



# **2005 Annual Report**

Year Ending December 31, 2005

Rockingham County Commissioners:

Maureen Barrows, Chair

Katharin K. Pratt, Vice Chair

C. Donald Stritch, Clerk

## **Annual Report Dedication**

### **In Memory of William F. Sturtevant**



**December 21, 1946 – November 7, 2005**

Bill was the Administrator and Director of Long Term Care Services at Rockingham County since 1979. In addition, he was active in the National Association of Counties serving on the Board of Directors, the New Hampshire Board of Examiners for nursing home administrators, the Certificate of Need Board as a member, and Chair of the New Hampshire Public Television's Board of Governors.

No matter how busy he always had time for residents and staff to listen and offer support.

He was a gentleman in every sense of the word, a public figure that was comfortable behind the scenes. Bill was always ready to roll up his sleeves and dig in no matter what job it was.

There are no words strong enough to express the void he has left in Rockingham County. Bill Sturtevant will be remembered as a kind, caring, dedicated man, and a loyal friend.

The 2005 Rockingham County Annual Report is hereby dedicated in memory of Bill Sturtevant.

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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  
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**County Attorney**

James M. Reams  
jreams@rcao.net

*Mailing Address:*

P.O. Box 1209  
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*Physical Address:*

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**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

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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

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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**

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Director of Facilities, Planning, and IT  
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**Finance Office**

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119 North Road, Brentwood, NH  
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**Human Resources**

Martha S. Roy, Director  
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**Human Services**

Diane D. Gill, Director  
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**IT/Telecommunications**

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**Long Term Care Services**

Susan Denopoulos, Assistant Director  
sdenopoulos@co.rockingham.nh.us  
117 North Road, Brentwood, NH  
Phone: 603-679-9327 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  
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  
John E. Robinson

**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  
Richard 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, Fremont  
C. Pennington Brown  
Daniel C. Itse  
Ronald 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  
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

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### 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*

## **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.

We are deeply saddened with the loss of Bill Sturtevant, Long Term Care Services Director. He was a capable man with great dedication to the facility and took time to know residents and staff. We anticipate filling the Director position in 2006. Meanwhile Long Term Care Programs are running smoothly under the capable tutelage of Ray Bower and Susan Denopoulos.

The nursing home and assisted living facility have again received excellent reviews. The additional assisted living beds will be available in early 2006 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 2006.

## DEPARTMENT OF CORRECTIONS

Albert J. Wright, Superintendent

Through the expanded use of alternative programs the amount of intakes decreased slightly. This was accomplished by doubling the amount of prisoners serving sentences on home confinement, electronic monitoring, and supervised pre-trial release. The average daily population in jail during the year was 328 inmates. Electronic monitoring inmates daily population was 29.

<u>Admissions</u>	<u>2004</u>	<u>2005</u>
Male Inmates	3,497	3,363
Female Inmates	621	588
<b>Total</b>	<b>4,118</b>	<b>3,951</b>

Progress was made to decrease the amount of time the inmate population waited for disposition of their pre-trial status along with increasing the usage of the supervised pre-trial release program.

The amount of female inmates decreased slightly however the length of stay increased due to charges, bail amount, and sentencing time. Strafford County, Hillsborough County, and the Women's State Prison in Goffstown house our female prisoners.

### Inmate Hours

The Nursing Home and Maintenance Department received a total of 31,824 inmate hours. 8 towns received a total of 11,560 inmate work hours. This doesn't account for the inmate hours involved within the Corrections Facility and grounds.

### 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 88 victims registered. The system received 694 incoming calls and 1,143 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

84 inmates participated in the Work Release Program with a success rate of 81%.

### Human Services & Inmate Programs

Our GED Program had 92 inmates who signed up and attended various classes and 15 earned their GED Certificates. The education program is supported by volunteer tutors, Southeast Regional Education Services Center, the partnership of Vocational Rehabilitation and Work Opportunities Unlimited in preparation for post-release services.

### Sex Offender Accountability Program

There were 22 inmates involved in this program. 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. 58 inmates participated in this opportunity. AIDS Response of the Seacoast was awarded a grant to continue the service and offer confidential testing.

### Employee Recognition

During the year we celebrated Correctional Employees Week and held nine promotion ceremonies to recognize the advancement of officers through the ranks. The department developed an Employee of the Month program to give special recognition to officers that go the extra mile. Candidates for Employee of the Month are recommended by their peers and supervisors.

### Electronic Monitoring

57 individuals have participated in the Electronic Monitoring program, with 23 successfully completed, 2 failures, and currently 32 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 is 18 months old and is coordinated between Corrections and the Sheriff's Office. The goal of the program is to assist in the reduction of pre-trial detainees who are non-violent with strong ties to the community. Defendants and inmates are court ordered into the program and monitored by a Deputy Sheriff.

### Medical

Our inmate medical care is contracted to Prime Care Medical Incorporated who specializes in prison health care. A renewed 5 year contract was developed and signed in 2005. Corrections and our Medical Department earned re-accreditation this year from the National Commission on Correctional Health Care for two more years. This is a credit to the hard work of these professionals.

### 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 their 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.

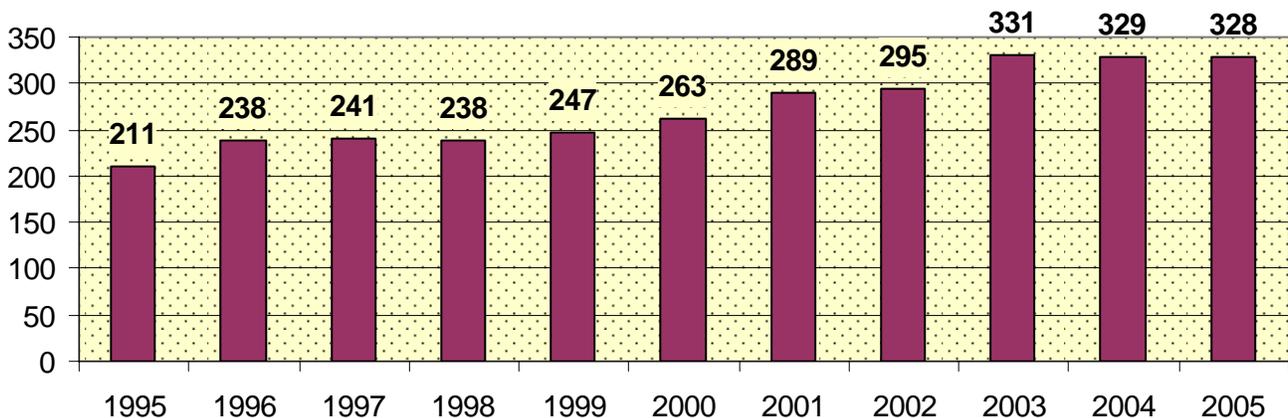
## Intake Distribution

Town	Number	Town	Number	Town	Number	Sheriff	Number
Atkinson	14	Greenland	21	Northwood	20	Belknap	0
Auburn	58	Hampstead	29	Nottingham	19	Hillsborough	3
Brentwood	42	Hampton	259	Plaistow	73	Rockingham	974
Candia	22	Hampton Falls	7	Portsmouth	224	Strafford	6
Chester	13	Kensington	30	Raymond	133		
Danville	16	Londonderry	43	Rye	18	<u>Agency</u>	<u>Number</u>
Deerfield	11	Newcastle	0	Salem	332	NH State Police	202
Derry	273	Newfields	13	Sandown	32	NH State Prison	4
East Kingston	30	Newington	32	Seabrook	76	NH Parole	85
Epping	53	Newmarket	59	South Hampton	1	Immigration	133
Exeter	137	Newton	26	Stratham	37	Self Turn In	248
Fremont	17	North Hampton	37	Windham	11	US Marshal	15

## Summary of Charges

Acts Prohibited	62	False Scrips	6	Open Container	28
Aggravated F. S. Assault	57	Fed/Immigration Chgs	141	Overnight Hold	232
Assault 1 <sup>st</sup> /2 <sup>nd</sup> Degree	10/27	Felon-Firearm Possession	10	Perjury	1
Assault Simple	405	Felon-Sexual Assault	31	Pornography	1
Assault Police Officer	4	Forgery	32	Possession	
Arson	3	Fugitive from Justice	75	Burglary Tools	2
Bail Jumping/Revoked	17/20	Fraud. use Credit Card	39	Controlled Drugs	280
Burglary	96	Gambling	6	Intent to Sell	45
Conduct After Accident	23	Habitual Offender	121	Hypodermic	3
Conspiracy	1	Harassment	18	Prohibitive Sale	13
Contempt of Court	102	Hindering Apprehension	22	Protective Custody	448
Criminal Liability	3	Indecent Exposure	8	Prowling	12
Criminal Mischief	92	Issuing Bad Check	21	Receiving Stolen Property	108
Criminal Restraint	13	Interfere with Custody	5	Reckless Conduct/Oper.	54/29
Criminal Threat/Trespass	112/66	Kidnapping	3	Resist Arrest	137
Cruelty to Animals	12	Lewdness	1	Riot	11
Cruelty to Corpse	1	Littering	2	Robbery	34
Default	106	Motor Vehicle		Sale-Controlled Drugs	79
Disobey a Police Officer	74	Attempted Theft	7	Shoplifting	136
Disorderly Conduct	87	Violation	43	Stalking	48
Destruction Evidence	1	Unauthorized Usage	16	State Prison Transfers	4
Domestic Violence	40	Murder-2 <sup>nd</sup> Degree	3	Theft/Deception/Unauth.	133/24/45
DWI Sentence/Pre-trial	162/221	Murder-Attempted	3	Transport Controlled Drugs	35
Endangerment of Child	11	Negligent Homicide	2	Unlawful Poss.-Alcohol	50
Escape	4	Non Payment of Fine	6	Unlawful Use-Weapon	7
Extortion	1	Non Support	65	Violation-Parole/Protective	402/197
Fail-Reg.-Sex Offender	6	Operating-Rev./Susp	256	Warrants	348
False Report to Police	60	Operating-without Lic.	15	Witness Tampering	20
				<b>Total Charges</b>	<b>5,812</b>

## Average Daily Intake - 10 Year Comparison



**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 2240 in the year 2005. 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

- 2240 indictments
- 1518 cases were scheduled for trial
- Duty calls from police departments after hours were 222
- Victim Advocates had 11,797 contacts with victims and witnesses
- Our two part-time investigators handled 517 cases
- 470 closed files were reopened in 2005. These cases are not counted as "active" cases. Reopened cases generally require prosecutors to respond

to post conviction motions and to appear at related hearings. The Court has adopted a liberal policy with regard to accepting and scheduling hearings for these pleadings. The matters have become increasingly time consuming for the staff. Petitions for Writ of Habeas Corpus require our prosecutors to attend hearings at the state prison and at the Coos County Court for matters involving prisoners held in the Berlin facility.

### Prosecutors

The County Attorney and his Deputy oversee a staff of 31 including 13 Assistant County Attorneys. The Assistant County Attorneys are divided into teams covering three geographic regions of the county.

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 120 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.

### 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 Plaistow District Court prosecutor position was filled in 2003 with 5 towns entering the contract. In 2004, the County Attorney's Office was given the authority to hire an administrative employee to assist in the prosecutorial duties of the Plaistow District Court and this position was filled.

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 238 telephone conferences and more than 46 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. 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 517 cases all involving victims in 2005. Additionally, they reviewed and validated 300 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 15 complaints against police departments, performed 10 background checks for prospective employees, and fielded 32 walk-in contacts during 2005.

### 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 179 interviews at the Child Advocacy Center in 2005. 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.

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### **ENGINEERING AND MAINTENANCE SERVICES**

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

2005 was a busy year for Engineering & Maintenance Services, full of accomplishments and challenges. We are fortunate to participate in projects covering the gamut of operations at the County Complex. We see that the results of our labor touch directly on residents, staff, and visitors. The dedication and hard work is evident in every work order executed. Our mechanics' insistence on excellence and sense of ownership are a continuing source of pride and inspiration.

Two projects in particular stand out for 2005. A security upgrade was undertaken at Corrections facility updating cameras, door locking, communication systems and equipment throughout. Staff was involved in this project on a daily basis, ensuring long and short term stability of the project.

Especially exciting was the capital project undertaken at the Rockingham County Nursing Home (RCNH) in the Fernald Building involving upgrades to the nursing unit on the second floor and expansion of the assisted living module on the first level. Our team dedicated nearly 3,000 hours to this important project to ensure excellence. The pleasure and enjoyment of the final product by residents and staff is a tribute to the hard work poured into the project.

Other projects undertaken and overseen in 2005 include the following:

- Replacement of the nurse's call system in RCNH Driscoll Building
- Upgrade of the fire alarm system in the RCNH Underhill and Blaisdell buildings and access control system at the administration building
- Flooring replacement RCNH Driscoll building first floor
- Overhaul boilers #1, #2, and #3 at the RCNH Boiler Plant as well as the post purge systems along with inspection and repairs to the chimney

- Replacement of PCV plumbing with copper in the jail
- Replacement of twenty-five interior steel doors at the jail
- Installation of fire alarm and access control systems at the Water Treatment Facility, Motor Services Garage, and Buildings & Grounds shed.
- Repair and upgrade to the North Road sewer lift station
- Cleaning and disinfection of the air handling equipment serving G-block and booking area at the Jail, and multiple units serving the RCNH Blaisdell building
- Repairs to the roof on the Carlisle building
- Rebuild the muffin monster for sewer lift station #1
- The historical #6 oil spill at the RCNH Boiler Plant continues to be monitored via our Groundwater Management Program and under the direction of NHDES.

Our projects are undertaken in collaboration with members of the affected departments and exhaustive research is done to ensure that the final product meets or exceeds the needs of staff and residents. I am extremely grateful for the patience and participation of the Officials and Division Directors. The support given by the Board of Rockingham County Commissioners is greatly appreciated.

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### **HUMAN RESOURCES DEPARTMENT**

Martha S. Roy, Director

During the past year the Human Resources Department conducted many training programs for employees. Administrative Professionals Training, Supervisors Academy, and a Changing Demographics/Cultural Diversity seminar took place in the spring. The Healthy Lunch lecture series was continued offering employees opportunities to enjoy a calorie conscious lunch with a health topic lecture. In a joint effort with the Engineering and Maintenance Department, 11 computer training courses were held in the fall with topics ranging from Word to Power Point. The eighth annual Health and Benefits Fair was held in October for all employees. This event provides employees the opportunity to meet the health and benefit providers of the County to learn particulars of the various benefit plans and ways to lead healthier lifestyles.

The County changed to Wausau Benefits as the health insurance plan third party administrator and the network was changed to Aetna Signature Administrators. The County's Preferred Provider Organization plan experienced increases in the premiums for 2005. Delta Dental continued as our self-insured dental plan administrator and network in 2005.

The Human Resources Department continues to provide assistance on finalization of job descriptions with departments and provides all entrance and exit interviews to County employees, which introduce them to the current County benefits as well as Personnel 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 are maintained in the Human Resources Department.

We welcome any suggestions to better serve the County.

## HUMAN SERVICES DEPARTMENT

Diane D. Gill, Director

The Department of Human Services was responsible for an appropriated budget of \$14,287,371 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 687 recipients, at an average total monthly cost of \$534,000; a reduction in the 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 286 persons, at an average cost of \$73,000 per month. The Provider Payment caseload averaged 1,015 persons, at an average cost of \$169,000 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 191 clients per month, at a total average cost of \$17,000.

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 908 persons, at a total average monthly cost of \$ 107,000.

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 393 children on a monthly basis. Average monthly costs totaled \$107,000 for out-of-home placement and in-home services. Reimbursement for juvenile's expenses was collected from parents in the amount of \$486,272 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 \$665,000 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, as well as the legislators who serve on the Human Services sub-committee, for their service on behalf of the citizens of Rockingham County.

## LONG TERM CARE SERVICES

Susan Denopoulos, Assistant Director

It is hard to imagine beginning or ending this Annual Report without attempting to recognize what Bill Sturtevant's lifelong dedication to Rockingham County Nursing Home has meant to the high quality of care provided. His footprint left on the facility will never be equaled.

As the year 2005 came to a close we ended a 5 year struggle by adequately staffing the facility without the use of agency personnel. We would like to acknowledge the support of Martha Roy, Director of Human Resources, for her support and assistance in achieving this goal.

We are pleased to report that the Ernest P. Barka Assisted Living Facility expansion will open soon with an additional 19 beds. As frequently reported we have an active waiting list of potential residents ready to move in. With the guidance and management of Jude Gates, Director of Facilities, Planning, and Information Technology, construction was on time and the appearance adds to the beauty of the complex.

In April, the Bureau of Health Facilities arrived for its Annual Survey of Long Term Care Facilities. The facility fared well due to a great team effort.

The "Employee of the Month" program continues at the facility. We strongly believe no greater honor can be bestowed on an employee than being recognized by co-workers for their outstanding work accomplishments. I hope you all will join me in congratulating the following monthly winners:

January	Jamie Coigley, Occupational Therapy
February	Sandra Powers, Nursing
March	Ellen Harnden, Nursing
April	Lisa Darling, Nursing
May	Regina Crowell, Dietary
June	Holly Solie, Nursing
July	Elizabeth Porter, Environmental Services
August	Joan Desjardins, Environmental Services
September	Lorraine Valencia, Nursing
October	Mui Sui, Environmental Services
November	Alleyne Salanskas, Nursing
December	Kim Gauthier, Administration

It is also a pleasure to note that Elizabeth Porter of our Environmental Services Department was recognized as an Employee of the Year at the New Hampshire Association of Counties Annual Conference.

The EFFORTS Committee continued to generously fund nursing home projects dedicated to enhancing the quality of resident's lives. We have already received commitments from this group for continued support in 2006.

We are pleased to report that all nursing facility beds came back on line as the Fernald wing renovation was completed. Staff has been working aggressively to fill beds, which is part of a multiple faceted effort to enhance facility revenue. In addition to this operating revenue there have been budgeted increases in the bed tax and Proportimate Share Pool (PSP) revenues.

I would like to recognize the Department Heads and outstanding employees of the facility. The Department Heads of the nursing home are a strong cohesive group that lead by example. Most have been here and worked under Bill's leadership for a long time. During this past year these dedicated professionals and their staff continues to carry out the high standard of care that the facility is renowned for. My thanks for your hard work every day and for their support of me.

Adult Medical Day Care welcomed Helen Kolifrath, RN as its new Director. She brings new enthusiasm and vision to a much needed program for the citizens of Rockingham County.

Lastly, Ray Bower, County Administrator of Strafford County, graciously came to assist us after Bill Sturtevant's death. Mr. Bower made this offer to honor Bill in recognition of his leadership in New Hampshire long term care history and all he had done. A longtime friend and colleague of Bill's, he has proven to be a friend to Rockingham County. My sincere gratitude on behalf of the nursing home residents and staff for Mr. Bower's immense knowledge, support, and direction during difficult times.

Many people say the truest test of the value and accomplishments of ones work career is the acknowledgment of your peers. William F. Sturtevant's work career was second to none. His life and his passion for Rockingham County Nursing Home will never be matched. We are all better employees and people for knowing him. He set an example for all of us to follow.

### **2005 NURSING HOME CENSUS**

Daily Average Census - 205

Highest Census 213 / Lowest Census 199

<b>Admissions</b>		<b>Discharges</b>	
Home	31	Hospital Admit>Returns	29
Hospital	21	Discharged to another facility	5
Nursing Home	24	Discharged to assisted living	6
Psych Hospital	3	Discharged home	4
Group Home	1	Expired while in hospital	6
Rehabilitation	7	Deaths	77
Assisted Living	3		
Total Admissions	<u>90</u>	Total Discharges	<u>127</u>
Average Resident Age			77
Average Age of Death			86
Average Age of Admission			91
Average Length of Stay			3 years. 5 months, and 12 days

## **THE ERNEST P. BARKA ASSISTED LIVING COMMUNITY**

Nancy L. Lang, Director

2005 started off with our 2<sup>nd</sup> annual New Year Eve Party. The twenty five residents have developed great friendships and enjoy discussions together. January was filled with interest in the assisted living expansion. The residents council meetings were focused on the construction.

The winter months are difficult to plan activities out of the building so we made our own fun with trivia, Whist tournaments, karaoke, ice cream socials, bingo, pizza parties, and the "battle of the sexes" game. We had several fundraisers to earn extra money for fun things.

Spring and summer were active seasons with attending a play at the Upstairs/Downstairs Theater, a band concert at Epping High School, trips to Swasey Parkway in Exeter for concerts and fireworks, Hampton Beach Half Shell for band concerts, and rides to ice cream stands in the area. We had outdoor barbecues several times along with trips every Thursday to Wal-Mart.

In September work began in front of our building and everyone was excited watching the new paths, plants, shrubs, and landscaping all coming together. On September 21<sup>st</sup> we had our first formal dinner party with a live band and an outstanding menu provided by our Dietary Department. A special thank you to the dietary staff.

A dark cloud fell over assisted living this past October as our friend and Director of Long Term Care Services, Bill Sturtevant, became seriously ill and passed away on November 7, 2005. This brought great sadness to our residents as he would frequently spend time talking sports with the guys and complimenting the ladies on their hair and attire. He is greatly missed by staff and residents alike.

As the holidays approached decorations went up. New walls were completed and doors were opened as the construction was nearing an end. We look forward to the opening of Fernald I and all the new folks that will be coming to live at the Ernest P. Barka Assisted Living Community.

I could not conclude this report without acknowledging our dedicated staff for the love and care they provide those who live here. Thanks to all our families who are there when we call them and support us.

A heartfelt thanks to Jude Gates and her entire staff for all the support and help provided as they made the construction problems so much easier. Thanks to Verne Rines and his staff for the great job they do daily for assisted living.

I would like to thank the Board of Rockingham County Commissioners for always being interested and supporting the assisted living community.

2005 was a busy and bitter sweet year for everyone, but with faith and hope we push into 2006 with great expectations for a joyous year.

**REGISTRY OF DEEDS**  
Cathy Ann Stacey, Registrar

This Annual Report is dedicated to my staff. Their diligence, teamwork and positive attitudes make the endless stream of paper a challenge. I cannot express how fortunate I and the County are to have these hardworking individuals on the County team.

I am proud to report that this office, by careful planning and by conscientious management realized a profit of \$4,059,309.98, the details of which are reflected in my statistics below. The sincere efforts of my staff, not only affected this pleasant financial result, but also made it possible to sustain the high level of service to the public.

The copy department continues to be an extremely busy area generating \$525,990.74 in income for calendar year 2005. Overall the Registry has seen a decrease in activity within its four walls; however, there is a steady stream of revenue generated from our internet service. This reflects a decrease of \$20,946.59 in revenue from this department below 2004 documented figures.

In 2005 the Registry of Deeds staff began a voluminous project of scanning the old black books in-house. We have discovered that the old film although having the ability to be converted into the imaging system does not produce the type of quality image standard we have set. Therefore, the staff has been re-scanning these books to provide the standard of excellence this Registry is known for. We will continue on this project, recalling our old book stored at the State Archives until we have scanned every image contained within the office.

In 2005 we successfully completed the software to enable all of our map indexes both by Town and Street to be accessed on the computer system as well as the website. We anticipate all maps will be available back to the first recorded plan in early 2006.

In closing, I wish to extend my thanks to the Rockingham County Board of Commissioners and Finance Department for their continued support and assistance to this office during a very eventful 2005. Thank you.

**2005 STATISTICS**

Number of Recordings	96,473 documents
Pages Filmed	703,978 pages
Number of Copies Made	462,589 pages
FAX copies Sent	7,852 pages
2005 Copy Dept. Receipts	\$ 525,990.74
2005 Total Receipts	\$5,324,819.98
2005 Expenditures	\$1,265,510.00
Surcharge Account used to Reduce Tax	\$ 250,000.00

## SHERIFF'S OFFICE

J. Daniel Linehan, High Sheriff

### Active Warrants – Superior & Family Court

Warrants in NCIC	397
Warrants non-NCIC (Equity, Family Division, Cost Containment)	158
Wanted Persons beyond extradition limits	134
Wanted Persons serving time in other states	<u>80</u>
<b>Total</b>	<b><u>635</u></b>

### Active Warrants - District Court

Wanted Persons residing in Rockingham County	79
Wanted Persons residing in other N.H. Counties	<u>53</u>
<b>Total</b>	<b><u>132</u></b>

### Arrests – Superior Court Warrants

Criminal Warrants	400
Civil Warrants	<u>101</u>
<b>Total</b>	<b><u>501</u></b>

### Arrests – District Court Warrants

Arrests	15
Not found	125

Total Arrests - All Warrants	516
Total Active Warrants - All Courts	767
Total Warrant Activity - All Courts	2,425

### Transports

District Court transports	4,586
Involuntary Emergency Admissions (IEA)	344
Juvenile transports	237
All other transports	<u>3,685</u>
<b>Total</b>	<b>8,271</b>

Deputy Sheriffs initiated 153 criminal reports, stopped 594 motorists for moving violations, assisted 24 drivers on the roadways, and covered 67 motor vehicle accidents. The Patrol Division deputies served 12,618 civil process documents.

### Fugitive Extraditions By State

Connecticut	3	Maine	17	Tennessee	1
Florida	7	Massachusetts	123	New York	7
California	1	Indiana	2	New Jersey	2
Pennsylvania	2	Rhode Island	2	West Virginia	1
Virginia	1	Vermont	1	<b>TOTAL</b>	<b>170</b>

Deputy Sheriffs brought all fugitives back with 4 transports assisted by US Marshal

### Dispatch Center Service Calls

2001: 90,090      2002: 92,575      2003: 88,697      2004: 86,956      2005: 89,188

The Dispatch Center is the largest Public Safety Dispatch Center in New Hampshire. We provide 24-hour service for 24 Police Departments and 15 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	1,751	Aircraft	42	Susp container	731	Calls for svc	13,032
Escorts	2,651	Medical	256	Parking tickets	384	Passengers Serviced:	
Criminal	555	Vehicle	3,878	Admin. calls	3,662	>4.3 Million	

## TREASURER'S OFFICE

Edward R. Buck III, Treasurer

Rockingham County ended 2005 in good financial shape. This was indicated by the fact that during 2005 the County:

- Met all financial obligations on a timely basis
- Obtained borrowing at continued relatively low interest rates
- Maintained an excellent Moody rating

The highlight of a busy spring was the sale of \$4 million General Obligation Bond and the sale of \$16.9 million in a Tax Anticipation Note (TAN). Rockingham County issues TANS during the year to cover obligations and expenses until receiving tax revenue from the towns in December of each year.

The TAN was purchased by Banc of America Securities LLC at a net interest rate of 2.5799% and was paid on Dec. 30, 2005. There were eight bidders on this issue.

Moody's assigned an MIG-1 rating for the \$16.9 million note, the best note rating possible. The MIG-1 rating applies to short-term loans only. The relatively low interest rates coupled with the high ratings from Moody's Investor Services were a definite plus for the County.

The general obligation improvement bond was sold to Fidelity Capital Markets at a net interest rate of 3.035398% and is due June 15, 2012. There were nine bidders for this bond. This sale will finance improvements to the County's assisted living facility and jail.

In addition, Moody's Investor Services upgraded Rockingham County to Aa2 from Aa3 rating which included the current issue. This rating alone will save the County thousands in our future borrowings. Strong financial operations, substantial tax base continuing to grow, and minimal debt burden were reasons cited by Moody's for the upgrade.

Theresa Young of the Finance Office deserves credit for putting these complicated financial matters together and was instrumental in the excellent County ratings. The entire finance staff worked hard to achieve great fiscal health for the County.

During the year, the Treasurer's Office collected \$ 36,505,736 in taxes from the thirty-seven cities and towns of Rockingham County.

## **UNH COOPERATIVE EXTENSION**

Lynn Garland and Matt Tarr, Co-Office Administrators

### 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. Your Rockingham County office brings this commitment to you by providing educational programs within your community.

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. This partnership has been in existence since 1914. "Extension" refers to extending the knowledge and research from the State Land Grant University system to the people and towns throughout New Hampshire. As an outreach program, there is a network of professional Extension staff in all 10 New Hampshire counties complemented by Extension specialists at UNH. Trained volunteers further expand our educational impacts. Extension informal educational efforts include monitoring water quality in our lakes and rivers; collaborating with others to sustain the marine fishery and enhance aquaculture; presenting parenting, food safety, and family finance programs, coordinating 4-H clubs and community youth development, teaching best practices in agriculture, food production, and forest stewardship; promoting land use management; reducing the use of pesticides; meeting the needs of low-income families, and strengthening our communities.

Strengthening New Hampshire communities is one of several statewide initiatives that have impacted Rockingham County. A primary focus of this initiative is the Community Profile which helps communities assess 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.

Our County Extension Advisory Council ensures that Extension programs are on target and efficiently delivered by their focus on needs assessment, program development, and evaluation. The Advisory Council includes 15 Rockingham County citizens, County Commissioner Kate Pratt, and NH State Representative George Winchell of Atkinson. The chair of the Council for 2005 was Liz Conrad from Epping.

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

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

**MINUTES**  
**ROCKINGHAM COUNTY DELEGATION PUBLIC HEARING**  
**COMMISSIONER'S PROPOSED 2005 BUDGET**  
**Thursday, January 27, 2005, 7:00 p.m.**  
**Hilton Auditorium, Rockingham County Nursing Home, Brentwood, NH**

Rep. Sheila Francoeur, Chairman of the Rockingham County Convention, called the Public Hearing to order at 7:15 p.m.

Rep. Francoeur recognized Rep. Ronald Nowe who delivered the Invocation.

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

Chairman Francoeur reviewed the ground rules and explained the procedures for the public to speak.

Chairman Francoeur called upon the Commissioners to provide an overview of the Commissioners Proposed 2005 Budget. Commissioner Pratt gave a power point presentation which provided an overview of the budget and pointed out the highlights of each department. She noted a 2 percent tax increase in the proposed budget, which also reflects a decrease in appropriations from 2004.

Chairman Francoeur thanked Commissioner Pratt for her very informative presentation.

Chairman Francoeur called on Rep. James Rausch, Chairman of the Executive Committee who read the Commissioner's Proposed 2005 Budget by department as follows:

Delegation - \$84,954

Treasurer & Deputy - \$52,556

County Attorney - \$2,264,217 – Harriet Cady, representing District 1, referred to the Jail population increase noting that there is not enough plea bargaining. She also referred to a portion of state retirement that is paid to employees. Attorney Reams responded to Rep. Cady's comments.

Plaistow District Court - \$262,410

Medical Examiner – \$56,100 – Harriet Cady, representing District 1, questioned if there was money left over in the account. Attorney Reams responded yes.

Sheriff's Department - \$4,204,984

Manchester Airport Duty – \$1,827,345

Registry of Deeds – \$1,428,594

Commissioners – \$170,420

General Government – \$2,942,501

Projects – \$823,500

Grants – \$1,850,000

Finance – \$690,559

Engineering & Maintenance - \$3,456,618

Human Services - \$14,287,371

Jail – \$8,549,416

UNH Cooperative Extension - \$537,495

Human Resources – \$337,769

**Non-County Specials** - \$258,180 – Ruth Ellen Post, constituent from Windham, requested an explanation of the Non-County Specials. Harriet Cady questioned if the county is getting money from the state for the Interstate Emergency Unit Fire Training. She commented that the Rockingham County Meals on Wheels are providing lunches for \$2.00 and requested an explanation. Debbie Peru-Herman, Program Director, explained that there are different parts of the program, such as federal funding whereby the clients pay. She also explained that the county helps support county residents who qualify as low income individuals. She noted that the rules and guidelines are federal law.

**Long-Term Care Services** – \$22,388,349

**IT** – (included in the Maintenance budget)

**Total Appropriations** - \$66,473,337

**Total Revenues** - \$67,011,086

Mr. Gilbert, Selectman for the Town of Brentwood and employee in the County Maintenance Department, had a question relative to payment in lieu of taxes. He referred to the issue of the county owing taxes to the Town of Brentwood, and asked for consideration and close examination to the proposed budget.

Rep. Nowe asked for an overview of the situation. Commissioner Barrows explained. She referred to an agreement made several years ago in 1991 relative to payment in lieu of taxes. She noted that the Commissioners are working with the Town Officials in Brentwood towards an agreement and have not had the opportunity to negotiate what that sum would be.

Chairman Francoeur requested that the Commissioners keep the Delegation Members apprised of the situation.

Rep. Dodge commented. referring to RSA 72:23 II. He referred to a \$76,000 tax lien with 18 percent interest. He also commented that tax liens are not abatable. He referred to a letter that he had sent to the Commissioners regarding this issue, as well as Rep. Major. Rep. Major noted that he saw the letter but is not in receipt of a copy.

There being no further questions or comments, the Public Hearing was adjourned.

Respectfully submitted,

Cheryl A. Hurley, Delegation Coordinator

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

**MINUTES**  
**ROCKINGHAM COUNTY DELEGATION ANNUAL MEETING**  
**Tuesday, February 22, 2005 - 6:00 p.m.**  
**Hilton Auditorium, Rockingham County Nursing Home, Brentwood NH**

The members of the Rockingham County Delegation held a meeting on Tuesday, February 22, 2005 at 6:00 p.m. in the Hilton Auditorium at the Rockingham County Nursing Home in Brentwood, NH. The purpose of the meeting was to approve the 2005 County budget.

Rep. Sheila T. Francoeur, Chairman, called the meeting to order at 6:05 p.m.

Rep. Gene Charron 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 61 members present at the time the roll was called.

Members in attendance were: Rep. Sheila T. Francoeur, Chairman; Representatives Abbott, Allen, Belanger, Bicknell, Blanchard, Buxton, Cady, Camm, Carson, Casey, Charron, Coburn, Donahue, Dowd, Dowling, Fesh, Flanders, Flockhart, Garrity, Gilbert, Gillick, Gould, Griffin, Headd, Hughes, Ingram, Itse, Rogers Johnson, G. Katsakiores, P. Katsakiores, Kobel, Langley, Major, Moody, Moore, Morris, Norelli, Nowe, O'Neil, Pantelakos, Pitts, Powers, Putnam, Marshall Quandt, Matthew Quandt, Rausch, Robertson, Rolston, Sanders, D. Scamman, S. Scamman, Serlin, Splaine, Smith, Stiles, Stone, Waterhouse, Weare, Welch, Weldy, Weyler, Winchell, and Zolla.

Excused: Representatives Dalrymple, Doyle, Introne, and Packard.

Also Present: Commissioners Barrows, Pratt, and Stritch; Theresa Young, Finance Officer; Kathy Nikitas, Finance; Bill Sturtevant, Long Term Care Administrator; Jude Gates, Engineering & Maintenance; Frank Stoughton, IT/Telecommunications; Superintendent Albert Wright, Department of

Corrections; Louise Turner, Department of Corrections; Attorney James Reams, County Attorney's

Office; Sandy Buck, Treasurer; Christine Croto, Sheriff's Office; Sheriff Daniel Linehan, High Sheriff; Martha Roy, Human Resources Director; Rollie Barnaby, UNH Cooperative Extension; Cathy Stacey, Register of Deeds; Becky Burns, Deeds, Mary Currier, Conservation District; Cheryl A. Hurley, Delegation Coordinator.

Chairman Francoeur declared that a quorum was present.

Chairman Francoeur reviewed the instructions/ground rules for the meeting.

Chairman Francoeur recognized Commissioner Pratt who gave an overview of the budget highlights.

Clerk Welch reported a total of 64 members present at 6:35 p.m.

Rep. Francoeur thanked all subcommittee chairmen for their efforts in getting their information in prior to the subcommittee report deadline, and all members who attended their subcommittee meetings.

Chairman Francoeur recognized Rep. Gene Charron, Chairman of the Salary Subcommittee, who made a motion to approve Resolution 1-2005 presented as follows:

**RESOLUTION 1 - 2005**

Be it resolved that the Rockingham County Convention accept the position listing as presented with the total number of authorized positions for 2005 being 690 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.

Chairman Francoeur recognized Rep. Gene Charron, Chairman of the Salary Subcommittee, who made a motion to approve Resolution 2-2005 as presented as follows:

**RESOLUTION 2 – 2005**

Be it resolved that the Rockingham County Convention, upon the recommendation of the Executive Committee, recommend no more than \$750,000 for increases related to the 10-step salary plan, which is incorporated into the 2005 budget. In addition, that the mileage reimbursement rate continue to mirror the Federal rate for 2005.

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

Chairman Francoeur recognized Rep. Gene Charron, Chairman of the Salary Subcommittee, who made a motion to approve Resolution 3-2005 as presented as follows:

**RESOLUTION 3 – 2005**

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.

Chairman Francoeur recognized Rep. Gene Charron, Chairman of the Salary Subcommittee, who made a motion to approve Resolution 4-2005 as presented as follows:

**RESOLUTION 4 - 2005**

I move that \$29,006 be appropriated for salary payments for the Delegation Coordinator.

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

Chairman Francoeur recognized Rep. Gene Charron, Chairman of the Salary Subcommittee, who made a motion to approve Resolution 5-2005 as presented as follows:

**RESOLUTION 5 - 2005**

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**

<b><u>HEALTH BENEFITS: (Self-Insured)</u></b>	
<b><u>Membership</u></b>	<b><u>PPO</u></b>
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 COMP and UNEMPLOYMENT:

Worker's Compensation is funded at 38% of the assigned risk rate per the recommendation of the Executive Committee. Unemployment funding recommended at \$10.00 per position in 2005.

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 \$4,000 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 APPROVAL BY DEPARTMENT**

Chairman Francoeur recognized Rep. James B. Rausch, Executive Committee Chairman, who moved the following budget lines per department for approval:

Delegation

Rep. Rausch made a motion to approve \$86,322 for the Delegation Office budget. Rep. Belanger seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

Treasurer

Rep. Rausch made a motion to approve \$42,956 for the Treasurer's Office budget. Rep. Belanger seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

County Attorney

Rep. Rausch made a motion to approve \$2,268,460 for the County Attorney's Office budget. Rep. Belanger seconded the motion. Chairman Francoeur called for questions. Rep. Cady questioned if the state matched retirement costs. Ms. Young, Finance Officer, explained that reimbursement is for county costs. The county does not collect reimbursement from the state relative to retirement. She noted that the state does contribute to retirement in some instances. Chairman Francoeur called for further questions. There were none. The motion was approved by a voice vote.

District Court

Rep. Rausch made a motion to approve \$263,409 for the District Court budget. Rep. Belanger seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

Medical Examiner

Rep. Rausch made a motion to approve \$56,100 for the Medical Examiner's budget. Rep. Flanders seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

### Sheriff's Department

Rep. Rausch made a motion to approve \$4,183,243 for the Sheriff's Office budget. Rep. Belanger seconded the motion. Chairman Francoeur called for questions. Rep. Cady questioned where the revenues from the airport would be found. Ms. Young explained and deferred to Sheriff Linehan for further explanation. Sheriff Linehan explained that the Sheriff's revenues are split out by line in the Sheriff's revenue section of the budget, Revenue pages 1 and 2. Rep. Cady questioned where civil could be found. Sheriff Linehan responded on the civil line. Chairman Francoeur called for further questions. There were none. The motion was approved by a voice vote.

### Manchester Airport

Rep. Rausch made a motion to approve \$1,780,064 for the Manchester Airport budget. Rep. Belanger seconded the motion. Rep. Cali-Pitts questioned if the airport contract had been signed. Commissioner Pratt responded noting that the contract has been signed and is valid through 2006.

### Registry of Deeds

Rep. Rausch made a motion to approve \$1,428,594 for the Deeds Office budget. Rep. Flanders seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

### Commissioners

Rep. Rausch made a motion to approve \$170,420 for the Commissioners Office budget. Rep. Belanger seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

### General Government

Rep. Rausch made a motion to approve \$2,942,501 for the General Government budget. Rep. Belanger seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

### Projects

Rep. Rausch made a motion to approve \$823,500 for the Projects budget. Rep. Belanger seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

### Grants

Rep. Rausch made a motion to approve \$1,850,000 for the Grants budget. Rep. Flanders seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

### Finance

Rep. Rausch made a motion to approve \$690,559 for the Finance Office budget. Rep. Nowe seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

### Engineering/Maintenance/IT

Rep. Rausch made a motion to approve \$3,456,618 for the Engineering/Maintenance/IT budget. Rep. Itse seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

### Human Services

Rep. Rausch made a motion to approve \$14,287,371 for the Human Services budget. Rep. Belanger seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

### Jail

Rep. Rausch made a motion to approve \$8,358,341 for the Jail budget. Rep. Flanders seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

### UNH Cooperative Extension

Rep. Rausch made a motion to approve \$537,495 for the UNH Cooperative Extension budget. Rep. Belanger seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

### Human Resources

Rep. Rausch made a motion to approve \$337,369 for the Human Resources budget. Rep. Flanders seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

### Non-County Specials

Rep. Rausch made a motion to approve \$230,000 for the Non-County Specials budget. Rep. Itse seconded the motion. Chairman Francoeur called for questions. Rep. Gould made a motion to amend the Non-County Specials budget to \$260,000. Rep. Stella Scamman seconded the motion. Rep. Gould then spoke to his motion noting that he was on the subcommittee that reviewed the Conservation District budget, referring to page 27 of the Non-County Specials budget. He explained that the subcommittee had increased the budget by \$10,000 for a total of \$100,000. He asked the members to consider restoring the budget back to \$90,000, as proposed by the Commissioners. Rep. Rolston commented in favor of Rep. Gould's motion. Rep. Weyler also commented in favor of restoring the funds, commenting that the Conservation District is a statutory entity. Rep. Quandt also spoke in favor of restoring the funds, noting that he had received several calls from his constituents requesting same.

Rep. Bicknell explained that he was in support of the cut that was voted by the Executive Committee. He referred to a copy of letter he received, and also referred to the decrease. Rep. Abbott questioned. Rep. Winchell, Subcommittee Chairman, asked that the members vote in favor of restoring the funds, which would bring the amount back to level funding. He referred to the fact that there was obvious confusion, and now those issues have clarified. He commented that he feels the decrease was too much. Rep. Flanders made a motion to move the question. Rep. Belanger seconded the motion. Rep. Rausch then withdrew his motion to approve the Non-County Specials budget. Rep. Gould made a motion to appropriate \$90,000 to line 56400. Rep. Cady commented referring to earlier comments made by members. Rep. Flanders seconded the motion. The motion was approved by a voice vote. Rep. Rausch made a motion to approve \$260,000 for the Non-County Specials budget. Rep. Flanders seconded the motion. The motion was approved by a voice vote.

#### Long Term Care Services

Rep. Rausch made a motion to approve \$22,388,349 for the Long Term Care Services budget. Rep. Belanger seconded the motion. Chairman Francoeur called for questions. Rep. Weyler referred to page 39, Appropriations. He questioned the Assisted Living costs vs. revenues and total salaries being high. Mr. Sturtevant reviewed the staffing requirements that substantiate the salaries. Rep. Weyler had a follow-up question relative to total population. Mr. Sturtevant responded that the total population in the Assisted Living facility is currently 24, with a total of 53 applicants on the waiting list. Chairman Francoeur called for further questions. There were none. The motion was approved by a voice vote.

#### Total Appropriations/Expenditures

Chairman Rausch read the total budget expenditures at \$66,211,670. Rep. Belanger seconded the motion. The motion was approved by a voice vote.

#### RESOLUTIONS (continued)

Chairman Francoeur recognized Rep. Rausch who made a motion to approve Resolution 6-2005 as presented as follows:

#### **RESOLUTION 6 – 2005**

**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. Nowe seconded the motion. The motion was approved by a voice vote.

Chairman Francoeur recognized Rep. Rausch who made a motion to approve Resolution 7-2005 as presented as follows:

#### **RESOLUTION 7 – 2005**

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. Nowe seconded the motion. The motion was approved by a voice vote.

Chairman Francoeur recognized Rep. Rausch who made a motion to approve Resolution 8-2005 as presented as follows:

#### **RESOLUTION 8 – 2005**

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. Flanders seconded the motion. The motion was approved by a voice vote.

Chairman Francoeur recognized Rep. Rausch who made a motion to approve Resolution 9-2005 as presented as follows:

#### **RESOLUTION 9 - 2005**

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. The motion was approved by a voice vote.

Chairman Francoeur recognized Theresa Young, Finance Officer, who read Resolution 10-2005 as follows:

#### **RESOLUTION 10 - 2005**

That the Rockingham County Convention, in accordance with RSA 24:13, authorize \$66,211,670 in appropriations and \$640,956 in reserves and encumbrances for the use of the County during 2005. That \$36,505,736 be raised in new county taxes, that \$25,297,934 is accepted as an estimate of revenues from other sources, and that \$5,048,956 is accepted as fund balance for a total of \$66,852,626 in resources.

Chairman Francoeur recognized Rep. Rausch who made a motion to approve Resolution 10-2005 as read. Rep. Flanders seconded the motion. The motion was approved by a voice vote.

Chairman Francoeur recognized Rep. Rausch who made a motion to approve Resolution 11-2005 as presented as follows:

#### **RESOLUTION 11 -2005**

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

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

#### **Other Business**

Chairman Francoeur called for other business. There was none.

## Adjournment

Rep. Flanders made a motion to adjourn. Rep. Belanger seconded the motion. There being no further business, the meeting was adjourned at 7:16 p.m.

After the adjournment of the meeting, Rep. Cady requested that it be documented in the record that she did not vote in favor of passing the 2005 county budget.

Respectfully submitted,

Cheryl A. Hurley, Delegation Coordinator

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



**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, 2005 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, 2005 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 6 and 27 through 28 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.

A handwritten signature in black ink that reads "Robert L. Lill, CPA, PC". The signature is written in a cursive style with a large, prominent initial "R".

Concord, New Hampshire  
March 16, 2006

# Rockingham County's Management's Discussion and Analysis for 2005

This report provides readers with a narrative overview and analysis of the financial activities of Rockingham County for the year ended December 31, 2005. 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. This is the third year in which the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis is required to provide comparisons with the previous year.

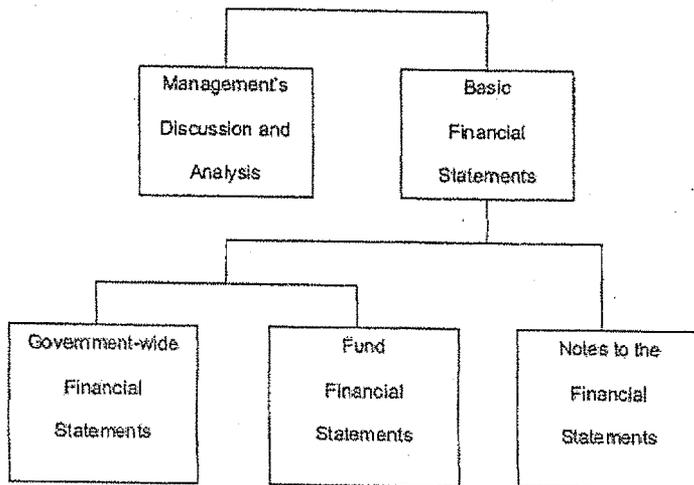
## Overview of the Financial Statements

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 statements presented on pages 8 and 9 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 -Government Wide

- The assets of Rockingham County exceeded its liabilities at the close of the fiscal year by \$50,166,287 (net assets).
- The government's total net assets increased by \$2,219,734 primarily due to increased assets in the General Fund.

### Financial Highlights-Fund Statements

- As of the close of the year, Rockingham County's reported combined ending fund balances of \$21,510,903, an increase of \$1,778,770 in comparison with the prior year as restated.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$15,740,731 or 23% percent of total general fund appropriations. The decrease of \$1,495,246 from the prior year was largely due to a transfer of funds to the Capital Projects Fund to provide for approved capital projects.
- The County's total debt increased by \$ 3,152,049 during the current year. On June 15, 2005 a seven year General Obligation Bond in the amount of \$3,887,000 was issued to complete county complex projects. The two majors projects included refurbishment of a wing in the Nursing Home to provide for Assisted Living expansion and Nursing Home updates.
- The County's bond rating was upgraded to Aa2 on its long-term borrowing and maintained its MIG-1 rating on its short-term borrowing.

### Government-Wide Financial Analysis

The County continues to prepare 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.

The following analysis focuses on net assets (**table 1**) and changes in net assets (**table 2**). Net assets may serve, over time, as one useful indicator of a government's financial condition. Net assets at year end were \$50,166,287 of which \$20,453,506 is unrestricted. Unrestricted net assets can be used to finance day-to-day operations of the County and reduce the effect of property taxes.

*table-1*

*Rockingham County Comparative Net Assets at December 31, 2004 and 2005*

	<u>Activities 2004</u>	<u>Activities 2005</u>	<u>% change</u>
Current and other assets	\$38,661,511	\$40,792,708	6%
Capital Assets	<u>33,089,071</u>	<u>36,194,402</u>	9%
Total Assets	<u>71,750,582</u>	<u>76,987,110</u>	7%
Long-term liabilities	11,550,113	14,828,095	28 %
Other Liabilities	<u>12,253,916</u>	<u>11,992,727</u>	- 2%
Total liabilities	<u>23,804,029</u>	<u>26,820,822</u>	13%
<b>Net Assets:</b>			
Invested in capital assets net of related debt	25,004,643	24,957,924	-.1%
Restricted	2,450,102	4,574,857	87%
Unrestricted	<u>20,491,808</u>	<u>20,453,506</u>	1%
Total net assets	<u>\$ 47,946,553</u>	<u>\$50,166,287</u>	-.1%

table-2

*Rockingham County Changes in Net Assets at December 31, 2004 and 2005*

	Activities 2004 <u>As Restated</u>	<u>Activities 2005</u>	<u>% change</u>
Revenues:			
Program Revenues			
Charges for Services	\$27,271,959	\$24,510,554	-10%
Grants and contributions	154,732	139,845	-10%
General Revenues			
Taxes	35,935,492	36,505,736	2%
Other	<u>1,355,396</u>	<u>1,132,828</u>	79%
Total Revenues	<u>64,717,579</u>	<u>62,288,973</u>	-4%
Expenses			
Administration	7,905,652	7,739,673	-2%
Law Enforcement	13,695,712	14,405,946	5%
Human Care and Services	34,808,180	33,984,773	-2%
Other	3,373,171	3,620,897	7%
Debt interest	<u>177,613</u>	<u>317,948</u>	79%
Total Expenses	59,782,715	60,069,237	.48%
Increase in net assets	4,934,864	2,219,734	-55%
Net Assets at 1/1	<u>43,011,689</u>	<u>47,946,553</u>	11%
Net Assets at 12/31	<u>\$47,946,553</u>	<u>\$50,166,287</u>	5%

*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.

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 23 percent of total General Fund appropriations, while total fund balance represents 25 percent of that same amount.

*Capital Asset and Debt Administration*assets

At December 31, 2005 the County reported \$31.2 million in capital assets net of depreciation which does not include work in progress of \$4.9 million. The Assisted Living and Nursing Home refurbishments account for most of the work in progress.

### debt

At December 31, 2005 the County had \$11,236,477 in outstanding long-term debt. A \$4 million general obligation bond originally authorized in 2004 was bonded on June 15, 2005 for \$3,887,000. An additional \$3.3 million of the \$11 million is for a general obligation bond maturing in 2010. Another \$3.6 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 and was also upgraded on its long term to a Aa2 rating.

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

- The second phase of the Ernest P. Barka's Assisted Living project is nearly complete. Currently there is a 100% waiting list and occupancy is expected in early 2006.
- General Government section reflects a new bond payment with little increase to the bottom line.
- The Human Services budget continues to face the largest unknowns as a result of pending legislation.
- Property taxes account for 55% of expected revenues for 2006 and mirrors actual experience of 2005.
- Budgeted expenditures in the General Fund are expected to increase by approximately 2.6%

### **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 12/31/05. 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, 2005

Statement A

	2004 As Restated	2005		% Change
	Primary Government Governmental Activities	Primary Government Governmental Activities		
<b>Assets</b>				
Cash and Equivalents	\$ 24,557,753	\$ 27,595,380		12.37%
Restricted Cash	1,564,638	600,624		-61.61%
Investments	8,625,271	8,557,170		-0.79%
Deposits	43,296	142,003		227.98%
Accounts Receivable, net	639,071	932,983		45.99%
Due from Other Governments	2,430,297	2,225,741		-8.42%
Prepaid Items	140,111	45,207		-67.74%
Inventory	661,075	693,600		4.92%
Capital Assets, net	33,089,071	36,194,402		9.38%
<b>Total Assets</b>	<b>71,750,582</b>	<b>76,987,110</b>		<b>7.30%</b>
<b>Liabilities</b>				
Accounts Payable	2,235,754	2,845,071		27.25%
Accrued Interest Payable	24,076	134,291		457.77%
Accrued Liabilities	539,642	601,316		11.43%
Due to Other Governments	9,328,901	8,242,688		-11.64%
Deferred Revenue	125,543	169,360		34.90%
Long-term Liabilities:				
Due Within One Year	3,972,297	4,611,471		16.09%
Due in More Than One Year	7,577,816	10,216,624		34.82%
<b>Total Liabilities</b>	<b>23,804,029</b>	<b>26,820,822</b>		<b>12.67%</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	25,004,643	24,957,924		-0.19%
Restricted for:				
Capital Projects	828,208	3,664,427		342.45%
Debt Service	-	312,700		
Other Purposes	1,621,894	777,730		-52.05%
Unrestricted	20,491,808	20,453,506		-0.19%
<b>Total Net Assets</b>	<b>\$ 47,946,553</b>	<b>\$ 50,166,287</b>		<b>4.63%</b>

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, 2005

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 Governmental Activities
<b>Primary Government:</b>					
<b>Governmental activities:</b>					
General Government	\$ 1,038,508	\$ -	\$ -	\$ -	\$ (1,038,508)
Commissioners	160,128	329	-	-	(159,799)
Treasurer	65,223	-	-	-	(65,223)
County Attorney	2,394,347	257,377	43,000	-	(2,093,970)
Medical Examiner	58,155	-	-	-	(58,155)
Deeds	1,295,088	5,445,691	-	-	4,150,603
Sheriff/Dispatch/Radio	3,934,727	946,569	2,202	69,237	(2,916,718)
Airport Security	1,647,845	1,886,963	-	-	239,118
Delegation	56,232	-	-	-	(56,232)
Finance	599,288	1	-	-	(599,287)
Maintenance	3,302,742	22,896	-	-	(3,279,846)
Human Services	1,019,368	20,787	24,407	-	(974,175)
Public Assistance	12,034,200	685,005	-	-	(11,349,195)
Human Resources	344,150	21	-	-	(344,129)
Corrections	8,823,374	308,240	-	-	(8,515,134)
Nursing Home	21,028,889	14,398,968	1,000	-	(6,628,921)
Assisted Living	921,684	523,809	-	-	(397,875)
Information Technology	237,520	10,419	-	-	(227,101)
UNH Cooperative Extension	529,821	3,478	-	-	(526,343)
Noncounty Specials	260,000	-	-	-	(260,000)
Interest on Long Term Debt	317,948	-	-	-	(317,948)
<b>Total governmental activities</b>	<b>60,069,238</b>	<b>24,510,554</b>	<b>70,608</b>	<b>69,237</b>	<b>(35,418,838)</b>
<b>Total Primary Government</b>	<b>60,069,238</b>	<b>24,510,554</b>	<b>70,608</b>	<b>69,237</b>	<b>(35,418,838)</b>
<b>General Revenues:</b>					
					36,505,736
Taxes					40,169
Grants Not Restricted to Specific Programs					944,944
Interest Earnings					147,725
Miscellaneous					<u>37,638,574</u>
<b>Total General Revenues</b>					
					2,219,734
					47,946,553
					<u>\$ 50,166,287</u>

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

Balance Sheet

Governmental Funds

December 31, 2005

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and Equivalents	\$ 25,745,701	\$ 1,019,245	\$ 455	\$ 26,765,401
Restricted Cash	436,946	-	163,677	600,624
Investments	-	-	57,170	57,170
Accounts Receivable, net	832,980	-	-	832,980
Due from Other Funds	54,326	3,393,048	445,871	3,893,245
Due from Other Governments	2,145,485	-	-	2,145,485
Prepaid Expenses	45,207	-	-	45,207
Inventory	693,600	-	-	693,600
<b>Total Assets</b>	<b>\$ 29,954,245</b>	<b>\$ 4,412,293</b>	<b>\$ 667,173</b>	<b>\$ 35,033,711</b>
<b>Liabilities</b>				
Accounts Payable	\$ 1,120,754	\$ 198,179	\$ -	\$ 1,318,933
Accrued Liabilities	601,316	-	-	601,316
Due to Other Funds	3,850,972	-	13,689	3,864,661
Due to Other Governments	7,417,051	-	-	7,417,051
Deferred Revenue	320,847	-	-	320,847
<b>Total Liabilities</b>	<b>13,310,941</b>	<b>198,179</b>	<b>13,689</b>	<b>13,522,809</b>
<b>Fund Balances</b>				
Reserved for:				
Noncurrent Assets	738,807	-	-	738,807
Encumbrances	163,767	549,687	-	713,454
Capital Projects	-	3,664,427	-	3,664,427
Debt Service	-	-	312,700	312,700
Other Purposes	-	-	340,784	340,784
Unreserved, reported in:				
General Fund				
Designated for Continuing Appropriations	583,220	-	-	583,220
Unreserved	15,157,511	-	-	15,157,511
<b>Total Fund Balances</b>	<b>16,643,304</b>	<b>4,214,114</b>	<b>653,484</b>	<b>21,510,903</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 29,954,245</b>	<b>\$ 4,412,293</b>	<b>\$ 667,173</b>	

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.	36,194,402
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.	6,409,777
Certain long term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:	
Accrued interest payable	(134,291)
Due to other governments	(745,380)
Capital lease obligations payable	(4,009,478)
General obligation bonds payable	(7,227,000)
Accrued compensated absences	(2,102,830)
Deferred revenue	270,186
	(13,948,794)
Net assets of governmental activities	\$ 50,166,287

See Accompanying Independent Auditors' Report and Notes to Financial Statements

Statement 12

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE  
 Statements of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended December 31, 2005

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 36,505,736	\$ -	\$ -	\$ 36,505,736
Charges for Services				
Commissioners	329	-	-	329
County Attorney	300,377	-	-	300,377
Deeds	5,252,745	-	192,946	5,445,691
Sheriff/Dispatch/Radio	971,851	-	-	971,851
Airport Security	1,806,707	-	-	1,806,707
Finance	1	-	-	1
Maintenance	1,854	-	-	1,854
County Land Management	21,042	-	-	21,042
Human Services	723,034	-	-	723,034
Human Resources	21	-	-	21
Corrections	280,048	-	28,192	308,240
Nursing Home	14,384,573	-	15,395	14,399,968
Assisted Living	523,809	-	-	523,809
Information Technology	10,419	-	-	10,419
Interest	572,318	17,724	6,489	596,531
Grants	93,491	-	-	93,491
Other	36,528	114,674	-	151,202
<b>Total Revenues</b>	<b>61,484,884</b>	<b>132,398</b>	<b>243,022</b>	<b>61,860,304</b>
<b>Expenditures</b>				
Current				
General Government	1,004,563	-	-	1,004,563
Commissioners	156,216	-	-	156,216
Treasurer	65,207	-	-	65,207
County Attorney	2,401,756	-	-	2,401,756
Medical Examiner	58,155	-	-	58,155
Deeds	1,267,844	-	-	1,267,844
Sheriff/Dispatch/Radio	3,936,251	-	-	3,936,251
Airport Security	1,645,307	-	-	1,645,307
Delegation Office	53,925	-	-	53,925
Finance Office	624,867	-	-	624,867
Maintenance	3,165,196	-	-	3,165,196
Human Services	1,015,594	-	-	1,015,594
Public Assistance	12,096,186	-	-	12,096,186
Human Resources	320,308	-	-	320,308
Jail	8,264,902	-	-	8,264,902
Nursing Home	20,300,821	-	-	20,300,821
Assisted Living	849,979	-	-	849,979
Information Technology	262,686	-	-	262,686
Extension Service	516,153	-	-	516,153
Non County Specials	260,000	-	-	260,000
Debt Service - Principal	670,000	-	122,772	792,772
Debt Service - Interest	138,594	-	179,354	317,948
Grants	96,439	-	-	96,439
Capital Outlay	65,552	4,788,281	-	4,853,833
<b>Total Expenditures</b>	<b>59,236,501</b>	<b>4,788,281</b>	<b>302,126</b>	<b>64,326,907</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>2,248,383</b>	<b>(4,655,882)</b>	<b>(59,104)</b>	<b>(2,466,603)</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds of Refunding Bonds	-	-	-	-
Proceeds of Bonds Issued	-	3,887,000	-	3,887,000
Retirement of Long Term Debt	-	-	-	-
Premium on Long Term Debt Issued	-	113,690	-	113,690
Accrued Interest on Long Term Debt Issued	-	2,724	-	2,724
Proceeds of Capital Lease	209,433	-	-	209,433
Transfers In	300,772	4,038,374	312,666	4,651,812
Transfers Out	(4,370,504)	-	(281,307)	(4,651,812)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,860,299)</b>	<b>8,041,788</b>	<b>31,358</b>	<b>4,212,847</b>
<b>Net Change in Fund Balance</b>	<b>(1,611,916)</b>	<b>3,385,906</b>	<b>(27,745)</b>	<b>1,746,244</b>
Fund Balances, beginning, as restated	18,222,695	828,208	681,230	19,732,133
Changes in Reserves (Inventory)	32,526	-	-	32,526
Fund Balances, ending	<b>\$ 16,643,304</b>	<b>\$ 4,214,114</b>	<b>\$ 653,484</b>	<b>\$ 21,510,903</b>

See Accompanying Independent Auditors' Report and Notes to Financial Statements

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, 2005

Net change in fund balances - total governmental funds	\$	1,746,244
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		5,276,425
Loss on disposal of capital assets		(197,552)
Depreciation expense		(1,973,543)
		3,105,330
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Deferred revenue		-
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		(3,887,000)
Retirement of Bonds		-
Accrued Interest on Bonds		(116,414)
Capital lease proceeds received		(209,433)
Capital lease obligation principle payments		274,384
General obligation bond principle payments		670,000
		(3,268,463)
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		142,242
Accrued interest payable		6,199
Accrued compensated absences		79,632
		228,073
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.		
		376,025
Inventory is recorded as an expenditure when purchased in the funds but is recorded as an expense when used in governmental activities.		
		32,526
Change in net assets of governmental activities	\$	2,219,733

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE  
 Statement of Net Assets  
 Proprietary Funds  
 December 31, 2005

Statement F

	Governmental Activities- Internal Service Funds
Assets	
Current Assets	
Cash	\$ 775,653
Investments	8,500,000
Accounts Receivable, net	100,003
Due from Other Funds	68,949
Deposits	142,003
<b>Total Current Assets</b>	<b>9,586,608</b>
Noncurrent Assets	
Other receivables	-
<b>Total Noncurrent Assets</b>	<b>-</b>
<b>Total Assets</b>	<b>9,586,608</b>
Liabilities	
Current Liabilities	
Accounts Payable	1,526,138
Due to Other Funds	43,206
Deferred Revenue	118,699
Compensated Absences Payable	81,482
<b>Total Current Liabilities</b>	<b>1,769,526</b>
Noncurrent Liabilities	
Compensated Absences Payable	1,407,305
<b>Total Noncurrent Liabilities</b>	<b>1,407,305</b>
<b>Total Liabilities</b>	<b>3,176,832</b>
Net Assets	
Unrestricted	6,409,777
<b>Total Net Assets</b>	<b>\$ 6,409,777</b>

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, 2005

	Governmental Activities- Internal Service Funds
Operating Revenues	
Charges for Services	\$ 7,892,628
Total Operating Revenues	7,892,628
Operating Expenses	
Claims and Premiums	7,475,973
Compensated Absences	367,658
Total Operating Expenses	7,843,631
Operating Income (Loss)	48,997
Non-Operating Revenues (Expenses)	
Investment Income	349,161
Miscellaneous	(22,134)
Total Non-Operating Revenues (Expenses)	327,027
Net Income (Loss)	376,025
Change in Net Assets	376,025
Total Net Assets - Beginning, As Restated	6,033,752
Total Net Assets - Ending	\$ 6,409,777

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, 2005

	Governmental Activities- Internal Service Funds
Cash Flows from Operating Activities	
Receipts from Users	\$ 7,892,628
Payments to Providers	(7,475,973)
Payments to Employees	(367,658)
Other Receipts (Payments)	483,030
Net Cash Provided by (Used in) Operating Activities	<u>532,028</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>0</u>
Cash Flows from Investing Activities	
Purchase of Investments	(12,899,004)
Sale of Investments	12,793,468
Interest	349,161
Net Cash Provided by (Used in) Investing Activities	<u>243,625</u>
Net Increase (Decrease) in Cash and Cash Equivalents	775,652
Balances - Beginning of Year	0
Balances - End of Year	<u>\$ 775,653</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating Income (Loss)	\$ 48,997
Adjustments to Reconcile Operating Income to Net Cash Provided	
Non-operating revenue	(22,134)
Change in Assets and Liabilities:	
Deposits	(98,707)
Receivables, net	15,956
Deferred Revenue	39,833
Prepaid Expenses	4,585
Due from Other Funds	35,781
Accounts Payable	319,505
Due to Other Funds	(72,967)
Accrued Liabilities	55,614
Accrued Compensated Absences	205,566
Net Cash Provided By (Used in) Operating Activities	<u>\$ 532,027</u>

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, 2005

	Agency Funds			Totals
	Inmates	Nursing Home Residents	Assisted Living Security Deposits	
<b>Assets</b>				
Cash and Equivalents	\$ 98,949	\$ 161,608	\$ 21,393	\$ 281,951
Accounts Receivable	-	-	-	-
<b>Total Assets</b>	<u>98,949</u>	<u>161,608</u>	<u>21,393</u>	<u>281,951</u>
<b>Liabilities</b>				
Accounts Payable	22,726	-	-	22,726
Due to Other Funds	51,754	2,572	-	54,326
Due to Specific Individuals	24,470	159,036	21,393	204,899
<b>Total Liabilities</b>	<u>\$ 98,949</u>	<u>\$ 161,608</u>	<u>\$ 21,393</u>	<u>\$ 281,951</u>

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 non-fiduciary activities of the primary government. The effect of inter-fund 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. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

continued

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	\$ 353,994
Net Increase (Decrease) in the Fair Value of Investments	<u>(\$4,833)</u>
Total Investment Income	<u>\$ 349,161</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 \$749, 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.

continued

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, 2005 totaling \$4,984,488. The projects in process are included in the reporting of \$36,194,402 net Capital Assets in the related statements. Once a project is completed it is reported in the asset category (see note 4). A significant amount of work was completed on the refurbishment of one of the Nursing Home wings which accounts for a significant increase in work in progress at 12/31/05.

*(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, 2005 is \$3,386,052.

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, 2005 is \$1,488,787. 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

continued

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, 2005, \$4,400,000 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
Finance	7,360
Sheriff	12,838
Maintenance	23,804
Treasurer	8,500
Jail	6,477
Nursing Home	19,868
	<hr/>
	\$123,569

continued

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, 2005 and includes encumbrances and reserves at December 31, 2004. The breakdown is as follows:

2005 Appropriations	\$ 66,203,670
December 2004 encumbrances	123,569
December 2004 Continuing Appropriations	<u>537,747</u>
Final Budgeted Amounts	<u>\$ 66,864,986</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, 2005 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.

continued

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE  
NOTES TO FINANCIAL STATEMENTS

NOTE 3—CASH AND INVESTMENTS (CONTINUED)

	Category			Bank	Book
	1	2	3	Carrying Amount	Balance
	\$28,681,232			\$28,681,232	\$28,256,837
Checking Accounts			\$ -		
Savings Accounts	21,393	-	-	21,393	21,393
CD's	<u>128,684</u>	-	-	<u>128,684</u>	<u>129,278</u>
	<u>\$28,831,309</u>		<u>\$ -</u>	<u>\$28,831,309</u>	<u>\$28,407,508</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			Bank	Book
	1	2	3	Carrying Amount	Balance
Investments	\$8,557,170		\$ -	\$8,557,170	\$8,557,170

NOTE 4 CAPITAL ASSETS

The following is a summary of changes in capital assets for governmental activities at the year ended December 31, 2005:

	Balance at 1/1/05	Additions	Reductions	Balance at 12/31/05
Land	\$ 578,857			\$ 578,857
Building and improvements	46,571,480	370,249	(481,203)	46,460,526
Moveable equipment	<u>10,566,007</u>	<u>1,153,222</u>	<u>(391,561)</u>	<u>11,327,668</u>
Subtotal	57,716,344	1,523,470	(872,764)	58,367,050
Less: Accumulated Depreciation	<u>(25,858,806)</u>	<u>(1,973,543)</u>	<u>675,212</u>	<u>(27,157,137)</u>
Total	<u>31,857,538</u>	<u>(450,072)</u>	<u>(197,552)</u>	<u>31,209,914</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

continued

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, 2005. 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, 2005, 2004, 2003, and 2002, were \$1,460,183, \$1,301,802, \$1,026,971, and \$752,705 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, 2005 there were 88 retirees with a single, two-person or family health plan participating. Sixty-seven 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	\$54,326	\$3,850,972
Special Revenue:		
Expendable Trusts		13,664
ALF Donations	175	
Drug Task Force		25
Commissary and Chapel	115,193	
Nursing Home Special	17,802	
Capital	3,393,048	
Internal Services:		
Health	66,409	1,506
Dental	2,117	
Worker's Comp	130	
Compensated Abs	293	41,700
Fiduciary:		
Inmate		51,754
Residents		2,572
Assisted Living		
Debt Service Fund	312,700	
<b>Totals</b>	<b>3,962,193</b>	<b>3,962,193</b>

continued

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:

	Payable <u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	Payable <u>December 31</u>
General Obligation Debt:				
General Fund	\$4,010,000	\$3,887,000	(\$670,000)	\$7,227,000
Capital Lease Obligations	<u>4,074,428</u>	<u>209,433</u>	<u>(274,384)</u>	<u>4,009,477</u>
	<u>\$8,084,428</u>	<u>\$4,096,433</u>	<u>(\$944,384)</u>	<u>\$11,236,477</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
2005 - \$3,887,000 Improvement Bond maturing in 2012	3.25% to 5.00%	3,887,000
Total General Obligation Long-Term Debt		<u>\$7,897,000</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>
2006	1,232,000	207,745	1,439,745
2007	1,225,000	175,356	1,400,356
2008	1,225,000	141,406	1,366,406
2009	1,220,000	105,850	1,325,850
2010	1,220,000	68,694	1,288,694
2011	555,000	38,600	593,600
2012	<u>550,000</u>	<u>13,750</u>	<u>563,750</u>
Totals	<u>\$7,227,000</u>	<u>\$751,401</u>	<u>\$7,978,401</u>

On June 15, 2005 a General Obligation Bond for complex improvements of \$3,887,000 was issued. The bonds have a stated interest rate of 3.25% for the first 5 years, and 4.00% and 5.00% in years six and seven respectively. They are payable in varying principle amounts over the next 7 years.

continued

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE  
NOTES TO FINANCIAL STATEMENTS

NOTE 8—LONG-TERM DEBT (CONTINUED)

*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.

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%	224,944
Equipment, due in semi- annual installments the next of which is \$1,638 including interest at 3.37%	6,285
Equipment, due in semi- annual installments the next of which is \$2,272 including interest at 5.05%	8,543
Equipment, due in variable annual installments the next of which is \$302,126 including interest, through June, 2018 at 4.73%	3,598,261
Equipment, due in annual installments the next of which is \$9,078 including interest at 6.00%	16,643
Equipment, due in annual installments the next of which is \$28,910 including interest at 5.85%	53,116
Equipment, due in semi- annual installments the next of which is \$18,248 including interest at 4.31%	<u>101,685</u>
	<u>\$4,009,477</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>
2006	323,355	189,158	512,513
2007	348,696	174,761	523,457
2008	211,162	160,307	371,469
2009	196,010	150,686	346,696
2010	217,592	141,238	358,830
2011-2018	<u>2,712,662</u>	<u>412,446</u>	<u>3,125,108</u>
	<u>4,009,477</u>	<u>1,228,596</u>	<u>5,238,073</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
2006	175,290	7,818	183,108
2007	177,615	6,729	184,344
2008	89,453	4,414	93,867

continued

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE  
 NOTES TO FINANCIAL STATEMENTS

**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. \$583,270 in continuing appropriations for the human services department are reported at December 31, 2005.

*Capital Projects*

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

**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.

**NOTE 12—PRIOR PERIOD ADJUSTMENTS**

The following Fund Balances and Retained Earnings have been restated at January 1, 2005. Adjustments for all funds were reported late. The adjustments are as follows:

	General Fund Fund Balance	Other Governmental Fund Balance	Internal Service Total Net Assets
As Previously Reported	\$18,148,788	\$681,741	\$5,903,576
Adjustments in Accruals and Reserves	<u>73,907</u>	<u>(511)</u>	<u>130,176</u>
Restated Amount	<u>\$18,222,695</u>	<u>\$681,230</u>	<u>\$6,033,752</u>

continued

Schedule A

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Beginning Budgetary Fund Balance	\$ 5,048,956	\$ 5,061,316	\$ 5,061,316	\$ -
Resources (Inflows)				
Taxes	36,505,736	36,505,736	36,505,736	-
Charges for Services				
Commissioners	-	-	329	329
County Attorney	314,334	314,334	300,377	(13,957)
Deeds	4,850,000	4,850,000	5,252,745	402,745
Sheriff/Dispatch/Radio	1,179,038	1,179,038	971,851	(207,187)
Airport Security	1,947,820	1,947,820	1,806,707	(141,113)
Finance	-	-	1	1
Maintenance	-	-	1,854	1,854
Property Management	21,520	21,520	21,042	(478)
Human Services	699,588	699,588	723,034	23,446
Human Resources	-	-	21	21
Corrections	278,800	278,800	280,048	1,248
Long Term Care Services				
Nursing Home	13,312,993	13,312,993	14,384,573	1,071,580
Assisted Living	591,840	591,840	523,809	(68,031)
Information Technology	9,000	9,000	10,419	1,419
Interest	300,000	300,000	572,318	272,318
Grants	1,750,000	1,750,000	93,491	(1,656,509)
Other	-	-	36,528	36,528
Transfers from Other Funds	43,001	43,001	300,772	257,771
Amounts Available for Appropriation	66,852,626	66,864,986	66,846,972	(18,014)
Charges to Appropriations (Outflows)				
Delegation Office	86,322	86,322	53,925	32,397
Treasurer	51,456	69,456	57,045	12,411
County Attorney/District Court	2,566,869	2,566,869	2,366,756	200,113
Medical Examiner	56,100	56,100	58,155	(2,055)
Sheriff/Dispatch/Radio	4,191,081	4,196,081	3,841,387	354,694
Airport Security	1,780,064	1,780,064	1,645,307	134,757
Registry of Deeds	1,438,316	1,438,316	1,260,692	177,624
Commissioners	170,420	170,420	156,216	14,204
General Government	1,628,907	1,240,907	1,004,563	236,344
Debt Service - Principle	1,175,000	675,000	670,000	5,000
Debt Service - Interest	138,594	138,594	138,594	-
Projects (Capital Outlay)	823,500	4,123,500	131,259	3,992,241
Grants	1,850,000	1,264,455	96,439	1,168,016
Finance Office	690,559	697,919	625,777	72,142
Maintenance	3,219,468	3,219,468	3,109,629	109,839
Information Technology	260,954	260,954	210,542	50,412
Human Services	1,578,627	1,584,172	1,076,558	507,614
Public Assistance	13,238,491	12,158,491	12,088,695	69,796
Jail	8,364,818	8,364,818	8,232,704	132,114
UNH Cooperative Extension	537,495	537,495	518,586	18,909
Human Resources	337,369	337,369	320,308	17,061
Non County Specials	260,000	260,000	260,000	-
Long Term Care Services				
Nursing Home	21,659,561	20,812,852	20,345,822	467,030
Assisted Living	748,655	825,364	851,779	(26,415)
Transfers to Other Funds	-	-	4,370,504	(4,370,504)
Total Charges to Appropriations	66,852,626	66,864,986	63,491,243	3,373,743
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 3,355,729	\$ 3,355,729

**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 \$ 66,846,972

**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. (5,061,316)

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting services (300,772)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 61,484,884

**Uses/Outflows of Resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule \$ 63,491,243

**Differences - Budget to GAAP**

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. (93,671)

Capital Leases executed during a year are not reported as expenditures for budgetary purposes, but are reported as program expenditures for financial reporting purposes. 209,433

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (4,370,504)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund \$ 59,236,501

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2005

	Special Revenue										Debt Service	Permanent Funds	Total Nonmajor Governmental Funds
	Drug Task Force	Expendable Trusts	Nursing Home Special Account	Assisted Living Donations	Inmate Commissary	Inmate Chapel	Deeds Equipment	WFSurtevant Memorial	Energy Mgmt Project	Nonexpendable Trust			
<b>Assets</b>													
Cash and Equivalents	\$ 25	\$ -	\$ -	\$ -	\$ -	\$ 430	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ 455
Restricted Cash	-	-	31,006	-	-	-	129,278	3,393	-	-	-	-	163,677
Investments	-	21,687	-	-	-	-	-	-	-	-	-	35,483	57,170
Due from Other Funds	-	-	17,802	175	110,335	4,858	-	-	312,700	-	-	-	445,871
<b>Total Assets</b>	<b>\$ 25</b>	<b>\$ 21,687</b>	<b>\$ 48,809</b>	<b>\$ 175</b>	<b>\$ 110,335</b>	<b>\$ 5,288</b>	<b>\$ 129,278</b>	<b>\$ 3,393</b>	<b>\$ 312,700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,483</b>	<b>\$ 667,173</b>
<b>Liabilities</b>													
Accounts Payable	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Leases Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	25	13,664	-	-	-	-	-	-	-	-	-	-	13,689
<b>Total Liabilities</b>	<b>25</b>	<b>13,664</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,689</b>
<b>Fund Balances</b>													
Reserved for:													
Debt Service	-	-	-	-	-	-	-	-	312,700	-	-	-	312,700
Other Purposes	-	8,023	48,809	175	110,335	5,288	129,278	3,393	-	-	35,483	-	340,784
<b>Total Fund Balances</b>	<b>-</b>	<b>8,023</b>	<b>48,809</b>	<b>175</b>	<b>110,335</b>	<b>5,288</b>	<b>129,278</b>	<b>3,393</b>	<b>312,700</b>	<b>-</b>	<b>35,483</b>	<b>-</b>	<b>653,484</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 25</b>	<b>\$ 21,687</b>	<b>\$ 48,809</b>	<b>\$ 175</b>	<b>\$ 110,335</b>	<b>\$ 5,288</b>	<b>\$ 129,278</b>	<b>\$ 3,393</b>	<b>\$ 312,700</b>	<b>\$ -</b>	<b>\$ 35,483</b>	<b>\$ -</b>	<b>\$ 667,173</b>

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2005

	Special Revenue										Debt Service	Permanent Funds	Total Nonmajor Governmental Funds
	Drug Task Force	Expendable Trusts	Nursing Home Special Account	Assisted Living Donations	Inmate Commissary	Inmate Chapel	Deeds Equipment	WFSurtevant Memorial	Energy Mgmt Project	Nonexpendable Trust			
<b>Revenues</b>													
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services													
Deeds	-	-	-	-	-	-	192,946	-	-	-	-	-	192,946
Corrections	-	-	-	-	23,834	4,359	-	-	-	-	-	-	28,192
Nursing Home	-	-	12,010	-	-	-	-	3,385	-	-	-	-	15,395
Assisted Living	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	372	352	-	1,651	33	3,422	8	35	-	616	-	6,489
<b>Total Revenues</b>	<b>-</b>	<b>372</b>	<b>12,362</b>	<b>-</b>	<b>25,485</b>	<b>4,392</b>	<b>196,368</b>	<b>3,393</b>	<b>35</b>	<b>-</b>	<b>616</b>	<b>-</b>	<b>243,022</b>
<b>Expenditures</b>													
Current													
Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-
Nursing Home	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service - Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service - Interest	-	-	-	-	-	-	-	-	122,772	-	-	-	122,772
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122,772</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122,772</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>372</b>	<b>12,362</b>	<b>-</b>	<b>25,485</b>	<b>4,392</b>	<b>196,368</b>	<b>3,393</b>	<b>(302,091)</b>	<b>-</b>	<b>616</b>	<b>-</b>	<b>(59,104)</b>
<b>Other Financing Sources (Uses)</b>													
Transfers In	-	-	-	-	-	-	-	-	312,666	-	-	-	312,666
Transfers Out	-	(169)	(5,617)	(1,800)	(23,620)	(101)	(250,000)	-	-	-	-	-	(281,307)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(169)</b>	<b>(5,617)</b>	<b>(1,800)</b>	<b>(23,620)</b>	<b>(101)</b>	<b>(250,000)</b>	<b>-</b>	<b>312,666</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,358</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>203</b>	<b>6,745</b>	<b>(1,800)</b>	<b>1,865</b>	<b>4,291</b>	<b>(53,632)</b>	<b>3,393</b>	<b>10,574</b>	<b>-</b>	<b>616</b>	<b>-</b>	<b>(27,745)</b>
Fund Balances, beginning, as restated	-	7,820	42,064	1,975	108,470	997	182,910	-	302,126	-	34,867	-	681,230
<b>Fund Balances, ending</b>	<b>\$ -</b>	<b>\$ 8,023</b>	<b>\$ 48,809</b>	<b>\$ 175</b>	<b>\$ 110,335</b>	<b>\$ 5,288</b>	<b>\$ 129,278</b>	<b>\$ 3,393</b>	<b>\$ 312,700</b>	<b>\$ -</b>	<b>\$ 35,483</b>	<b>\$ -</b>	<b>\$ 653,484</b>

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE  
 Combing Statement of Net Assets  
 Internal Services Proprietary Funds  
 December 31, 2005

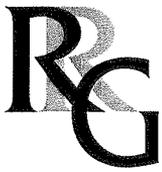
	Health Fund	Dental Fund	Worker's Compensation Fund	Unemployment Fund	Compensated Absences Fund	Total Governmental Activities- Internal Service Funds
<b>Assets</b>						
<b>Current Assets</b>						
Cash	\$ 588,940	\$ 12,120	\$ 171,068	\$ -	\$ 3,526	775,653
Investments	3,401,750	340,302	3,026,413	49,500	1,682,035	8,500,000
Accounts Receivable, net	5,544	-	81,410	10,663	2,387	100,003
Due from Other Funds	66,409	2,117	130	-	293	68,949
Deposits	122,003	-	20,000	-	-	142,003
<b>Total Current Assets</b>	<b>4,184,645</b>	<b>354,539</b>	<b>3,299,020</b>	<b>60,163</b>	<b>1,688,241</b>	<b>9,586,608</b>
<b>Noncurrent Assets</b>						
	-	-	-	-	-	-
<b>Total Assets</b>	<b>4,184,645</b>	<b>354,539</b>	<b>3,299,020</b>	<b>60,163</b>	<b>1,688,241</b>	<b>9,586,608</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts Payable	1,158,324	23,836	332,574	-	11,404	1,526,138
Due to Other Funds	1,506	-	-	-	41,700	43,206
Deferred Revenue	113,497	4,625	-	-	577	118,699
Compensated Absences Payable	-	-	-	-	81,482	81,482
<b>Total Current Liabilities</b>	<b>1,273,327</b>	<b>28,462</b>	<b>332,574</b>	<b>-</b>	<b>135,163</b>	<b>1,769,526</b>
<b>Noncurrent Liabilities</b>						
Compensated Absences Payable	-	-	-	-	1,407,305	1,407,305
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,407,305</b>	<b>1,407,305</b>
<b>Total Liabilities</b>	<b>1,273,327</b>	<b>28,462</b>	<b>332,574</b>	<b>-</b>	<b>1,542,469</b>	<b>3,176,832</b>
<b>Net Assets</b>						
Unrestricted	2,911,318	326,077	2,966,446	60,163	145,773	6,409,777
<b>Total Net Assets</b>	<b>\$ 2,911,318</b>	<b>\$ 326,077</b>	<b>\$ 2,966,446</b>	<b>\$ 60,163</b>	<b>\$ 145,773</b>	<b>\$ 6,409,777</b>

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, 2005

	Health Fund	Dental Fund	Worker's Compensation Fund	Unemployment Fund	Compensated Absences Fund	Total Governmental Activities- Internal Service Funds
<b>Operating Revenues</b>						
Charges for Services	\$ 6,372,039	\$ 441,838	\$ 574,215	\$ 7,250	\$ 497,286	\$ 7,892,628
<b>Total Operating Revenues</b>	<b>6,372,039</b>	<b>441,838</b>	<b>574,215</b>	<b>7,250</b>	<b>497,286</b>	<b>7,892,628</b>
<b>Operating Expenses</b>						
Claims and Premiums	6,531,998	390,131	414,228	9,969	129,647	7,475,973
Compensated Absences	-	-	-	-	367,658	367,658
<b>Total Operating Expenses</b>	<b>6,531,998</b>	<b>390,131</b>	<b>414,228</b>	<b>9,969</b>	<b>497,305</b>	<b>7,843,631</b>
<b>Operating Income (Loss)</b>	<b>(159,958)</b>	<b>51,706</b>	<b>159,987</b>	<b>(2,719)</b>	<b>(18)</b>	<b>48,997</b>
<b>Non-Operating Revenues (Expenses)</b>						
Investment Income	165,388	13,592	109,993	1,652	58,536	349,161
Miscellaneous	(19,168)	(73)	(13,574)	10,663	18	(22,134)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>146,220</b>	<b>13,518</b>	<b>96,419</b>	<b>12,315</b>	<b>58,555</b>	<b>327,027</b>
<b>Change in Net Assets</b>	<b>(13,738)</b>	<b>65,225</b>	<b>256,405</b>	<b>9,596</b>	<b>58,536</b>	<b>376,025</b>
<b>Total Net Assets - Beginning, as Restated</b>	<b>2,925,056</b>	<b>260,852</b>	<b>2,710,041</b>	<b>50,567</b>	<b>87,236</b>	<b>6,033,752</b>
<b>Total Net Assets - Ending</b>	<b>\$ 2,911,318</b>	<b>\$ 326,077</b>	<b>\$ 2,966,446</b>	<b>\$ 60,163</b>	<b>\$ 145,773</b>	<b>\$ 6,409,777</b>

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE  
Statement of Cash Flows  
Internal Services Proprietary Funds  
For the Year Ended December 31, 2005

	Health Fund	Dental Fund	Worker's Compensation Fund	Unemployment Fund	Compensated Absences Fund	Governmental Activities- Internal Service Funds
<b>Cash Flows from Operating Activities</b>						
Receipts from Users	\$ 6,372,039	\$ 441,838	\$ 574,215	\$ 7,250	\$ 497,286	\$ 7,892,628
Payments to Providers	(6,531,998)	(390,131)	(414,228)	(9,969)	(129,647)	(7,475,973)
Payments to Employees	-	-	-	-	(367,658)	(367,658)
Other Receipts (Payments)	419,351	9,205	(120,946)	11,238	164,182	483,030
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>259,393</b>	<b>60,911</b>	<b>39,041</b>	<b>8,519</b>	<b>164,164</b>	<b>532,028</b>
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>						
	-	-	-	-	-	-
<b>Cash Flows from Investing Activities</b>						
Purchase of Investments	(9,857,904)	(725,739)	(1,294,195)	(34,950)	(986,216)	(12,899,004)
Sale of Investments	10,022,062	663,356	1,316,229	24,779	767,041	12,793,468
Interest	165,388	13,592	109,993	1,652	58,536	349,161
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>329,546</b>	<b>(48,791)</b>	<b>132,027</b>	<b>(8,519)</b>	<b>(160,638)</b>	<b>243,625</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>588,939</b>	<b>12,120</b>	<b>171,068</b>	<b>-</b>	<b>3,526</b>	<b>775,653</b>
Balances - Beginning of Year	-	-	-	-	-	-
Balances - End of Year	\$ 588,939	\$ 12,120	\$ 171,068	\$ -	\$ 3,526	\$ 775,653
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>						
Operating Income (Loss)	\$ (159,958)	\$ 51,706	\$ 159,987	\$ (2,719)	\$ (18)	\$ 48,997
Miscellaneous Non Operating Revenues (Expenses)	(19,168)	(73)	(13,574)	10,663	18	(22,134)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</b>						
<b>Change in Assets and Liabilities:</b>						
Deposits	(98,707)	-	-	-	-	(98,707)
Receivables, net	24,390	57	(5,108)	(1,012)	(2,371)	15,956
Deferred Revenue	40,373	(660)	-	-	120	39,833
Prepaid Expenses	-	-	2,250	2,335	-	4,585
Due from Other Funds	35,757	(348)	649	-	(276)	35,781
Accounts Payable	343,313	4,755	(37,548)	(748)	9,733	319,505
Due to Other Funds	6,399	-	(30,759)	-	(48,607)	(72,967)
Accrued Liabilities	86,995	5,475	(36,856)	-	-	55,614
Accrued Compensated Absences	-	-	-	-	205,566	205,566
<b>Net Cash Provided By (Used in) Operating Activities</b>	<b>\$ 259,393</b>	<b>\$ 60,911</b>	<b>\$ 39,041</b>	<b>\$ 8,519</b>	<b>\$ 164,164</b>	<b>\$ 532,027</b>



To the Board of Commissioners:

In planning and performing our audit of the financial statements of **Rockingham County** for the year ended December 31, 2005, 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 16, 2006, on the financial statements of Rockingham County.

We have reviewed the current status of the 2004 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 2006, namely:

- a. Nursing Home Cash: depositing checks received on a timely basis and not holding checks totaling in excess of \$10,000.
- b. Nursing Home Accounts Receivable: Recognizing receivables at the amount to be received should be resolved with the implementation of a new software system.

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:

**Compensated Absences:**

An entry is made for accrued compensated absences for the airport employees, but it is our understanding that any amount paid will ultimately be reimbursed by the airport.

Recommendations: If an accrual is made for compensated absences for airport employees which will ultimately be paid by the airport, then the revenue should be accrued also.

Commissioners' Response: Revenue is fully accrued for amounts currently due and payable. For the 2005 financial statements, an amount equal to the entire liability of the Airport was accrued since the contract was due to end on 6/30/06.

**Inventory:**

In reviewing selected inventory counts and pricing over 1,100 items were not priced on a small sample. It also appeared that old, possible obsolete items, were still being carried in inventory. Very small items were also carried in inventory, i.e., unit price \$.02 in one instance.

Recommendation: All items in inventory should be priced and the year end sheets should be reviewed before submitting to the Finance Office. Obsolete items should be removed from inventory. Consideration should be given to low cost items being directly expensed rather than being carried in inventory.

Commissioners' Response: One of the ways in which we use the Inventory module is as a management tool to make informed future purchases. Tracking issuance history allows us to establish proper par levels of bench stock. The County has a variety of items it tracks in inventory some of which may have a small value. As an item is used the cost is charged to the project accordingly, in some cases contributing to reimbursement for RCNH and in others to setting a per diem rate for inmate care. Some of these items are the remnants of completed Capital Projects and are warehoused separately for tracking purposes. Since the expenses of the project have already been accounted for the inventory system is used to simply track the excess items with a zero value at the recommendation of a previous auditor.

A review of inventory at the beginning of the year did result in the disposal in an immaterial amount of obsolete items. We have sought guidance in previous years for an appropriate method of removing obsolete items from the inventory. We will surplus items where feasible.

#### **Nursing Home Accounts Receivable:**

Nursing Home Accounts Receivable includes amount due from Medicare and Medicaid dating back to 1995 and 1996. These amounts have been included in the allowance account, but they will never be able to be billed to either Medicare or Medicaid at this point.

Recommendation: If there is no likelihood of collecting these old amounts from private pay sources, consideration should be given to direct write-off.

Commissioners' Response: We agree. Our current policy provides that receivable remain in the allowance account if other forms of resources are available. Those resources such as liens, as in the case cited, may remain for some time but are evaluated regularly to determine the likelihood of future collections.

The new Nursing Home software expected to be installed by late 2006 provides expanded reporting capabilities that will facilitate tracking accounts receivable. Additionally, we will implement policy that will require that amounts that may have private sources be moved and tracked as private pay receivables.

#### **Nursing Home Billing:**

At the time we started the audit in February, no physician billing had been done in the Nursing Home since June. It was unclear whether the billing had not been done or that the problem was the reconciliation with MUNIS had not been done so no amounts had been entered into the MUNIS system.

No Medicare Part B billing is done by the Nursing Home. While we realize that a conscious decision had been made not to bill Medicare Part B, such billing can be a meaningful source of revenue for the County. Many Medicaid residents also have Part B coverage so when the eligible services are needed the cost of such services is not borne by the County. Therapy services are the majority of the services that can be billed.

Recommendations: That procedures be established to insure that timely billing for physicians is done and that amounts are timely entered into the MUNIS system. Medicare Part B should be billed for anyone receiving the services and having the coverage.

Commissioners' Response: We agree. The new accounts receivable modules for long term care that we recently purchased is capable of automating the process for both physicians' billing and Medicare Part B billing eliminating the manual reconciliation. This software will interface with the County's accounting system several times a month so that entries are recorded timely and accurately.

We recognize the need to continue to seek new revenue resources.

**Nursing Home Therapy Fee Structure:**

Medicare Part B pays based on the lower of the charge submitted or the amount allowed in the fee structure. The therapy charges have been established at "raw" cost with no provision for overhead. The amounts charged are far less than seen in other nursing homes.

Recommendation: To review the charges currently in effect for physical, speech and occupational therapy services. A new charge structure should be put into effect which recognizes overhead and is equal to or greater than that which would be allowed by Medicare.

Commissioners' Response: We understand there has been an ongoing discussion over the years. We will revisit the issue this year. We understand the new software purchased will resolve this issue.

**Jail Inmate Accounts:**

The cash account for the inmates was reconciled to MUNIS and the bank statement. However, the amounts in the account do not reconcile to the detail by inmates.

Recommendation: Since the inmates' balances are amounts owned by the inmates and not the County, it is important that reconciliation be done monthly.

Commissioners' Response: We recognize that we have a fiduciary responsibility and that an accounting by inmate be completed timely and accurately. We are making efforts to comply and progress has been made. Additionally, we will be inquiring about the ongoing training and add-on software offered by the vendor.

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 16, 2006



# Rockingham County Commissioners

119 North Road  
Brentwood, New Hampshire 03833

Maureen Barrows, Chair  
March 2, 2006

Katharin K. Pratt, Vice Chair

C. Donald Stritch, Clerk

Robbin R. Grill, CPA  
The Concord Center  
10 Ferry Street, Suite 311  
Concord, NH 03301

Dear Ms. Grill,

We would like to share the current status of the 2004 management comments. They are as follows:

- **Nursing Home Cash** We plan to move forward on these issues in 2006.
- **Jail Checks** We implemented the check writing recommendation in 2005.
- **Nursing Home Revenue Enhancement** We will continue to seek ways to enhance our revenues.
- **Nursing Home Accounts Receivable** We plan to address this issue in 2006.
- **Nursing Home Inventory** We did not encounter a similar issue with inventory in 2005.
- **Sheriff's Civil Revenue** The Sheriff's office was able to provide some information at the end of 2005.
- **Year-end Closing** The Finance Office continues to hold year end classes. The majority of departments try hard in most areas.
- **Grants** There has been improvement in the application and approval process of grants. We will focus on the accounting records even more in 2006.

Sincerely yours,

Maureen Barrows, Chair

Katharin K. Pratt, Vice Chair

C. Donald Stritch, Clerk

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