



Annual Report

Rockingham County

Year Ending December 31, 2004

Maureen Barrows, Chair
Katharin K. Pratt, Vice-Chair
C. Donald Stritch, Clerk

Annual Report Dedication

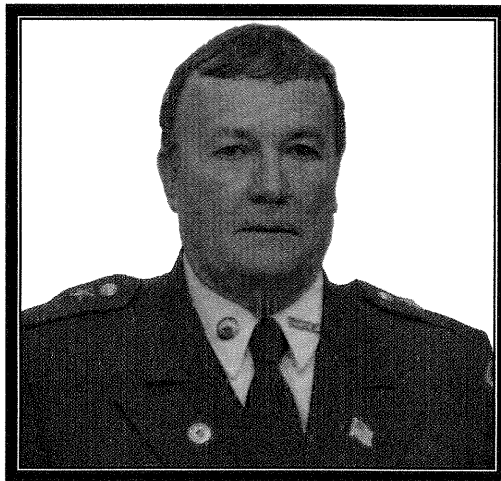
Honoring Gene P. Charron

30 Years of Government Service

Superintendent Charron has dedicated his life to serving others. A devoted family man he has volunteered as a band leader and foster parent and has held many positions of authority in law enforcement. His loyalty and service to his fellow man is unwavering.

Upon completing 30 years of employment at Rockingham County, Gene has gone on to serve as a State Representative. He is currently serving on the Executive Committee as Chairman of the Salary Subcommittee.

The 2004 Rockingham County Annual Report is hereby dedicated to the Honorable Gene P. Charron.



Department of Corrections Superintendent
Retired December 15, 2004

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2004
ELECTED OFFICERS

Commissioners

Maureen Barrows, Chair
Katharin K. Pratt, Vice-Chair
C. Donald Stritch, Clerk
mail@co.rockingham.nh.us
119 North Road
Brentwood, NH 03833
Phone:603-679-9350 Fax:603-679-9354
www.co.rockingham.nh.us

County Attorney

James M. Reams
jreams@rcao.net
Mailing Address:
P.O. Box 1209
Kingston NH 03848
Physical Address:
10 Route 125
Brentwood, NH 03833
Phone:603-642-4249 Fax:603-642-8942

High Sheriff

J. Daniel Linehan
dlinehan@rockso.org
101 North Road
Brentwood, NH 03833
Phone:603-679-9476 Fax:603-679-9477

Register of Deeds

Cathy Ann Stacey
Mailing Address:
P.O. Box 896
Kingston, NH 03848
Physical Address:
10 Route 125
Brentwood, NH 03833
Phone:603-642-5526 Fax:603-642-5930

Treasurer

Edward "Sandy" Buck III
119 North Road
Brentwood, NH 03833
Phone:603-679-5335 Fax:603-679-9346

2004
DEPARTMENT STAFF

Department of Corrections

Albert J. Wright, Superintendent
awright@co.rockingham.nh.us
99 North Road, Brentwood, NH
Phone:603-679-2244 Fax:603-679-9465

Engineering & Maintenance

Jude A. Gates
Director of Facilities, Planning, and IT
jgates@co.rockingham.nh.us
116 North Road, Brentwood, NH
Phone:603-679-9375 Fax:603-679-9380

Finance Office

Theresa Young, Director
tyoung@co.rockingham.nh.us
119 North Road, Brentwood, NH
Phone:603-679-9340 Fax:603-679-9346

Human Resources

Martha S. Roy, Director
mroy@co.rockingham.nh.us
111 North Road, Brentwood, NH
Phone:603-679-9420 Fax:603-679-9357

Human Services

Diane D. Gill, Director
dgill@co.rockingham.nh.us
111 North Road, Brentwood, NH
Phone:603-679-9393 Fax:603-679-9395

IT/Telecommunications

Frank L. Stoughton, Manager
fstoughton@co.rockingham.nh.us
117 North Road, Brentwood, NH
Phone:603-679-9400 Fax:603-679-9380

Long Term Care Services

William F. Sturtevant, Director
wsturtevant@co.rockingham.nh.us
117 North Road, Brentwood, NH
Phone:603-679-9300 Fax:603-679-9307

Assisted Living Facility

Nancy L. Lang, Director
nlang@co.rockingham.nh.us
117 North Road, Brentwood, NH
Phone:603-679-9301 Fax:603-679-9459

REPRESENTATIVES TO THE GENERAL COURT

District 1: Candia, Deerfield,
Northwood, Nottingham
Elbert I. Bicknell
Harriet E. Cady
Robert A. Johnson
Rudolph J. Kobel
Joseph E. Stone

District 2: Raymond
Franklin C. Bishop
Robert W. Forsing
Norman E. Weldy Jr.

District 3: Auburn, Londonderry
Sharon M. Carson
Dudley D. Dumaine
James F. Headd
Karen K. Hutchinson
Robert E. Introne
Betsy McKinney
Sherman A. Packard
Benjamin E. Parker
Paul C. Smith

District 4: Salem, Windham
Ronald J. Belanger
D. J. Bettencourt
James B. Coburn
Richard T. Cooney
Janeen A. Dalrymple
Anthony R. DiFruscia
Christopher L. Doyle
Mary E. Griffin
Russell F. Ingram
John J. Manning Jr.
Charles E. McMahon
Anne K. Priestley
Kevin K. Waterhouse

District 5: Derry
John P. Dowd
Patricia Dowling
Robert M. Fesh
Kenneth H. Gould
Paul Hopfgarten
George N. Katsakiores
Phyllis M. Katsakiores
Howie Lund
James B. Rausch
Robert W. Wiley
William R. Zolla

District 6: Atkinson
James M. Garrity
George D. Winchell

District 7: Chester, Danville,
Sandown
Michael B. Asselin
Gene P. Charron
Ken Donahue
Elisabeth N. Sanders

District 8: Hampstead, Kingston,
Plaistow
Kevin L. Camm
John W. Flanders Sr.
Norman L. Major
Ed M. Putnam II
David A. Welch
Roger D. Wells
Kenneth L. Weyler

District 9: Epping, Freemont
Robert K. Dodge
Daniel C. Itse
Marylou Nowe

District 10: Brentwood
Donald R. Buxton

District 11: East Kingston,
Newton
Mary M. Allen
Kimberley S. Casey

District 12: Newfields,
Newmarket
Dennis F. Abbott
Karl I. Gilbert
Marcia Moody

District 13: Exeter, North
Hampton, Stratham
Eileen Flockhart
Rogers J. Johnson
April H. Mason
Matthew J. Quandt
Marshall L. Quandt
Carl G. Robertson
Doug Scamman
Stella Scamman

District 14: Hampton Falls,
Kensington, Seabrook, South Hampton
Benjamin E. Moore
Richard W. Morris
Frank J. Palazzo
E. Albert Weare

District 15: Hampton
Russell D. Bridle
Sheila T. Francoeur
Thomas J. Gillick
Michael O'Neil
Nancy F. Stiles

District 16: Newington,
Portsmouth
MaryAnn N. Blanchard
Jaqueline A. Cali-Pitts
Terie Norelli
Laura C. Pantelakos
James F. Powers
Christopher Serlin
James R. Splaine

District 17: Greenland
Jim Rolston

District 18: New Castle, Rye
Daniel M. Hughes
Jane S. Langley

Delegation Officers

Sheila T. Francoeur
Chair

Norman L. Major
Vice-Chair

David A. Welch
Clerk

Executive Committee

James B. Rausch
Chair

Mary E. Griffin
Vice-Chair

David A. Welch
Clerk

MINUTES
ROCKINGHAM COUNTY CONVENTION

PUBLIC HEARING

COMMISSIONERS PROPOSED 2004 BUDGET

Wednesday, January 28, 2004- 7:00 p.m.

Hilton Auditorium - Rockingham County Nursing Home - Brentwood N.H.

Rep. Sheila Francoeur, Vice Chair of the Rockingham County Convention, called the Public Hearing to order at 7:15 p.m., in Chairman Katsakiores' absence.

Rep. Francoeur recognized Rep. Kenneth L. Weyler, who delivered the Invocation.

Rep. Francoeur recognized Rep. John Flanders, who led the Pledge of Allegiance.

Chairman Katsakiores arrived and took the gavel.

Chairman Katsakiores reviewed the ground rules of the Public Hearing and the procedures to be adhered to for public input.

Chairman Katsakiores referred to Rep. John Flanders as the Monitor, and Rep. David Welch as the Parliamentarian.

Rep. Francoeur read the following Commissioners Proposed 2004 Budget by Department:

| | |
|--|---|
| Delegation - \$83,142 | Grants - \$1,631,000 |
| Treasurer & Deputy - \$61,479 | Finance - \$667,832 |
| County Attorney - \$2,148,296 | Engineering & Maintenance - \$2,833,800 |
| District Court Prosecution Contracts - \$250,495 | Human Services - \$15,383,610 |
| Medical Examiner - \$75,350 | Jail - \$7,848,497 |
| Sheriff's Department - \$3,845,257 | UNH Cooperative Extension - \$524,038 |
| Manchester Airport Duty - \$2,047,475 | Human Resources - \$332,123 |
| Registry of Deeds - \$1,365,782 | Non-County Specials - \$258,180 |
| Commissioners - \$165,405 | Long-Term Care Services - \$22,089,029 |
| General Government - \$4,427,622 | IT - \$306,432 |
| Projects - \$616,135 | Total Appropriations - \$66,960,979 |
| | Total Revenues \$61,809,313 |

Rep. Dodge requested a copy of the financial audit and management letter for the year 2002. Commissioner Pratt commented and responded that the Commissioners Office would provide him with his request.

Rep. Dodge questioned clarification from Rep. Weyler, Chairman of the Revenue & Finance Subcommittee, the amount of \$5,000 - whether it a lapsing or non-lapsing account. Rep. Weyler responded that it is comprised of revenues and over estimates.

Rep. Katsakiores called upon the Board of Commissioners for comment.

There being no further questions or comments, Rep. Flanders made a motion to adjourn the Public Hearing. Rep. Coes seconded the motion. The motion was approved by a voice vote. The Public Hearing adjourned at 7:35 p.m.

Respectfully submitted,

Cheryl A. Hurley
Delegation Coordinator

| Rep. David A. Welch, Clerk
| Rockingham County Convention

MINUTES
ROCKINGHAM COUNTY DELEGATION

ANNUAL MEETING

Wednesday, February 18, 2004 - 6:00 p.m.

Hilton Auditorium - Rockingham County Nursing Home - Brentwood, N.H.

Rep. George Katsakiores, Chairman, called the meeting to order at 6:15 p.m.

Rep. Kenneth L. Weyler delivered the Invocation.

Rep. John Flanders led the Pledge of Allegiance.

Rep. David A. Welch, Clerk, conducted the roll call. Clerk Welch reported a total of 52 members present at the time the roll was called. Chairman Katsakiores declared that a quorum was present.

Those in attendance were: Rep. George Katsakiores, Chairman; Rep. Sheila Francoeur, Vice-Chair; Representatives Allen, Belanger, Bicknell, Blanchard, Cady, Carson, Casey, Clark, Coes, DiFruscia, Dodge, Dumaine, Fesh, Flanagan, Flanders, K. Gilbert, Gleason, Gould, Griffin, Headd, Ingram, R. Johnson, P. Katsakiores, Kelley, Kobel, Letourneau, Major, McEachern, McKinney, McMahon, Noyes, O'Neil, Packard, Pantelakos, Pitts, Putnam, Rausch, Robertson, Roessner, Ruffner, D. Smith, P. Smith, Tufts, Varrell, Weare, Welch, Weldy, Weyler, Winchell, and Zolla.

Excused: Representatives Langone and Stone.

Also Present: Commissioner Katharin Pratt, Commissioner Maureen Barrows; Commissioner Donald Stritch; Theresa Young, Finance Officer; Kathy Nikitas, Finance Office; William Sturtevant, Nursing Home Administrator; Jude Gates, Engineering & Maintenance; Frank Stoughton, IT/Telecommunications; Gene Charron, Superintendent, House of Corrections; Louise Turner, House of Corrections; Sheriff Daniel Linehan, Sheriff's Department; Christine M. Croto, Sheriff's Department; Captain Joseph Akerley, Sheriff's Department. Martha Roy, Human Resources; Diane Gill, Human Services; Cathy Stacey, Registry of Deeds; Attorney James Reams, County Attorney's Office; Cheryl A. Hurley, Delegation Coordinator.

Chairman Katsakiores recognized Rep. Vivian Clark who read the following motion:

I move that we authorize a General Obligation Bond Issue up to \$4,000,000 for improvements to the Rockingham County Complex in Brentwood, NH. I further move that the Rockingham County Commissioners be authorized to expend the proceeds and any resulting interest on approved capital projects.

Rep. Belanger seconded the motion. Rep. Vivian Clark called for questions. Clerk Welch conducted a roll call vote. Clerk Welch reported 53 in favor, 0 opposed. The motion was approved.

RESOLUTIONS

Chairman Katsakiores noted the first order of business was to approve proposed resolutions. Rep. Clark made a motion to approve Resolution 1-2004 as follows:

RESOLUTION 1 - 2004

Be it resolved that the Rockingham County Convention accept the position listing as presented with the total number of authorized positions for 2004 being 688, and that there will be no new positions created nor will there be any re-grading of positions or increase of number of positions, other than those budgeted, without approval of the Executive Committee.

It is understood that the Executive Committee need not approve any personnel change proposed by the County that results in placing the authorized position in the same or lower grade. Further, that the County must notify the Executive Committee at each quarterly meeting of any changes that may have been processed in order to provide an update to the accepted position listing.

In addition, it is understood that part-time employment pools are approved in the Human Resources Department, Nursing Home, Finance Office, County Attorney's Office, Jail, and Sheriff's Department and that the pools be used for on-call coverage when necessary. In no case will any on-call employee be eligible for any benefit or permanent employment status. This does not preclude any department from obtaining temporary help from outside vendors to cover employment leave.

Rep. Belanger seconded the motion. The motion was approved by a voice vote.

Rep. Clark made a motion to approve Resolution 2-2004 as follows:

RESOLUTION 2 – 2004

Be it resolved that the Rockingham County Convention, upon the recommendation of the Executive Committee, recommend no more than \$708,231 for the new 10-step salary plan, which is incorporated into the 2004 budget.

In addition, that the mileage reimbursement rate continue to mirror the Federal rate for 2004.

Rep. Belanger seconded the motion. The motion was approved by a voice vote.

Rep. Clark made a motion to approve Resolution 3-2004 as follows:

RESOLUTION 3 – 2004

All of the policies of the County personnel system shall apply to the Rockingham Delegation employee(s) with the understanding that all references for necessary actions, approvals or exceptions in reference to Delegation employee(s) reside with the Officers of the Delegation in lieu of the Commissioners.

Authorization requires the majority of the 5 officers. The officers include the Chairmen of the Delegation and Executive Committee, the Vice-Chairmen of the Delegation and Executive Committee and the Delegation Clerk.

It is further agreed that all references for any "O/DD" actions, approvals or exceptions resides with the Chairmen of the Delegation and the Executive Committee in lieu of the "O/DD".

Finally, any policies deemed appropriate and not specified or covered under the personnel system may be adopted by the Officers of the Delegation.

Rep. Belanger seconded the motion. The motion was approved by a voice vote.

Rep. Clark made a motion to approve Resolution 4-2004 as follows:

RESOLUTION 4 - 2004

I move that \$28,716 be appropriated for salary payments for the Delegation Coordinator.

Rep. Belanger seconded the motion. The motion was approved by a voice vote.

Rep. Clark made a motion to approve Resolution 5-2004 as follows:

RESOLUTION 5 - 2004

Be it resolved that the Rockingham County Convention approve the following benefits as described below for those employees listed in the position listing, other than the union eligible.

The Delegation Coordinator will receive benefits in accordance with personnel policies adopted for this position.

COUNTY CONTRIBUTION %

Full-Time Employees

HEALTH BENEFITS: (Self-Insured)

| <u>Membership</u> | <u>PPO</u> |
|-------------------|------------|
| Single | 80% |
| 2 Person | 80% |
| Family | 80% |

Part-time employees contribute on a pro-rated basis.

DENTAL BENEFITS:

Full-Time - 100% of all memberships

Part-Time - Pro-rated basis

WORKER'S COMPENSATION and UNEMPLOYMENT:

Worker's Compensation is funded at 45% of the assigned risk rate per the recommendation of the Executive Committee. Unemployment funding recommended at \$22.00 per position in 2004.

SHORT-TERM DISABILITY

Short-Term Disability, a benefit adopted in 2000, is an accident and illness benefit, and is funded for a 26-week duration. Part-time employees contribute on a pro-rated basis.

LONGEVITY

The Longevity benefit is as follows:

| <u>YEARS</u> | <u>PAYMENTS</u> |
|--------------|-----------------|
| 5 | \$150 |
| 10 | \$300 |
| 15 | \$450 |
| 20 | \$750 |
| 25 | \$1,000 |

DEPENDENT CARE

The Dependent Care flexible spending account is a benefit adopted in 2000 that will save the County Social Security and Medicare, if applicable, for every salary dollar that the employee puts into the account.

MEDICAL SPENDING ACCOUNT

The Medical Spending Account is a \$2,500 employee funded benefit that will save the County Social Security and Medicare, if applicable, for every salary dollar that the employee puts into the account.

Rep. Belanger seconded the motion. The motion was approved by a voice vote.

BUDGET BY DEPARTMENT:

Delegation

Rep. Vivian Clark made a motion to approve \$83,332 for the Delegation Office budget. Rep. Belanger seconded the motion. Chairman Katsakiores called for questions. There were none. The motion was approved by a voice vote.

Treasurer

Rep. Vivian Clark made a motion to approve \$61,479 for the Treasurer's Office budget. Rep. Belanger seconded the motion. Chairman Katsakiores called for questions. There were none. The motion was approved by a voice vote.

County Attorney

Rep. Clark made a motion to approve \$2,148,296 for the County Attorney's budget. Rep. Belanger seconded the motion. Rep. Katsakiores called for questions. There were none. The motion was approved by a voice vote.

Plaistow District Court (PDC)

Rep. Vivian Clark made a motion to approve \$250,495 for the Plaistow District Court budget. Rep. Belanger seconded the motion. Chairman Katsakiores called for questions. Rep. Cady wanted to know how many individuals are involved in the PDC line and if the County is reimbursed in total. Attorney Reams noted 3 ½ prosecutors in total. One prosecutor for Salem, Plaistow, and Portsmouth District Courts, all under separate contracts, and Nottingham and Candia has 2 part-time positions. Rep. Pantelakos questioned if there is an increase in Portsmouth. Attorney Reams responded no. Rep. Weyler explained the revenues. There were no further questions. The motion was approved by a voice vote.

Medical Examiner

Rep. Vivian Clark made a motion to approve \$75,350 for the Medical Examiner's budget. Rep. Belanger seconded the motion. Chairman Katsakiores called for questions. There were none. The motion was approved by a voice vote.

Sheriff's Department

Rep. Vivian Clark made a motion to approve \$3,940,203 for the Sheriff's Department budget. Rep. Belanger seconded the motion. Chairman Katsakiores called for questions. There were none. The motion was approved by a voice vote.

Manchester Airport Duty

Rep. Vivian Clark made a motion to approve \$2,047,475 for the Manchester Airport Duty budget. Rep. Belanger seconded the motion. Chairman Katsakiores called for questions. There were none. The motion was approved by a voice vote.

Registry of Deeds

Rep. Vivian Clark made a motion to approve \$1,365,782 for the Registry of Deeds budget. Rep. Belanger seconded the motion. Chairman Katsakiores called for questions. There were none. The motion was approved by a voice vote.

Commissioners

Rep. Vivian Clark made a motion to approve \$165,405 for the Commissioners Office budget. Rep. Belanger seconded the motion. Chairman Katsakiores called for questions. There were none. The motion was approved by a voice vote.

General Government

Rep. Vivian Clark made a motion to approve \$4,427,622 for the General Government budget. Rep. Belanger seconded the motion. Chairman Katsakiores called for further questions. There were none. The motion was approved by a voice vote.

Projects

Rep. Vivian Clark made a motion to approve \$616,135 for Projects. Rep. Belanger seconded the motion. Chairman Katsakiores called for questions. There were none. The motion was approved by a voice vote.

Grants

Rep. Vivian Clark made a motion to approve \$1,631,000 for the Grants budget. Rep. Belanger seconded the motion. Chairman Katsakiores called for questions. There were none. The motion was approved by a voice vote.

Finance

Rep. Vivian Clark made a motion to approve \$667,832 for the Finance Office budget. Rep. Belanger seconded the motion. Chairman Katsakiores called for questions. There were none. The motion was approved by a voice vote.

Maintenance

Rep. Vivian Clark made a motion to approve \$2,833,800 for the Maintenance Department budget. Rep. Belanger seconded the motion. Chairman Katsakiores called for questions. There were none. The motion was approved by a voice vote.

Human Services

Rep. Vivian Clark made a motion to approve \$15,383,610 for the Human Services budget. Rep. Belanger seconded the motion. Rep. Katsakiores called for questions. There were none. The motion was approved by a voice vote.

Jail

Rep. Vivian Clark made a motion to approve \$7,939,277 for the Jail budget. Rep. Belanger seconded the motion. Rep. Katsakiores called for questions. There were none. The motion was approved by a voice vote.

UNH Cooperative Extension

Rep. Vivian Clark made a motion to approve \$524,038 for the UNH Cooperative Extension budget. Rep. Belanger seconded the motion. Chairman Katsakiores called for questions. There were none. The motion was approved by a voice vote.

Human Resources

Rep. Vivian Clark made a motion to approve \$332,123 for the Human Resources budget. Rep. Belanger seconded the motion. Chairman Katsakiores called for questions. There were none. The motion was approved by a voice vote.

Non-County Specials

Rep. Vivian Clark made a motion to approve \$258,180 for the Non-County Specials budget. Rep. Belanger seconded the motion. Rep. Katsakiores called for questions. Rep. Cady, referring to the Constitution, stated that it is unlawful to give monies to charities, and noted that she wants to see how the agencies benefit Rockingham County. Commissioner Pratt commented and explained. There were no further questions. The motion was approved by a voice vote. Rep. Cady voted no.

Long Term Care Services

Rep. Vivian Clark made a motion to approve \$22,092,529 for the Long Term Care Services budget. Rep. Belanger seconded the motion. Chairman Katsakiores called for questions. There were none. Rep. Cady commented commending Mr. Sturtevant for running an excellent nursing home. The motion was approved by a voice vote.

IT

Rep. Vivian Clark made a motion to approve \$306,432 for the IT budget. Rep. Belanger seconded the motion. Chairman Katsakiores called for questions. There were none. The motion was approved by a voice vote.

REVENUES

Rep. Clark made a motion to approve \$61,998,728 in total revenues. Rep. Belanger seconded the motion. Chairman Katsakiores called for questions. There were none. The motion was approved by a voice vote.

Chairman Katsakiores recognized Rep. McEachern who commented about the Town of Portsmouth bearing the load for out-of-state inmates, noting that the justice system should be funded by the state, not the county. He referred to passing taxes on to the taxpayers. Rep. Welch responded referring to a bill in Concord addressing the issue. Rep. Bicknell commented.

Rep. Vivian Clark made a motion to approve Resolution 6-2004 as follows:

RESOLUTION 6 – 2004

Whereas: The County Convention has the power to raise county taxes and to make appropriations for the use of the county; and

Whereas: The County Commissioners are responsible for the day to day operation of the county; and

Whereas: The Executive Committee of the County has the authority to review the expenditures of the county after the adoption of the County budget; and

Whereas: From time to time it may be necessary to transfer funds appropriated for one purpose to augment appropriations for another; and

Whereas: The Commissioners and the Delegation are partners in oversight of the County budget;

Therefore be it Resolved: That pursuant to RSA 24:14, I, the County Convention hereby authorizes a line item budget that the County Commissioners obtain prior written approval from the Executive Committee before transferring to or from any line once the aggregate over-expenditure in any line item reaches \$1,000. The County Commissioners are required to identify the line items whose appropriations will be reduced to cover the over-expenditure and obtain written approval from the Executive Committee before transferring to or from any line item. In any event, no department shall over-spend their department's bottom line, nor shall they split expenditures among budget lines in order to avoid a line item transfer without the Executive Committee's approval.

Rep. Belanger seconded the motion. The motion was approved by a voice vote.

Rep. Vivian Clark made a motion to approve Resolution 7-2004 as follows:

RESOLUTION 7 – 2004

The Finance Office has the authority to make periodic transfers from appropriate budget lines to insure that the health and buyout benefit lines properly reflect the status of the accounts during the year.

Rep. Belanger seconded the motion. The motion was approved by a voice vote.

Rep. Vivian Clark made a motion to approve Resolution 8-2004 as follows:

RESOLUTION 8 – 2004

All amounts appropriated for the Non-County Specials to be paid on a quarterly basis subject to the approval of the majority of the Board of County Commissioners.

Further, all agencies are required to submit a quarterly financial review describing activities for the prior quarter and their relationship to county funds distributed. These reports shall be submitted to the Rockingham County Finance Office prior to any distribution of subsequent quarterly payments.

Rep. Belanger seconded the motion. The motion was approved by a voice vote.

Rep. Vivian Clark made a motion to approve Resolution 9-2004 as follows:

RESOLUTION 9 -2004

Be it resolved that no performance audit shall be conducted nor expenditure of such authorized without the prior approval of the Executive Committee.

Rep. Belanger seconded the motion. Rep. Pitts asked if the monies for performance audits are funded in the Delegation Office budget. Chairman Katsakiores responded yes. Rep. Pitts commented, referring to the language in the resolution, that it should be the Delegation who authorizes approval, not the Executive Committee. She commented that she objects to the resolution. There were no further questions. The motion was approved by a voice vote.

Rep. Vivian Clark made a motion to approve Resolution 10-2004 as follows:

RESOLUTION 10-2004

That the Rockingham County Convention, in accordance with RSA 24:13, authorize \$67,150,397 in appropriations and \$838,683 in reserves and encumbrances for the use of the County during 2004. That \$35,935,492 be raised in new county taxes, that \$26,109,905 is accepted as an estimate of revenues from other sources and that \$5,943,683 be accepted as fund balance for a total of \$67,989,080 in resources.

Rep. Belanger seconded the motion. Chairman Katsakiores called on the Commissioners to explain fund balance. Commissioner Pratt referred to Ms. Young, Finance Officer, who explained that fund balance is lapsed appropriations that are used to reduce taxes. There were no further questions. The motion was approved by a voice vote.

Rep. Vivian Clark made a motion to approve Resolution 11-2004 as follows:

RESOLUTION 11-2004

Be it resolved that the departmental budget requests be included with the Commissioners recommended budget proposals.

Rep. Vivian Clark made a motion to approve Resolution 11-2004. Rep. Belanger seconded the motion. The motion was approved by a voice vote.

Other Business

Rep. Clark referred to two tax bills owed to the County from the Towns of Derry and Epping. She noted that there were a total of three towns that were late in paying their taxes. The Town of Sandown paid the late penalty, and the Towns of Derry and Epping filed an abatement - Derry for \$4,925.83, and Epping \$629.73. She explained that the Delegation has two options - either reduce the penalty or forgive the penalty. She clarified that the amount is in interest the County lost due to taxes not being paid.

Rep. Belanger read the following motion:

I move, in accordance with RSA 29:12, that the interest penalty due from the Towns of Derry and Epping in the amount of \$4,925.83 and \$623.79 respectively, are abated due to extraordinary economic conditions, difficulty in collecting taxes due to the town, or other good cause shown.

Rep. Weldy spoke in objection to the motion. Rep. Weyler asked for the circumstances provided. Rep. Clark responded noting that Epping indicated that they were late due to lack of administrative help, and Derry was late due to an inadvertent filing error. Rep. Letourneau commented noting that the Town of Derry has never paid their taxes late and that the Delegation should grant them the abatement. Rep. Pitts asked if the County has ever collected a penalty. Commissioner Pratt responded yes, and explained.

Rep. Pitts made a motion to amend the motion and refund the late fee paid to Sandown. Rep. Carson asked if anyone in the Delegation has ever defined extraordinary circumstances. Rep. Welch read RSA 29:12. Rep. Bicknell asked for clarification on the interest lost. He spoke in favor of allowing the abatement.

Rep. Dodge commented referring to the circumstances in Epping being extenuating. Rep. Rausch, representing Derry, apologized. Rep. DiFruscia read the language in the RSA and provided his interpretation.

The motion for the abatement was moved and seconded and a voice vote was taken. Chairman Katsakiores requested a hand count which revealed 21 yes, 26 no. The motion failed.

Rep. Cady noted a point of order to include Sandown one way or another. Rep. Gould commented and made a motion to forgive all but the real cost and rebate the difference to Sandown by \$92.22, to reduce Derry by \$529.56, and Epping by \$67.06. Rep. Pitts commented noting confusion. It was explained that the amount due is the amount of interest the County lost due to non-payment. There was a motion to move the question. The motion to forgive the penalty and maintain the interest was voted by a voice vote. The Chair was in doubt and requested a hand count – 21 yes, 15 no. The issue as to whether or not there was a quorum of the Delegation at the time that the motion was voted was raised.

Rep. Pitts, at the close of the meeting, registered a formal complaint to the Chair in protest of the vote on the motion to reduce the interest penalty on the basis that there was not a quorum present and voting.

There being no further business, the meeting adjourned at 8:00 p.m.

Respectfully submitted,

Cheryl A. Hurley
Delegation Coordinator

Rep. David A. Welch, Clerk
Rockingham County Delegation

ROCKINGHAM COUNTY COMMISSIONERS

Maureen Barrows, Chair
Katharin K. Pratt, Vice-Chair
C. Donald Stritch, Clerk

Rockingham County continues to flourish both in population and employment opportunities. As County Commissioners, it is our duty to provide essential mandated services to the taxpayers of Rockingham County in the most efficient, cost effective manner.

The nursing home and assisted living facility have again received excellent reviews. Forty additional assisted living beds will be available in the fall of 2005 with the completion of renovations to the Fernald Building.

We continue to seek ways to reduce the pre-trial population at the jail and with the addition of the Supervised Community Release from Incarceration Program (SCRIP) and an adult diversion program. Both initiatives are making positive progress.

Finances are in order and Moody's rating service has once again awarded Rockingham County the highest short term rating available.

Discussions are ongoing with the State of New Hampshire regarding unfunded mandates. We are vehemently opposed to the trickle down effect of balancing the State budget by passing costs to local government.

We look forward to preparing and planning for 2005.

DEPARTMENT OF CORRECTIONS

Albert J. Wright, Superintendent

The inmate population continues to show growth in the amount of intakes, approximately 9%. We were successful in keeping the average daily count in check through the use of Electronic Monitoring and the Supervised Community Release from Incarceration Program (SCRIP). The average daily population during the year was 329 inmates.

| Admissions | 2004 | 2003 |
|----------------|--------------|--------------|
| Male Inmates | 3,497 | 3,264 |
| Female Inmates | 621 | 515 |
| Total | 4,118 | 3,779 |

The female population continues to increase along with the amount of bail and amount of time served in custody. Strafford County started housing many of our female inmates and we continue to send female prisoners to Hillsborough County and the Women's State Prison in Goffstown.

Inmate Hours

The Nursing Home and Maintenance Department received a total of 39,525 inmate hours during 2004. Seven towns received a total of 7,980 inmate hours of work.

V.I.N.E Victim Notification System

This program was initiated in 1998 to allow a victim of a crime to register for automated notification upon the release of a prisoner from the Rockingham County

Corrections Facility. When the perpetrator of a crime has been released the victim is automatically called through a computer generated alert system. There are currently 95 victims registered with 283 new registrations in 2004. The system received 1,894 incoming calls and 1,533 outgoing calls to victims. We continue to receive many calls thanking the department for this service and positive feedback from domestic violence protective agencies.

Work Release Program

There were 68 inmates that participated in the Work Release Program during 2004 with a success rate of 70%.

Human Services & Inmate Programs

Our GED Program had 105 inmates who signed up and attended various classes and 26 earned their GED Certificates (26 were tested and all 26 passed). The education program is supported by volunteer tutors, the North County Education Foundation, the partnership of Vocational Rehabilitation, and Work Opportunities Unlimited in preparation for post-release services.

Sex Offender Accountability Program

There were 17 inmates involved in this program during 2004. This is a contracted service that refers attendees to continue services in community based treatment programs upon release. Rockingham County is the only facility in New Hampshire that provides a program of this nature.

HIV & AIDS

AIDS Response of the Seacoast continues to fund a counselor to meet with inmates and provide education, counseling regarding choices, consequences, and testing information.

Retirement

In December, Superintendent Gene P. Charron retired after serving thirty years of loyal and dedicated service to Rockingham County and the Department of Corrections. Gene served the past ten years as Superintendent and established a leadership philosophy that *everyone shall be treated with dignity*. He continues to serve his area communities, the County, and the State of New Hampshire as a State Representative.

Electronic Monitoring

40 individuals have participated in the Electronic Monitoring program with 19 successfully completed, 4 failures, and currently 17 are participating. This program has been a great success and researching ways to expand its use.

Supervised Community Release from Incarceration Program (SCRIP)

This program started late in the year and is coordinated between the Department of Corrections and the Sheriff's Department. The goal of this program is to assist in the reduction of pre-trial detainees who are found to be non-violent, with strong ties to the community. Defendants and inmates are court ordered into this program and monitored by a Deputy Sheriff, as necessary depending on their specific circumstances and restrictions. This program gives the court an additional option in lieu of incarceration, especially if a defendant has medical complications or special

needs. This program affords an additional level of supervision while the individual is out on bail pending trial.

Conclusion

I would like to express my sincerest gratitude to the Rockingham County Board of Commissioners, Members of the Jail Sub-Committee, all members of the Delegation for their guidance and support during the past year, along with my administrative team, Business Office Manager Louise Turner, Charlene Roche, Captain John Blomeke, Lieutenant's Stephen Church and Rusty Poliquin. Thank you to all department directors, elected officials, and their staff for the assistance and cooperation throughout the year. Last but not least, my appreciation and recognition goes out to all Department of Corrections staff, a group of professionals who are in the front lines every day.

Intake Distribution

| Town | Number | Town | Number | Town | Number | County | Number |
|---------------|--------|---------------|--------|---------------|--------|-----------------|---------------|
| Atkinson | 17 | Greenland | 20 | Northwood | 30 | Belknap | 21 |
| Auburn | 52 | Hampstead | 28 | Nottingham | 18 | Hillsborough | 1 |
| Brentwood | 42 | Hampton | 330 | Plaistow | 45 | Rockingham | 1,010 |
| Candia | 25 | Hampton Falls | 11 | Portsmouth | 257 | Strafford | 10 |
| Chester | 7 | Kensington | 20 | Raymond | 168 | | |
| Danville | 20 | Londonderry | 34 | Rye | 22 | <u>Agency</u> | <u>Number</u> |
| Deerfield | 20 | Newcastle | 2 | Salem | 279 | NH State Police | 229 |
| Derry | 280 | Newfields | 7 | Sandown | 37 | NH State Prison | 13 |
| East Kingston | 35 | Newington | 27 | Seabrook | 54 | NH Parole | 78 |
| Epping | 73 | Newmarket | 52 | South Hampton | 30 | Immigration | 113 |
| Exeter | 123 | Newton | 24 | Stratham | 55 | Self Turn In | 245 |
| Fremont | 10 | North Hampton | 34 | Windham | 18 | US Marshal | 22 |

Summary of Charges

| | | | | | |
|---|---------|--|-----|-----------------------------|--------------|
| Acts Prohibited | 29 | Fed/Immigration Chgs | 149 | Controlled Drugs | 356 |
| Aggravated F. S. Assault | 43 | Felon-Firearm Possession | 24 | Intent to Sell | 65 |
| Assault 1 st /2 nd Degree | 15/30 | Felon-Sexual Assault | 38 | Hypodermic | 6 |
| Assault Simple | 384 | Forgery | 47 | Prostitution | 1 |
| Assault Police Officer | 9 | Fugitive from Justice | 91 | Prohibitive Sale | 9 |
| Arson | 5 | Fraud. use Credit Card | 46 | Protective Custody | 470 |
| Bail Jumping/Revoked | 13/33 | Habitual Offender | 119 | Prowling | 10 |
| Burglary | 84 | Harassment | 20 | Receiving Stolen Property | 157 |
| Career Criminal | 2 | Hindering Apprehension | 35 | Reckless Conduct/Oper. | 58/26 |
| Conduct After Accident | 47 | Indecent Exposure | 10 | Resist Arrest | 177 |
| Conspiracy | 8 | Issuing Bad Check | 24 | Riot | 3 |
| Contempt of Court | 66 | Interfere with Custody | 4 | Robbery | 50 |
| Criminal Liability | 7 | Kidnapping | 4 | Sale-Controlled Drugs | 61 |
| Criminal Mischief | 162 | Littering | 1 | Shoplifting | 152 |
| Criminal Restraint | 10 | Motor Vehicle Violation | 30 | Stalking | 24 |
| Criminal Threat/Trespass | 156/71 | Murder-1 st /2 nd Degree | 1/1 | State Prison Transfers | 13 |
| Cruelty to Animals | 3 | Murder-Attempted | 4 | Theft/Deception/Unauth. | 137/23/42 |
| Default | 99 | Negligent Homicide | 1 | Transport Controlled Drugs | 21 |
| Disobey a Police Officer | 100 | Non Payment of Fine | 16 | Unauthorized Usage-M/V | 13 |
| Disorderly Conduct | 74 | Non Support | 71 | Unlawful Poss.-Alcohol | 60 |
| Domestic Violence | 30 | Operating-Rev./Susp | 279 | Unlawful Use-Weapon | 13 |
| DWI Sentence/Pre-trial | 148/231 | Operating-without Lic. | 23 | Violation-Parole/Protective | 374/176 |
| Endangerment of Child | 17 | Open Container | 38 | Warrants | 371 |
| Escape | 2 | Overnight Hold | 258 | Witness Tampering | 13 |
| Fail-Reg.-Sex Offender | 3 | Pornography | 9 | Total Charges | 6,489 |
| False Report to Police | 69 | Possession | | | |
| False Scripps | 10 | Burglary Tools | 2 | | |

COUNTY ATTORNEY'S OFFICE
James M. Reams, County Attorney

Introduction

The office continuously strives to improve the quality and efficiency of processing cases and seeking justice within the confines of a delicate balance of resources. The County Attorney wishes to thank the Delegation for their support and looks forward to continuing the work to provide justice to the citizens of this County.

Mission Statement

"The mission of the Rockingham County Attorney's Office is to improve the quality of life for the citizens of Rockingham County by seeking justice professionally, effectively and efficiently."

The County Attorney is a constitutional officer and chief law enforcement official in Rockingham County whose duties and responsibilities have been defined by common law and statutes. In the absence of the Attorney General, the County Attorney performs all the duties of the Attorney General's office for the County. He has the responsibility for and exercises general supervisory control over the enforcement and prosecution of state criminal laws.

The County continues growing at a rate above the rest of the State. The threats to our rapidly expanding communities are likewise increasing. The laws regarding criminal procedure, search and seizure, and permissible investigative techniques is increasingly complex. The County Attorney has an important responsibility to provide general oversight, guidance, and training to the County law enforcement agencies. The responsibility is to ensure that the community is protected from criminals and that cases are successfully prosecuted, but also to ensure that all of our citizens' rights are scrupulously protected.

Since 1999, when County Attorney Reams first took office, the number of cases handled by the office has dramatically increased. A strict comparison of the actual number of True Bills returned by the Grand Jury reveals a leap from 1254 in 1998 to 2436 in the year 2004. Simply comparing these numbers cannot accurately reflect the increased workload handled by this office. Some might suggest that the numbers could be skewed by "overcharging" certain types of cases. This is not done in Rockingham County. The County Attorney exercises great restraint and consideration when making charging decisions. The County Attorney prefers to track the workload by comparing the number of "case files" opened. A file may have numerous charges, but will involve one investigation and one defendant.

Crime Statistics For Matters Filed In Superior Court

- Indictments have increased to 2436
- The number of individuals indicted rose to 1127
- 1494 cases were scheduled for trial
- Duty calls from police departments after hours increased to 281
- Victim Advocates had 13,573 contacts with victims and witnesses
- Our two part-time investigators handled 544 cases

Prosecutors

The County Attorney and his Deputy oversee a staff of 32 including 13 Assistant County Attorneys. The Assistant County Attorneys are divided into teams covering three geographic regions of the county. The team covering the western part of the county has seen the most significant increase in cases.

The County Attorney continues to be proactive in providing assistance during the earliest stages of a case. Prosecutors answer questions from law enforcement regarding investigations and charging decisions 24 hours a day. All prosecutors are periodically scheduled to be "on-call" after hours and do not receive overtime or other consideration for this added duty. The prosecutors recognize that this function results in better investigations, prosecutions, and protection of citizens rights. On average, three out of four nights prosecutors answer calls from police departments.

In addition to these duties the prosecutors carry an average of 157 felony cases at all times. In contrast, a Public Defender has a contract with the State to provide for a maximum of 55 cases, including misdemeanors and other duties. Our heavy workload places significant stress on the entire staff. It should be noted that attorneys working at other County Attorney Offices in New Hampshire carry approximately 100 cases.

District Court

While the County Attorney is responsible for criminal prosecution in the County, police departments have traditionally prosecuted their own cases at the District Court level in New Hampshire. The County Attorney's Office provides assistance to departments when requested and occasionally for short periods when departments have been without personnel. The County Attorney has assumed complete responsibility for District Court prosecution when the department or municipality reimburses the county for the associated cost of providing that service. This is done because district court prosecutors are not provided for all the towns.

The County Attorney supervises one full time and one part time prosecutor assigned to the Portsmouth Police Department under a fully funded contract. An Assistant County Attorney has been assigned to the Salem Police Department under a fully funded contract. Both Salem and Portsmouth have requested an additional prosecutor be hired to assist in the growing caseloads. The Plaistow District Court prosecutor position was filled in 2003 with 5 towns entering into the contract. In 2004, the County Attorney's Office was given authority to hire an administrative employee to assist in the prosecutorial duties of the Plaistow District Court.

The County Attorney has provided prosecution for towns in the Auburn District Court area including Nottingham and Candia. The County Attorney previously prosecuted cases for Epping and Northwood however both towns opted to hire attorneys on a part time basis to act as their prosecutors.

Victim Witness Advocates

The County Attorney's Office has three full-time Victim/Witness Advocates. The advocates work primarily on victim cases by providing information and assistance

with compassion and professionalism. Advocates guide victims through the criminal justice process and work to ensure that the victim's rights are protected in accordance with RSA 21-M:8. Each of the advocates averaged over 258 telephone conferences and more than 55 office conferences to victims each month.

One advocate position continues to be grant funded through the Violence Against Women Act. The federal grant limits the types of cases that this advocate may work on but the majority of this employee's salary is paid through federal funding. In the past, Americorps provided an advocate however funding was not available to our office in 2004. With the increasing caseload, it will be necessary to add an additional full time advocate to maintain the level of services demanded by the Victims Bill of Rights.

Investigators

Investigators reviewed approximately 544 cases all involving victims in 2004. Additionally, they reviewed and validated 298 cases pending in the National Crime Information Center (NCIC), which is used by law enforcement to locate defendants evading justice. Other duties include but are not limited to assisting law enforcement agencies in follow-up investigations, locating missing witnesses and conducting interviews. In addition, the investigators handled 13 complaints against police departments, performed 10 background checks for prospective employees, and fielded 32 walk-in contacts during 2004.

Medical Examiners

In every case of a medical legal death, the Medical Examiner, or an Assistant Deputy Medical Examiner is required to respond and conduct an examination. Examiners conducted 173 scene investigations this year. Local funeral homes provide removal and transportation services and it is anticipated that these expenses may continue to rise.

Child Advocacy Center Of Rockingham County

Our Child Advocacy Center is the first established in New Hampshire. The Child Advocacy Center provides child friendly forums for multidisciplinary interviews at sites in both Portsmouth and Derry. The Child Advocacy Center was Rockingham County's response to a legislative mandate that agencies investigating child abuse work cooperatively to minimize the impact on a child. A second Child Advocacy Center site located in Derry was opened in 2003.

The Child Advocacy Center is a non-profit entity that is staffed and funded through grants and fundraising efforts. The County Attorney is on the board of directors and has representatives on the advisory board of the Child Advocacy Center. The model has been so successful that a legislative committee has recommended that our model be implemented statewide. The Governor and Attorney General have supported this model and have made matching funds available to enable other counties to establish Child Advocacy Centers of their own.

Prosecutors attended 152 interviews at the Child Advocacy Center in 2004. The time consuming process is critical to successful case resolutions. As the Court docket becomes more demanding, it will be difficult to keep pace with covering these interviews. In many of the jurisdictions across the county, prosecutors are

rotated through full time assignments at their Child Advocacy Centers. Proper coverage for the Child Advocacy Center will be essential for continued success.

Future Challenges and Opportunities

The availability of the internet has provided a new forum for criminals and predators. The laws to provide appropriate protections are slowly catching up to meet the threats. Investigating and prosecuting these technology-assisted crimes present new challenges for law enforcement and prosecution. The cases that reached into our communities include a new way to violate a protective order with relative anonymity, cyber stalking, child pornography, solicitation, and identity theft.

Information management will be critical for future law enforcement successes. Keeping pace with developments in computer power, software, and access will be an essential expense.

In closing, I want to commend the entire staff of the Rockingham County Attorney's Office. They are dedicated and compassionate professionals who are committed to the mission of this office. They have and will continue to do what it takes to get the job done. The citizens of this county can be assured that the staff serves them well. I would also like to thank the Commissioners and Delegation for their support in rebuilding the Rockingham County Attorney's Office.

ENGINEERING AND MAINTENANCE SERVICES

Jude A. Gates, Director of Facilities, Planning, and IT

2004 was an exciting year for the Engineering and Maintenance Services team. We participated in many projects, large and small, and the results of our work touch on every resident, visitor, and employee at the County Complex. The quality of craftsmanship, sense of ownership, and insistence on excellence displayed by the members of our department are a continuing source of pride. Operations reviewed by outside regulatory agencies consistently report compliance and high compliments for work well done.

Larger projects undertaken and overseen by Engineering and Maintenance Services in 2004 include the following:

- Installation of electrical service in the steel storage building for the Rockingham County Nursing Home (RCNH).
- Completion of a new RCNH main reception area including relocation of all associate fire and security alarms.
- Installation of new cameras, alarms, and digital video management to enhance the safety and security of the nursing home occupants.
- A complete refurbishment of the RCNH Chapel.
- Installation of passage sets on all resident room doors in Blaisdell building and replacement of some exterior steel fire doors.
- Replacement flooring in the Driscoll and Mitchell buildings, jail, and office spaces in Engineering and Maintenance Services.
- Window awning installation on the Mitchell building for energy conservation.
- Replacement of the automatic doors at the Blaisdell main entrance to the nursing home.
- Installation of drainage measures and paving work at the Mitchell courtyard of the RCNH. The design corrected years of water infiltration into the Underhill building, updated the traffic and pedestrian patterns for enhanced safety, and provides the base for landscape work to be accomplished in 2005.
- Replacement of the fire suppression system in the RCNH generator room with an environmentally responsible product.
- In response to a Life Safety recommendation, fire sprinklers were installed at the doors to the walk in coolers in the RCNH Dietary area.
- Door hold open magnets, tied into the fire alarm system, were installed in the Assisted Living facility.
- Initiation of a fundamental upgrade to the RCNH fire alarm system.
- Repairs began on the RCNH Boiler Plant chimney stack.
- Commissioners, RCNH Administration, along with members of Engineering and Maintenance Services participated in a feasibility analysis of Fernald Building for Phase II development of the Assisted Living model. Assessment of space allocation for highest and best use is an ongoing process.

- Installation of backflow prevention and metering on the water services at the RCNH Boiler Plant and at the jail.
- Boilers at the RCNH Boiler Plant and at the jail were overhauled by in-house personnel.
- Replacement of the jail security infrastructure began after months of development.
- Replacement of steel shower stalls and an additional shower to accommodate the population at the jail.
- Indoor Air Quality measures included contracted services for cleaning and disinfection of the air handling equipment.
- Roof repairs involved replacement of some copper gutters on the Carlisle building and replacement of the grounds shed roof by departmental personnel.
- A small shed was constructed at the motor services garage, suitable for storage of oils, antifreeze, and other hazardous fluids.
- The historical #6 oil spill at the RCNH Boiler Plant continues to be monitored via our Groundwater Management Program and under the direction of New Hampshire Department of Environmental Services.
- The issuance of photo ID cards for employee identification and for the new time and attendance program began and will be expanded in 2005 to include card access to selected buildings.
- Frank Stoughton, IT/Telecommunications Manager, joined the Engineering and Maintenance Services team. Having collaborated on many projects in the past, the transition was very smooth and led quickly to production efficiencies. We welcome Frank and feel that the County has benefited greatly from the move.
- Execution and substantial completion of a vast energy management and conservation program. Highlights of the program include replacement of light fixtures, installation of water conserving equipment, replacement of many motors with energy efficient models, replacement of the jail chiller, development of a comprehensive network of energy management controls and programs, and installation of a turbine to generate some electricity from our existing steam. The project represents an enormous investment in the long term viability of the County's infrastructure and guaranteed savings. Bob Gilbert, Maintenance Foreman, exerted tremendous care and energy into this project.

It is only by the dedication and hard work of so many that we can boast of such accomplishments. The buildings and grounds are well maintained and impeccable with an eye to efficiency and safety. It is with pride that I count myself among the members of the Engineering and Maintenance team.

I am grateful for the support and comradeship of the Officials and Division Directors. I thank the County Commissioners for their support and direction.

HUMAN RESOURCES DEPARTMENT

Martha S. Roy, Director

During the past year the Human Resources Department conducted many training programs for the County's over 700 employees. Administrative Professional Training days and a Supervisors Academy took place in the spring. The Healthy Lunch lecture series continued to offer employees a calorie conscious lunch with a health topic lecture. In a joint effort with Engineering and Maintenance Services, a series of computer training courses were held in the fall ranging from Microsoft Word to Power Point. The seventh annual Health and Benefits Fair was held in October. This event provides employees a chance to meet with health and benefit providers plus learn ways to lead healthier lifestyles.

The County continued with Group Insurance Service Center as the self-insured health insurance plan third party administrator and Delta Dental as our self-insured dental plan administrator and network in 2004. The Preferred Provider Organization network (Health Care Value Management) remained the same for the health insurance plan, which experienced increases in the premiums for 2004.

All work necessary to comply with the Health Insurance Portability and Accountability Act was completed by the Human Resources Department in 2004. Privacy language was inserted in all Benefit Summary Plan Descriptions and Business Associate Agreements were developed with all involved vendors.

The Human Resources Department continues to provide entrance and exit interviews to all County employees, introducing County benefits as well as policies and procedures. Support is provided for personnel issues and facilitation is supplied to the Employee Advisory Committee, Joint Loss Management Program (Safety Committee), and County Management Team. All employee personnel files for each department are maintained in the Human Resources Department.

HUMAN SERVICES DEPARTMENT

Diane D. Gill, Director

The Department of Human Services was responsible for an appropriated budget of \$15,383,610 for the funding of services to residents of nursing homes, juveniles and their families, the disabled, and the elderly.

The Intermediate Nursing Care (INC) line of the budget represents the most costly portion of this department's budget. INC pays for nursing home care for Medicaid-eligible residents of private nursing homes, as well as the Rockingham County Nursing Home, with costs split – 50% federal share, 25% county, and 25% state share. There were an average of 725 recipients, at an average total monthly cost of \$521,300; a reduction in both the cost and number of recipients from the previous year.

Some elderly persons prefer to remain at home, or in a setting less acute than a nursing facility. Medicaid-eligible elderly and chronically ill adults may receive services in their own homes, or in mid-level care facilities. The two categories of

expenditures for these types of services are Home and Community Based Care (HCBC) and Provider Payments. The costs for these services are funded 50% federal share, 25% state, and 25% county shares. Services are available only to those persons who would be eligible for Medicaid nursing facility services. The average monthly caseload for HCBC clients was 270 persons, at an average cost of \$85,327 per month. The Provider Payment caseload averaged 1,052 persons, at an average cost of \$155,315 per month.

This department is also responsible for the payment of expenses for Old Age Assistance. This program provides cash grants to income-eligible elderly persons. The county pays 50% of the total cost. Rockingham County paid for as many as 200 clients per month, at a total average cost of \$13,975.

The Aid to the Permanently and Totally Disabled is a program that provides cash grants to income-eligible persons who have severe physical or mental disabilities. The county share is 50% of the costs. This program served an average caseload of 883 persons, at a total average monthly cost of \$ 92,692.

The Department of Human Services is responsible for approving payments for court-ordered services for juveniles and their families; including Children in Need of Services, delinquents, and children who have been found to have been abused or neglected. Rockingham County funds 25% of these costs, and the State of New Hampshire, Division of Children, Youth and Families, funds 75%. Rockingham County paid expenses for an average of 408 children on a monthly basis. Average monthly costs totaled \$126,657 for out-of-home placement and in-home services. Reimbursement for juvenile's expenses was collected from parents in the amount of \$427,656 by this department, acting on behalf of the state.

In order to reduce the number of court-involved juveniles, and out of home placements that may result from court involvement, counties receive prevention funds from the State of New Hampshire, Division for Children, Youth and Families, called the 6% Incentive Funds. Rockingham County granted \$665,837 to community programs that provide services to prevent children and families from becoming involved in the juvenile justice system, or to provide judges with alternatives to costly placements or services once a juvenile petition has been filed.

An example of a prevention program is Rockingham County's Juvenile Diversion Program. A single staff member provides intake and referral services to families who are experiencing difficulties with their adolescents. The program received referrals from the courts as a diversion alternative, from schools, from the Division for Children, Youth and Families, and from police departments. Juvenile diversion is provided free of charge to families who reside in Rockingham County.

I would like to express my appreciation to the Board of Commissioners for their guidance and assistance to this department. I would also like to recognize the excellent staff of the department, including the Parent-Child Mediation Program Coordinator, and Juvenile and Adult Diversion Coordinator, for their service on behalf of the families of Rockingham County.

LONG TERM CARE SERVICES

William F. Sturtevant, Director

The past year continued to bring significant changes, challenges, and issues to the Rockingham County Nursing Home.

Over the past five years the lack of qualified nursing personnel has had an adverse effect on the operations and availability of services. 42 beds remain off line on a semi-permanent basis along with other beds in the facility as we attempted to recruit personnel in the nursing department. This year we have seen a dramatic decrease in the number of agency personnel filling vacancies within the nursing department and hope the trend continues.

In February, the County Convention approved the recommendations of the Board of County Commissioners to renovate the vacant Fernald One unit to increase the Assisted Living Facility. At the annual meeting, the Convention voted unanimously to authorize a bond for this project. Warren Street Architects and Milestone Construction were selected by the County Commissioners, staff, and administration through rigorous research and planning. Work began in late fall for the expansion of the Ernest P. Barka Assisted Living Community and renovations to the Fernald Two Nursing Unit in the nursing home. The project is expected to be completed in November 2005.

In July, the Bureau of Health Facilities arrived for its Annual Survey of Long Term Care Facilities as required by the federal government. The results were excellent with only two deficiencies.

In August, we welcomed to the management team Susan Denopoulos to the Long Term Care Services Department. Susan replaces Nancy Lang as the Assistant Administrator following Nancy's move to become the Director of Assisted Living.

We continue our working relationship with the New Hampshire Community Vocational College System. In September, two freshman nursing student classes were hosted, which averaged 8 students per class. We look forward to seeing new students in the fall of 2005.

The "Employee of the Month" program continued as peers, residents, families, visitors, volunteers, or any other individual who has an interest in the Rockingham County Nursing Home may nominate employees. Recognized in 2004 were:

| | |
|-----------|---|
| January | Beverly Thibeault, Food Services |
| February | Lorraine Shaw, Nursing Department |
| March | Regina Crowell, Food Services |
| April | Judy Walker, Environmental Services |
| May | Lorraine Downing, Nursing Department |
| June | Cathy Ordway, Physical Therapy |
| July | Gail Carignan, Nursing Department |
| August | Estelle Nichols, Environmental Services |
| September | Jenny Kaichen, Food Services |
| October | Donna White, Nursing Department |
| November | Arline Janvrin, Administration |
| December | Penny Alexander, Nursing Department |

The thirteenth annual "Giving Tree" was successful. Many individuals and community organizations returned gifts to assist in providing a joyous Christmas morning for all residents. Thank you again to all who participated.

The EFFORTS Committee has continued to provide support to the residents of the nursing home. The group purchases equipment and many special items that residents enjoy.

I wish to recognize Nancy Lang and the Assisted Living staff for continuing to make the facility a success.

Thank you to Jude Gates, Director of Facilities, Planning, and IT; Gene Charron, Corrections Superintendent; Theresa Young, Director of Finance; and Martha Roy, Director of Human Resources; for the assistance and support provided to the nursing home throughout the year.

This report would not be complete without again recognizing the fine personnel who provide quality care and quality of life to the residents of the Rockingham County Nursing Home. Without this group of dedicated employees the nursing home would not continue to enjoy its fine reputation throughout the State of New Hampshire. My personal thanks to each of them and their families.

An expression of gratitude to the Rockingham County Delegation and Board of Rockingham County Commissioners for their assistance, guidance, and support this past year.

2004 NURSING HOME CENSUS

Daily Average Census - 223

Highest Census - 226

Lowest Census - 213

Admissions

| | |
|-------------------------|-----------|
| Home | 20 |
| Hospital | 13 |
| Nursing Home | 28 |
| Group Home | 4 |
| Rehabilitation | 1 |
| Assisted Living | 3 |
| Total Admissions | 69 |

Discharges

| | |
|--------------------------------|------------|
| Hospital | 34 |
| Discharged to another facility | 6 |
| Discharged to Assisted Living | 1 |
| Residents expired in hospital | 2 |
| Resident discharged home | 1 |
| Deaths | 69 |
| Total Discharges | 113 |

Average Resident Age 82

Average Age of Resident Death 86

Average Length of Stay 2 years, 5 months, and 13 days

THE ERNEST P. BARKA ASSISTED LIVING COMMUNITY

Nancy L. Lang, Director

The New Year started off with a bang as the residents rang in 2004 together. The twenty five (25) happy, well adjusted residents have developed their own routines, habits, and are enjoying the camaraderie of folks their own age.

Residents enjoyed a twelve week Stronger Living Program sponsored by the UNH Cooperative Extension. Everyone anxiously waited each Tuesday and Thursday for the instructors to arrive. We are all grateful to the Cooperative Extension for including us in this program.

The residents held several raffles, bake sales, and lunches to raise money for the extras we all love. Events included a Lobster and Clam Bake (with Sirloin Steak for those who do not eat lobster) along with special breakfasts. The avid sports fans made a couple of trips during the season to Manchester for Fisher Cats baseball games and were treated royally by the Fisher Cats and the personnel of the park.

The summer flew by with several trips to ice cream shops. Everyone enjoys the festivities and fire works that are an annual event at the complex.

The fall brought Assisted Living Week with the theme "Caring for our Heritage," with a trip to Applecrest for apple picking and a foliage bus trip. An American Flag that had flown over the United States Capital and a New Hampshire State Flag that had flown over the State House was presented to our facility by Senator Gregg and Representative Morris. The flags stand proudly in the sun room.

We hosted a costume Halloween Party for residents and their families which was great fun. Several of our residents and a staff member formed a bell choir to entertain the residents of the nursing home during the holidays. Our annual open house was held on December 19th with over a hundred guests with entertainment by our own "Bell Choir". A 2005 personalized calendar was presented to the families of our residents with thanks to our talented Administrative Assistant.

As the year came to a close the residents discussed forming a "hospitality committee" to welcome new residents to the expanded assisted living facility. We ended the year at full occupancy and the average age of our residents is 85.

I could not conclude this report without acknowledging the outstanding staff and families of the Ernest P. Barka Assisted Living Community. Our staff maintains loving, caring, and supportive surroundings while providing excellent care. The families of our residents are caring, generous, thoughtful, and supportive.

Heartfelt thanks to William Sturtevant, Director of Long Term Care Services, Jude Gates, Director of Facilities, Planning, and Information Technology, and the staff of the Rockingham County Nursing Home for all the support and assistance to our community. I would like to thank the Board of Rockingham County Commissioners for their interest and support to the Ernest P. Barka Assisted Living Community in 2004.

REGISTRY OF DEEDS
Cathy Ann Stacey, Registrar

The Rockingham County Registry of Deeds is pleased to report that through careful planning and conscientious management that this office realized a profit of \$4,449,209.00, exceeding the profit realized in 2003. The sincere efforts of my staff, not only affected this pleasant financial result, but made it possible to improve service to the public.

In 2004, Becky Burns, Executive Assistant/Deputy Register of Deeds, was named Registry of Deeds Employee of the Year for 2004 by the New Hampshire Association of Counties. Ms. Burns has worked for Rockingham County for over twenty years and continues to maintain a high degree of excellence in her position.

The scanning and image retrieval system continues to grow. The office is working on a project to scan the old black books which could not be effectively done through the conversion process. This is a time intensive project but the results will be seen not only for staff but especially for those individuals accessing our information via the internet.

The copy department took in revenue of \$522,817.50 for 2004. Approximately \$215,594.00 was earned through copies from the website. The activity generated by the website continues to grow.

It remains my goal to operate the Registry of Deeds in the best interest of the general public and particularly the taxpayers. Our goal is to continue to build offsite access to make the office more accessible to everyone. My staff and I pledge ourselves to this end.

STATISTICS

| | |
|---|-------------------|
| Number of Recordings | 106,781 documents |
| Pages Filmed | 673,116 pages |
| Number of copies made | 440,866 pages |
| Fax copies sent | 10,983 pages |
| 2004 Copy Department Receipts | \$ 522,817.50 |
| 2004 Total Receipts | \$5,668,030.00 |
| 2004 Total Expenditures | \$1,281,321.00 |
| Surcharge Account used to reduce budget | \$ 250,000.00 |

SHERIFF'S OFFICE

J. Daniel Linehan, High Sheriff

Active Warrants – Superior & Family Court

| | |
|---|-------------------|
| Warrants in NCIC | 367 |
| Warrants non-NCIC (Equity, Family Division, Cost Containment) | 119 |
| Wanted Persons beyond extradition limits | 123 |
| Wanted Persons serving time in other states | <u>67</u> |
| Total | <u>553</u> |

Active Warrants - District Court

| | |
|--|-------------------|
| Wanted Persons residing in Rockingham County | 58 |
| Wanted Persons residing in other N.H. Counties | <u>67</u> |
| Total | <u>125</u> |

Arrests – Superior Court Warrants

| | |
|-------------------|-------------------|
| Criminal Warrants | 427 |
| Civil Warrants | <u>93</u> |
| Total | <u>520</u> |

Arrests – District Court Warrants

| | |
|-----------|-----|
| Arrests | 17 |
| Not found | 129 |

Recalled Warrants

| | |
|-------------------------------------|------------|
| Sheriff's notice by mail | 403 |
| <i>Deputy Sheriff contact</i> | <i>547</i> |
| By the court | 219 |
| Total Arrests - All Warrants | 537 |
| Total Active Warrants - All Courts | 678 |
| Total Warrant Activity - All Courts | 2,513 |

Transports

| | |
|--|---------------------|
| District Court transports | 3,653 |
| Involuntary Emergency Admissions (IEA) | 322 |
| Juvenile transports | 361 |
| All other transports | <u>4,333</u> |
| Total | <u>8,669</u> |

Deputy Sheriffs initiated 55 criminal reports, stopped 734 motorists for moving violations, assisted 59 drivers on the roadways, and covered 22 motor vehicle accidents. The Patrol Division deputies served 13,072 civil process documents.

Fugitive Extraditions By State

| | | | | | |
|-------------|----|----------------|-----|----------------|------------|
| Alabama | 1 | Maine | 27 | South Carolina | 1 |
| Arizona | 1 | Maryland | 1 | Tennessee | 1 |
| California | 2 | Michigan | 1 | Texas | 1 |
| Connecticut | 2 | North Carolina | 2 | Vermont | 2 |
| Florida | 17 | Massachusetts | 126 | Rhode Island | 1 |
| Georgia | 1 | Pennsylvania | 3 | Virginia | 1 |
| Louisiana | 1 | New York | 9 | Total | 201 |

Deputy Sheriffs brought all fugitives back to NH with 7 transports assisted by the US Marshal

Dispatch Center Service Calls

2001: 90,090 2002: 92,575 2003: 88,697 2004: 86,956

The Sheriff's Dispatch Center is the largest Public Safety Dispatch Center in New Hampshire. We provide 24-hour service for 23 Police Departments and 14 Fire Departments. The Center is also the primary communications point for the Seabrook Nuclear Power Plant Radiological Emergency Response Plan (RERP), the Pease International Tradeport Emergency Response Plan, and the Manchester Airport Emergency Response Plan.

Airport Division Statistics

| | | | |
|------------------|-------|-----------------------|--------|
| Alarms | 6,251 | Vehicle related | 3,040 |
| Escorts | 467 | Suspicious Containers | 522 |
| Criminal | 1,375 | Parking Tickets | 239 |
| Aircraft related | 26 | Administrative Calls | 4,120 |
| Medical related | 250 | Calls for Service | 15,531 |

Activity increased 12.6% over 2003 and serviced >4 million passengers

TREASURER'S OFFICE

Edward R. Buck III, Treasurer

Rockingham County ended 2004 in good financial shape. This was indicated by the fact that during 2004 the County:

- met all financial obligations on a timely basis
- obtained borrowing at continued relatively low interest rates
- maintained an excellent Moody rating

Rockingham County issued a \$19 million tax anticipation note (TAN) on July 8th with a very favorable interest rate. Parker/Hunter group purchased this note at a net interest rate of 1.3790%. This rate pertains to short-term borrowing over a six-month term. The money was used for the County operating expenses. The last TAN borrowing by the County was in June 2003 at an interest rate of 0.9033%. Eight different financial organizations placed bids on the TAN with net interest rates ranging from 1.3790% to 1.7490%. The principle and interest were paid on December 31, 2004.

Moody's Investor Services assigned an MIG-1 rating for the \$19 million note, the best note rating possible. Moody also affirmed the County's Aa3 rating for general obligation debt and continued the outlook of "positive" for long-term debt. There are no "triple A" ratings in New Hampshire.

It's estimated that the excellent MIG-1 rating saves the County ten's of thousands of dollars in interest payments. The MIG-1 rating applies to short-term loans only.

Due to our continued strong credit rating, the County was able to borrow both bond and tax anticipation notes at favorable rates. This low interest rate will save the County in interest payments and will make future County borrowing more attractive to investors throughout the country.

Reasons given by Moody's for the high rating included: the continued strong financial position of the County's operations, favorable cash flow projections; a growing tax base; and the county's low debt burden.

Theresa Young of the Finance Office and her staff deserve credit for putting these complicated financial matters together. The entire finance staff worked hard to achieve great fiscal health for the County.

During the year, the Treasurer's Office collected \$35,993,492 in taxes from the thirty-seven cities and towns of Rockingham County. We currently are not involved with any legal proceedings regarding taxes.

UNH COOPERATIVE EXTENSION

Rollie Barnaby, Office Administrator

Mission Statement

The University of New Hampshire Cooperative Extension provides New Hampshire citizens with research-based education and information, enhancing their ability to make informed decisions that strengthen youth, families and communities, sustain natural resources, and improve the economy. As your local link to the University of New Hampshire, Cooperative Extension in Rockingham County provides practical education to people of all ages. The cooperative part of our name refers to a funding combination of federal, state, and local allocations and this partnership has been in existence for 89 years. Outreach efforts include monitoring water quality in our lakes and rivers, collaborative efforts to sustain the marine fishery, aquaculture, reducing the use of pesticides, parenting programs, 4-H clubs, land use management, food safety, forest stewardship, family finances, meeting the needs of low-income families, and strengthening our communities.

Strengthening New Hampshire communities is a major statewide initiative that has impacted Rockingham County. A primary focus of this initiative is the Community Profile which helps communities take stock of where they are today and develop an action plan for the future. It provides a method for citizens to affirm community strengths, to meet challenges creatively through collaboration, and to manage change. Follow-up support is available from Extension staff.

Nancy Adams retired this year after 20 years. She was a respected and valuable Agriculture Resources Extension Educator. We will be assessing the needs and future staffing to support the growing agriculture sector of our county economy.

Our Advisory Council is at full strength and involved in needs assessment, program development, and evaluation. The Advisory Council is made up of 15 Rockingham County citizens including a youth member, County Commissioner Kate Pratt, and NH State Representative Jane Kelly.

The statewide UNH Cooperative Extension Info Line (1-877-398-4769) provides information on: gardens, lawns, and landscapes, fruits and vegetables, household food safety and preservation, pest problems, integrated pest management, backyard wildlife, tree planting and care, houseplants, home water systems and backyard livestock (pigs, sheep, poultry, rabbits).

The educators and staff thank the Board of Commissioners for their continued support.

STATE OF NEW HAMPSHIRE
DEPARTMENT OF REVENUE ADMINISTRATION
MUNICIPAL SERVICES DIVISION
P.O. BOX 487, CONCORD, NH 03302-0487
(603)271-3397

2004
BUDGET
AND
STATEMENT OF APPROPRIATIONS
AND
ESTIMATE OF REVENUE - COUNTY

For: Rockingham County
Calendar year 1/01/04-12/31/04

Mailing Address: 119 North Road, Brentwood, NH 03833

Phone #: 679-9340 Fax #: 603-679-9346 E-Mail: theclan@ttlc.net

Per REV rule 2208.01, use this form to prepare the county budget for delivery to each member of the board of selectmen or mayor for each city within the county, and to the Secretary of State as required by RSA 24:21-a. This form is also to be used to report the voted appropriations, as required under RSA 24:24, to the Secretary of State and to the Commissioner of the Department of Revenue Administration no later than 30 days after adopting the budget or supplemental appropriation.

CERTIFICATE OF VOTE

This is to certify that the appropriations entered on this form are those voted by the county convention.

Chairman

George N. Kotronis

Clerk

David A. Welch

This form is computerized. Send us your blank disk & a self-addressed, stamped mailer for a copy of the spreadsheet.

| 1 Acct.# | 2 APPROPRIATIONS OR EXPENDITURES | 3 Appropriations Previous Fiscal Year | 4 Expenditures Previous Fiscal Year | 5 Proposed Budget Ensuing Year | 6 Appropriations Voted For Ensuing Year |
|----------------------------|--|--|--|--------------------------------------|--|
| GENERAL GOVERNMENT | | | | | |
| | | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX |
| 4110 | County Convention Costs | 79,212 | 54,480 | 83,142 | 83,332 |
| 4120 | Judicial | | | | |
| 4122 | Jury Costs | | | | |
| 4123 | County Attorney's Office | 2,160,930 | 2,108,109 | 2,400,086 | 2,400,086 |
| 4124 | Victim Witness Advocacy Program | incl in 4124 | | | |
| 4130 | Executive | 1,909,281 | 1,059,508 | 1,521,599 | 1,521,600 |
| 4150 | Financial Administration | 623,254 | 594,779 | 697,886 | 697,886 |
| 4151 | Treasurer | 115,988 | 105,733 | 61,479 | 61,479 |
| 4153 | Other Legal Costs | 110,002 | 243,874 | 280,001 | 280,001 |
| 4155 | Personnel Administration | 304,641 | 304,369 | 334,023 | 334,023 |
| 4191 | Planning and Zoning for Uninc.Places | | | | |
| 4192 | Medical Examiner | 75,350 | 72,839 | 75,350 | 75,350 |
| 4193 | Register of Deeds | 1,309,979 | 1,206,872 | 1,406,062 | 1,406,062 |
| 4194 | Maintenance of Government Bldg. | 2,645,525 | 2,564,433 | 2,841,590 | 2,841,590 |
| | Non-County and IT | 522,821 | 473,934 | 577,562 | 577,562 |
| PUBLIC SAFETY | | | | | |
| 4211 | Sheriff's Department | 3,490,794 | 3,282,555 | 3,856,263 | 3,951,209 |
| 4212 | Custody of Prisoners | | | | |
| 4214 | Sheriff's Support Services | incl in 4211 | | | |
| 4219 | Other-Manchester Airport Securit | 1,225,272 | 1,276,080 | 2,050,455 | 2,050,455 |
| CORRECTIONS | | | | | |
| 4230 | Corrections | 7,148,747 | 6,923,422 | 7,880,620 | 7,971,400 |
| 4235 | Adult Probation and Parole | | | | |
| 4300 | COUNTY FARM EXPENSE | | | | |
| COUNTY NURSING HOME | | | | | |
| 4411 | Administration | 18,162,768 | 17,389,754 | 21,380,318 | 21,383,818 |
| 4412 | Operating Expense | incl in 4411 | | | |
| 4439 | Other Health/ Assisted Living | 599,273 | 433,944 | 734,513 | 734,513 |
| HUMAN SERVICES | | | | | |
| 4442 | Direct Assistance | 12,665,799 | 11,213,475 | 12,338,600 | 12,338,600 |
| 4443 | Board and Care of Children | 2,335,600 | 1,809,823 | 1,999,207 | 1,999,207 |
| 4446 | Diversion Program | 1,351,150 | 633,194 | 1,285,505 | 1,285,505 |
| 4447 | Special Outside Services | | | | |
| | Admin&AG Adult Diversion Grant | 356,382 | 344,009 | 389,172 | 389,172 |
| | | | 52,095,186 | 62,193,433 | 62,382,850 |

| 1 Acct.# | 2 APPROPRIATIONS OR EXPENDITURES | 3 Appropriations Previous Fiscal Year | 4 Expenditures Previous Fiscal Year | 5 Proposed Budget Ensuing Year | 6 Appropriations Voted For Ensuing Year |
|--|--|--|--|--------------------------------------|--|
| COOPERATIVE EXTENSION XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX | | | | | |
| 4611 | Administration | 468,839 | 464,839 | 524,038 | 524,038 |
| 4619 | Other Conservation | | | | |
| 4650 | Economic Development | | | | |
| DEBT SERVICE | | | | | |
| 4711 | Principal Long-Term Bonds/Notes | 1,865,000 | 1,885,000 | 2,600,000 | 2,600,000 |
| 4721 | Interest Long-Term Bonds/Notes | 233,965 | 207,388 | 177,613 | 177,613 |
| | Other BAN interest | 165,000 | 165,000 | 37,500 | 37,500 |
| INTERGOVERNMENTAL TRANSFERS | | | | | |
| 4800 | Intergovernmental Transfers | | | | |
| CAPITAL OUTLAY | | | | | |
| | Specify | 450,000 | 450,000 | 512,635 | 512,635 |
| | Non Routine Mntc and Other | 63,880 | 36,394 | 123,444 | 123,444 |
| INTERFUND OPERATING TRANSFERS | | | | | |
| | GRANT CONTINGENCY | 1,631,179 | 393,134 | 1,631,000 | 1,631,000 |
| | Specify | | | | |
| | TOTAL APPROPRIATIONS | 62,070,631 | 55,696,941 | 67,799,663 | 67,989,080 |

| 1 | 2 | 3 | 4 | 5 |
|---|---|--|---|---|
| Acct.# | SOURCES OF REVENUES | Estimated Revenue Previous Fiscal Year | Actual Revenue Previous Fiscal Year | Estimated Revenue Ensuuing Fiscal Year with supplemental |
| ASSESSMENTS/TAXES | | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX |
| 3110 | Property Taxes Levied for Unincorporated Places | | | |
| 3120 | Land Use Change Taxes for Unincorporated Places | | | |
| 3180 | Resident Taxes for Unincorporated Places | | | |
| 3185 | Yield Taxes for Unincorporated Places | | | |
| 3186 | Payments in Lieu of Taxes for Unincorporated Places | | | |
| 3189 | Other Taxes | | | |
| 3191 | Penalties on Delinquent Municipal Assessments | | | |
| XXXXXXXXXX | | | | |
| | Licenses, Permits, and Fees | | | |
| 3319 | REVENUE FROM THE FEDERAL GOVERNMENT | 1,597,935 | 1,323,144 | 1,343,000 |
| REVENUE FROM THE STATE OF NH | | | | |
| 3351 | Shared Revenue for Unincorporated Places | | | |
| 3352 | Incentive Funds | 713,177 | 695,261 | 665,838 |
| 3354 | Water Pollution Grants | | | |
| 3355 | Housing and Community Development | | | |
| 3356 | State & Fed. Forest Land Reim. in Unincorporated Places | | | |
| 3359 | Other --Grants and Flex Funds+ Seabrook | 1,577,679 | 437,119 | 1,688,901 |
| 3379 | INTERGOVERNMENTAL REVENUES | | | |
| REVENUES FROM CHARGES FOR SERVICES | | | | |
| 3401 | Sheriff's Department | 2,300,342 | 2,256,348 | 3,240,099 |
| 3402 | Register of Deeds | 4,050,000 | 6,972,459 | 5,430,000 |
| 3403 | County Corrections | 152,800 | 172,610 | 128,800 |
| 3404 | County Nursing Homes and Assisted Living | 13,871,335 | 11,525,284 | 13,034,758 |
| 3405 | County Farm | 16,000 | 16,537 | 16,000 |
| 3407 | Maintenance Department | | 2,051 | |
| 340 | Other Misc | 208,546 | 247,182 | 260,320 |
| REVENUE FROM MISCELLANEOUS SOURCES | | | | |
| 3502 | Interest on Investments | 300,000 | 203,843 | 250,000 |
| 3503 | Rents of Property | 5,520 | 5,520 | 5,520 |
| 3508 | Contributions and Donations | | | |
| 350 | Other Misc incl escheat and recapture from Nhome sale | | | |
| 350 | Other (Specify) | | | |
| 350 | Other (Specify) | | | |
| OTHER FINANCIAL SOURCES | | | | |
| 3912 | Transfer from Special Revenue Funds | | | |
| 3913 | Transfer from Capital Projects Funds | | | |
| | | 24,793,334 | 23,857,358 | 26,063,236 |

| | | | | |
|---------------|----------------------------|---|--|--|
| 1 | 2 | 3 | 4 | 5 |
| | SOURCES OF REVENUES | Estimated Revenue Previous Fiscal Year | Actual Revenue Previous Fiscal Year | Estimated Revenue Ensuing Fiscal Year |
| Acct.# | | | | |

| OTHER FINANCIAL SOURCES cont. | | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX |
|-------------------------------|--|------------|------------|------------|
| 3914 | Transfer from Proprietary Funds | 8,000 | | |
| 3915 | Transfer from Capital Reserve Funds | | | |
| 3916 | Transfer from Trust and Agency Funds | 5,000 | 11,801 | 46,669 |
| 3934 | Proceeds from Long-Term Notes/Bonds | | | |
| | FUND BALANCE TO REDUCE TAX RATE | 2,339,190 | 2,339,190 | 5,943,683 |
| | TOTAL REVENUES | 24,806,334 | 23,869,159 | 26,109,905 |
| | AMOUNT TO BE RAISED BY COUNTY TAX | 34,925,107 | 34,925,107 | 35,935,492 |

67,989,080



INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
County of Rockingham, New Hampshire

We have audited the accompanying general purpose financial statements of the County of Rockingham, New Hampshire as of and for the year ended December 31, 2004 as listed in the table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly in all material respects, the financial position of the County of Rockingham, New Hampshire at December 31, 2004 and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management Discussion and Analysis and the Budgetary Comparison Schedule on pages 3 through 7 and 28 through 29 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying individual fund financial statements listed as supporting schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the combined financial statements and in our opinion, are fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated March 24, 2005 on our consideration of Rockingham County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

A handwritten signature in cursive script that reads "Robin P. Gill, CPA, PC". The signature is written in black ink and is positioned centrally on the page.

Concord, New Hampshire
March 24, 2005

Rockingham County's Management's Discussion and Analysis for 2004

This report provides readers with a narrative overview and analysis of the financial activities of Rockingham County for the year ended December 31, 2004. Readers are encouraged to review the information presented here in conjunction with additional information furnished in the County's financial statements, which follow this narrative. Because this year represents the second year in which the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis provides more comparisons with the previous year as required.

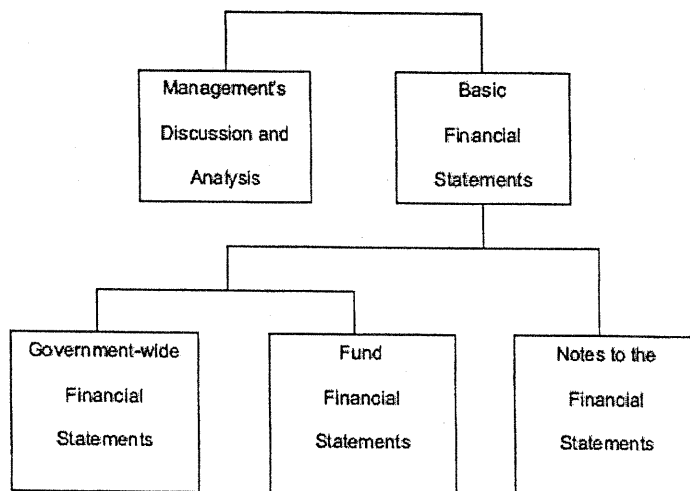
Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to Rockingham County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the County.

- The first two statements in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the County's financial status.
- The next statements are Fund Financial Statements. These statements focus on the activities of the individual parts of the County's government. They provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.
- The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. Following the notes, is the required supplemental information that further explains and support the information in the financial statements.

Required Components of Annual Financial Report

Figure 1



Summary → Detail

Financial Highlights

- The assets of Rockingham County exceeded its liabilities at the close of the fiscal year by \$47,742,980 (net assets).
- The government's total net assets increased by \$4,731,291 primarily due to increased assets in the General Fund.

Financial Highlights Cont'd

- As of the close of the year, Rockingham County's reported combined ending fund balances of \$15,937,704, an increase of \$2,054,172 in comparison with the prior year as restated even with the addition of the debt service fund.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$17,235,977 or 25% percent of total general fund appropriations the increase was largely due to a new nursing home bed tax revenue source unspent human services funded appropriations.
- The County's total debt decreased by \$ 2,806,886 during the current year. However, an additional \$4 million was authorized on February 18, 2004 but not bonded by year end.
- The County maintained its Aa3 rating with a positive outlook and MIG-1 rating on its long-term bond and short-term borrowings respectively.

Government-Wide Financial Analysis

This is the second year that the County has prepared its government-wide financial statements in accordance with the GASB Statement 34 reporting model. Statement 34 dictates that when comparative numbers are accessible, they be included, such as with net assets.

The following analysis focuses on net assets (**table 1**) and changes in net assets (**table 2**). Net assets at year end were \$47,742,980 of which \$20,287,724 is unrestricted. Unrestricted net assets can be used to finance day-to-day operations of the County and reduce the effect of property taxes. Net assets may serve, over time, as one useful indicator of a government's financial condition.

table-1

Rockingham County Comparative Net Assets at December 31, 2003 and 2004

| | <u>Activities 2003</u> | <u>Activities 2004</u> | <u>% change</u> |
|---|------------------------|------------------------|-----------------|
| Current and other assets | \$35,303,711 | \$38,581,407 | 9% |
| Capital Assets | <u>32,399,264</u> | <u>33,089,071</u> | 2% |
| Total Assets | <u>67,702,975</u> | <u>71,670,478</u> | 6% |
| Long-term liabilities | 14,022,048 | 11,550,113 | -18% |
| Other Liabilities | <u>10,669,238</u> | <u>12,375,217</u> | 16% |
| Total liabilities | <u>24,691,286</u> | <u>23,925,330</u> | - 3% |
| Net Assets: | | | |
| Invested in capital assets net of related debt | 20,290,516 | 25,004,643 | 23% |
| Restricted | 2,527,040 | 2,450,613 | - 3% |
| Unrestricted | <u>20,194,133</u> | <u>20,287,725</u> | 1% |
| Total net assets | \$ <u>43,011,689</u> | \$ <u>47,742,980</u> | 11% |

table-2

Rockingham County Changes in Net Assets at December 31, 2003 and 2004

| | <u>Activities 2003</u> | <u>Activities 2004</u> | <u>% change</u> |
|--------------------------|------------------------|------------------------|-----------------|
| Revenues: | | | |
| Program Revenues | | | |
| Charges for Services | \$25,381,017 | \$27,271,959 | 7% |
| Grants and contributions | 121,368 | 154,732 | 27% |
| General Revenues | | | |
| Taxes | 34,925,107 | 35,935,492 | 3% |
| Other | <u>839,473</u> | <u>1,505,689</u> | 79% |
| Total Revenues | <u>61,266,965</u> | <u>64,867,872</u> | 6% |
| Expenses | | | |
| Administration | 6,875,223 | 7,905,652 | 15% |
| Law Enforcement | 12,325,009 | 13,695,712 | 11% |
| Human Care and Services | 32,366,913 | 35,013,845 | 8% |
| Other | 3,074,143 | 3,521,372 | 15% |
| Debt interest | <u>310,244</u> | <u>177,613</u> | -43% |
| Total Expenses | <u>54,951,532</u> | <u>60,136,581</u> | 9% |
| Increase in net assets | 6,315,433 | 4,731,291 | -25% |
| Net Assets at 1/1 | <u>36,696,256</u> | <u>43,011,689</u> | 17% |
| Net Assets at 12/31 | <u>\$43,011,689</u> | <u>\$47,742,980</u> | 11% |

County Government Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$17,235,977.

As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund appropriations. Unreserved fund balance represents 25 percent of total General Fund appropriations, while total fund balance represents 23 percent of that same amount.

Capital Asset and Debt Administration

assets

At December 31, 2004 the County reported \$31.8 million in capital assets net of depreciation which does not include work in progress of \$1.3 million. The \$4 million increase resulted from

the completion of a major energy management project. And while a \$4 million general obligation bond was approved in 2004 to provide for building improvements, work did not begin until 2005.

debt

At December 31, 2004 the County had \$8,084,428 in outstanding long-term debt. Two of the three bonds outstanding during the year matured. Approximately \$4 million of the \$8 million is for a general obligation bond maturing in 2010. Another \$3.7 million is for a capital lease for the energy management project completed in 2004.

The County again received the highest Moody's rating of MIG-1 on our short term notes also retained its long term Aa3 rating as well as a result of stable financial operations.

Economic Factors and Next Year's Budgets and Rates

- The second phase of the Ernest P. Barka's Assisted Living project is underway. Currently there is a 100% waiting list.
- The increase in the capital projects from \$500,000 to \$660,000 reflects the growing list of improvements needed on the complex.
- General Government section reflects a noteworthy reduction in bond payments funding.
- The Human Services budget is facing the largest unknown along with the Nursing Home as a result of the Granite Care program currently being pursued by the State Department of Health and Human Services. While the appropriations appear to have a decrease it is the result of not knowing the effect of the new programs pending
- 6% Bed Assessment appropriations with an offsetting revenue are funded as a result of 2003 House Bill 663 being finalized in September 2004.
- Property taxes account for 55% of expected revenues for 2005 and mirrors actual experience of 2004
- Budgeted expenditures in the General Fund are expected to decrease by approximately 1%

Contacting the County's Financial Management

This financial report is intended to provide report users with a general overview of the County's finances at 12/31/04. Questions about this report can be directed to the Finance Office at 119 North Road, Brentwood, New Hampshire, 03833.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Statement of Net Assets
December 31, 2004

| | <u>Primary Government</u> <u>Governmental</u> <u>Activities</u> |
|---|---|
| Assets | |
| Cash and Equivalents | \$ 24,556,897 |
| Restricted Cash | 1,564,638 |
| Investments | 8,625,271 |
| Deposits | 47,633 |
| Accounts Receivable, net | 559,726 |
| Due from Other Governments | 2,426,056 |
| Prepaid Items | 140,111 |
| Inventory | 661,075 |
| Capital Assets, net | 33,089,071 |
| Total Assets | <u><u>71,670,477</u></u> |
| Liabilities | |
| Accounts Payable | 2,318,490 |
| Accrued Interest Payable | 24,076 |
| Accrued Liabilities | 535,263 |
| Due to Other Governments | 9,374,011 |
| Deferred Revenue | 125,543 |
| Long-term Liabilities: | |
| Due Within One Year | 3,972,297 |
| Due in More Than One Year | 7,577,816 |
| Total Liabilities | <u><u>23,927,497</u></u> |
| Net Assets | |
| Invested in capital assets, net of related debt | 25,004,643 |
| Restricted for: | |
| Capital Projects | 828,208 |
| Debt Service | 302,126 |
| Other Purposes | 1,622,405 |
| Unrestricted | 19,985,598 |
| Total Net Assets | <u><u>\$ 47,742,980</u></u> |

See Accompanying Independent Auditor's Report and Notes to Financial Statements

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

Statement of Activities

For the Year Ended December 31, 2004

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets |
|--|-------------------|-------------------------|--|--|--|
| | | Charges for services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Primary Government: | | | | | |
| Governmental activities: | | | | | |
| General Government | 2,053,839 | \$ - | \$ - | \$ - | \$ (2,053,839) |
| Commissioners | 146,037 | - | - | - | (146,037) |
| Treasurer | 49,070 | - | - | - | (49,070) |
| County Attorney | 2,344,779 | 323,825 | 43,000 | - | (1,977,954) |
| Medical Examiner | 49,795 | - | - | - | (49,795) |
| Deeds | 1,263,331 | 5,762,023 | - | - | 4,498,692 |
| Sheriff/Dispatch/Radio | 3,817,635 | 867,884 | 37,975 | 59,987 | (2,851,789) |
| Airport Security | 1,646,076 | 1,811,778 | - | - | 165,702 |
| Delegation | 54,462 | - | - | - | (54,462) |
| Finance | 670,405 | 150 | - | - | (670,255) |
| Maintenance | 3,263,192 | 22,146 | - | - | (3,241,046) |
| Human Services | 1,104,187 | 13,346 | 7,770 | - | (1,083,071) |
| Public Assistance | 11,862,865 | 665,838 | - | - | (11,197,027) |
| Human Resources | 308,038 | 76 | - | - | (307,962) |
| Corrections | 8,232,001 | 721,439 | - | - | (7,510,562) |
| Nursing Home | 21,259,107 | 16,610,624 | - | - | (4,648,483) |
| Assisted Living | 787,686 | 466,581 | - | - | (321,106) |
| Information Technology | 263,299 | 6,250 | - | - | (257,050) |
| UNH Cooperative Extension | 524,983 | - | 6,000 | - | (518,983) |
| Noncounty Specials | 258,180 | - | - | - | (258,180) |
| Interest on Long Term Debt | 177,613 | - | - | - | (177,613) |
| Total governmental activities | 60,136,581 | 27,271,959 | 94,745 | 59,987 | (32,709,890) |
| Total Primary Government | 60,136,581 | 27,271,959 | 94,745 | 59,987 | (32,709,890) |
| General Revenues: | | | | | |
| Taxes | | | | | 35,935,492 |
| Grants Not Restricted to Specific Programs | | | | | 987,949 |
| Interest Earnings | | | | | 475,493 |
| Miscellaneous | | | | | 42,247 |
| Total General Revenues | | | | | 37,441,182 |
| Change in Net Assets | | | | | 4,731,291 |
| Net Assets - Beginning, as Restated | | | | | 43,011,689 |
| Net Assets - Ending | | | | | \$ 47,742,980 |

See Accompanying Independent Auditor's Report and Notes to Financial Statements

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

Balance Sheet
Governmental Funds
December 31, 2004

| | General | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|---------------------|--------------------------------|--------------------------------|
| Assets | | | | |
| Cash and Equivalents | \$ 23,664,203 | \$ 874,369 | \$ 251 | \$ 24,538,823 |
| Restricted Cash | 1,242,790 | - | 321,848 | 1,564,638 |
| Investments | - | - | 230,807 | 230,807 |
| Accounts Receivable, net | 525,235 | - | - | 525,235 |
| Due from Other Funds | 19,771 | 174,852 | 327,215 | 521,838 |
| Due from Other Governments | 2,426,055 | - | - | 2,426,055 |
| Prepaid Expenses | 135,526 | - | - | 135,526 |
| Inventory | 661,075 | - | - | 661,075 |
| Total Assets | \$ 28,674,655 | \$ 1,049,221 | \$ 880,122 | \$ 30,603,998 |
| Liabilities | | | | |
| Accounts Payable | \$ 884,656 | \$ 221,012 | \$ 8,589 | \$ 1,114,257 |
| Accrued Liabilities | 535,263 | - | - | 535,263 |
| Due to Other Funds | 302,697 | - | 189,793 | 492,490 |
| Due to Other Governments | 8,486,389 | - | - | 8,486,389 |
| Deferred Revenue | 316,863 | - | - | 316,863 |
| Leases Payable | - | - | - | - |
| Total Liabilities | 10,525,867 | 221,012 | 198,381 | 10,945,261 |
| Fund Balances | | | | |
| Reserved for: | | | | |
| Noncurrent Assets | 796,601 | - | - | 796,601 |
| Encumbrances | 116,210 | - | - | 116,210 |
| Capital Projects | - | 828,208 | - | 828,208 |
| Debt Service | - | - | 302,126 | 302,126 |
| Other Purposes | - | - | 379,615 | 379,615 |
| Unreserved, reported in: | | | | |
| General Fund | | | | |
| Designated for Continuing Appropriations | 537,747 | - | - | 537,747 |
| Designated | 16,698,230 | - | - | 16,698,230 |
| Debt Service | - | - | - | - |
| Total Fund Balances | 18,148,788 | 828,208 | 681,741 | 19,658,737 |
| Total Liabilities and Fund Balances | \$ 28,674,655 | \$ 1,049,221 | \$ 880,122 | |

Amounts reported for governmental activities in the Statement of Net Assets are different because:

| | |
|---|----------------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation. | 33,089,071 |
| Internal service funds are used by management to account for self insured employee benefits, such as health. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. | 5,903,576 |
| Certain long term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds: | |
| Accrued interest payable | (24,076) |
| Due to other governments | (887,623) |
| Capital lease obligations payable | (4,074,428) |
| General obligation bonds payable | (4,010,000) |
| Accrued compensated absences | (2,182,463) |
| Deferred revenue | 270,186 |
| | <u>(10,908,404)</u> |
| Net assets of governmental activities | <u>\$ 47,742,980</u> |

See Accompanying Independent Auditors' Report and Notes to Financial Statements

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
 Statements of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended December 31, 2004

| | General | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|-------------------|---------------------|--------------------------------|--------------------------------|
| Revenues | | | | |
| Taxes | \$ 35,935,492 | \$ - | \$ - | \$ 35,935,492 |
| Charges for Services | | | | |
| County Attorney | 321,825 | - | - | 321,825 |
| Deeds | 5,548,461 | - | 213,562 | 5,762,023 |
| Sheriff/Dispatch/Radio | 950,692 | - | - | 950,692 |
| Airport Security | 1,811,778 | - | - | 1,811,778 |
| Finance | 150 | - | - | 150 |
| Maintenance | 4,950 | - | - | 4,950 |
| County Land Management | 17,196 | - | - | 17,196 |
| Human Services | 679,184 | - | - | 679,184 |
| Human Resources | 76 | - | - | 76 |
| Corrections | 444,000 | - | 277,439 | 721,439 |
| Nursing Home | 16,591,958 | - | 18,667 | 16,610,624 |
| Assisted Living | 465,976 | - | 605 | 466,581 |
| Information Technology | 6,250 | - | - | 6,250 |
| Interest | 312,966 | 10,387 | 6,145 | 329,497 |
| Grants | 1,016,874 | - | - | 1,016,874 |
| Other | 42,247 | - | - | 42,247 |
| Total Revenues | 64,150,072 | 10,387 | 516,418 | 64,676,877 |
| Expenditures | | | | |
| Current | | | | |
| General Government | 1,058,758 | - | - | 1,058,758 |
| Commissioners | 142,801 | - | - | 142,801 |
| Treasurer | 49,054 | - | - | 49,054 |
| County Attorney | 2,305,758 | - | - | 2,305,758 |
| Medical Examiner | 49,795 | - | - | 49,795 |
| Deeds | 1,219,202 | - | - | 1,219,202 |
| Sheriff/Dispatch/Radio | 3,644,582 | - | - | 3,644,582 |
| Airport Security | 1,612,579 | - | - | 1,612,579 |
| Delegation Office | 51,673 | - | - | 51,673 |
| Finance Office | 662,128 | - | - | 662,128 |
| Maintenance | 2,696,721 | - | - | 2,696,721 |
| Human Services | 1,081,792 | - | - | 1,081,792 |
| Public Assistance | 11,865,199 | - | - | 11,865,199 |
| Human Resources | 312,042 | - | - | 312,042 |
| Corrections | 7,586,303 | - | 256,212 | 7,842,515 |
| Nursing Home | 20,059,936 | - | - | 20,059,936 |
| Assisted Living | 673,492 | - | - | 673,492 |
| Information Technology | 311,149 | - | - | 311,149 |
| Extension Service | 509,319 | - | - | 509,319 |
| Non County Specials | 258,180 | - | - | 258,180 |
| Debt Service - Principal | 2,600,000 | - | 291,909 | 2,891,909 |
| Debt Service - Interest | 177,613 | - | - | 177,613 |
| Grants | 1,020,426 | - | - | 1,020,426 |
| Capital Outlay | 119,488 | 2,462,162 | - | 2,581,650 |
| Total Expenditures | 60,067,989 | 2,462,162 | 548,121 | 63,078,272 |
| Excess (Deficiency) of Revenues Over Expenditures | 4,082,083 | (2,451,775) | (31,703) | 1,598,604 |
| Other Financing Sources (Uses) | | | | |
| Proceeds of Refunding Bonds | - | - | - | - |
| Proceeds of Bonds Issued | - | - | - | - |
| Retirement of Long Term Debt | - | - | - | - |
| Premium on Long Term Debt Issued | - | - | - | - |
| Accrued Interest on Long Term Debt Issued | - | - | - | - |
| Proceeds of Capital Lease | 180,693 | - | - | 180,693 |
| Transfers In | 297,956 | 558,229 | 302,126 | 1,158,310 |
| Transfers Out | (847,261) | - | (311,050) | (1,158,310) |
| Total Other Financing Sources (Uses) | (368,612) | 558,229 | (8,924) | 180,693 |
| Net Change in Fund Balance | 3,713,470 | (1,893,546) | (40,627) | 1,779,297 |
| Fund Balances, beginning as restated | 14,420,297 | 2,721,754 | 722,368 | 17,864,419 |
| Changes in Reserves (Inventory) | 15,021 | - | - | 15,021 |
| Fund Balances, ending | \$ 18,148,788 | \$ 828,208 | \$ 681,741 | \$ 19,658,737 |

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2004

| | |
|--|---------------------|
| Net change in fund balances - total governmental funds | \$ 1,779,297 |
| | |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| | |
| Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets: | |
| Capital asset purchases capitalized | 2,665,325 |
| Loss on disposal of capital assets | (191,269) |
| Depreciation expense | (1,784,249) |
| | <u>689,807</u> |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds: | |
| Deferred revenue | <u>-</u> |
| | |
| Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the Statement of Net Assets. Repayment of debt principle is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the Statement of Net Assets: | |
| Bond proceeds received | - |
| Retirement of Bonds | - |
| Accrued Interest on Bonds | - |
| Capital lease proceeds received | (180,693) |
| Capital lease obligation principle payments | 387,579 |
| General obligation bond principle payments | 2,600,000 |
| | <u>2,806,886</u> |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds: | |
| Due to other governments | 2,334 |
| Accrued interest payable | 6,763 |
| Accrued compensated absences | (218,688) |
| | <u>(209,591)</u> |
| Internal Services Funds are used by management to account for self-insured employee benefits, such as health. The net revenue (expense) of the internal service funds is reported with governmental activities. | <u>(350,127)</u> |
| Inventory is recorded as an expenditure when purchased in the funds but is recorded as an expense when used in governmental activities. | <u>15,021</u> |
| Change in net assets of governmental activities | <u>\$ 4,731,291</u> |

See Accompanying Independent Auditor's Report and Notes to Financial Statements

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Statement of Net Assets
Proprietary Funds
December 31, 2004

| | Governmental Activities- Internal Service Funds |
|-------------------------------------|---|
| | Funds |
| Assets | |
| Current Assets | |
| Investments | \$ 8,394,463 |
| Accounts Receivable, net | 34,491 |
| Due from Other Funds | 108,996 |
| Deposits | 47,633 |
| Prepaid Expenses | 4,585 |
| Total Current Assets | 8,590,168 |
| Noncurrent Assets | |
| Other receivables | 0 |
| Total Noncurrent Assets | 0 |
| Total Assets | 8,590,168 |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | 1,204,233 |
| Due to Other Funds | 120,270 |
| Deferred Revenue | 78,867 |
| Compensated Absences Payable | 95,725 |
| Total Current Liabilities | 1,499,095 |
| Noncurrent Liabilities | |
| Compensated Absences Payable | 1,187,497 |
| Total Noncurrent Liabilities | 1,187,497 |
| Total Liabilities | 2,686,592 |
| Net Assets | |
| Unrestricted | 5,903,576 |
| Total Net Assets | \$ 5,903,576 |

See Accompanying Independent Auditor's Report and Notes to Financial Statements

Statement G

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2004

| | Governmental Activities- Internal Service Funds |
|--|--|
| Operating Revenues | |
| Charges for Services | \$ 6,608,701 |
| Total Operating Revenues | 6,608,701 |
| Operating Expenses | |
| Claims and Premiums | 6,839,851 |
| Compensated Absences | 251,318 |
| Total Operating Expenses | 7,091,169 |
| Operating Income (Loss) | (482,468) |
| Non-Operating Revenues (Expenses) | |
| Investment Income | 145,996 |
| Miscellaneous | (13,655) |
| Total Non-Operating Revenues (Expenses) | 132,341 |
| Net Income (Loss) | (350,127) |
| Change in Net Assets | (350,127) |
| Total Net Assets - Beginning | 6,253,703 |
| Total Net Assets - Ending | \$ 5,903,576 |

See Accompanying Independent Auditor's Report and Notes to Financial Statements

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2004

| | Governmental Activities- Internal Service Funds |
|--|--|
| | Funds |
| Cash Flows from Operating Activities | |
| Receipts from Users | \$ 6,608,701 |
| Payments to Providers | (6,839,851) |
| Payments to Employees | (251,318) |
| Other Receipts (Payments) | 679,674 |
| Net Cash Provided by (Used in) Operating Activities | 197,206 |
| Net Cash Provided by (Used in) Noncapital Financing Activities | 0 |
| Cash Flows from Investing Activities | |
| Purchase of Investments | (10,673,350) |
| Sale of Investments | 10,330,148 |
| Interest | 145,996 |
| Net Cash Provided by (Used in) Investing Activities | (197,206) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 0 |
| Balances - Beginning of Year | 0 |
| Balances - End of Year | \$ 0 |
| Reconciliation of operating income (loss) to net cash provided by operating activities: | |
| Operating Income (Loss) | \$ (482,468) |
| Adjustments to Reconcile Operating Income to Net Cash Provided | |
| Non-operating revenue | (13,655) |
| Change in Assets and Liabilities: | |
| Deposits | 86,010 |
| Receivables, net | (5,671) |
| Deferred Revenue | 13,159 |
| Prepaid Expenses | (3,985) |
| Due from Other Funds | (34,018) |
| Accounts Payable | (15,222) |
| Due to Other Funds | 108,361 |
| Accrued Liabilities | 428,433 |
| Accrued Compensated Absences | 116,263 |
| Net Cash Provided By (Used in) Operating Activities | \$ 197,206 |

See Accompanying Independent Auditor's Report and Notes to Financial Statements

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2004

| | Agency Funds | | | Totals |
|-----------------------------|------------------|---------------------------|--------------------------------------|-------------------|
| | Inmates | Nursing Home Residents | Assisted Living Security Deposits | |
| Assets | | | | |
| Cash and Equivalents | \$ 42,486 | \$ 243,001 | \$ 25,929 | \$ 311,417 |
| Accounts Receivable | - | 316 | - | 316 |
| Total Assets | 42,486 | 243,317 | 25,929 | 311,732 |
| Liabilities | | | | |
| Accounts Payable | 12,069 | - | - | 12,069 |
| Due to Other Funds | 10,370 | 896 | 6,807 | 18,073 |
| Due to Specific Individuals | 20,048 | 242,421 | 19,122 | 281,590 |
| Total Liabilities | \$ 42,486 | \$ 243,317 | \$ 25,929 | \$ 311,732 |

See Accompanying Independent Auditor's Report and Notes to Financial Statements

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Rockingham, New Hampshire (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The governmental accounting standards board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the GASB's generally accepted accounting principles applicable to the County, and the County's conformity with such principles, are described below. These disclosures are an integral part of the County's financial statements.

(A) Reporting Entity

The County of Rockingham, New Hampshire is a body corporate governed by a Commissioner form of government and provides County services as authorized by state statutes. As required by GAAP, specifically *Statement #14 of the Governmental Accounting Standards Board, "The Financial Reporting Entity"*, these financial statements are required to present the County of Rockingham, New Hampshire and its "component units" (if any). A *primary government* is defined by the GASB as any state government or general purpose local government. Additionally, a primary government may also consist of a special-purpose government (such as a school district) that meets all of the following criteria: (a) it has a *separately elected governing body*, (b) it is *legally separate*, and (c) it is *fiscally independent* of other governments.

A *component unit* is defined by the GASB as a legally separate organization for which the elected officials of the primary government are "financially accountable". The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is "fiscally dependent" on the primary government. *Fiscal independency* is defined by the GASB as the ability to complete certain essential fiscal events without substantive approval by a primary government, (a) determine its budget without another government's having the authority to approve and modify that budget, (b) levy taxes or set rates or charges without approval by another government, and (c) issue bonded debt without approval by another government. For the current year there were no potential component units identified upon which the application of these criteria were applied.

(B) Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

Separate financial statements are provided for governmental, proprietary and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

(C) Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements as well as the proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current reporting period and available to pay current liabilities. Expenditures are recorded when a liability is incurred. However, debt service, claims and judgment expenditures are recorded only when payment is due.

The County may report deferred revenue on its combined balance sheet when a potential revenue does not meet both the measurable and available criteria for recognition in the current period or when resources are received by the government before it has a legal claim to them (such as grant monies). In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The County reports the following major governmental funds:

The *general fund* is used to account for the resources traditionally associated with government operations, which are not required legally to be accounted for in some other fund. The general fund is the overall operating entity of the County.

The *capital projects* fund is used to account for the acquisition or construction of fixed assets.

Non-major governmental funds provide for *special revenue, debt service and permanent fund activity*

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties or to other departments or agencies primarily within the County. The self-insured risk management programs are operated by the County and are accounted for as proprietary funds in accordance with GASB Statement #10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues".

Fiduciary funds are generally used to account for assets that the government holds on behalf of others. The County currently has the following individual agency funds: (1) *Inmate Funds* – To account for various funds held by the County for individuals incarcerated at the County Corrections Facility and (2) *Trust Funds* – To account for funds designated for subsequent years expenditures of the Long Term Care facilities as appropriated.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(D) Cash and Investments

The County Treasurer is authorized by state statutes to invest excess funds, with the approval of the Commissioners, in the following:

- Obligations of the United States Government,
- Savings bank deposits of banks incorporated under the laws of the State of New Hampshire,
- Certificates of deposits of banks incorporated under the laws of the State of New Hampshire or in national banks located within the States of New Hampshire or Massachusetts, or,
- “participation units” of the *New Hampshire Public Deposit Investment Pool* established under RSA 383:22.

The receiver of such public funds to be deposited or to be invested in securities shall “prior to acceptance of such funds” provide a collateralization option (represented by exclusively segregated securities defined by the Bank Commissioner as qualifying under RSA 386:57) for such funds in an amount at least equal to the amount to be deposited or invested in securities.

The County was in compliance with these applicable deposit and investment state laws and regulations for the year.

Cash and equivalent accounts include amounts in demand and savings account deposits as well as short-term investments (such as certificate of deposits) with a maturity date within three months of the date acquired by the County.

Investments, if any, are stated at fair value, in accordance with GASB Statement #31, “*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*”. The fair value of investments is determined annually and is based on current market prices. Fair value fluctuates with interest rates and increasing rates could cause fair value to decline below original cost. County Management believes that liquidity in the portfolio is more than adequate to meet cash flow requirements and to preclude the County from having to sell investments below original cost for that purpose.

Proprietary Fund investment income is comprised of the following for the year:

| | |
|---|-------------------|
| Interest and Dividends | \$ 153,581 |
| Net Increase (Decrease) in the Fair Value of Investments | <u>(\$7,585)</u> |
| Total Investment Income | <u>\$ 145,996</u> |

The net decrease in fair value of investments during the year takes into account all changes in fair value, including bank charges and selling costs of \$2,438, that occurred during the year.

(E) Interfund Receivables/Payables and Transfers

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which the transactions are executed. Any residual balances outstanding between the funds are reported in the government-wide financial statements as internal balances. However, the government-wide statement of activities eliminates transfers reported within the segregated governmental and business-type activities columns. Only transfers between the two columns appear in this statement.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(F) Inventories

Inventories of the General Fund are accounted for utilizing the purchase method. Under this method, inventories are recorded as expenditures when purchased. When inventory amounts are material (significant) at year end they are to be reported as assets of the respective fund and are to be equally offset by a fund balance reserve.

(G) Capital Assets

Capital assets include property and equipment are reported in the applicable governmental activities column in the government-wide financial statements. The County defines a capital asset as an asset that has an initial cost of \$5,000 and an estimated useful life of 3 years except for the Nursing Home where assets are capitalized at \$500 and more with a useful life of 3 years.

All Long Term Care fixed assets including the Nursing Home are valued at cost. As of November 2001, the other County assets were valued at estimated cost and subsequent additions are recorded at actual cost. Donated assets are recorded at the estimated fair market value at the date of donation. Depreciation is calculated using the straight line method. Estimated useful lives for buildings and improvements are 10 to 30 years and for movable equipment are 3 to 15 years.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not included in the cost of the asset. Also, interest costs that are deemed to be immaterial and not directly allocable to a specific asset are expensed when incurred.

Additionally, the infrastructure assets owned and maintained by the County include only utility tunnels, drainage systems, water and sewer systems and dams and are included in the cost of the building and improvements the infrastructure is most identified with. Condition assessments are performed regularly and the results are used to budget annually the amount necessary to maintain and preserve the infrastructure.

Finally, the County has a variety of capital asset projects in process at December 31, 2004 totaling \$1,231,533. The projects in process are included in the reporting of \$33,089,072 net Capital Assets in the related statements. Once a project is completed it is reported in the asset category (see note 4). The largest Work in Progress project completed during 2004 was the Energy Management project valued at \$3,819,103 and accounts for the significant decrease in work in progress at 12/31/2004.

(H) Compensated Absences

County employees are sometimes entitled to certain compensated absences based, in part, on their length of employment. In accordance with GASB Statement #16, "Accounting for Compensated Absences", compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the fund that will pay it. The total liability at December 31, 2004 is \$3,465,685.

The County established a Compensated Absences Fund, a Proprietary Fund, that has provided funding for known separations and long term absences. The funded portion of the liability reported in this fund at December 31, 2004 is \$1,283,222. Since its creation, the fund has increased its amount of funding available to provide for the growing liability. The fund accounts for all funded liabilities and expenditures. Any expense ineligible for fund use based on County policy is accounted for through the General Fund. Any liability for which no funding is currently available is reported in the government wide statement of net assets long term liabilities.

The calculation of compensated absences can include vacation, sick time, earned time and holiday pay that is attributable to past service in which it is probable that the County will compensate the employee

**COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS**

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

through paid time off or cash payment. The calculation also includes the incremental cost of any item associated with compensation payments such as the employer share of social security, Medicare and retirement.

(I) Long-Term Obligations

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

(J) Fund Equity

For governmental funds the unreserved fund balances represent the amount that may be available for budgeting future operations; the reserved fund balances represent the amounts that have been legally identified for specific purposes and are not appropriated for expenditure; and the designated fund balances represent tentative plans for future use of financial resources. The County has set and exceeded a financial management goal of attaining a designated Fund Balance of at least 12% of budgeted appropriations.

(K) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

NOTE 2—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(A) Budget

Governmental revenues and expenditures are controlled by a formal integrated budgetary system which is substantially consistent with both Generally Accepted Accounting Principles (GAAP) and applicable State finance-related laws and regulations which govern the County's operations. The County budget is formally acted upon at the County Convention. During the year, appropriations may be transferred between line items, but total expenditures may not exceed the total approved budget (with the exception of emergency items, which require approval by the New Hampshire Department of Revenue Administration under RSA 32). At year-end, all unencumbered annual appropriations lapse. Other appropriations, which have a longer than annual authority may carry over at year end if the governing body intends to continue or complete the special purpose for which the funds were established. State legislation also requires balanced budgets. For the County year ended December 31, 2004, \$5,105,000 of the beginning general fund unreserved fund balance was used to reduce taxes.

(B) Encumbrances

Encumbrance accounting is utilized in the governmental funds to account for commitments relating to unperformed contracts for goods and services. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not constitute expenditures or liabilities of the governmental fund, but are carried forward to supplement appropriations of the succeeding year. Encumbrances outstanding at year-end in the General Fund are detailed by function as follows:

| | |
|-----------------|-----------|
| County Attorney | \$35,000 |
| Deeds | 9,722 |
| Sheriff | 12,839 |
| Maintenance | 23,804 |
| Treasurer | 8,500 |
| Jail | 6,477 |
| Nursing Home | 19,868 |
| | <hr/> |
| | \$116,210 |

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

NOTE 2—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

(C) Budgetary Basis

The General Fund final appropriation appearing on the “Budget and Actual” page of the fund financial statements represents the final budget at December 31, 2004 and includes encumbrances and reserves at December 31, 2003. The breakdown is as follows:

| | |
|---|----------------------|
| 2004 Original Appropriations | \$ 67,150,397 |
| December 2003 encumbrances | 234,787 |
| December 2003 Continuing Appropriations | <u>628,874</u> |
| Final Budgeted Amounts | <u>\$ 68,014,131</u> |

(D) Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The County is a member of a public entity risk pool for all general liability risks, property liability risks and for the protection of assets. The County has established risk management fund types in accordance with GASB Statement #10, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues”, to account for and finance its uninsured risks of loss for health, dental, unemployment and workers compensation. Settled claims, if any, have not exceeded the County’s coverage in any of the past five years.

(E) Claims, Judgments and Contingent Liabilities

Grants – Amounts received are subject to later year’s review and adjustment by grantor agencies, principally the federal and state governments. At such time, any disallowed claims, including amounts already collected, may constitute a liability of the County and the applicable funds. At December 31, 2004 the County believes that disallowed expenditures, if any, based on subsequent review will not have a material effect on any individual funds or the overall financial position of the County.

NOTE 3—CASH AND INVESTMENTS

Deposits and Investments

Deposits

At year end, the carrying amounts and bank balances with financial institutions of the County’s cash deposits are categorized by credit risk as follows:

Category 1 – Deposits that are insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by securities held by the County (or its agent) in the County’s name.

Category 2 – Deposits that are uninsured and collateralized by securities that are held by the pledging institution’s trust department (or agent) in the County’s name.

Category 3 – Deposits that are uninsured and uncollateralized or collateralized by securities that are held by the pledging institution’s trust department (or agent) but not in the County’s name.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
 NOTES TO FINANCIAL STATEMENTS

NOTE 3—CASH AND INVESTMENTS (CONTINUED)

| | Category | | | Bank | |
|-------------------|---------------------|---|-------------|---------------------|---------------------|
| | 1 | 2 | 3 | Carrying | Book |
| | | | | Amount | Balance |
| Checking Accounts | \$18,214,520 | | \$ - | \$18,214,520 | \$17,367,084 |
| Savings Accounts | 25,929 | | - | 25,929 | 25,929 |
| CD's | <u>11,012,461</u> | | - | <u>11,012,461</u> | <u>11,012,461</u> |
| | <u>\$29,252,910</u> | | <u>\$ -</u> | <u>\$29,252,910</u> | <u>\$28,405,474</u> |

Investments

Category 1 – Investments that are insured or registered, or securities held by the County (or its agent) in the County's name.

Category 2 – Investments that are uninsured and unregistered, with U.S. government securities that are held by the counterpart's trust department (or agent) in the County's name.

Category 3 – Investments that are uninsured and unregistered, with securities that are held by the counterpart, or by its trust department (or agent) but not in the County's name.

| | Category | | | Carrying | Book |
|-------------|-------------|---|------|-------------|-------------|
| | 1 | 2 | 3 | Amount | Balance |
| Investments | \$6,674,110 | | \$ - | \$6,674,110 | \$6,671,143 |

NOTE 4 CAPITAL ASSETS

The following is a summary of changes in capital assets for governmental activities at the year ended December 31, 2004:

| | Balance at 1/1/04 | Additions | Reductions | Balance at 12/31/04 |
|--------------------------------|---------------------|--------------------|------------------|---------------------|
| Land | \$ 578,857 | | | \$ 578,857 |
| Building and improvements | 41,328,334 | 5,511,563 | (268,417) | 46,571,480 |
| Moveable equipment | <u>10,419,413</u> | <u>536,281</u> | <u>(389,688)</u> | <u>10,566,007</u> |
| Subtotal | 52,326,604 | 6,047,844 | (658,105) | 57,716,344 |
| Less: Accumulated Depreciation | <u>(24,467,266)</u> | <u>(1,790,635)</u> | <u>399,095</u> | <u>(25,858,806)</u> |
| Total | <u>27,859,338</u> | <u>4,257,210</u> | <u>(259,010)</u> | <u>31,857,538</u> |

NOTE 5—PENSION PLAN

Pension Description

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

**COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS**

NOTE 5—PENSION PLAN (CONTINUED)

information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 4 Chenell Drive, Concord, New Hampshire 03301.

Funding Policy

Covered public safety and general employees are required to contribute 9.3% or 5.0% of their covered salary, respectively, and the County is required to contribute at an actuarially determined rate. The County's contribution rates were 7.87% and 5.90% through December 31, 2004. The County contributes 65% of the employer cost for police employed by the County and the State contributes the remaining 35% of the employer cost. The County contributes 100% of the employer cost for general employees of the County.

Per RSA-100:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The County's contributions to the NHRS for the years ending December 31, 2004, 2003, 2002, and 2001 were \$1,301,802, \$1,026,971, \$752,705, and \$703,923 respectively, equal to the required contributions for each year.

NOTE 6—POST-RETIREMENT HEALTH CARE BENEFITS

The County provides post-retirement health care benefits to all eligible employees as provided in statute. The NHRS subsidizes the monthly premium for eligible retirees. If the subsidy does not fully cover the cost, the retiree is responsible for the balance. At December 31, 2004 there were 104 retirees with a single, two-person or family health plan participating. Sixty-nine were over the age of 65.

NOTE 7 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Individual interfund balances at year end are as follows:

| Fund | Due From | Due To |
|----------------------|----------------|----------------|
| General | \$146,359 | \$429,285 |
| Special Revenue: | | |
| Expendable Trusts | | 13,495 |
| ALF Donations | 1,975 | |
| Drug Task Force | | 25 |
| Commissary | 23,627 | 513 |
| Nursing Home Special | | 1,421 |
| Capital | 174,852 | |
| Internal Services: | | |
| Health | 107,683 | 455 |
| Dental | 1,768 | |
| Worker's Comp | 779 | 30,759 |
| Compensated Abs | 909 | 91,199 |
| Fiduciary: | | |
| Inmate | | 10,370 |
| Residents | | 896 |
| Assisted Living | | 6,807 |
| Debt Service Fund | 302,125 | 174,852 |
| Totals | 760,077 | 760,077 |

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

NOTE 8—LONG-TERM DEBT

Changes in Long-Term Debt

The following is a summary of debt transactions for the year:

| | <u>Payable</u> <u>January 1</u> | <u>Additions</u> | <u>Reductions</u> | <u>Payable</u> <u>December</u> <u>31</u> |
|---------------------------|------------------------------------|------------------|----------------------|--|
| General Obligation Debt: | | | | |
| General Fund | \$6,610,000 | 0 | (2,600,000) | \$4,010,000 |
| Capital Lease Obligations | <u>4,281,314</u> | <u>489,094</u> | <u>(695,980)</u> | <u>4,074,428</u> |
| | <u>\$10,891,314</u> | <u>489,094</u> | <u>(\$3,295,980)</u> | <u>\$8,084,428</u> |

General Obligation Debt

The County can issue general obligation debt instruments to provide funds for the acquisition and construction of major capital equipment, infrastructure and other facilities. General obligation debt instruments are direct government obligations and consequently are a pledge of the full faith and credit of the County. General obligation debt instruments currently outstanding and reported in the general long-term debt account group are as follows:

| <u>Long-Term Debt</u> | <u>Interest</u> | <u>Balance</u> |
|---|-----------------|--------------------|
| 2003 - \$4,685,000 Improvement Bond maturing in 2010 | 2.00% to 4.00% | 4,010,000 |
| Total General Obligation Long-Term Debt | | <u>\$4,010,000</u> |

Annual debt service requirements to maturity for general obligation debt, including interest are as follows:

Debt Service

| <u>Year Ended December 31</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------------|--------------------|------------------|--------------------|
| 2005 | 670,000 | 90,162 | 760,162 |
| 2006 | 670,000 | 76,763 | 746,763 |
| 2007 | 670,000 | 62,525 | 732,525 |
| 2008 | 670,000 | 46,613 | 716,613 |
| 2009 | 665,000 | 29,094 | 694,094 |
| 2010 | <u>665,000</u> | <u>9,975</u> | <u>674,975</u> |
| Totals | <u>\$4,010,000</u> | <u>\$315,132</u> | <u>\$4,325,131</u> |

On February 18, 2004 a General Obligation Bond for complex improvements of an amount not to exceed \$4 million was authorized. No borrowing was completed as of December 31, 2004.

Capital Lease Obligations:

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

**COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS**

NOTE 8—LONG-TERM DEBT (CONTINUED)

In August 2004, the County refinanced a balance of \$308,401 in outstanding capital lease obligations with varying rates and maturity dates in order to consolidate debt and obtain lower interest rates. Interest rates decreased from 3.65%-31.0% to 3.55%.

Following are the capital leases balances at year end:

| | |
|---|--------------------|
| Equipment, due in semi-annual installments the next of which is \$58,753 including interest at 3.55% | 331,616 |
| Equipment, due in semi- annual installments the next of which is \$1,638 including interest at 3.37% | 9,274 |
| Equipment, due in semi- annual installments the next of which is \$2,272 including interest at 5.05% | 12,505 |
| Equipment, due in variable annual installments the next of which is \$302,126 including interest, through June, 2018 at 4.73% | <u>3,721,033</u> |
| | <u>\$4,074,428</u> |

Annual debt service requirements to maturity for capital leases, including interest are as follows

| <u>Year Ended December 31</u> | <u>Principle</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------------|------------------|------------------|------------------|
| 2005 | 236,396 | 191,057 | 427,453 |
| 2006 | 257,012 | 181,015 | 438,027 |
| 2007 | 278,945 | 170,027 | 448,972 |
| 2008 | 175,812 | 159,160 | 334,972 |
| 2009 | 196,010 | 150,686 | 346,696 |
| 2009-2018 | <u>2,930,254</u> | <u>553,684</u> | <u>3,483,938</u> |
| | <u>4,074,428</u> | <u>1,405,630</u> | <u>5,480,058</u> |

NOTE 9—OPERATING LEASES

The County leases office space and equipment annually. Future minimum rental payments are as follows:

| Year | Office Space | Equipment Rental | Total |
|------|--------------|------------------|--------|
| 2005 | 86,700 | 11,062 | 97,762 |
| 2006 | 850 | 488 | 1,338 |
| 2007 | | 425 | 425 |

NOTE 10—DESIGNATED FUND BALANCE

General Fund

Appropriations for certain projects and specific items not fully expended at year end are carried forward as continuing appropriations to the next year in which they supplement the appropriations of that year. \$529,747 and \$8,000 in continuing appropriations for human services and the sheriff's departments are reported at December 31, 2004.

Capital Projects

Any Capital Projects fund balance would be designated for specific capital project expenditures in future years by the Capital Projects fund.

**COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS**

NOTE 11—CONTINGENCY

There are some outstanding lawsuits pending against the County. The County follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed or determinable in amount. It is County management's opinion that the County is not liable in these suits and the County intends to contest the cases.

In July 2004, the Supreme Court affirmed the County Commissioners fiscal authority over the Sheriff's department.

NOTE 12—PRIOR PERIOD ADJUSTMENTS

The following Fund Balances and Retained Earnings have been restated at January 1, 2004. Adjustments for both the General Fund and the Internal Service Funds were reported late. The single adjustment for the Capital Fund is the result of removing long term liability from the fund and reporting it as long term debt. The adjustments are as follows:

| | General Fund Fund Balance | Capital Fund Fund Balance | Internal Service Total Net Assets |
|--------------------------------------|------------------------------|------------------------------|--------------------------------------|
| As Previously Reported | \$14,329,703 | \$(1,291,188) | \$6,221,598 |
| Adjustments in Accruals and Reserves | <u>90,594</u> | <u>4,012,942</u> | <u>32,105</u> |
| Restated Amount | <u>14,420,297</u> | <u>\$2,721,754</u> | <u>\$6,253,703</u> |

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2004

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|-------------------|-------------------|-------------------|-------------------------------------|
| | Original | Final | | Final Budget Positive (Negative) |
| Beginning Budgetary Fund Balance | \$ 5,943,683 | \$ 5,943,683 | \$ 5,943,683 | |
| Resources (Inflows) | | | | |
| Taxes | 35,935,492 | 35,935,492 | 35,935,492 | \$ - |
| Charges for Services | | | | |
| County Attorney | 294,320 | 294,320 | 321,825 | 27,505 |
| Deeds | 5,430,000 | 5,430,000 | 5,548,461 | 118,461 |
| Sheriff/Dispatch/Radio | 1,146,167 | 1,146,167 | 950,692 | (195,475) |
| Airport Security | 2,241,833 | 2,241,833 | 1,811,778 | (430,055) |
| Finance | - | - | 150 | 150 |
| Maintenance | - | - | 4,950 | 4,950 |
| County Land Management | 21,520 | 21,520 | 17,196 | (4,324) |
| Human Services | 675,838 | 675,838 | 679,184 | 3,346 |
| Human Resources | - | - | 76 | 76 |
| Corrections | 578,800 | 578,800 | 444,000 | (134,800) |
| Nursing Home | 13,438,858 | 13,438,858 | 16,591,958 | 3,153,100 |
| Assisted Living | 455,200 | 455,200 | 465,976 | 10,776 |
| Information Technology | 9,000 | 9,000 | 6,250 | (2,750) |
| Interest | 250,000 | 250,000 | 312,966 | 62,966 |
| Grants | 1,531,000 | 1,531,000 | 1,016,874 | (514,127) |
| Other | - | - | 42,247 | 42,247 |
| Transfers from Other Funds | 37,369 | 37,369 | 297,956 | 260,587 |
| Amounts Available for Appropriation | 67,989,080 | 67,989,080 | 70,391,711 | 2,402,631 |
| Charges to Appropriations (Outflows) | | | | |
| General Government | 1,673,694 | 1,578,694 | 1,035,073 | 543,621 |
| Grants | 1,631,000 | 1,618,000 | 1,020,426 | 597,574 |
| Commissioners | 165,406 | 165,406 | 142,801 | 22,605 |
| Treasurer | 61,479 | 61,479 | 57,554 | 3,925 |
| County Attorney | 2,400,086 | 2,420,095 | 2,326,959 | 93,136 |
| Medical Examiner | 75,350 | 60,350 | 49,795 | 10,555 |
| Deeds | 1,406,062 | 1,415,842 | 1,188,644 | 227,198 |
| Sheriff/Dispatch/Radio | 3,951,210 | 3,823,691 | 3,553,998 | 269,693 |
| Airport Security | 2,050,455 | 2,179,455 | 1,609,599 | 569,856 |
| Delegation Office | 83,332 | 83,332 | 51,673 | 31,659 |
| Finance Office | 697,886 | 702,020 | 622,800 | 79,220 |
| Maintenance | 2,841,590 | 2,855,278 | 2,685,697 | 169,581 |
| Human Services | 1,683,884 | 1,688,541 | 982,665 | 705,876 |
| Public Assistance | 14,328,600 | 14,283,544 | 11,865,199 | 2,418,345 |
| Human Resources | 334,023 | 336,701 | 310,142 | 26,559 |
| Corrections | 7,971,400 | 8,097,056 | 7,560,657 | 536,399 |
| Nursing Home | 21,383,818 | 21,384,522 | 20,053,934 | 1,330,588 |
| Assisted Living | 734,513 | 735,513 | 673,561 | 61,952 |
| Information Technology | 319,382 | 319,382 | 266,739 | 52,643 |
| Extension Service | 524,038 | 529,358 | 509,319 | 20,039 |
| Non County Specials | 258,180 | 258,180 | 258,180 | - |
| Debt Service - Principal | 2,600,000 | 2,600,000 | 2,600,000 | - |
| Debt Service - Interest | 177,613 | 177,613 | 177,613 | 1 |
| Capital Outlay | 636,079 | 640,079 | 99,544 | 540,535 |
| Transfers to Other Funds | - | - | 847,261 | (847,261) |
| Total Charges to Appropriations | 67,989,080 | 68,014,131 | 60,549,831 | 7,464,300 |
| Ending Budgetary Fund Balance | \$ - | \$ (25,051) | \$ 9,841,880 | \$ (5,061,669) |

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflow of Resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule \$ 70,391,711

Differences - Budget to GAAP

The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes. (5,943,683)

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting services (297,956)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 64,150,072

Uses/Outflows of Resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule \$ 60,549,831

Differences - Budget to GAAP

The County budgets for purchases of inventories on the cash basis, rather than on the modified accrual basis.

Encumbrances for certain contract expenditures ordered but not received are reported in the year the order is placed for budgetary purposes and in the year the resources are received for financial reporting purposes. 184,726

Capital Leases executed during a year are not reported as expenditures for budgetary purposes, but are reported as program expenditures for financial reporting purposes. 180,693

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (847,261)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund \$ 60,067,989

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2004

| | Special Revenue | | | | | | Debt Service | | Permanent | Total |
|--|-----------------|-------------------|------------------------------|---------------------------|-------------------|---------------|-------------------|---------------------|---------------------------|-----------------------------|
| | Drug Task Force | Expendable Trusts | Nursing Home Special Account | Assisted Living Donations | Inmate Commissary | Inmate Chapel | Deeds Equipment | Energy Mgmt Project | Funds Nonexpendable Trust | Nonmajor Governmental Funds |
| Assets | | | | | | | | | | |
| Cash and Equivalents | \$ 25 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 226 | \$ - | \$ 251 |
| Restricted Cash | - | - | 44,066 | - | 93,875 | 997 | 182,910 | - | - | 321,848 |
| Investments | - | 21,314 | - | - | - | - | - | 174,625 | 34,867 | 230,807 |
| Due from Other Funds | - | - | - | 1,975 | 23,115 | - | - | 302,126 | - | 327,215 |
| Total Assets | \$ 25 | \$ 21,314 | \$ 44,066 | \$ 1,975 | \$ 116,989 | \$ 997 | \$ 182,910 | \$ 476,978 | \$ 34,867 | \$ 880,122 |
| Liabilities | | | | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - | \$ 8,589 | \$ - | \$ - | \$ - | \$ - | \$ 8,589 |
| Leases Payable | - | - | - | - | - | - | - | - | - | - |
| Due to Other Funds | 25 | 13,495 | 1,421 | - | - | - | - | 174,852 | - | 189,793 |
| Total Liabilities | 25 | 13,495 | 1,421 | - | 8,589 | - | - | 174,852 | - | 198,381 |
| Fund Balances | | | | | | | | | | |
| Reserved for: | | | | | | | | | | |
| Debt Service | - | - | - | - | - | - | - | 302,126 | - | 302,126 |
| Other Purposes | - | 7,820 | 42,645 | 1,975 | 108,400 | 997 | 182,910 | - | 34,867 | 379,615 |
| Total Fund Balances | - | 7,820 | 42,645 | 1,975 | 108,400 | 997 | 182,910 | 302,126 | 34,867 | 681,741 |
| Total Liabilities and Fund Balances | \$ 25 | \$ 21,314 | \$ 44,066 | \$ 1,975 | \$ 116,989 | \$ 997 | \$ 182,910 | \$ 476,978 | \$ 34,867 | \$ 880,122 |

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2004

| | Special Revenue | | | | | | Debt Service | | Permanent | Total |
|--|-----------------|-------------------|------------------------------|---------------------------|-------------------|---------------|-------------------|---------------------|---------------------------|-----------------------------|
| | Drug Task Force | Expendable Trusts | Nursing Home Special Account | Assisted Living Donations | Inmate Commissary | Inmate Chapel | Deeds Equipment | Energy Mgmt Project | Funds Nonexpendable Trust | Nonmajor Governmental Funds |
| Revenues | | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Charges for Services | | | | | | | | | | |
| Deeds | - | - | - | - | 276,295 | 1,144 | 213,562 | - | - | 213,562 |
| Corrections | - | - | - | - | - | - | - | - | - | 277,439 |
| Nursing Home | - | - | 18,667 | - | - | - | - | - | - | 18,667 |
| Assisted Living | - | - | - | 605 | - | - | - | - | - | 605 |
| Interest | - | 225 | 281 | - | 603 | 6 | 1,971 | 2,703 | 356 | 6,145 |
| Total Revenues | - | 225 | 18,947 | 605 | 276,898 | 1,150 | 215,533 | 2,703 | 356 | 516,418 |
| Expenditures | | | | | | | | | | |
| Current | | | | | | | | | | |
| Corrections | - | - | - | - | 255,281 | 931 | - | - | - | 256,212 |
| Nursing Home | - | - | - | - | - | - | - | - | - | - |
| Debt Service - Principal | - | - | - | - | - | - | - | 291,909 | - | 291,909 |
| Total Expenditures | - | - | - | - | 255,281 | 931 | - | 291,909 | - | 548,121 |
| Excess (Deficiency) of Revenues Over Expenditures | - | 225 | 18,947 | 605 | 21,617 | 219 | 215,533 | (289,206) | 356 | (31,703) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | 302,126 | - | 302,126 |
| Transfers Out | - | (2,840) | (21,792) | - | (23,324) | - | (250,000) | (13,094) | - | (311,050) |
| Total Other Financing Sources (Uses) | - | (2,840) | (21,792) | - | (23,324) | - | (250,000) | 289,032 | - | (8,924) |
| Net Change in Fund Balance | - | (2,615) | (2,845) | 605 | (1,706) | 219 | (34,467) | (174) | 356 | (40,627) |
| Fund Balances, beginning | - | 10,435 | 45,489 | 1,370 | 110,107 | 779 | 217,377 | 302,299 | 34,512 | 722,368 |
| Fund Balances, ending | \$ - | \$ 7,820 | \$ 42,645 | \$ 1,975 | \$ 108,400 | \$ 997 | \$ 182,910 | \$ 302,126 | \$ 34,867 | \$ 681,741 |

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
 Combing Statement of Net Assets
 Internal Services Proprietary Funds
 December 31, 2004

| | Health Fund | Dental Fund | Worker's Compensation Fund | Unemployment Fund | Compensated Absences Fund | Total Governmental Activities- Internal Service Funds |
|-------------------------------------|---------------------|-------------------|----------------------------------|----------------------|---------------------------------|---|
| Assets | | | | | | |
| Current Assets | | | | | | |
| Investments | \$ 3,565,908 | \$ 277,919 | \$ 3,048,447 | \$ 39,329 | \$ 1,462,861 | \$ 8,394,463 |
| Accounts Receivable, net | 24,390 | 57 | 377 | 9,651 | 16 | 34,491 |
| Due from Other Funds | 107,227 | 1,769 | - | - | - | 108,996 |
| Deposits | 27,633 | - | 20,000 | - | - | 47,633 |
| Prepaid Expenses | - | - | 2,250 | 2,335 | - | 4,585 |
| Total Current Assets | 3,725,158 | 279,745 | 3,071,074 | 51,315 | 1,462,877 | 8,590,168 |
| Noncurrent Assets | | | | | | |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Assets | 3,725,158 | 279,745 | 3,071,074 | 51,315 | 1,462,877 | 8,590,168 |
| Liabilities | | | | | | |
| Current Liabilities | | | | | | |
| Accounts Payable | 793,559 | 25,857 | 383,146 | - | 1,671 | 1,204,233 |
| Due to Other Funds | - | - | 29,980 | - | 90,290 | 120,270 |
| Deferred Revenue | 73,124 | 5,286 | - | - | 457 | 78,867 |
| Compensated Absences Payable | - | - | - | - | 95,725 | 95,725 |
| Total Current Liabilities | 866,683 | 31,142 | 413,127 | - | 188,143 | 1,499,095 |
| Noncurrent Liabilities | | | | | | |
| Compensated Absences Payable | - | - | - | - | 1,187,497 | 1,187,497 |
| Total Noncurrent Liabilities | - | - | - | - | 1,187,497 | 1,187,497 |
| Total Liabilities | 866,683 | 31,142 | 413,127 | - | 1,375,640 | 2,686,592 |
| Net Assets | | | | | | |
| Unrestricted | 2,858,475 | 248,602 | 2,657,947 | 51,315 | 87,236 | 5,903,576 |
| Total Net Assets | \$ 2,858,475 | \$ 248,602 | \$ 2,657,947 | \$ 51,315 | \$ 87,236 | \$ 5,903,576 |

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Services Proprietary Funds
For the Year Ended December 31, 2004

| | Health Fund | Dental Fund | Worker's Compensation Fund | Unemployment Fund | Compensated Absences Fund | Total Governmental Activities- Internal Service Funds |
|--|---------------------|-------------------|----------------------------------|----------------------|---------------------------------|---|
| Operating Revenues | | | | | | |
| Charges for Services | \$ 5,234,421 | \$ 397,707 | \$ 534,621 | \$ 16,156 | \$ 425,796 | \$ 6,608,701 |
| Total Operating Revenues | 5,234,421 | 397,707 | 534,621 | 16,156 | 425,796 | 6,608,701 |
| Operating Expenses | | | | | | |
| Claims and Premiums | 5,772,888 | 373,569 | 518,423 | 1,440 | 173,531 | 6,839,851 |
| Compensated Absences | - | - | - | - | 251,318 | 251,318 |
| Total Operating Expenses | 5,772,888 | 373,569 | 518,423 | 1,440 | 424,849 | 7,091,169 |
| Operating Income (Loss) | (538,468) | 24,138 | 16,198 | 14,716 | 947 | (482,468) |
| Non-Operating Revenues (Expenses) | | | | | | |
| Investment Income | 79,125 | 6,097 | 40,994 | 582 | 19,198 | 145,996 |
| Miscellaneous | (6,636) | (72) | (6,885) | - | (62) | (13,655) |
| Total Non-Operating Revenues (Expenses) | 72,489 | 6,025 | 34,109 | 582 | 19,136 | 132,341 |
| Change in Net Assets | (465,979) | 30,162 | 50,308 | 15,298 | 20,083 | (350,127) |
| Total Net Assets - Beginning, as Restated | 3,324,453 | 218,440 | 2,607,640 | 36,017 | 67,153 | 6,253,703 |
| Total Net Assets - Ending | \$ 2,858,475 | \$ 248,602 | \$ 2,657,947 | \$ 51,315 | \$ 87,236 | \$ 5,903,576 |

Schedule F

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Statement of Cash Flows
Internal Services Proprietary Funds
For the Year Ended December 31, 2004

| | Health Fund | Dental Fund | Worker's Compensation Fund | Unemployment Fund | Compensated Absences Fund | Governmental Activities- Internal Service Funds |
|--|---------------------|------------------|----------------------------------|----------------------|---------------------------------|--|
| Cash Flows from Operating Activities | | | | | | |
| Receipts from Users | \$ 5,234,421 | \$ 397,707 | \$ 534,621 | \$ 16,156 | \$ 425,796 | \$ 6,608,701 |
| Payments to Providers | (5,772,888) | (373,569) | (518,423) | (1,440) | (173,531) | (6,839,851) |
| Payments to Employees | - | - | - | - | (251,318) | (251,318) |
| Other Receipts (Payments) | 418,787 | (9,881) | 93,717 | (12,812) | 189,863 | 679,674 |
| Net Cash Provided by (Used in) Operating Activities | (119,681) | 14,257 | 109,916 | 1,904 | 190,810 | 197,206 |
| Net Cash Provided by (Used in) Noncapital Financing Activities | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash Flows from Investing Activities | | | | | | |
| Purchase of Investments | (3,691,793) | (216,996) | (4,643,430) | (30,220) | (2,090,910) | (10,673,350) |
| Sale of Investments | 3,732,349 | 196,643 | 4,492,520 | 27,733 | 1,880,902 | 10,330,148 |
| Interest | 79,125 | 6,097 | 40,994 | 582 | 19,198 | 145,996 |
| Net Cash Provided by (Used in) Investing Activities | 119,681 | (14,257) | (109,916) | (1,904) | (190,810) | (197,206) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 0 | 0 | 0 | 0 | 0 | 0 |
| Balances - Beginning of Year | 0 | 0 | 0 | 0 | 0 | 0 |
| Balances - End of Year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Reconciliation of operating income (loss) to net cash provided by operating activities: | | | | | | |
| Operating Income (Loss) | \$ (538,468) | \$ 24,138 | \$ 16,198 | \$ 14,716 | \$ 947 | \$ (482,468) |
| Miscellaneous Non Operating Revenues (Expenses) | (6,636) | (72) | (6,885) | - | (62) | (13,655) |
| Adjustments to Reconcile Operating Income to Net Cash Provided | | | | | | |
| (Used) by Operating Activities: | | | | | | |
| Change in Assets and Liabilities: | | | | | | |
| Deposits | 85,146 | - | 864 | - | - | 86,010 |
| Receivables, net | 3,381 | 277 | 337 | (9,651) | (16) | (5,671) |
| Deferred Revenue | 12,547 | 527 | - | - | 84 | 13,159 |
| Prepaid Expenses | 528 | 72 | (2,250) | (2,335) | - | (3,985) |
| Due from Other Funds | (39,711) | 1,620 | 4,565 | 44 | (536) | (34,018) |
| Accounts Payable | (10,153) | (4,508) | 4,942 | (870) | (4,633) | (15,222) |
| Due to Other Funds | (1,161) | - | 30,759 | - | 78,762 | 108,361 |
| Accrued Liabilities | 374,845 | (7,797) | 61,385 | - | - | 428,433 |
| Accrued Compensated Absences | - | - | - | - | 116,263 | 116,263 |
| Net Cash Provided By (Used in) Operating Activities | \$ (119,681) | \$ 14,257 | \$ 109,916 | \$ 1,904 | \$ 190,810 | \$ 197,206 |



To the Board of Commissioners:

In planning and performing our audit of the financial statements of **Rockingham County** for the year ended December 31, 2004, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. However, during our audit, we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated March 24, 2005, on the financial statements of Rockingham County.

We have reviewed the current status of the 2003 Management Letter comments as documented in a memo from the Rockingham County Commissioners. We agree with the areas identified by the Commissioners that require further work in 2005.

We have already discussed the following comments and suggestions with the Finance office personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Cash:

The Nursing Home continues to hold cash/checks that exceed the County policy of \$10,000. Our concern is with the amount of cash/checks being kept in the vault until all endorsements have been obtained and the business office deems that a complete deposit can be made. Because of this, the cash is not being recorded in the County's accounting system on a timely basis nor is it being deposited in the bank on a timely basis.

In addition, we continue to be concerned about the long range applicability of the software used by the Nursing Home business office without major modifications, especially with changes in billing requirements for Medicare and Medicaid. Delays in billing result in delays in cash flow. We were pleased to see that the Commissioners have recommended funding in the 2005 budget to address the billing software issue.

The Nursing Home continues to make their own cash deposits, contradictory to County policy that the Finance Office make all deposits.

Recommendation: That the Nursing Home adhere to the County's deposit policy which states that cash and checks will not be held which exceed \$10,000 and that the Finance Office make all deposits. We urge you to continue to pursue new software for the Nursing Home and that someone from the Finance Office remain as a member of the selection committee.

Commissioners' Response: We concur.

Checks:

It is our understanding that the Jail continues to write their own checks. While proper planning eliminates requiring checks in a hurry, we have been advised that checks can be processed through the Finance Office in one day if necessary. No checks should be written outside of the Finance Office except for the residents' fund.

As with the Nursing Home, the Jail desires to make their own deposits and variances need to be reconciled by the Finance Office.

There also appears to be a problem in that the Jail is attempting to deposit void checks.

Recommendation: No checks should be written outside of the Finance Office except from the Nursing Home residents' fund. All deposits should be made by the Finance Office. Additionally, as long as the Jail continues to write checks there should be an independent verification of signed/unused checks on hand at the Jail.

Commissioners' Response: We concur

Revenue Enhancement:

The cost of Nursing Home care continues to escalate and it is a challenge to provide the highest quality of care at a reasonable price. We urge the County to look at ways to enhance revenue without detracting from the stated mission. Empty beds cost money. There is a waiting list and if that list can be processed quicker, those people will start generating revenue sooner. Medicare reimbursement is advantageous and, while billing and tracking take more time, the result is revenue enhancement. Also, if beds could be filled for weekends and times when families take a needed vacation, increased revenue would be generated.

Recommendation: That the Nursing Home explore avenues of revenue enhancement without detracting from the mission to provide quality patient care. Some areas to explore would be speeding up the admissions process, target increased Medicare utilization, and exploring the option of respite care.

Commissioners' Response: We are continually aware of the escalating costs of running a governmental long term care facility. As a result, we concur that we should always be seeking enhanced revenue sources as with the bed tax established in 2004. Additionally, we actively identify issues and manage expenditures to minimize the tax burden. And, finally we have already exceed our 2004 Medicaid days totaling 589. As of May 2005 where we had billed 601 days.

Nursing Home Accounts Receivable:

Medicare accounts receivable are recorded at \$161 per day. The anticipated revenue should be recorded at the rate for the particular RUGs code. At a minimum, the receivable should be recorded at an amount more representative of the average amount received for Medicare patients.

Recommendation: That accounts receivable for Medicare patients should be reflective of the anticipated cash to be received. We have been advised that, at the moment, this requires considerable manual effort, but state-of-the-art software would automatically generate the correct amount.

Commissioners' Response: We concur.

Inventory:

We noted that the internal controls established for recording inventory in the accounting system are not being adhered to in the Nursing Home business office. As a result, Finance staff is required to make several inventory corrections monthly. Specifically, Nursing Home staff do not follow proper data entry procedures when recording receipts into the accounting system inventory module. The issue was addressed by restricting the rights of certain staff members to eliminate the ability to enter inventory incorrectly. However, management staff in the business office allowed the staff member to continue improper data entry by using the lead staff's login.

Recommendation: That the Nursing Home staff adhere to County policy and procedures that are established to insure separation of duties for sound internal control.

Commissioners' Response: We concur.

Civil Revenue:

Prepaid revenue received by the Sheriff's Department is not being recorded as deferred revenue.

Recommendation: Prepaid revenue needs to be recorded as such until the service is rendered. There needs to be a tracking system for date of service.

Commissioners' Response: We concur

Year-end Closing:

We are aware that classes are held for the departments regarding year-end closing procedures to be followed. Unfortunately, not all of the departments attend. The lack of attention to year-end closing is evidenced by the fact that there were 209 adjusting journal entries in the General Fund alone. On March 24th departments were still submitting entries.

Recommendation: That the Finance Office continue to hold classes on year-end closing procedures and that the Commissioners stress the importance of this.

Commissioners' Response: We concur

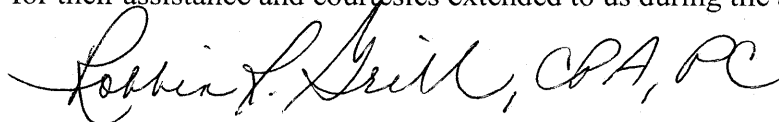
Grants:

Applications for and approval of grants are not submitted to the Commissioners on a timely basis. In August and September, grants dating back to the beginning of the year had to be retroactively accepted and approved.

Recommendation: Applications for grants should be submitted to the Commissioners for approval prior to applying for or obtaining the grant. Appropriate accounting records should be forwarded to the Finance Office.

Commissioners' Response: We concur

This report is intended solely for the information and use of the Commissioners, management and others within Rockingham County and is not intended to be and should not be used by anyone other than these specified parties. We would like to take this opportunity to extend our appreciation to the Commissioners, Finance Office, Theresa Young, Judie Milner, and other staff for their assistance and courtesies extended to us during the audit.



Concord, New Hampshire
March 24, 2005

Status of the 2003 Management Report Items

Issue—Policies

The County Commissioners' Finance staff invest considerable time in establishing policies and procedures to be followed by all departments within the County. We noted that departments comply selectively with these financial policies and procedures, making it difficult to have uniformity throughout the County.

Recommendation: We recommend that the Commissioners insist all departments follow established policies and procedures.

Commissioners' Response: We recognize the importance of policies and procedures and will continue to educate the departments.

Status--While we continue to educate the departments we plan to focus on standardization of forms in 2005 to further support the effort.

Issue--Grant Policies:

The general provisions of the Grant Policy are not being implemented. Grants, in general, have differing requirements. Federal grants, in particular, have specific requirements that are established by law and regulation. Neither the general provisions of Rockingham County's "Grant Policy" nor the "Grant Reconciliation Policy" are being followed in all cases.

Recommendation: It is not feasible for several employees of Rockingham County to all be knowledgeable of all of the federal requirements for specific grants. It is recommended that all grant activity and related documents be channeled through one person and that person should be responsible for compliance with laws and regulations.

Commissioners' Response: In addition to the two policies mentioned above, the County provides budget instructions and has a grant application and acceptance policy for all departments. As mentioned in the previous issue, not all departments understand the importance of following policies and procedures but we will continue our education efforts.

Also, we will consider the idea of one staff person being responsible for all grant compliance.

Status—We have identified one person to be responsible for grant compliance.

Issue-- Budgetary Policies and Procedures:

The departments' budgets are extremely important for the effective functioning of Rockingham County's financial affairs. The responsibility of administering the budget within the annual budget parameters and County requirements must rest with the departments. We noted that several of the departments rely on the Finance staff to monitor their budgets.

Recommendation: That the departments be held responsible for tracking their expenses and initiate timely requests for line item transfers.

Commissioners' Response: We concur.

Status--We continue to make efforts to ensure the departments are aware of their responsibilities.

Issue-- Cash:

The Nursing Home is holding cash that exceeds the County policy of \$10,000. Our concern is with the amount of cash/checks being kept in the vault until all endorsements have been obtained and the business office deems that a complete deposit can be made. Subsequently, the cash is not being recorded in the County's accounting system timely.

We are concerned about the long range applicability of the software used by the Nursing Home business office without major modifications, especially with changes in billing requirements for Medicare and Medicaid. Delays in billing result in delays in cash flow.

Recommendation: That the Nursing Home adheres to the County's deposit policy and that a new software package be considered for the Nursing Home which would be able to keep pace with the changes in Medicare and Medicaid billing requirements.

Commissioners' Response: We concur.

Status—Deposit requirements were discussed with the Nursing Home staff. Additionally, we have recommended funding in the 2005 budget to address updating the billing software.

Issue--Accounts Receivable Accruals:

Material revenue accruals are booked at various times regularly. However, at least one department submits accruals only at year end. In at least one department, prior year revenue received in the current year is booked against accounts receivable and current year receipts are booked as revenue as they are received.

Recommendation: That monthly accruals of revenue be made for all departments receiving a material amount of revenue and that the same system of accruing revenue be used throughout the County.

Commissioners' Response: We concur.

Status—We expect to make headway in 2005

Issue--Documentation:

Frequently, the Finance Department is provided with copies of original source documents instead of the originals. In some cases, no support other than a summary of information such as timecards or deposit information is provided. Departments should maintain copies and the originals should go to the Finance Department. The Commissioners recognize the importance of original support documents in all payment processes to avoid duplicate payment and ensure all payments are genuine.

Recommendation: That the County departments should submit original documentation for support of all financial transactions.

Commissioners' Response: We concur.

Status—We expect to make headway in 2005.

Issue--Personnel Files:

As stated under the "Personnel Files" section of the "Review of Financial Functions" dated October 16, 2003 personnel files are maintained in several areas within the County.

Recommendation: That a complete review of the information contained within personnel files at the various locations be undertaken. At a minimum, the files maintained by Human Resources should be the "master files" containing all information relative to an employee.

Commissioners' Response: We concur.

Status—We continue to educate the departments.

Issue-- Departmental Communications:

It was noted that at times requested information, financial data, or documentation has not been reported to the requesting department on a timely basis or in some instances at all. As examples, compensatory time to be accrued at year end was not reported by departments nor were some internal control questionnaires completed.

Recommendation: That all requests for information, financial data or documentation continue to include a specific due date. We recommend that the Commissioners insist all departments respond timely for effective reporting and accounting.

Commissioners' Response: We concur.

Status—We are happy to report we are making good progress in this area and expect it to get even better over time.