SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

LITCHFIELD SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
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**LITCHFIELD SCHOOL DISTRICT
 ANNUAL FINANCIAL REPORT
 AS OF AND FOR THE FISCAL YEAR ENDED
 JUNE 30, 2012**

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PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

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INDEPENDENT AUDITOR'S REPORT

To the Members of the School Board
Litchfield School District
Litchfield, New Hampshire

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Litchfield School District as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Litchfield School District's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Litchfield School District as of June 30, 2012, and the respective changes in financial position for the year then ended and the respective budgetary comparison for the general and grants funds, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 2 through 16) and the Schedule of Funding Progress for Other Postemployment Benefit Plan (page 39) 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Litchfield School District's basic financial statements. The individual fund financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The individual fund financial schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 financial schedules themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

January 16, 2013


PLODZIK & SANDERSON
Professional Association

LITCHFIELD SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) OF THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

The Superintendent of Schools and Business Administrator of New Hampshire School Administrative Unit (SAU) #27, as management of the Litchfield School District (the District), offer readers of the District's annual financial statements this narrative discussion and analysis of the financial activities of the District for the fiscal year which ended June 30, 2012. The District has prepared this discussion and analysis to encourage readers to consider the information presented here in conjunction with additional information found within the body of the annual financial statements.

FINANCIAL HIGHLIGHTS

- The District's total net assets for the year ending June 30, 2012, were \$9,281,146. Net assets decreased by \$167,643 between July 1, 2011 and June 30, 2012. The District's total net assets consisted of \$9,632,672 in capital assets net of debt, \$78,435 restricted for food service, and an unrestricted net asset balance of (\$429,961).
- The District's long-term bonds for Campbell High School as of June 30, 2012 total \$2,085,000. These liabilities are reflected as a reduction in net assets.
- The District did not initiate any new construction projects nor issue any bonds in fiscal year 2012.
- During the year, the District's General Fund budgetary expenditures and transfers of \$18,617,993 were \$326,826 less than the final adjusted budget and the General Fund budgetary revenues of \$18,238,372 were \$65,668 higher than the final adjusted budget. Revenues consist of: charges for services; operating grants and contributions; and general revenues (which consist of local and state property tax assessments, state and federal grants and contributions not restricted to purpose).
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$392,494, or 2.11% of total General Fund expenditures, a decrease of 49.17% from the prior year. Major contributing factors to this fund balance were: \$65,668 in excess revenues, which must be returned to the year-end fund balance; an under spend in non-SPED and non-self-funded salaries and benefits (excluding health insurance) of \$236,022; an underspend in health insurance of \$116,821; an under spend in utilities (electricity, fuel oil, propane and gasoline) of \$55,363 due to the above average temperatures last winter; and an under spend in self-funded programs of \$56,340.
- Special education overspent their total budget by \$15,740. While not a large overspend, it was a major change to our financial results as we usually have a significant underspend in the SPED total budget. The prior three years averaged a budget underspend of \$293,959 (\$334,794 in 2009, \$148,682 in 2010, and \$398,400 in 2011).

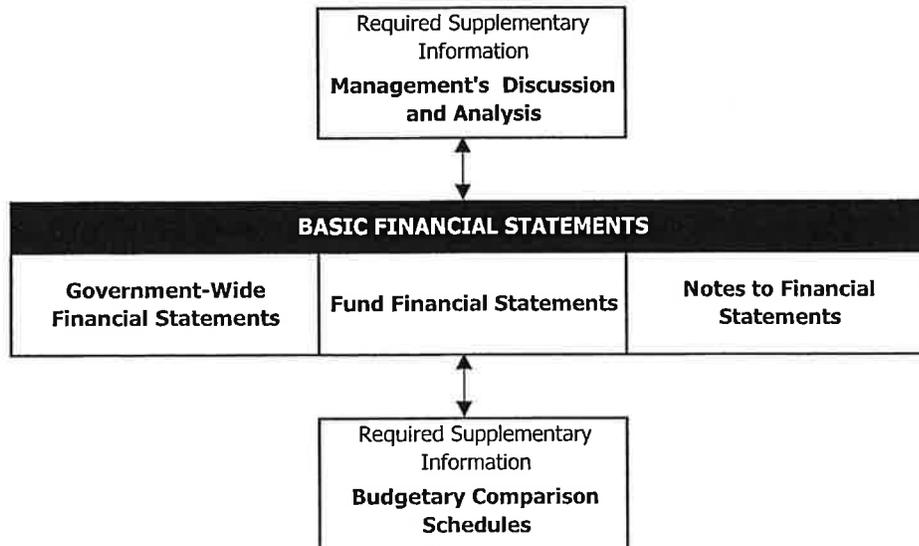
OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's annual financial report, which consists of basic financial statements, notes to the financial statements, and related financial information. Our annual financial report consists of five elements: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, 4) required supplementary information, and 5) this discussion and analysis. This report also contains other supplementary information in addition to the basic financial statements themselves.

The basic financial statements include two kinds of statements that present different views of the District based upon measurement focus and basis of accounting.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements. The governmental funds statements tell how the District's services were financed in the short term as well as what remains for future spending. Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The following exhibit shows how the required parts of this annual report are arranged and related to one another.



MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

The following exhibit summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain.

	Government-Wide	Fund Statements	
		Governmental	Fiduciary
SCOPE	Entire District government (except fiduciary funds)	All activities of the District that are not proprietary or fiduciary	Instances in which the District is the trustee or agent for someone else's resources
REQUIRED FINANCIAL STATEMENTS	Statement of Net Assets	Balance Sheet	Statement of Fiduciary Assets
	Statement of Activities	Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Changes in Fiduciary Net Assets (not required for agency funds)
ACCOUNTING BASIS	Accrual	Modified Accrual	Accrual
MEASUREMENT FOCUS	Economic Resources	Current Financial Resources	Economic Resources
TYPE OF INFORMATION ASSETS AND LIABILITIES	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both short-term and long-term
TYPE OF INFORMATION REVENUES, EXPENSES, AND EXPENDITURES	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide Financial Statements

The Government-wide Financial Statements show functions of the District that are principally supported by property taxes and intergovernmental revenues as "Governmental Activities." These functions are accounted for in the General Fund, Food Service Fund, and Grants Fund. Intergovernmental revenues include local, state and federal monies. The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation and operation of non-instructional services. Taxes and intergovernmental revenues also support fixed assets and related debt.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund definitions are part of a state-mandated uniform accounting system and chart of accounts for all New Hampshire School Districts. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds. The General Fund, Food Service Fund, and Grants Fund are consolidated as Governmental Funds. Both the General Fund and Grants Fund expenditures are compared to budget in the Budgetary Comparison Schedules. Non-major funds include the Food Service Fund. All Food Service revenues are expended on program operations and the Grants Fund revenues are spent mainly on instruction. Fiduciary Funds are agency funds established to account for monies belonging to student groups and are shown on a separate schedule.

Notes To The Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve, over time, as a useful indicator of a government's financial position. The largest portion of the District's net assets reflects its investment in capital assets (e.g., land, buildings and improvements, and machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets. Summaries of the capital assets, depreciation and long-term debt obligations can be found in the Notes to Financial Statements. Depreciation is included by accounting convention thus the depreciated value of a District asset, as reflected in these reports, does not reflect an asset's useful, market or replacement value.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

Net Assets for the period ending June 30, 2012

Total net assets at year end were \$9,281,146, a decrease of \$167,643 or 1.77% from the prior year.

Net Assets	2012	2011	% Variance
Current Assets	1,523,975	1,905,138	-20.01%
Non-current Assets	11,786,179	12,202,927	-3.42%
Total Assets	13,310,154	14,108,065	-5.66%
Current Liabilities	721,439	719,497	0.27%
Non-current Liabilities	3,307,569	3,939,779	-16.05%
Total Liabilities	4,029,008	4,659,276	-13.53%
Investment in capital assets (net of debt)	9,632,672	9,306,420	3.51%
Restricted net assets	78,435	93,607	-16.2%
Unrestricted net assets	(429,961)	48,762	-981.75%
Total Net Assets	9,281,146	9,448,789	-1.77%

Change in Net Assets

The District's total revenues were \$19,380,415; total expenses were \$19,548,058; resulting in a decrease of \$167,643 in net assets. This year, 95.24% of the District's revenues came from the local tax assessment and the State of New Hampshire, an increase of 2.98% from last year. The State of New Hampshire's sources include the locally raised state property tax, federal aid received through the state, and the various state aid programs.

The District's expenditures continue to be largely for instruction (58.6%) and student and instructional staff support services (10.3%).

The following Statement of Activities provides a more detailed breakdown of revenues and expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

Statement of Activities	2012	% of Total	2011	% of Total	% Variance
Revenues:					
Program revenues:					
Charges for services	487,536	2.5%	523,900	2.6%	-6.94%
Operating grants	986,589	5.1%	1,417,633	6.9%	-30.41%
Capital grants	471,466	2.4%	380,560	1.9%	23.89%
General revenues:					
School district assessment	9,006,079	46.5%	10,136,035	49.6%	-11.15%
Unrestricted grants	8,068,941	41.6%	7,956,258	38.9%	1.42%
Miscellaneous	359,804	1.9%	26,487	0.1%	1258.42%
Total revenues	\$19,380,415	100%	\$20,440,873	100%	-5.19%
Program Expenses:					
Instruction	11,463,814	58.6%	11,699,252	59.6%	-2.01%
Support services:					
Student	1,508,375	7.7%	1,545,303	7.9%	-2.39%
Instructional staff	512,628	2.6%	512,299	2.6%	0.06%
General administration	80,101	0.4%	107,712	0.5%	-25.63%
Executive administration	531,379	2.7%	470,193	2.4%	13.01%
School administration	1,168,806	6.0%	1,225,320	6.2%	-4.61%
Business	309,558	1.6%	277,802	1.4%	11.43%
Operation and maintenance of plant	1,874,578	9.6%	1,635,739	8.3%	14.60%
Student transportation	693,012	3.5%	741,667	3.8%	-6.56%
Other	452,027	2.3%	515,271	2.6%	-12.27%
Non-instructional services	572,750	2.9%	570,629	2.9%	0.37%
Interest on long-term debt	133,725	0.7%	175,675	0.9%	-23.88%
Facilities acquisition and construction	247,305	1.3%	168,339	0.9%	46.91%
Total governmental activities	\$19,548,058	100%	\$19,645,201	100%	-0.49%
Change in net assets	(\$167,643)		\$795,672		-121.07%
Beginning net assets	\$9,448,789		\$8,653,117		9.20%
Ending net assets	\$9,281,146		\$9,448,789		-1.77%

Revenues

School district assessment was 46.47% of total revenues for the fiscal year ended June 30, 2012, a decrease of 3.12% from the prior year.

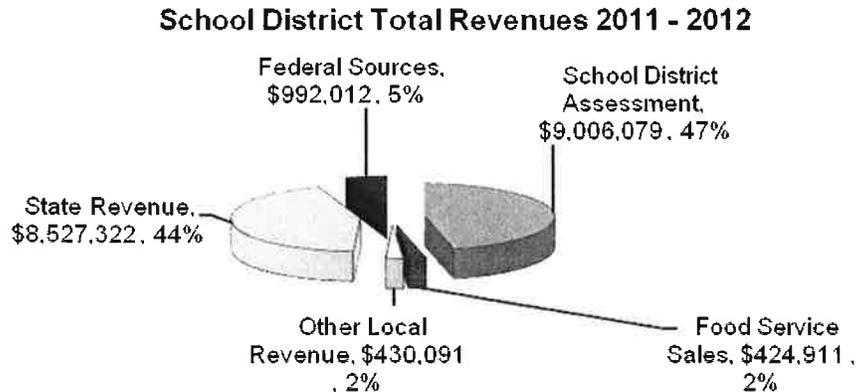
State of New Hampshire source intergovernmental revenues were 44.0% of total revenues for the fiscal year ended June 30, 2012, an increase of 1.33% from the prior year.

Federal revenues were 5.12% of total revenues for the fiscal year ended June 30, 2012, an increase of 0.10% from the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

Summary of Revenues

The biggest share, \$17,533,401 (90.47%), of revenue was derived from local appropriations and intergovernmental sources (State of NH). The state property tax is included as part of intergovernmental revenue even though it is raised locally. This revenue statement includes all revenues from local, state and federal sources.



Expenses

Expenses are reported on an accrual accounting basis. Amounts over or under the prior year expense amounts for the District in areas easily compared are as follows:

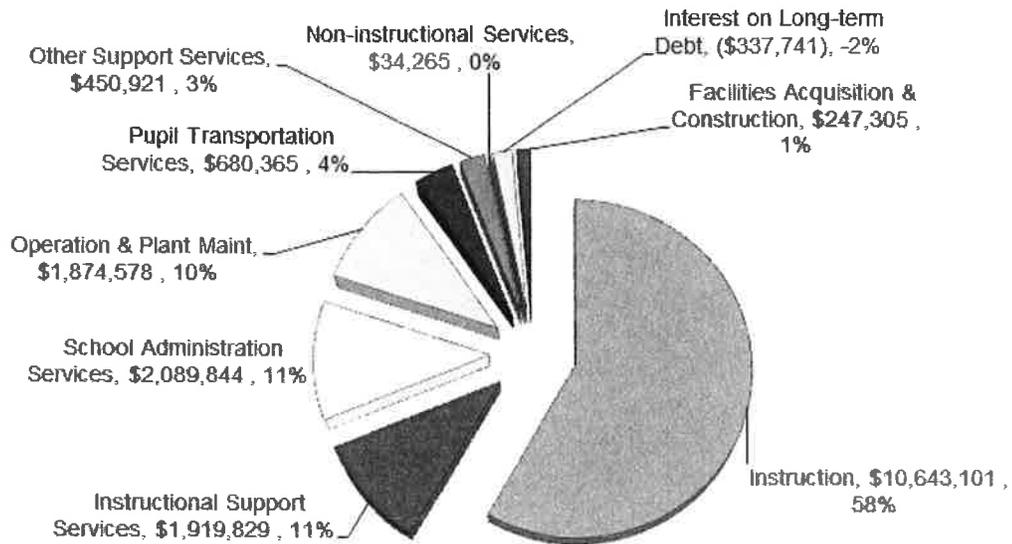
- Instruction expenses were 60.46% of total net expenses for the fiscal year ended June 30, 2012, an increase of 1.18% from the prior year.
- Instructional Support service expenses were 10.91% of total net expenses for the fiscal year ended June 30, 2012, a decrease of 0.49% from the prior year.

Summary of Net Expenses

The Litchfield School District used its budgetary resources as depicted in the following chart. 71.37% of all expenses were on instruction and instructional support. Federal revenues were expended mostly on special needs instruction and support, teacher professional development, and instructional equipment. This expense statement includes expenses paid from local, state and federal appropriations. For purposes of this accrual reporting, the State Building Aid revenues of \$260,787 were applied as an offset to the interest on long-term debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

School District Total Net Expenses 2011 - 2012



Highlighted changes in total net expenses include:

- An increase in Instruction spending of \$374,293 or 3.65% over the prior year
- A decrease in Instructional Support Services of \$52,545 or 2.66% under the prior year
- An increase in Operation & Plant Maintenance spending of \$239,739 or 14.66% over the prior year
- An increase in Facilities Acquisition & Construction spending of \$78,966 or 46.91% over the prior year

Governmental Activities

The following exhibit presents the net cost of the District's largest functions based upon the total expense, less charges for services and operating grants and contributions, of each function. The net cost reflects the amount that was funded by general revenues (principally the school district assessment, which is derived by local and statewide property taxes and general state aid).

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

TOTAL AND NET COST OF SERVICES

Functions / Programs	Total Cost of Services				Variance
	2012		2011		
Instruction	\$11,463,814	58.6%	\$11,699,252	59.6%	(\$235,438)
Support services	7,130,464	36.5%	7,031,306	35.8%	\$99,158
Food service program	572,750	2.9%	570,629	2.9%	\$2,121
Facilities acquisition	247,305	1.3%	168,339	0.9%	\$78,966
Unallocated					
Interest	133,725	0.7%	175,675	0.9%	(\$41,950)
	\$ 19,548,058	100%	\$ 19,645,201	100%	\$ (97,143)

Functions / Programs	Net Cost of Services				Variance
	2012		2011		
Instruction	\$ 10,643,101	60.5%	\$ 10,268,808	59.3%	\$ 374,293
Support services	7,015,537	39.9%	6,936,780	40.0%	\$ 78,757
Food service program	34,265	0.2%	34,293	0.2%	\$ (28)
Facilities acquisition	247,305	1.4%	168,339	1.0%	\$ 78,966
Unallocated					
Interest	(337,741)	-1.9%	(85,112)	-0.5%	(252,629)
	\$ 17,602,467	100%	\$ 17,323,108	100%	\$ 279,359

The total cost of all governmental activities in 2012 was \$19,548,058; the total net cost was \$17,602,467. The primary financing for these activities of the District was as follows:

Property taxes

- The amount that was paid by taxpayers through property taxes was \$10,755,595; which consisted of \$9,006,079 paid in the form of local property taxes and \$1,749,516 paid in the form of property taxes under the State of New Hampshire state-wide education tax system raised locally for the annual school district assessment.
- An additional amount of \$6,142,361 was received from the State of New Hampshire under the "adequacy grant" provisions of the State's educational funding system, which in addition to other State funding sources includes statewide property taxes collected from other local governments.

Charges for Services

- Tuition and self-funded program revenues were received in the amount of \$49,978.
- Total food service revenues of \$538,485 consisted of food service sales and local miscellaneous revenues in the amount of \$424,911 and federal and state food nutrition program operating contributions (free and reduced lunch reimbursements and commodities) of \$113,574.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

Operating Grants and Contributions

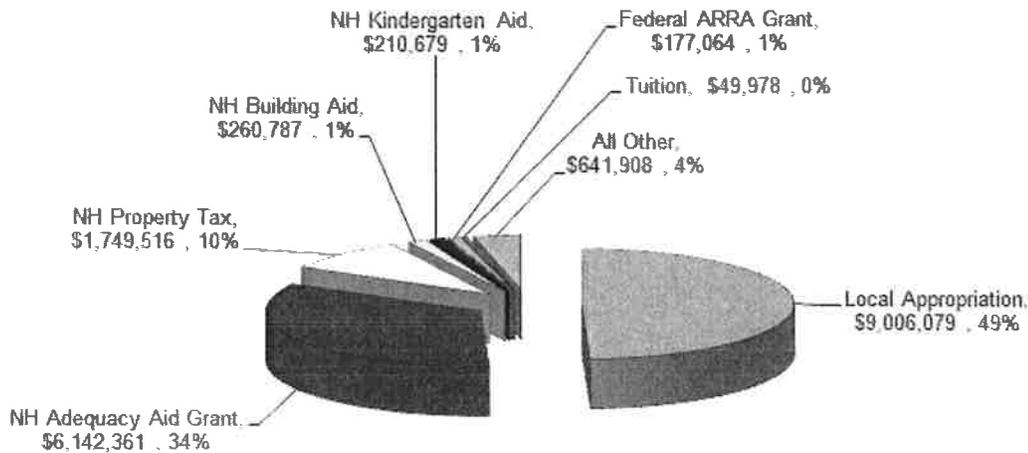
- Federal grants for instruction were received in the amount of \$884,130, which included \$177,064 in EdJobs grant monies. Local grants received totaled \$7,661.

INDIVIDUAL FUND ANALYSIS

General Fund

The General Fund is what most people think of as “the budget”, since it is the focal point of the Annual Deliberative Session and largely supported by locally raised taxes. The local appropriation and the state property tax are raised locally and make up 58.97% of general fund revenues. Together, the revenues raised locally and the state adequacy grant comprises 92.65% of the District's General Fund Budgetary Revenues. Also depicted below are expenditures and percentages by grade level and district wide including all facilities acquisition and construction expenditures, but excluding debt service and interfund transfers.

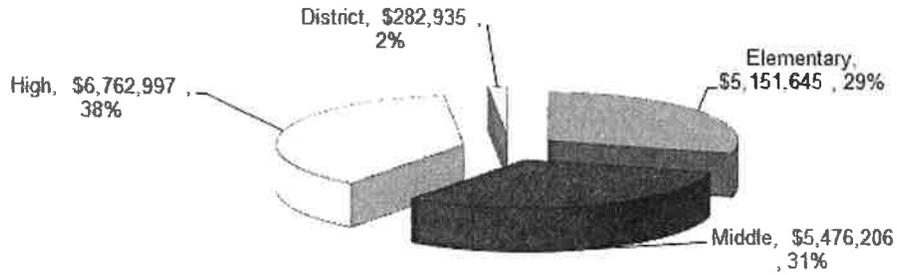
General Fund Budgetary Revenues 2011 - 2012



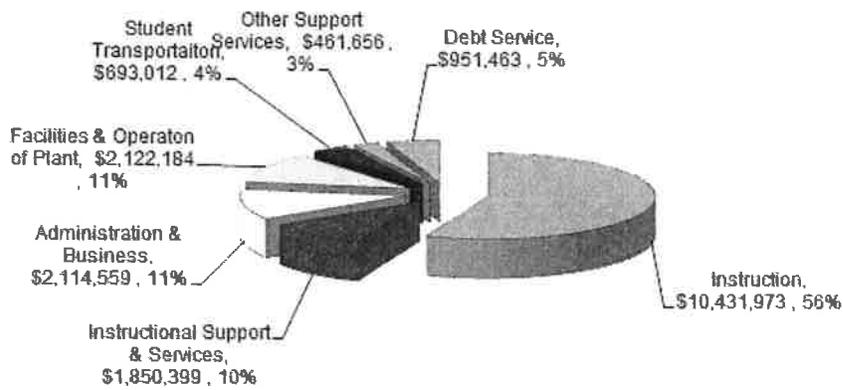
In 2012, instruction made up 55.77% of all general fund expenditures, an increase of 0.79% from the prior year, while Instructional Support and Services, including transportation, operation of plant, and administration make up 39.14% of all General Fund expenditures, a decrease of 0.62% from the prior year. The remaining 5.09% includes debt service – principal and interest, a decrease of 0.17% from the prior year. The following charts provide a more detailed depiction of the makeup and proportions of the expenditures in these broad categories.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
 OF THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

**General Fund Budgetary Expenditures by Grade Level
 2011 - 2012**

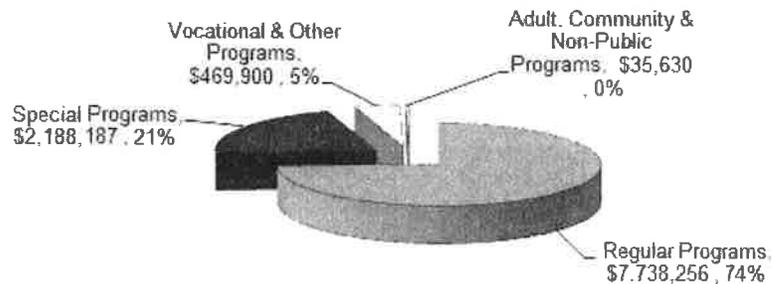


**General Fund Budgetary Expenditures by Functions
 2011-2012**



The following chart examines how the direct instructional expenditures were allocated to the various programs.

**General Fund Budgetary Expenditures for Instruction
 2011 - 2012**



SUMMARY OF FEDERAL SUPPORT OF THE DISTRICT

During fiscal year 2012, the Litchfield School District applied for and received the following significant federal grants:

- Special Education, Individuals with Disabilities Education Improvement Act (IDEA) revenues for the current period were \$302,356. These grants funded special needs services and supplies for students throughout the District.
- Education Jobs Funds (Ed Jobs) revenues for the current period were \$177,064.
- Title I, Student Achievement and School Accountability Programs revenues for the current period were \$172,364. These grants funded: the services of part-time reading and math tutors for all three buildings; a summer reading program for middle school students; professional development; school improvement programs; and required supplemental educational services (out-of-school tutoring).
- Title IIA, Improving Teacher Quality State Grants was awarded for the current period in the amount of \$33,681. This grant funded teacher professional development and a teacher mentoring program.
- A Preschool Grant was awarded for the current period in the amount of \$6,678. The grant was used to provide supplies to support special needs students.
- U. S. Department of Agriculture National School Lunch Program revenues for the current period were \$107,883. These revenues were used to offset the expenses of the school lunch program.

CAPITAL RESERVE ACCOUNTS

The district has two expendable capital reserve funds (established by voters at an annual school district meeting as trust funds in accordance with statutory requirements) classified as a "Committed" fund balance in the general fund for the basic financial statements. The District's Special Education capital reserve fund and the School Capital Improvement capital reserve fund balances increased \$1,204.06 during the year from \$154,496.52 at June 30, 2011, to \$155,700.58 at June 30, 2012. In accordance with statutory requirements, they are held in custody by the Trustees of Trust Funds of the Town of Litchfield and are only released for the restricted specific purposes of the individual funds.

COMMENTS ON GENERAL FUND BUDGET COMPARISONS

- The beginning General Fund equity was \$1,155,455. General Fund revenues, consisting largely of local taxes and state aid, were \$18,238,372. General Fund expenditures, including fund transfers, were \$18,617,993. The ending fund equity for the District was \$769,784, of which \$392,494 is an unassigned fund balance, a decrease of \$379,621 from the prior year's unassigned fund balance. The unassigned fund balance is used to lower the amount of money raised by property taxes.
- General Fund actual revenues were greater than the final adjusted budgeted revenues by \$65,668.
- General Fund expenditures were less than the final adjusted budgeted spending by \$326,826. These variances are absorbed in the General Fund ending balance. Significant contributors to the under spend in the general fund budget were:

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

- Underspend in non-SPED and non-self-funded salaries and benefits (excluding health insurance) of \$236,022, of which \$37,500 was due to not requiring the budgeted half-time kindergarten teacher and paraprofessional
- Underspend in health insurance of \$116,821 due to the actual rates for the year coming in at an average 6.0% below the guaranteed maximum rate used in developing the budget
- Underspend in utilities (electricity, fuel oil, propane and gasoline) of \$55,363 due to the above average temperatures last winter
- Self-funded programs, which do not impact the local property tax rate, were under spent by \$56,340

We are constantly monitoring our budget planning processes to improve the accuracy of our budget assessments and reduce the size and frequency of future budget variances. Since it is not possible to know in advance all of the circumstances that might create budget variances, we will continue to estimate future costs based on our experience, judgment, and actual expenditure data.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

On June 30, 2012, the District reported capital assets of \$11,786,179 (net of accumulated depreciation), which consist of a broad range of capital assets, including land, buildings & improvements, and machinery and equipment.

There were no additions of land assets during the year. Capital asset additions in 2012 included: air conditioning for the CHS IT office; replacement hot water tanks at CHS; and replacement bathroom floors at LMS. The District also annually invests in new furnishings, computers and peripherals, printed media and other equipment, as needed.

Governmental Activities	2012	2011	% Variance
Land & Improvements	460,792	460,792	0.00%
Buildings & Improvements	18,958,125	18,914,049	0.23%
Vehicles	14,000	14,000	0.00%
Furniture & Equipment	191,505	166,382	15.10%
Work In Progress			
Totals at Historical Cost	19,624,422	19,555,223	0.35%
Total Accumulated Depreciation	7,838,243	7,352,296	6.61%
NET CAPITAL ASSETS	11,786,179	12,202,927	-3.42%

Long-Term Liabilities

On June 30, 2012, the District had \$2,085,000 of outstanding long-term debt, \$733,472 in compensated absences payable, and \$68,507 in capital leases payable long term liabilities.

The District has implemented the provisions of the Governmental Accounting Standards Board Statement 45 (GASB-45) *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)*, which requires that the long-term cost of retiree health care and obligations for other OPEB benefits be determined on an

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

actuarial basis and reported in the District's annual financial report. The District does not explicitly subsidize health care benefits of its retirees. All retirees pay 100% of their benefit costs. However, the State of New Hampshire requires that the District include its retirees in the same insurance pool as active employees, which may result in an implicit cost to the District as the rates the District pays for its active employees may be higher due to this pooling. This higher rate cost to the District creates a GASB-45 liability to the District. The District has historically funded these higher OPEB costs on a pay-as-you-go basis.

For the fiscal year ending June 30, 2012, the annual required contribution to cover OPEB obligations was \$180,285 which was offset by District pay-as-you-go contributions of \$60,124. The net OPEB obligation as of June 30, 2012 is \$420,590. As of June 30, 2011, the date of the most recent actuarial valuation, the actuarial accrued liability for these OPEB benefits was \$1,383,635 with no actuarial value of assets, resulting in an unfunded actuarial accrued liability of \$1,383,635.

Governmental Activities	2012	2011	% Variance
General Obligation Bonds	2,085,000	2,885,000	-27.73%
Compensated Absences	733,472	743,270	-1.32%
Capital Leases Payable	68,507	11,507	495.35%
Other Post-Employment Benefits Payable	420,590	300,002	40.20%
TOTAL LONG-TERM LIABILITIES	3,307,569	3,939,779	-16.05%

FUTURE BUDGETARY IMPLICATIONS

In New Hampshire, the public school fiscal year is July 1 to June 30; other programs, i.e., some federal budgets, operate on a different fiscal calendar, but are reflected in the District overall budget as they impact on the District.

The beginning General Fund unassigned equity for the 2012-2013 fiscal year is \$392,494.

The significant activities or events which will have an impact on future district finances include:

1. The Litchfield School Board and the Litchfield Educational Association (teachers) have ratified a new two-year agreement to be effective with the 2013-2014 school year. The net cost increases from this new agreement, if approved by the voters in March 2013, will be \$110,329 in the 2014 fiscal year and \$162,856 in the 2015 fiscal year, and
2. The State of New Hampshire has approved a new funding model that changes the calculation of approved adequacy aid to be more in line with the district's current student enrollments which, with Litchfield's projected drop in students, will decrease the amount of available State revenues, and
3. The State of New Hampshire legislature passed new legislation in 2012 that allows school district's with voter approval to withhold up to 2.5% of the current year's net assessment of any uncommitted year-end fund balance, such fund balance to be used only for reducing the tax rate or for emergency expenditures. The School Board is planning to place an article on the warrant to ask the voters to approve the school district's ability to carry a year-end fund balance.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

Questions regarding this report should be directed to Brian Cochrane, Ph. D., Superintendent of Schools or to Mr. Stephen F. Martin, Business Administrator, at (603-578-3570), or by mail at:

Litchfield School District
SAU #27
1 Highlander Court
Litchfield, NH 03052

BASIC FINANCIAL STATEMENTS

EXHIBIT A
LITCHFIELD SCHOOL DISTRICT
Statement of Net Assets
June 30, 2012

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,212,175
Intergovernmental receivable	290,379
Other receivables	21,421
Capital assets, not being depreciated:	
Land	460,792
Capital assets, net of accumulated depreciation:	
Buildings and building improvements	11,234,484
Equipment	90,903
Total assets	13,310,154
LIABILITIES	
Accounts payable	50,837
Accrued interest payable	45,683
Accrued salaries and benefits	581,134
Unearned revenue	43,785
Noncurrent obligations:	
Due within one year:	
Bond	800,000
Capital leases	32,252
Compensated absences	171,600
Due in more than one year:	
Bond	1,285,000
Capital leases	36,255
Compensated absences	561,872
Other postemployment benefits	420,590
Total liabilities	4,029,008
NET ASSETS	
Invested in capital assets, net of related debt	9,632,672
Restricted for food service	78,435
Unrestricted	(429,961)
Total net assets	\$ 9,281,146

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT B
LITCHFIELD SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2012

	Expenses	Program Revenues			Net (Expense) Revenue and Change In Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 11,463,814	\$ 49,978	\$ 770,735	\$ -	\$ (10,643,101)
Support services:					
Student	1,508,375	-	95,625	-	(1,412,750)
Instructional staff	512,628	-	5,549	-	(507,079)
General administration	80,101	-	-	-	(80,101)
Executive administration	531,379	-	-	-	(531,379)
School administration	1,168,806	-	-	-	(1,168,806)
Business	309,558	-	-	-	(309,558)
Operation and maintenance of plant	1,874,578	-	-	-	(1,874,578)
Student transportation	693,012	12,647	-	-	(680,365)
Other	452,027	-	1,106	-	(450,921)
Noninstructional services	572,750	424,911	113,574	-	(34,265)
Interest on long-term debt	133,725	-	-	471,466	337,741
Facilities acquisition and construction	247,305	-	-	-	(247,305)
Total governmental activities	<u>\$ 19,548,058</u>	<u>\$ 487,536</u>	<u>\$ 986,589</u>	<u>\$ 471,466</u>	<u>(17,602,467)</u>
General revenues:					
School district assessment					9,006,079
Grants and contributions not restricted to specific programs					8,068,941
Miscellaneous					359,804
Total general revenues					<u>17,434,824</u>
Change in net assets					(167,643)
Net assets, beginning					<u>9,448,789</u>
Net assets, ending					<u>\$ 9,281,146</u>

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C-1
LITCHFIELD SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2012

	General	Grants	Other Governmental Fund (Food Service)	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,126,526	\$ -	\$ 85,649	\$ 1,212,175
Accounts receivable	21,073	-	348	21,421
Intergovernmental receivable	157,215	129,178	3,986	290,379
Interfund receivable	95,559	-	-	95,559
Total assets	<u>\$ 1,400,373</u>	<u>\$ 129,178</u>	<u>\$ 89,983</u>	<u>\$ 1,619,534</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 49,015	\$ -	\$ 1,822	\$ 50,837
Accrued salaries and benefits	581,134	-	-	581,134
Interfund payable	-	95,559	-	95,559
Deferred revenue	440	33,619	9,726	43,785
Total liabilities	<u>630,589</u>	<u>129,178</u>	<u>11,548</u>	<u>771,315</u>
Fund balances:				
Restricted	-	-	78,435	78,435
Committed	155,701	-	-	155,701
Assigned	221,589	-	-	221,589
Unassigned	392,494	-	-	392,494
Total fund balances	<u>769,784</u>	<u>-</u>	<u>78,435</u>	<u>848,219</u>
Total liabilities and fund balances	<u>\$ 1,400,373</u>	<u>\$ 129,178</u>	<u>\$ 89,983</u>	<u>\$ 1,619,534</u>

The notes to the basic financial statements are an integral part of this statement.

*EXHIBIT C-2
LITCHFIELD SCHOOL DISTRICT
Reconciliation of Total Governmental Fund Balances to the Statement of Net Assets
June 30, 2012*

Total fund balances of governmental funds (Exhibit C-1)		\$ 848,219
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds.		
Cost	\$ 19,624,422	
Less accumulated depreciation	<u>(7,838,243)</u>	11,786,179
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Assets.		
Receivables	\$ (95,559)	
Payables	<u>95,559</u>	-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(45,683)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds.		
Bond	\$ (2,085,000)	
Capital leases	(68,507)	
Compensated absences	(733,472)	
Other postemployment benefits	<u>(420,590)</u>	<u>(3,307,569)</u>
Net assets of governmental activities (Exhibit A)		<u><u>\$ 9,281,146</u></u>

EXHIBIT C-3
LITCHFIELD SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012

	General	Grants	Other Governmental Fund (Food Service)	Total Governmental Funds
Revenues:				
School district assessment	\$ 9,006,079	\$ -	\$ -	\$ 9,006,079
Other local	422,430	7,661	424,911	855,002
State	8,521,630	-	5,692	8,527,322
Federal	289,437	594,693	107,882	992,012
Total revenues	18,239,576	602,354	538,485	19,380,415
Expenditures:				
Current:				
Instruction	10,431,973	500,074	-	10,932,047
Support services:				
Student	1,410,552	95,625	-	1,506,177
Instructional staff	518,971	5,549	-	524,520
General administration	118,500	-	-	118,500
Executive administration	531,379	-	-	531,379
School administration	1,159,051	-	-	1,159,051
Business	305,630	-	-	305,630
Operation and maintenance of plant	1,874,879	-	-	1,874,879
Student transportation	693,012	-	-	693,012
Other	461,656	1,106	-	462,762
Noninstructional services	-	-	553,657	553,657
Debt service:				
Principal	800,000	-	-	800,000
Interest	151,463	-	-	151,463
Facilities acquisition and construction	247,305	-	-	247,305
Total expenditures	18,704,371	602,354	553,657	19,860,382
Deficiency of revenues under expenditures	(464,795)	-	(15,172)	(479,967)
Other financing sources:				
Capital lease inception	79,124	-	-	79,124
Net change in fund balances	(385,671)	-	(15,172)	(400,843)
Fund balances, beginning	1,155,455	-	93,607	1,249,062
Fund balances, ending	\$ 769,784	\$ -	\$ 78,435	\$ 848,219

The notes to the basic financial statements are an integral part of this statement.

*EXHIBIT C-4
LITCHFIELD SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2012*

Net change in fund balances of total governmental funds (Exhibit C-3)		\$ (400,843)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. 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 capitalized capital outlay in the current period.		
Capitalized capital outlay	\$ 69,199	
Depreciation expense	<u>(485,947)</u>	(416,748)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Inception of capital leases	\$ (79,124)	
Principal repayment of bond	800,000	
Principal repayment of capital leases	<u>22,124</u>	743,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ 17,738	
Decrease in compensated absence payable	9,798	
Increase in other postemployment benefits liability	<u>(120,588)</u>	(93,052)
Change in net assets of governmental activities (Exhibit B)		<u>\$ (167,643)</u>

*EXHIBIT D-1
LITCHFIELD SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2012*

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
School district assessment	\$ 9,006,079	\$ 9,006,079	\$ -
Other local	442,853	421,225	(21,628)
State	8,486,708	8,521,631	34,923
Federal	237,064	289,437	52,373
Total revenues	<u>18,172,704</u>	<u>18,238,372</u>	<u>65,668</u>
Expenditures:			
Current:			
Instruction	10,720,042	10,432,785	287,257
Support services:			
Student	1,408,748	1,410,711	(1,963)
Instructional staff	488,588	455,581	33,007
General administration	104,271	118,500	(14,229)
Executive administration	522,923	531,379	(8,456)
School administration	1,161,379	1,159,051	2,328
Business	286,787	291,092	(4,305)
Operation and maintenance of plant	1,993,188	1,905,232	87,956
Student transportation	786,780	693,012	93,768
Other	400,579	466,448	(65,869)
Debt service:			
Principal	800,000	800,000	-
Interest	151,462	151,462	-
Facilities acquisition and construction	120,072	202,740	(82,668)
Total expenditures	<u>18,944,819</u>	<u>18,617,993</u>	<u>326,826</u>
Net change in fund balance	<u>\$ (772,115)</u>	<u>(379,621)</u>	<u>\$ 392,494</u>
Unassigned fund balance, beginning		772,115	
Unassigned fund balance, ending		<u>\$ 392,494</u>	

*EXHIBIT D-2
LITCHFIELD SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (GAAP Basis)
Grants Fund
For the Fiscal Year Ended June 30, 2012*

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Local	\$ -	\$ 7,661	\$ 7,661
Federal	602,341	594,693	(7,648)
Total revenues	<u>602,341</u>	<u>602,354</u>	<u>13</u>
Expenditures:			
Current:			
Instruction	602,341	500,074	102,267
Support services:			
Student	-	95,625	(95,625)
Instructional staff	-	5,549	(5,549)
Other	-	1,106	(1,106)
Total expenditures	<u>602,341</u>	<u>602,354</u>	<u>(13)</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning		-	
Fund balance, ending		<u>\$ -</u>	

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT E
LITCHFIELD SCHOOL DISTRICT
Fiduciary Funds
Statement of Fiduciary Net Assets
June 30, 2012

	<u>Agency</u>
ASSETS	
Cash and cash equivalents	\$ 173,267
LIABILITIES	
Due to student groups	<u>173,267</u>
NET ASSETS	<u>\$ -</u>

The notes to the basic financial statements are an integral part of this statement.

LITCHFIELD SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

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LITCHFIELD SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1-A Reporting Entity

The Litchfield School District, in Litchfield, New Hampshire (the School District) is a municipal corporation governed by an elected 5-member School Board. The accompanying financial statements of the Litchfield School District are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources. The reporting entity is comprised of the primary government and any other organizations (*component units*) that are included to ensure that the financial statements are not misleading.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board, and (1) the School District is able to significantly influence the programs or services performed or provided by the organizations; or (2) the School District is legally entitled to or can otherwise access the organization's resources; (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the School District is obligated for the debt of the organization. Based on the foregoing criteria, no other organizations are included in the School District's financial reporting entity.

The more significant of the School District's accounting policies are described below.

1-B Basis of Presentation

Government-wide Financial Statements – The government-wide financial statements display information about the School District as a whole. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. The effect of interfund activity has been eliminated from these statements.

The Statement of Net Assets presents information on all of the entity's assets and liabilities, with the difference between the two presented as net assets. Net assets are reported as one of three categories; invested in capital assets, net of related debt; restricted; or unrestricted.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different functions of the School District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Vehicle maintenance, pension benefit, property and liability insurance, claims and judgments, and state assessments and charges have been allocated to major functions in order to present a more accurate and complete picture of the cost of School District services. Program revenues include (1) charges to customers or applicants for goods received, services rendered or privileges provided; and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements – The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Financial statements of the School District are organized into funds, each of which is considered to be a separate accounting entity. Each fund has a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized as major funds or nonmajor funds within the governmental and fiduciary statements. An emphasis is placed on major funds within the governmental categories.

Governmental Activities – Governmental funds are identified as general and special revenue funds based upon the following guidelines:

General Fund – is the primary operating fund of the School District and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

LITCHFIELD SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

Fiduciary Fund Types – These funds account for resources held by the School District for the benefit of other parties and include the agency funds. Fiduciary fund types are not part of the reporting entity in the government-wide financial statements, but are reported in a separate Statement of Fiduciary Net Assets. These funds are as follows:

Agency Funds – are used to account for resources held by the School District in a purely custodial capacity and include the assets held for and due to the student groups for their student activity funds.

Major Funds – The School District reports the following major governmental funds:

General Fund – all general revenues and other receipts that are not allocated by law or contracted agreement to another fund are accounted for in this fund. This fund accounts for general operating expenditures, fixed charges, and the capital improvement costs that are not reported in other funds.

Grants Fund – accounts for the resources received from various federal, state, and local agencies. The resources are restricted to accomplishing the various objectives of the grantor agencies.

Nonmajor Fund – The School District also reports one nonmajor governmental fund, the food service fund.

1-C Measurement Focus

Government-wide and Fiduciary Fund Financial Statements – The government-wide and fiduciary fund financial statements, except for agency funds which have no measurement focus, are reported using the economic resources measurement focus. Under this concept, revenues and expenses are matched using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The district assessment is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are susceptible to accrual, that is, when they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current period. District assessment, grants and contracts, and interest associated with the current period are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the School District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Revenues – 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 the modified accrual basis revenue is recorded when the exchange takes place in the fiscal year in which the resources are measurable and become available.

Revenues – Nonexchange Transactions – Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all grantor imposed 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 School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions also must be available (i.e. collected within 60 days) before it can be recognized.

LITCHFIELD SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

1-D Cash and Cash Equivalents

The School District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and cash equivalents."

New Hampshire statutes require that the School District treasurer have custody of all money belonging to the School District and pay out the same only upon orders of the School Board. The treasurer shall deposit all such monies in participation units in the public deposit investment pool established pursuant to NH RSA 383:22 or in solvent banks in the state. Funds may be deposited in banks outside the state if such banks pledge and deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations or obligations of the State of New Hampshire in value at least equal to the amount of the deposit in each case.

1-E Receivables

Receivables in the government-wide and governmental fund financial statements represent amounts due to the School District at June 30, recorded as revenue, which will be collected in the future and consist primarily of accounts and intergovernmental receivables.

1-F Interfund Balances

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "interfund receivables and payables." Interfund receivables and payables between funds are eliminated in the Statement of Net Assets.

1-G Capital Assets

General capital assets are those assets of a capital nature which the School District owns. All capital assets are capitalized at cost (or estimated at historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$10,000 and more than one year of estimated useful life. Improvements to capital assets are capitalized; the costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the asset's life are expensed.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. All reported capital assets are depreciated over their estimated useful lives. Depreciation is computed using the straight-line method over the following useful lives:

	<u>Years</u>
Buildings and building improvements	20-30
Equipment	5-15

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

1-H Deferred/Unearned Revenue

In the government-wide financial statements, deferred revenue is recognized when cash, receivables, or other assets are recorded prior to their being earned. In the governmental fund financial statements, deferred revenue represents monies received or revenues accrued which have not been earned or do not meet the "available" criterion for revenue recognition under the modified accrual basis of accounting. On the government-wide Statement of Net Assets, deferred revenue is classified as unearned revenue.

1-I Compensated Absences

The School District's policy allows certain employees to earn varying amounts of vacation and sick pay based on the employee's length of employment. Upon retirement or termination of employment, employees are paid in full for any accrued leave earned as set forth by personnel policy.

LITCHFIELD SCHOOL DISTRICT
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1-J Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the government-wide statements.

1-K Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. Claims and judgments are recorded in the government-wide financial statements as expense when the related liabilities are incurred. There were no significant claims or judgments at year-end.

1-L Equity/Fund Balance Classifications

Government-wide Statements – Equity is classified as net assets and displayed in two components:

- a) *Invested in capital assets, net of related debt* – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) *Unrestricted net assets* – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Governmental Fund Balances Classification – The Litchfield School District has previously implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for fiscal year ending June 30, 2012. GASB Statement No. 54 established fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form; or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. The School District has classified Federal grant and food service funds within this category.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the legislative body (School District Meeting). These amounts cannot be used for any other purpose unless the legislative body removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. Legislative body votes relative to the use of unassigned fund balance at year-end, including expendable trust funds which are legally segregated for funding specific expenditures, in addition to non-lapsing appropriations, are included in this classification.

Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the School Board or through the Board delegating this responsibility to the Superintendent or Business Administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the general fund. The School District has assigned funds consisting of encumbrances in the general fund at year-end.

Unassigned – This classification includes the residual fund balance for the general fund.

The details of the fund balances are included in Note 10 – Governmental Fund Balances. As discussed in Note 1-C, restricted funds are used first as appropriate, followed by committed resources, and then assigned resources, as appropriate opportunities arise. In the event that unassigned fund balance becomes zero, then assigned and committed fund balances are used in that order.

LITCHFIELD SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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1-M Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e. the current portion of interfund loans). Interfund receivables and payables between funds are eliminated in the Statement of Net Assets.

Interfund Transfers – Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making the transfers and other financing sources in the funds receiving the transfers. In the government-wide financial statements, all interfund transfers between individual governmental funds have been eliminated.

1-N Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates and the differences could be material.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the School District’s operations. At its annual meeting, the School District adopts a budget for the current year for the general and grants fund, as well as the nonmajor food service fund. Except as reconciled below, the budget was adopted on a basis consistent with United States generally accepted accounting principles.

Management may transfer appropriations between operating categories as deemed necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered.

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures, and are therefore, reported as part of the assigned fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2012, \$772,115 of the beginning general fund unassigned fund balance was applied for this purpose.

2-B Budgetary Reconciliation to GAAP Basis

The School District employs certain accounting principles for budgetary reporting purposes that differ from a GAAP basis. The Statement of Revenues and Expenditures – Budgetary Basis, presents the actual results to provide a comparison with the budget. The major difference between the budgetary basis and GAAP basis is as follows:

Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities, but represent budgetary accounting controls. Governmental fund budgets are maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and commitments (encumbrances) for goods or services not received at year end. Encumbrances are recorded to reserve a portion of fund balance in the governmental fund types for commitments for which no liability exists.

LITCHFIELD SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The following reconciles the general fund budgetary basis to the GAAP basis:

Revenues:	
Per Exhibit D-1 (budgetary basis)	\$ 18,238,372
Adjustments:	
Basis difference:	
Capital lease inception	79,124
GASB Statement No. 54:	
Interest earnings related to the expandable trust	1,204
Per Exhibit C-3 (GAAP basis)	<u>\$ 18,318,700</u>
Expenditures:	
Per Exhibit D-1 (budgetary basis)	\$ 18,617,993
Adjustments:	
Basis difference:	
Encumbrances, beginning	228,843
Encumbrances, ending	(221,589)
Capital lease inception	79,124
Per Exhibit C-3 (GAAP basis)	<u>\$ 18,704,371</u>

DETAILED NOTES ON ALL FUNDS

NOTE 3 – RECEIVABLES

Receivables at June 30, 2012, consisted of accounts and intergovernmental amounts arising from grants, and trust funds in the custody of the Town of Litchfield Trustees of Trust Funds. Receivables are recorded on the School District's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 consisted of the following:

	<u>Balance, beginning</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, ending</u>
At cost:				
Not being depreciated:				
Land	\$ 460,792	\$ -	\$ -	\$ 460,792
Being depreciated:				
Buildings and building improvements	18,914,049	44,076	-	18,958,125
Equipment	180,382	25,123	-	205,505
Total capital assets being depreciated	<u>19,094,431</u>	<u>69,199</u>	<u>-</u>	<u>19,163,630</u>
Total capital assets	<u>19,555,223</u>	<u>69,199</u>	<u>-</u>	<u>19,624,422</u>
Less accumulated depreciation:				
Buildings and building improvements	(7,257,494)	(466,147)	-	(7,723,641)
Equipment	(94,802)	(19,800)	-	(114,602)
Total accumulated depreciation	<u>(7,352,296)</u>	<u>(485,947)</u>	<u>-</u>	<u>(7,838,243)</u>
Net book value, capital assets being depreciated	<u>11,742,135</u>	<u>(416,748)</u>	<u>-</u>	<u>11,325,387</u>
Net book value, all capital assets	<u>\$ 12,202,927</u>	<u>\$ (416,748)</u>	<u>\$ -</u>	<u>\$ 11,786,179</u>

LITCHFIELD SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Depreciation expense was charged to functions of the School District based on their usage of the related assets. The amounts allocated to each function are as follows:

Instruction	\$ 409,203
Support services:	
Operation and maintenance of plant	57,651
Noninstructional services	19,093
Total depreciation expense	<u>\$ 485,947</u>

NOTE 5 – INTERFUND BALANCES

Interfund receivable and payable balances consisting of overdrafts in pooled cash at June 30, 2012, are as follows:

Receivable Fund	Payable Fund	Amount
General	Grants	<u>\$ 95,559</u>

NOTE 6 – DEFERRED/UNEARNED REVENUE

Deferred/unearned revenue at June 30, 2012 consists of the following:

General fund:		
Fees collected in advance for miscellaneous programs	\$	440
Grants fund		
Federal grant revenue collected in advance of eligible expenditures being made		33,619
Nonmajor food service fund:		
Student lunch fees received in advance		<u>9,726</u>
Total deferred/unearned revenue		<u>\$ 43,785</u>

NOTE 7 – LONG-TERM LIABILITIES

Changes in the School District's long-term obligations consisted of the following for the year ended June 30, 2012:

	General Obligation Bond Payable	Capital Leases Payable	Compensated Absences Payable	Other Postemployment Benefits	Total
Balance, beginning	\$ 2,885,000	\$ 11,507	\$ 743,270	\$ 300,002	\$ 3,939,779
Additions	-	79,124	-	120,588	199,712
Reductions	(800,000)	(22,124)	(9,798)	-	(831,922)
Balance, ending	<u>\$ 2,085,000</u>	<u>\$ 68,507</u>	<u>\$ 733,472</u>	<u>\$ 420,590</u>	<u>\$ 3,307,569</u>

LITCHFIELD SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Long-term liabilities payable are comprised of the following:

	<u>Original Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate %</u>	<u>Outstanding at June 30, 2012</u>	<u>Current Portion</u>
General obligation bond payable:						
High School construction	\$ 11,685,500	2000	2015	4.50-5.25	\$ 2,085,000	\$ 800,000
Capital leases payable:						
Music equipment	\$ 27,277	2009	2013	15.15	6,159	6,159
Computer equipment	\$ 79,124	2012	2015	9.42	62,348	26,093
					<u>68,507</u>	<u>32,252</u>
Compensated absences payable:						
Vested sick leave					259,070	67,515
Accrued vacation leave					149,488	16,374
Vested retirement stipend					324,914	87,711
					<u>733,472</u>	<u>171,600</u>
Other postemployment benefits					420,590	-
Total					<u>\$ 3,307,569</u>	<u>\$ 203,852</u>

The annual requirements to amortize the general obligation bond outstanding as of June 30, 2012, including interest payments, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 800,000	\$ 109,463	\$ 909,463
2014	800,000	67,463	867,463
2015	485,000	25,463	510,463
Totals	<u>\$ 2,085,000</u>	<u>\$ 202,389</u>	<u>\$ 2,287,389</u>

All debt is general obligation debt of the School District, which is backed by its full faith and credit, and will be repaid from general governmental revenues.

NOTE 8 – CAPITAL LEASES

The School District has entered into certain capital lease agreements under which the related equipment will become the property of the School District when all the terms of the lease agreements are met.

The annual requirements to amortize the capital leases payable as of June 30, 2012, including interest payments, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 32,252	\$ 5,699	\$ 37,951
2014	28,660	2,199	30,859
2015	7,595	119	7,714
Totals	<u>\$ 68,507</u>	<u>\$ 8,017</u>	<u>\$ 76,524</u>

Amortization of lease equipment under capital assets is included with depreciation expense.

LITCHFIELD SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 9 – GOVERNMENTAL ACTIVITIES NET ASSETS

Governmental activities net assets reported on the government-wide Statement of Net Assets at June 30, 2012 include the following:

Invested in capital assets, net of related debt:	
Net property, buildings, and equipment	\$ 11,786,179
Less:	
General obligation bond payable	(2,085,000)
Capital leases payable	(68,507)
Total invested in capital assets, net of related debt	<u>9,632,672</u>
Unrestricted	<u>(351,526)</u>
Total net assets	<u><u>\$ 9,281,146</u></u>

None of the net assets are restricted by enabling legislation.

NOTE 10 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at June 30, 2012 include the following:

General Fund – The general fund has an unassigned fund balance of \$392,494. Also reported in the general fund is \$155,701 committed fund balance related to the expendable trust funds and \$221,589 in assigned for encumbrances.

Other Funds – The nonmajor food service fund has a restricted fund balance of \$78,435.

NOTE 11 – EMPLOYEE RETIREMENT PLAN

The School District participates in the New Hampshire Retirement System (the System) which is the administrator of a cost-sharing multiple-employer contributory pension plan and trust established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death, and vested retirement benefits to members and their beneficiaries. Provision for benefits and contributions are established and can be amended by the New Hampshire Legislature. The System issues a publicly available financial report that may be obtained by writing the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301.

The System is financed by contributions from both the employees and the School District. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees are required to contribute 7% of earnable compensation. For fiscal year 2012, the School District contributed 13.95% for teachers and 11.09% for other employees for the month of July 2011. For the remainder of the fiscal year, rates were adjusted to 11.39% for teachers and 8.80% for other employees. The contribution requirements for the fiscal years 2010, 2011, and 2012 were \$733,149, \$753,404, and \$973,009, respectively, which were paid in full in each year.

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

GASB Statement No. 45, as amended by GASB Statement No. 57, was implemented by the School District during the 2008-2009 fiscal year, and requires that the long-term cost of retirement health care and obligations for other postemployment benefits (OPEB) be determined on an actuarial basis and reported similar to pension plans. GASB Statement No. 45 does not mandate the pre-funding of postemployment benefit liabilities. Nevertheless, any pre-funding of these benefits will help minimize or eliminate the postemployment benefit obligation that will be required to be reported on the financial statements.

The School District has only partially funded (on a pay-as-you-go basis) the annual required contribution (ARC), an actuarially determined rate in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

LITCHFIELD SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The following table presents the OPEB cost for the year, the amount contributed and changes in the OPEB plan for fiscal year 2012:

Annual required contribution/OPEB cost	\$ 180,285
Interest on Net OPEB obligation to end of year	8,074
Net OPEB amortization adjustment	(7,647)
Contributions made (pay-as-you-go)	<u>(60,124)</u>
Increase in net OPEB obligation	120,588
Net OPEB obligation, beginning	<u>300,002</u>
Net OPEB obligation, ending	<u><u>\$ 420,590</u></u>

The School District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2012 was as follows:

Fiscal Year Ended	Annual Required Contribution (ARC)	Actual Contributions (pay-as-you-go)	Percentage Contributed	Net OPEB Obligation
June 30, 2012	\$180,252	\$60,124	0.00	\$420,590

As of June 30, 2011, the date of the most recent actuarial valuation, the actuarial accrued liability (AAL) for benefits was \$1,383,635, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,383,635. The covered payroll (annual payroll of active employees covered by the plan) was \$8,501,171 during fiscal year 2012, and the ratio of the UAAL to the covered payroll was 16.28%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Actuarially determined amounts are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for Other Postemployment Benefits Plan, presented as required supplementary information following the notes to the financial statements, is designed to present multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2011 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.5% investment rate of return per annum. The projected annual health care cost trend is 10% initially, reduced by decrements to an ultimate rate of 5% after four years. The UAAL is being amortized as a level dollar amount over an open basis. The remaining amortization period at June 30, 2011 was 30 years.

NOTE 13 – RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2012, the School District was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs. These entities are considered public entity risk pools currently operating as common risk management and insurance programs for member School Districts and cities.

LITCHFIELD SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from July 1, 2011 to July 1, 2012 by Primex³, which retained \$1,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The estimated net contribution from the Litchfield School District billed and paid for the year ended June 30, 2012 was \$48,726 for workers' compensation and \$71,510 for property/liability. The workers' compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

NOTE 14 – CONTINGENT LIABILITIES

The School District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement from the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the School District believes such disallowances, if any, will be immaterial.

NOTE 15 – GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS

The following GASB pronouncements were effective for the School District for the fiscal year ended June 30, 2012; however, neither GASB Statement impacted these financial statements:

GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employee Plans*, issued in December 2009, and

GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53), issued July 2011.

The Governmental Accounting Standards Board (GASB) has issued several pronouncements during the fiscal year that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010, will be effective for the School District beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus and Amendments of GASB Statements No. 14 and No. 34*, issued November 2010, will be effective for the School District beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, issued January 2011, will be effective for the School District beginning with its year ending June 30, 2013. This Statement is intended to enhance the usefulness of the Codification of the Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued July 2011, will be effective for the School District beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future.

LITCHFIELD SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, issued March 2012, will be effective for the School District beginning with its fiscal year ending June 30, 2014. This Statement is intended to improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting.

GASB Statement No. 66, *Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62*, issued March 2012, will be effective for the School District beginning with its fiscal year ending June 30, 2014. This Statement is intended to resolve conflicting accounting and financial report and guidance that emerged from two recent standards, Statement No. 54 and Statement No. 62. These standards conflicted with existing guidance in Statements No. 10, 13, and 48.

GASB Statement No. 67, *Financial Reporting for Pension Plans*, issued in June 2012, will be effective for the School District beginning with its fiscal year ending June 30, 2014. **GASB Statement No. 68, *Accounting and Financial Reporting for Pensions***, issued in June 2012, will be effective for the School District beginning with its fiscal year ending June 30, 2015. The guidance contained in these two statements will change how governments calculate and report the costs and obligations associated with pensions in important ways. They replace the requirements of Statements No. 27 and 50.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the Balance Sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the Balance Sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the Balance Sheet date, but arose after the date. Management has evaluated subsequent events through January 16, 2013, the date the June 30, 2012 financial statements were issued, and no events occurred that require recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT F.
LITCHFIELD SCHOOL DISTRICT
Schedule of Funding Progress for Other Postemployment Benefit Plan
For the Fiscal Year Ended June 30, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
July 1, 2010	\$ -	\$ 1,383,635	\$ 1,383,635	0.00%	\$ 8,501,171	16.28%

The note to the required supplementary information is an integral part of this schedule.

LITCHFIELD SCHOOL DISTRICT
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

Schedule of Funding Progress for Other Postemployment Benefits (OPEB)

As required by GASB Statement No. 45, as amended in December 2009 by GASB Statement No. 57, Exhibit F represents the actuarial determined costs associated with the School District's other postemployment benefits for the fiscal year ended June 30, 2012.

INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
LITCHFIELD SCHOOL DISTRICT
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2012

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 9,006,079	\$ 9,006,079	\$ -
Other local sources:			
Tuition	79,230	49,978	(29,252)
Transportation	8,000	12,647	4,647
Investment earnings	2,500	1,787	(713)
Impact fees	343,213	353,213	10,000
Miscellaneous	9,910	3,600	(6,310)
Total from other local sources	<u>442,853</u>	<u>421,225</u>	<u>(21,628)</u>
State sources:			
Equitable education aid	6,142,361	6,142,361	-
Adequacy aid (tax)	1,749,516	1,749,516	-
School building aid	260,787	260,787	-
Kindergarten aid	207,261	210,679	3,418
Catastrophic aid	124,783	155,070	30,287
Vocational aid	2,000	2,624	624
Other	-	594	594
Total from state sources	<u>8,486,708</u>	<u>8,521,631</u>	<u>34,923</u>
Federal sources:			
Medicaid	60,000	112,373	52,373
Education jobs fund	177,064	177,064	-
Total from federal sources	<u>237,064</u>	<u>289,437</u>	<u>52,373</u>
Total revenues	18,172,704	<u>\$ 18,238,372</u>	<u>\$ 65,668</u>
Use of fund balance to reduce school district assessment	772,115		
Total revenues and use of fund balance	<u>\$ 18,944,819</u>		

SCHEDULE 2
LITCHFIELD SCHOOL DISTRICT
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2012

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
Instruction:					
Regular programs	\$ 1,071	\$ 8,050,264	\$ 7,738,747	\$ 1,916	\$ 310,672
Special programs	33	2,119,912	2,187,696	-	(67,751)
Vocational programs	-	27,040	27,953	-	(913)
Adult and community programs	-	6,609	8,332	-	(1,723)
Other	-	516,217	469,245	-	46,972
Total instruction	<u>1,104</u>	<u>10,720,042</u>	<u>10,431,973</u>	<u>1,916</u>	<u>287,257</u>
Support services:					
Student	1,125	1,408,748	1,410,552	1,284	(1,963)
Instructional staff	-	488,588	439,848	15,733	33,007
General administration	-	104,271	118,500	-	(14,229)
Executive administration	-	522,923	531,379	-	(8,456)
School administration	-	1,161,379	1,159,051	-	2,328
Business	17,382	286,787	305,630	2,844	(4,305)
Operation and maintenance of plant	57,627	1,993,188	1,874,879	87,980	87,956
Student transportation	-	786,780	693,012	-	93,768
Other	1,605	400,579	461,656	6,397	(65,869)
Total support services	<u>77,739</u>	<u>7,153,243</u>	<u>6,994,507</u>	<u>114,238</u>	<u>122,237</u>
Debt service:					
Principal of long-term debt	-	800,000	800,000	-	-
Interest on long-term debt	-	151,462	151,462	-	-
Total debt service	<u>-</u>	<u>951,462</u>	<u>951,462</u>	<u>-</u>	<u>-</u>
Facilities acquisition and construction	<u>150,000</u>	<u>120,072</u>	<u>247,305</u>	<u>105,435</u>	<u>(82,668)</u>
Total appropriations, expenditures, and encumbrances	<u>\$ 228,843</u>	<u>\$ 18,944,819</u>	<u>\$ 18,625,247</u>	<u>\$ 221,589</u>	<u>\$ 326,826</u>

SCHEDULE 3
LITCHFIELD SCHOOL DISTRICT
Major General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2012

Unassigned fund balance, beginning		\$ 772,115
Changes:		
Unassigned fund balance used to reduce school district assessment		(772,115)
2011-2012 Budget summary:		
Revenue surplus (Schedule 1)	\$ 65,668	
Unexpended balance of appropriations (Schedule 2)	<u>326,826</u>	
2011-2012 Budget surplus		<u>392,494</u>
Unassigned fund balance, ending		<u><u>\$ 392,494</u></u>

SCHEDULE 4
LITCHFIELD SCHOOL DISTRICT
Student Activities Funds
Combining Schedule of Changes in Student Activities Funds
For the Fiscal Year Ended June 30, 2012

	<u>Balance, beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, ending</u>
Schools:				
Campbell High	\$ 108,838	\$ 336,556	\$ 314,674	\$ 130,720
Litchfield Middle	45,573	184,965	196,435	34,103
Griffin Memorial	8,049	25,708	25,313	8,444
Totals	<u>\$ 162,460</u>	<u>\$ 547,229</u>	<u>\$ 536,422</u>	<u>\$ 173,267</u>

***SINGLE AUDIT ACT SCHEDULES
AND INDEPENDENT AUDITOR'S REPORTS***



PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

193 North Main Street • Concord • New Hampshire • 03301-5063 • 603-225-6996 • FAX-224-1380

**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**

To the Members of the School Board
Litchfield School District
Litchfield, New Hampshire

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Litchfield School District, as of and for the year ended June 30, 2012, which collectively comprise the Litchfield School District's basic financial statements and have issued our report thereon dated January 16, 2013. 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.

Internal Control over Financial Reporting

Management of the Litchfield School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Litchfield School District's internal control over financial reporting as a basis for designing our auditing procedures 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 Litchfield School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Litchfield School District's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Litchfield School District's financial statements are free of 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*.

This report is intended solely for the information and use of management, the School Board, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Margaret A. Colby, CPA

January 16, 2013

PLODZIK & SANDERSON
Professional Association



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Members of the School Board
Litchfield School District
Litchfield, New Hampshire

Compliance

We have audited the Litchfield School District'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 the Litchfield School District's major federal program for the year ended June 30, 2012. The Litchfield School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Litchfield School District's management. Our responsibility is to express an opinion on the Litchfield School District's compliance based on our audit.

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 Litchfield School District'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. Our audit does not provide a legal determination of the Litchfield School District's compliance with those requirements.

In our opinion, the Litchfield School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2012.

Internal Control over Compliance

Management of the Litchfield School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Litchfield School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB 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 Litchfield School District'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.

Litchfield School District

*Independent Auditors Report on Compliance with Requirements that Could have a Direct and Material Effect
on each Major Program and on Internal Control over compliance in Accordance with OMB Circular A-133*

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Gregory A. Collyer, CPA

January 16, 2013

PLODZIK & SANDERSON
Professional Association

SCHEDULE I
LITCHFIELD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

SECTION I - SUMMARY OF AUDITOR'S RESULTS

A. *Financial Statements*

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. There were no material weaknesses identified relating to the internal control over financial reporting.
3. There were no significant deficiencies identified that were not considered material weaknesses relating to the internal control over financial reporting.
4. There were no instances of noncompliance material to the financial statements identified.

B. *Federal Awards*

1. There were no material weaknesses identified relating to the internal control over major programs.
2. There were no significant deficiencies identified that were not considered material weaknesses relating to the internal control over major programs.
3. The auditor's report on compliance for major programs expresses an unqualified opinion.
4. There are no audit findings required to be reported in accordance with section 510(a) of OMB Circular A-133.
5. The program tested as a major program is the Special Education Cluster.
6. The threshold for distinguishing between Types A and B programs was \$300,000.
7. The Litchfield School District was determined to be a low-risk auditee.

SECTION II - FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

SCHEDULE II
LITCHFIELD SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the State of New Hampshire Department of Education			
CHILD NUTRITION CLUSTER			
School Breakfast Program	10.553	N/A	\$ 1,185
National School Lunch Program <i>(note 3)</i>	10.555	N/A	105,660
Special Milk Program for Children	10.556	N/A	1,038
<i>CLUSTER TOTAL</i>			<u>107,883</u>
U.S. DEPARTMENT OF EDUCATION			
Passed Through the State of New Hampshire Department of Education			
TITLE I, PART A CLUSTER			
Title I Grants to Local Educational Agencies:			
Title I - Part A	84.010	10079	32,984
Title I - SINI / DINI GMS	84.010	10241	4,840
Title I - SINI / DINI LMS	84.010	10242	489
Title I - Part A	84.010	20079	87,086
Title I - SINI / DINI GMS	84.010	20241	21,755
Title I - SINI / DINI LMS	84.010	20242	22,837
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	2,373
<i>CLUSTER TOTAL</i>			<u>172,364</u>
SPECIAL EDUCATION CLUSTER			
Special Education - Grants to States:			
IDEA - B	84.027	22514	302,356
POMS Mini Grant	84.027	22713	435
Special Education - Preschool Grants	84.173	22514	6,678
Special Education - Grants to States, Recovery Act	84.391	N/A	73,447
Special Education - Preschool Grants, Recovery Act	84.392	N/A	33
<i>CLUSTER TOTAL</i>			<u>382,949</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186	16460	5,700
Improving Teacher Quality State Grants:			
Title II - Part A	84.367	14840	2,312
Title II - Part A	84.367	14872	19,537
Title II - Part A	84.367	24872	11,832
<i>PROGRAM TOTAL</i>			<u>33,681</u>
Education Jobs Fund	84.410	N/A	177,064
Total Expenditures of Federal Awards			<u><u>\$ 879,641</u></u>

The accompanying notes are an integral part of this schedule.

LITCHFIELD SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED
JUNE 30, 2012

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal grant activity of the Litchfield School District under programs of the federal government for the year ended June 30, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Litchfield School District, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Litchfield School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Note 3. Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities on the date received.

Litchfield School District
Statement of Actual Expenditures for
Special Education Programs and Services

	2010 – 2011	2011 -- 2012
EXPENDITURES		
Instruction	\$ 2,525,157.33	\$ 2,459,557.62
Related Services	\$ 607,929.74	\$ 548,883.93
Administration	\$ 199,347.25	\$ 227,122.25
Legal	\$ 3,819.00	\$ 15,453.59
Transportation	\$ 218,701.98	\$ 187,842.33
Total Expenditures	\$ 3,554,955.30	\$ 3,438,859.72
REVENUES		
NH Catastrophic Aid	\$ 258,403.55	\$ 155,070.07
IDEA Grant	\$ 289,929.38	\$ 302,355.69
ARRA IDEA Grant	\$ 139,541.90	\$ 73,447.42
Preschool Grant	\$ 10,874.90	\$ 6,677.51
ARRA Preschool Grant	\$ 4,433.97	\$ 33.19
Medicaid	\$ 119,773.31	\$ 112,372.74
Tuition	\$ 16,565.00	\$ 6,094.72
Total Revenues	\$ 839,522.01	\$ 656,051.34

Department of Special Services
Student Census of Disabilities
December 2012

DISABILITIES	IN DISTRICT	OUT OF DISTRICT	TOTAL
Hearing Impaired, Speech/Language Impairment, Visual Impairment	39	3	42
Orthopedic Impairment, Other Health Impairment, Multiple Disabilities, Autism	38	2	40
Intellectual Disability, Developmental Delay	35	1	36
Learning Disabilities	58	1	59
Emotional Disturbance	9	4	13
TOTAL	179	11	190

SCHOOL BUDGET FORM

BUDGET FORM FOR SCHOOL DISTRICTS WHICH HAVE ADOPTED
THE PROVISIONS OF RSA 32:14 THROUGH 32:24

OF: Litchfield, NH

Appropriations and Estimates of Revenue for the Fiscal Year From July 1, 2013 to June 30, 2014

IMPORTANT:

Please read RSA 32:5 applicable to all municipalities.

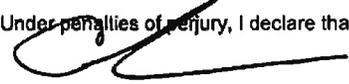
- 1. Use this form to list ALL APPROPRIATIONS in the appropriate recommended and not recommended area. This means the operating budget and all special and individual warrant articles must be posted.
- 2. Hold at least one public hearing on this budget.
- 3. When completed, a copy of the budget must be posted with the warrant. Another copy must be placed on file with the school clerk, and a copy sent to the Department of Revenue Administration at the address below within 20 days after the meeting.

This form was posted with the warrant on (Date): January 25, 2013

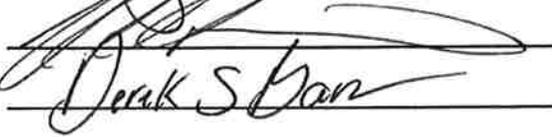
BUDGET COMMITTEE

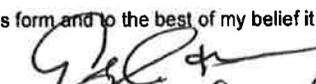
Please sign in ink.

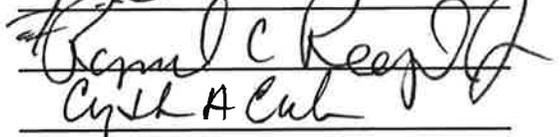
Under penalties of perjury, I declare that I have examined the information contained in this form and to the best of my belief it is true, correct and complete.











THIS BUDGET SHALL BE POSTED WITH THE SCHOOL WARRANT

FOR DRA USE ONLY

NH DEPARTMENT OF REVENUE ADMINISTRATION
 MUNICIPAL SERVICES DIVISION
 P.O. BOX 487, CONCORD, NH 03302-0487
 (603)230-5090

1	2	3	4	5	6	7	8	9
Acct.#	PURPOSE OF APPROPRIATIONS (RSA 32:3,V)	OP Bud. WARR. ART.#	Expenditures for Year 7/1/2011 to 6/30/2012	Appropriations Current Year as Approved by DRA	School Board's Appropriations Ensuing Fiscal Year (Recommended)	School Board's Appropriations Ensuing Fiscal Year (Not Recommended)	Budget Committee's Approp. Ensuing Fiscal Year (Recommended)	Budget Committee's Approp. Ensuing Fiscal Year (Not Recommended)
INSTRUCTION								
1100-1199	Regular Programs	1	7,738,256	7,982,471	8,051,112		7,863,634	187,479
1200-1299	Special Programs	1	2,188,187	2,494,471	2,835,905		2,754,041	81,864
1300-1399	Vocational Programs	1	27,953	27,040	29,000		29,000	
1400-1499	Other Programs	1	441,947	469,960	476,874		468,486	8,388
1500-1599	Non-Public Programs	1	27,298	76,273	67,107		67,107	
1600-1699	Adult/Continuing Ed. Programs	1	8,332	1	1		1	
1700-1799	Community/Jr.College Ed. Programs							
1800-1899	Community Service Programs							
SUPPORT SERVICES								
2000-2199	Student Support Services	1	1,410,551	1,503,111	1,577,563		1,566,624	10,940
2200-2299	Instructional Staff Services	1	439,847	521,538	678,548		621,358	57,190
GENERAL ADMINISTRATION								
2310 840	School Board Contingency							
2310-2319	Other School Board	1	118,500	105,953	114,182		110,682	3,500
EXECUTIVE ADMINISTRATION								
2320-310	SAU Management Services							
2320-2399	All Other Administration	1	531,379	629,237	540,978		540,978	
2400-2499	School Administration Service	1	1,159,051	1,167,771	1,225,893		1,221,818	4,076
2500-2599	Business	1	305,630	294,592	301,335		301,335	
2600-2699	Operation & Maintenance of Plant	1	1,874,879	1,962,163	2,127,224		2,028,752	98,472
2700-2799	Student Transportation	1	693,012	832,819	887,277		877,931	9,346
2800-2999	Support Service Central & Other	1	461,656	508,067	461,660		461,651	9
NON-INSTRUCTIONAL SERVICES								
3100	Food Service Operations							
3200	Enterprise Operations							

Budget - School District of Litchfield, NH FY 2014

1	2	3	4	5	6	7	8	9
Acct.#	PURPOSE OF APPROPRIATIONS (RSA 32:3.V)	OP Bud WARR. ART.#	Expenditures for Year 7/1/2011 to 6/30/2012	Appropriations Current Year As Approved by DRA	School Board's Appropriations Ensuig Fiscal Year (Recommended)	School Board's Appropriations (Not Recommended)	Budget Committee's Approp. Ensuig Fiscal Year (Recommended)	Budget Committee's Approp. (Not Recommended)
FACILITIES ACQUISITION AND CONSTRUCTION								
4100	Site Acquisition							
4200	Site Improvement	1	134,112		53,501		1	53,500
4300	Architectural/Engineering							
4400	Educational Specification Develop.							
4500	Building Acquisition/Construction							
4600	Building Improvement Services	1	113,193	99,754	50,253		36,253	14,000
4900	Other Facilities Acquisition and Construction Services							
OTHER OUTLAYS								
5110	Debt Service - Principal	1	800,000	800,000	800,000		800,000	
5120	Debt Service - Interest	1	151,463	109,463	67,463		67,463	
FUND TRANSFERS								
5220-5221	To Food Service	1	553,658	585,046	598,476		598,476	
5222-5229	To Other Special Revenue	1	602,354	575,000	575,000		575,000	
5230-5239	To Capital Projects							
5254	To Agency Funds							
5300-5399	Intergovernmental Agency Alloc.							
SUPPLEMENTAL								
DEFICIT								
	Operating Budget Total	1	19,781,258	20,744,730	21,519,353	0	20,990,591	528,762

1	2	3	4	5	6
Acct.#	SOURCE OF REVENUE	WARR. ART.#	Revised Revenues Current Year	School Board's Estimated Revenues	Budget Committee's Est. Revenues
REVENUE FROM LOCAL SOURCES					
1300-1349	Tuition		14,000	14,000	14,000
1400-1449	Transportation Fees		8,000	8,000	8,000
1500-1599	Earnings on Investments		1,425	1,425	1,425
1600-1699	Food Service Sales		459,261	474,126	474,126
1700-1799	Student Activities		76,273	67,107	67,107
1800-1899	Community Services Activities				
1900-1999	Other Local Sources		127,000	10,000	10,000
REVENUE FROM STATE SOURCES					
3210	School Building Aid		260,787	260,787	260,787
3220	Kindergarten Aid		86,250	86,250	86,250
3215	Kindergarten Building Aid				
3230	Catastrophic Aid		156,151	120,000	120,000
3240-3249	Vocational Aid		2,000	2,000	2,000
3250	Adult Education				
3260	Child Nutrition		7,000	7,000	7,000
3270	Driver Education				
3290-3299	Other State Sources				
REVENUE FROM FEDERAL SOURCES					
4100-4539	Federal Program Grants		235,000	275,000	275,000
4540	Vocational Education				
4550	Adult Education				
4560	Child Nutrition		118,760	117,350	117,350
4570	Disabilities Programs		340,000	300,000	300,000
4580	Medicaid Distribution		60,000	60,000	60,000
4590-4999	Other Federal Sources (except 4810)				
4810	Federal Forest Reserve				
OTHER FINANCING SOURCES					
5110-5139	Sale of Bonds or Notes				
5221	Transfer from Food Service-Spec.Rev.Fund				
5222	Transfer from Other Special Revenue Funds				
5230	Transfer from Capital Project Funds				
5251	Transfer from Capital Reserve Funds				

Budget - School District of Litchfield, NH FY 2014

1	2	3	4	5	6
Acct.#	SOURCE OF REVENUE	WARR. ART.#	Revised Revenues Current Year	School Board's Estimated Revenues	Budget Committee's Est. Revenues
OTHER FINANCING SOURCES (Cont.)					
5252	Transfer from Expendable Trust Funds				
5253	Transfer from Non-Expendable Trust Funds				
5300-5699	Other Financing Sources				
5140	This Section for Calculation of RAN's (Reimbursement Anticipation Notes) Per RSA 198:20-d for Catastrophic Aid Borrowing RAN, Revenue This FY _____ less RAN, Revenue Last FY _____ =NET RAN				
	Supplemental Appropriation (Contra)				
	Voted From Fund Balance				
	Fund Balance to Reduce Taxes		392,494	100,000	100,000
	Total Estimated Revenue & Credits		2,344,401	1,903,045	1,903,045

****BUDGET SUMMARY****

	Current Year Adopted Budget	School Board's Recommended Budget	Budget Committee's Recommended Budget
Operating Budget Appropriations Recommended (from page 3)	20,744,730	21,519,353	20,990,591
Special Warrant Articles Recommended (from page 4)	0	0	0
Individual Warrant Articles Recommended (from page 4)	0	110,329	110,329
TOTAL Appropriations Recommended	20,744,730	21,629,682	21,100,920
Less: Amount of Estimated Revenues & Credits (from above)	2,344,401	1,903,045	1,903,045
Less: Amount of State Education Tax/Grant	6,147,683	5,774,900	5,774,900
Estimated Amount of Local Taxes to be Raised For Education	12,252,646	13,951,737	13,422,975

**Maximum Allowable Increase to Budget Committee's Recommended Budget per RSA 32:18: \$2,023,346
(See Supplemental Schedule With 10% Calculation)**

BUDGET COMMITTEE SUPPLEMENTAL SCHEDULE
(For Calculating 10% Maximum Increase)
(RSA 32:18, 19, & 32:21)

VERSION #2: Use if you have Collective Bargaining Cost Items

LOCAL GOVERNMENTAL UNIT: Litchfield School District FISCAL YEAR END: 2014

Col. A

	RECOMMENDED AMOUNT		
1. Total RECOMMENDED by Budget Committee (see budget MS7, 27, or 37)	21,100,922		
LESS EXCLUSIONS:			
2. Principal: Long-Term Bonds & Notes	(800,000)		
3. Interest: Long-Term Bonds & Notes	(67,463)		
4. Capital Outlays Funded From Long-Term Bonds & Notes per RSA 33:8 & 33:7-b			
5. Mandatory Assessments			
6. TOTAL EXCLUSIONS (Sum of rows 2-5)	< 867,463 >		
7. Amount recommended less recommended exclusion amounts (Line 1 less Line 6)	20,233,459		
8. Line 7 times 10%	2,023,346		Col. C
9. Maximum allowable appropriation prior to vote (Line 1 + 8)	23,124,268	Col. B	(Col. B-A)
10. Collective Bargaining Cost Items, RSA 32:19 & 273-A:1, IV, (Complete Col. A prior to meeting & Col. B and Col. C at meeting)	Cost items recommended 110,329	Cost items voted	Amt. voted above recommended

MAXIMUM ALLOWABLE APPROPRIATIONS VOTED

At meeting, add Line 9 + Column C.

\$ 23,124,268

Line 8 plus any amounts in Column C (amounts voted above recommended) is the allowable increase to budget committee's recommended budget. Enter this amount on the bottom of the posted budget form, MS7, 27, or 37.

Please attach a copy of this completed supplemental schedule to the back of the budget form.

DEFAULT BUDGET OF THE SCHOOL

OF: Litchfield, NH

Fiscal Year From July 1, 2013 to June 30, 2014

RSA 40:13, IX (b) "Default budget" as used in this subdivision means the amount of the same appropriations as contained in the operating budget authorized for the previous year, reduced and increased, as the case may be, by debt service, contracts, and other obligations previously incurred or mandated by law, and reduced by one-time expenditures contained in the operating budget. For the purposes of this paragraph, one-time expenditures shall be appropriations not likely to recur in the succeeding budget, as determined by the governing body, unless the provisions of RSA 40:14-b are adopted, of the local political subdivision.

1. Use this form to list the default budget calculation in the appropriate columns.
2. Post this form or any amended version with proposed operating budget (MS-26 or MS-27) and the warrant.
3. Per RSA 40:13, XI, (a), the default budget shall be disclosed at the first budget hearing.

SCHOOL BOARD

or

Budget Committee if RSA 40:14-b is adopted

Under penalties of perjury, I declare that I have examined the information contained in this form and to the best of my belief it is true, correct and complete.

Mary Grindle

David S. Bon

Patricia D'Alleva

NH DEPARTMENT OF REVENUE ADMINISTRATION
 MUNICIPAL SERVICES DIVISION
 P.O. BOX 487, CONCORD, NH 03302-0487
 (603)230-5090

Default Budget - School District of Litchfield, NH FY 2014

1	2	3	4	5	6
Acct.#	PURPOSE OF APPROPRIATIONS (RSA 32:3,V)	Prior Year Adopted Operating Budget	Reductions & Increases	Minus 1-Time Appropriations	DEFAULT BUDGET
INSTRUCTION					
1100-1199	Regular Programs	7,982,471	1,309	(1,419)	7,982,360
1200-1299	Special Programs	2,494,471	323,408	(5,283)	2,812,596
1300-1399	Vocational Programs	27,040	1,960		29,000
1400-1499	Other Programs	469,960	5,220		475,180
1500-1599	Non-Public Programs	76,273			76,273
1600-1699	Adult/Continuing Ed. Programs	1			1
1700-1799	Community/Jr.College Ed. Programs				
1800-1899	Community Service Programs				
SUPPORT SERVICES (2000-2999)					
2000-2199	Student Support Services	1,503,111	59,249	(1,307)	1,561,053
2200-2299	Instructional Staff Services	521,538	958		522,496
GENERAL ADMINISTRATION					
2310 840	School Board Contingency				
2310-2319	Other School Board	105,953	922		106,875
EXECUTIVE ADMINISTRATION					
2320-310	SAU Management Services				
2320-2399	All Other Administration	629,237	(95,007)		534,230
2400-2499	School Administration Service	1,167,771	58,396		1,226,167
2500-2599	Business	294,592	2,526		297,118
2600-2699	Operation & Maintenance of Plant	1,962,163	17,901	(16,564)	1,963,500
2700-2799	Student Transportation	832,819	63,280		896,099
2800-2999	Support Service Central & Other	508,067	(75,006)		433,061
NON-INSTRUCTIONAL SERVICES					
3100	Food Service Operations				
3200	Enterprise Operations				
FACILITIES ACQUISITION AND CONSTRUCTION					
4100	Site Acquisition				
4200	Site Improvement				
4300	Architectural/Engineering				
4400	Educational Specification Develop.				
4500	Building Acquisition/Construction				
4600	Building Improvement Services	99,754	(52,940)		46,814
4900	Other Facilities Acquisition and Construction Services				

MS-DS
Rev. 10/10

Default Budget - School District of Litchfield, NH FY 2014

1	2	3	4	5	6
Acct.#	PURPOSE OF APPROPRIATIONS (RSA 32:3,V)	Prior Year Adopted Operating Budget	Reductions & Increases	Minus 1-Time Appropriations	DEFAULT BUDGET
OTHER OUTLAYS (5000-5999)					
5110	Debt Service - Principal	800,000			800,000
5120	Debt Service - Interest	109,463	(42,000)		67,463
FUND TRANSFERS					
5220-5221	To Food Service	585,046	14,699		599,745
5222-5229	To Other Special Revenue	575,000			575,000
5230-5239	To Capital Projects				
5254	To Agency Funds				
5300-5399	Intergovernmental Agency Alloc.				
	SUPPLEMENTAL				
	DEFICIT				
	TOTAL	20,744,730	284,874	(24,573)	21,005,031

Please use the box below to explain increases or reductions in columns 4 & 5.

Acct #	Explanation for Increases	Acct #	Explanation for Reductions
1100-1199	Increased benefit costs.	1100-1199	Decrease in contracted retirement payments. Music instrument lease. New furniture & equipment.
1200-1299	Scheduled salary increases. Increased benefit costs. IEP required increases in SPED staff and professional services.	1200-1299	Lower out-of-district tuition. New furniture & equipment.
1300-1399	Increased costs of vocational education tuition.	2000-2199	New furniture.
1400-1499	Contracted salary and increased benefit costs.	2320-2399	Decrease in contracted separation payments.
2000-2199	Scheduled salary increases. Increased benefit costs. Additional SPED services required by IEP's. Increased 504 costs. Increase in alternate education tuition rates.	2500-2599	GASB actuarial services.
2200-2299	Scheduled salary increases. Increased benefit costs.	2600-2699	LMS parking lot sealing and CHS ADA ramp & patio.
2310-2319	Scheduled salary and increased benefit costs.	2800-2999	LGC return of surplus refund.
2400-2499	Scheduled salary increases. Increased benefit costs.	4600	Termination of portable lease.
2500-2599	Scheduled salary increases. Increased benefit costs. Increase in software lease costs.	5120	Reduction in bond interest.
2600-2699	Scheduled salary increases. Increased benefit costs.		
2700-2799	Increase in contracted prices. IEP required increases.		
5220-5221	Scheduled salary increases. Increased benefit costs. Higher food prices required by law.		

Office of the Superintendent of Schools

1 Highlander Court
Litchfield, NH 03052
578-3570

D. Brian Cochrane, Ph.D., Superintendent
Stephen Martin, Business Administrator
Julie Heon, Director Curriculum and Instruction
Deborah Mahoney, Director Human Resources
Devin Bandurski, Director Special Services
Kyle Hancock, Director of Technology
Hilda Lawrence, Director Food Service

Griffin Memorial School

229 Charles Bancroft Highway
Litchfield, NH 03052
424-5931

Scott Thompson, Principal
Connie Faro, Assistant Principal

Litchfield Middle School

19 McElwain Drive
Litchfield, NH 03052
424-2133

Thomas Lecklider, Principal
Kerry Finnegan, Assistant Principal

Campbell High School

1 Highlander Court
Litchfield, NH 03052
546-0300

Laurie Rothhaus, Principal
Christopher Corkery, Assistant Principal