



2006 Annual Report

Year Ending December 31, 2006

Rockingham County Commissioners:

Maureen Barrows, Chair

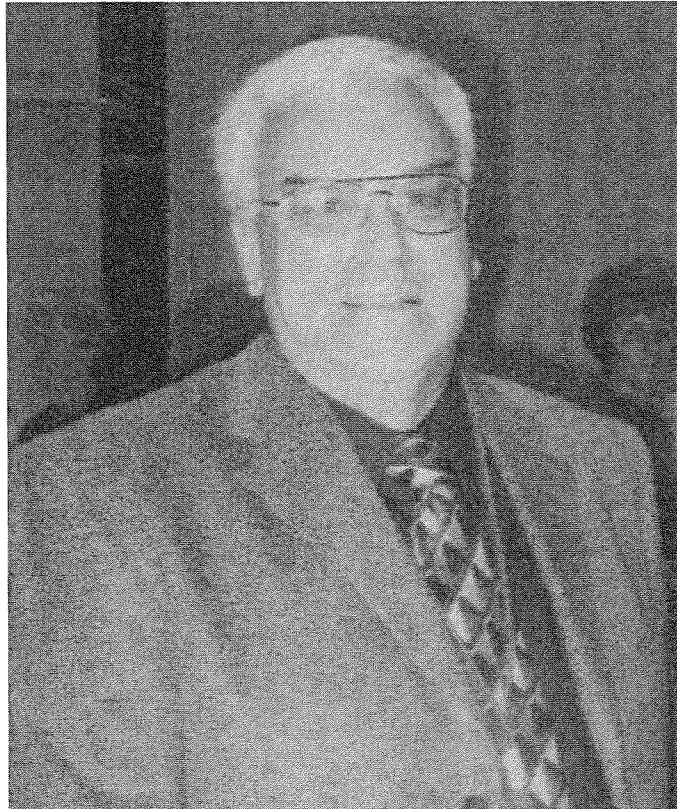
Katharin K. Pratt, Vice Chair

C. Donald Stritch, Clerk

DEDICATION

Roy E. Morrisette

Human Resources Assistant Director



Roy has been an integral part of Rockingham County government for over three decades starting as Payroll Clerk in 1972 and moved up the ranks to Assistant Human Resources Director, retiring in 2007. His many volunteer roles show his dedication to the citizens of the County through his community involvement. The New Hampshire Association of Counties awarded Roy the Human Resources Administrator of the Year in 2006 and Profile Service Award in 2005.

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ELECTED OFFICERS

Commissioners

Maureen Barrows, Chair
Katharin K. Pratt, Vice-Chair

C. Donald Stritch, Clerk
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County Attorney

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Register of Deeds

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Treasurer

Edward "Sandy" Buck III
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DEPARTMENT STAFF

Department of Corrections

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117 North Road, Brentwood, NH
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Assisted Living Facility

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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. McMahan
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

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.

The County has been cited on numerous occasions as one of the best locations in which to establish a home and a thriving business. Portsmouth was recently identified by Money Magazine as the fifth best place to live in the United States. This has been accomplished by providing residents with outstanding opportunities in education, strategic business location, a skilled labor force, and an excellent quality of life.

We are diligently working to fill the Long Term Care Services Director position. It is anticipated that the position will be occupied soon. Meanwhile Long Term Care Programs are running smoothly under the capable tutelage of Susan Denopoulos, Assistant Administrator. We offer a special thank you to Ray Bower, Strafford County Administrator for his efforts and assistance during this transition.

The nursing home and assisted living facility have again received excellent reviews. The additional wing to the Ernest P. Barka Assisted Living Facility opened and was immediately fully occupied. We are pleased to report the occupancy license increased from 30 to 49 residents.

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. We are providing contracted services to the New Hampshire Department of Corrections for the Academy Program, which is a diversion program for felons.

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 2007.

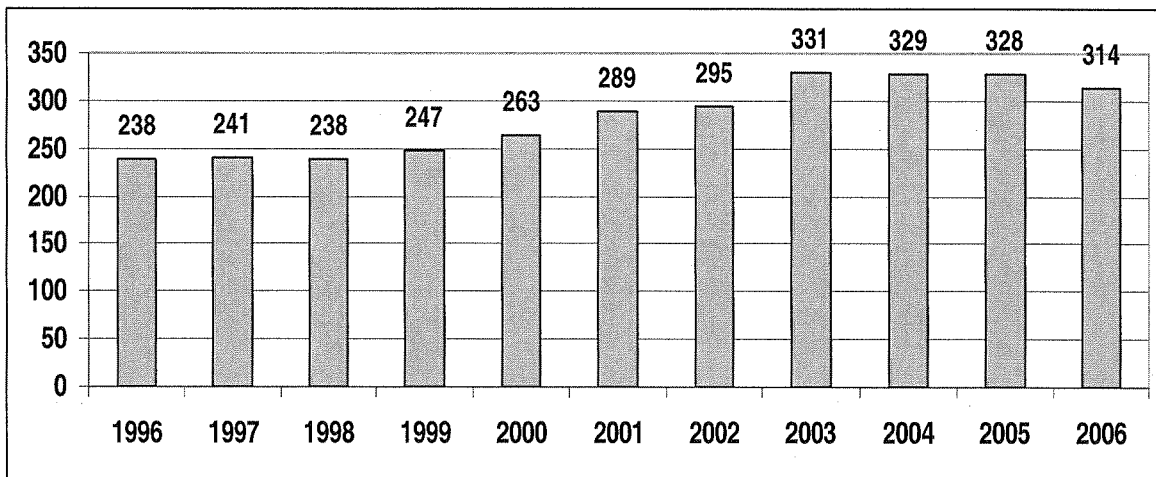
DEPARTMENT OF CORRECTIONS

Albert J. Wright, Superintendent

Through the expanded use of alternative programs the average daily count was kept in check. This was accomplished by processing prisoners into home confinement, electronic monitoring, and supervised pre-trial release. The average daily population in jail during the year was 314 inmates. Electronic monitoring daily population was 24.

<u>Admissions</u>	<u>2006</u>	<u>2005</u>
Male Inmates	3,346	3,363
Female Inmates	675	588
Total	4,021	3,951

Population - 10 Year Overview



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 increased slightly along with the length of stay due to the nature of 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 34,320 inmate hours. 8 towns received a total of 14,224 inmate work hours. This doesn't account for the inmate hours involved within the Corrections Facility and grounds.

Project Community: During 2006 the Community Work Program was reinstated and numerous painting and landscaping projects were completed throughout nine county communities.

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 called through a computer generated alert system. There are currently 104 victims registered. The system received 735 incoming calls and 1,023 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: 78 inmates participated in the program with a success rate of 87%.

Chapel: Non-denominational services are conducted weekly for all prisoners along with weekly prayer meetings by the Chaplain and volunteers. A Higher Ground, ALPHA, and Purpose Driven Life are a few of the additional religious programs offered to prisoners on a weekly basis.

Human Services & Inmate Programs: Our GED Program had 98 inmates who signed up and attended various classes and 21 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 25 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. 35 inmates participated in this opportunity. AIDS Response of the Seacoast was awarded a grant to continue the service and offer confidential testing.

Victim Impact: This new program was established in February. Eight sessions have been conducted and 61 inmates have completed the three week course. The goal of this program is to develop a measure of empathy and reduce recidivism.

Employee Recognition: During the year we celebrated Correctional Employees Week and held three promotion ceremonies to recognize the advancement of officers through the ranks. Attrition losses decreased and all officer positions were filled by July. In 2007 many long term employees will be retiring and future promotional opportunities will be available.

Electronic Monitoring: 64 individuals have participated in the Electronic Monitoring program, with 31 successfully completed, 9 failures, and currently 24 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 two and a half years 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. It offers the court an option in lieu of incarceration for defendants with medical complications or special needs while maintaining supervision out on bail.

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 in 2005 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, Representative John Flanders, Chair of the Jail Subcommittee, members of the Jail Subcommittee, all members of the Delegation for their guidance and support during the past year, along with my administrative team, Business Office Manager Louise Turner, AnnMarie Nelson, Major John Blomeke, Captain Stephen Church, and Lieutenant's Rusty Poliquin and Shawn Fogarty. 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	6	Hampstead	32	Northwood	26	Belknap	17
Auburn	50	Hampton	274	Nottingham	14	Hillsborough	4
Brentwood	43	Hampton Falls	12	Plaistow	55	Rockingham	926
Candia	21	Kensington	20	Portsmouth	211	Strafford	13
Chester	12	Kingston	96	Raymond	124	<u>Agency</u>	<u>Number</u>
Danville	23	Londonderry	84	Rye	19	NH State Police	193
Deerfield	12	Newcastle	0	Salem	315	NH State Prison	2
Derry	201	Newfields	7	Sandown	39	NH Parole	68
East Kingston	20	Newington	32	Seabrook	72	Immigration	191
Epping	58	Newmarket	38	South Hampton	2	Self Turn In	264
Exeter	104	Newton	31	Stratham	69	US Marshal	21
Fremont	17	North Hampton	24	Windham	14		
Greenland	23						

Summary of Charges

Acts Prohibited	40	Fed/Immigration Chgs	262	Overnight Hold	230
Aggravated F. S. Assault	29	Felon-Firearm Possession	33	Perjury	0
Assault 1 st /2 nd Degree	18/34	Felon-Sexual Assault	45	Pornography	10
Assault Simple	397	Forgery	39	Possession	
Assault Police Officer	12	Fugitive from Justice	101	Burglary Tools	3
Arson	2	Fraud. use Credit Card	27	Controlled Drugs	359
Bail Jumping/Revoked	3/32	Gambling	0	Intent to Sell	51
Burglary	89	Habitual Offender	87	Hypodermic	0
Conduct After Accident	26	Harassment	16	Prohibitive Sale	6
Conspiracy	17	Hindering Apprehension	19	Protective Custody	449
Contempt of Court	70	Indecent Exposure	10	Prowling	13
Criminal Liability	3	Issuing Bad Check	10	Receiving Stolen Property	109
Criminal Mischief	115	Interfere with Custody	10	Reckless Conduct/Oper.	57/35
Criminal Restraint	4	Kidnapping	8	Resist Arrest	171
Criminal Threat/Trespass	115/93	Lewdness	1	Riot	0
Cruelty to Animals	0	Littering	0	Robbery	48
Default	110	Motor Vehicle		Sale-Controlled Drugs	90
Disobey a Police Officer	84	Attempted Theft	1	Shoplifting	144
Disorderly Conduct	76	Violation	22	Stalking	5
Destruction Evidence	4	Unauthorized Usage	11	State Prison Transfers	5
Domestic Violence	19	Murder-1st Degree	2	Theft/Deception/Unauth.	119/14/45
DWI Sentence/Pre-trial	144/187	Murder-Attempted	3	Transport Controlled Drugs	41
Endangerment of Child	10	Murder-Conspiracy	1	Unlawful Poss.-Alcohol	64
Escape	3	Negligent Homicide	3	Unlawful Use-Weapon	6
Extortion	0	Non Payment of Fine	19	Violation-Parole/Protective	411/161
Fail-Reg.-Sex Offender	8	Non Support	75	Warrants	418
False Report to Police	50	Operating-Rev./Susp	213	Witness Tampering	14
False Scrips	7	Operating-without Lic.	19	Total Charges	5,938
		Open Container	22		

COUNTY ATTORNEY'S OFFICE

James M. Reams, County Attorney

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 continued support of the mission of this office and looks forward to continuing the work to provide justice to the citizens of this County.

"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 whose duties and responsibilities have been defined by the common law and various statutes. The County Attorney is the chief law enforcement official in Rockingham County. 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 the criminal laws of the State.

The County continues to grow 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 not only 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 County Attorneys 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 2549 in the year 2006. 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

There is no totally accurate way to measure how "busy" a prosecution office is. However, there are a number of statistics that I measure to give indicators of the volume of work:

- Indictments have increased from 1254 in 1998 to 2549 in 2006;
- 1231 cases were scheduled for trial by Superior Court in 2006, 1116 in 2003;
- Duty calls from police departments after hours were 234 in 2006, which means 3 out of 4 nights the attorneys handled police calls;
- Victim/Advocates had 11,654 contacts with the victims and witnesses;
- Our two part-time investigators handled 389 cases in 2006, 351 cases in 2000;
- 296 defendant's closed files were reopened in 2006 covering approximately 932 reopened charges. The County Attorney's prosecution database was also upgraded in early 2006 enabling us to keep better statistics pertaining to reopened cases. These cases are not counted in the "active" cases. Reopened cases generally require prosecutors to respond to post conviction motions for a variety of requests and to appear at related hearings. The Court has adopted a liberal policy with regard to accepting and scheduling hearings for these types of pleadings. The matters have become increasingly time consuming for the staff.
- The Attorney General has mandated that County Attorneys handle many of the Petitions for Writ of Habeas Corpus require our prosecutors to attend hearings at the prison in Concord 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 in the Superior Court office, 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 are available to answer questions from law enforcement regarding investigations and charging decisions 24 hours a day (234 Duty Calls were handled in 2006). All prosecutors are periodically scheduled to be "on-call" at night and on weekends. Prosecutors are "exempt" employees who do not receive overtime or other consideration for this added duty. The prosecutors recognize that this is an important function that results in better investigations, better prosecutions, and protection of the rights of the citizens of the county. On an average of three out of four nights, prosecutors answer calls from police departments.

In addition to these duties, and as noted above, the prosecutors carry an average of over 109 felony cases at all times. By way of contrast, please note that the Public Defenders have a contract with the State that provides for a maximum *weighted* caseload 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 his 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 under circumstances where the individual department or municipality reimburses the county for the associated cost of providing that service. This is done because the County Attorney does not provide district court prosecutors for all of the towns in Rockingham County.

The Plaistow District Court prosecutor position was created in 2003 with 5 towns having entered a contract with the County Attorneys Office. 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 provides prosecution for certain towns in the Auburn District Court area including Nottingham and Candia. This office handled a total of 350 misdemeanor cases filed in the Auburn District Court. The County Attorney previously prosecuted cases for Epping and Northwood. Those towns have opted to hire attorneys on a part time basis to act as their prosecutors.

VICTIM/WITNESS COORDINATORS: The County Attorney's Office has three full-time Victim/Witness Coordinators. The Coordinators work primarily on victim cases. They provide information and assistance to people affected by crimes with compassion and professionalism. Coordinators 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 Victim/Witness Coordinators averaged over 384 telephone conferences and more than 96 office conferences with victims of crime each month.

One of the 3 advocates continues to be partially grant funded through the Violence Against Women Act. This grant limits the types of cases that this advocate may work on. The County has been fortunate that the federal funds still pay the majority of this employee's salary. It is important to maintain the level of services demanded by the Victims Bill of Rights. With the increasing caseload, it will be necessary to add an additional full time advocate in the near future.

INVESTIGATORS: The investigators reviewed approximately 389 cases during 2006. They review all cases involving victims. Other duties of the investigators include but are not limited to assisting law enforcement agencies in follow-up investigations, locating missing witnesses and conducting some interviews. In addition, the investigators handled 15 complaints against individual Police Departments, performed background checks for prospective employees, and also fielded 41 walk-in contacts during 2006.

SUPPORT STAFF: The support staff at the County Attorney's Office consists of an Office Administrator, File Intake Manager, Receptionist, four Administrative Legal Assistants, five Legal Assistants and one Paralegal. The support staff is responsible for duties such as transcribing, drafting, filing and mailing various legal correspondence and pleadings, coordinating and scheduling monthly Grand Jury proceedings, as well as assembling all felony files for review by the Prosecutors. The support staff generated approximately 5,407 trial subpoenas and processed approximately 298 cases involving multiple items of trial evidence. The office received 26 requests for Interstate Agreement on Detainers (IAD's), 15 requests for Governor's Warrants and the County Attorney approved 56 out of the 60 Out-of-State Arrest transports. The Reception Office averaged an astounding 200 incoming calls per day.

MEDICAL EXAMINERS: In every case of a medicolegal death, the Medical Examiner, or an Assistant Deputy Medical Examiner is required to respond and conduct an examination. Assistant Deputy Medical Examiners conducted 179 scene investigations and 209 phone consults this year. We rely on local funeral homes to provide removal and transportation services. It is anticipated that these expenses may continue to rise slightly. However, there is legislation pending to have the Medical Examiners Office centralize and administer the ADME's relieving the county of the burden and creating a superior system.

CHILD ADVOCACY CENTER OF ROCKINGHAM COUNTY: Our Child Advocacy Center is the first established in New Hampshire. The Child Advocacy Center now provides child friendly forums for multidisciplinary interviews at sites in both Portsmouth and Derry. The Child Advocacy Center was Rockingham County's response to the legislature's mandate that agencies investigating child abuse work cooperatively to minimize the impact on the 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 the other counties to establish Child Advocacy Centers of their own.

Prosecutors attended 175 interviews at the Child Advocacy Center in 2006. The process is time consuming for the attorneys, but is critical to successful resolutions to these types of cases. 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 country, 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 certain 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 types of cases that have 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 of this office serves them well.

I would also like to thank the Commissioners as well as the entire legislative delegation sitting as the County Convention for their support in equipping the Rockingham County Attorney's Office with the staff and tools necessary to handle the continuing challenges that crime presents to Rockingham County.

ENGINEERING AND MAINTENANCE SERVICES

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

It is with pride that I look back on the many accomplishments of our department in 2006. The mechanics and staff of the Engineering & Maintenance Services team have set a high standard of excellence and response. All work performed is done so with an eye to the comfort and safety of every resident, staff and visitor. Specifications and execution of work orders is done with planning for efficiency, effectiveness and long-term viability.

In addition to the day to day vigilance of maintaining the facilities safely and efficiently, our department also participates in many of the upgrades and projects undertaken at the Complex. Some of the larger projects are noted below.

- Oversee the phased in replacement and upgrade of the fire alarm system in the Rockingham County Nursing Home (RCNH), to an addressable model, enhancing the safety of our residents. 2006 saw completion of the Fernald building and beginning of the Driscoll building.
- Installation of an enunciation panel in Sheriffs' Dispatch to provide detailed monitoring of the RCNH fire panel.
- Upgrade of the fire suppression system in the RCNH Kitchen hood to UL3000 standards
- Replacement of the hot water heater and construction of a chemical storage building for the RCNH Laundry
- Installation of a new automatic door at the entrance to the RCNH Dietary
- Flooring replacement in RCNH Driscoll I resident's rooms and Driscoll stairwells.
- Phase I upgrade to the Hilton Auditorium.
- Overhaul boilers 1, 2, and 3 at the RCNH Boiler Plant; repairs to the blow down system
- Installation of fire alarm and access control systems at the Water Treatment Facility, Motor Services Garage, and Buildings & Grounds shed.
- Replacement of the gasoline pump and monitors/reporting devices associated with our 12,000 gasoline tank, another compliance achievement.
- Asbestos abatement necessary for the installation of fire alarm devices in the Engineering & Maintenance Services building.
- Replacement of selected fire doors at the Carlisle building, the Buildings & Grounds shed, and the Engineering & Maintenance Services warehouse.
- Upgrade and replacement of the telephone system creating one unified system serving the Nursing Home, Jail, Sheriff's Office, County Attorney, and the Registry of Deeds. Each location can operate independently if connections are severed.
- Repairs to the Jail F Block, G Block and E Mezzanine roofs and safety upgrades to the elevators at the Jail.
- Installation of new and replacement cameras at the Jail along with expansion of recording capability.
- Extensive removal and replacement of failed pipe insulation in the Administration areas of the Jail/House of Corrections.
- Cleaning and disinfection of the air handling equipment serving the center core and the Sheriff's Office at the jail, D-Block at the jail, Underhill building in the RCNH, and the employee's dining room and dietary offices in the RCNH
- 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.

While much of our work is driven by regulations and compliance guidelines, the standard of excellence is set by the individual members of our department, who are an unending source of pride. The collaboration and help of the Officials and Division Directors is very much appreciated, as is the consistent support and guidance of the Board of Rockingham County Commissioners.

HUMAN RESOURCES DEPARTMENT

Martha S. Roy, Director

During the past year the Human Resources Department conducted many training programs for employees. Administrative Professional Training days, a new Supervisors' Academy Series took place at morning meetings throughout the spring and summer. The Healthy Lunch lecture series was continued in 2006, offering employees several opportunities to enjoy a calorie conscious lunch with a health topic lecture. In a joint effort with the Engineering and Maintenance Dept. a series of computer training courses, sixteen total, were held in the spring, with topics ranging from Word to Power Point. The ninth annual Health and Benefits Fair was held in the month of November for all employees. This event provides employees with a chance to meet with the many health and benefit providers of the County and learn ways to lead healthier lifestyles, as well as the particulars of the various benefit plans.

The County continued with Fiserv/Wausau Benefits as the health insurance plan third party administrator and the network of providers stayed with Aetna Signature Administrators. Delta Dental continued as our self-insured dental plan administrator and network in 2006.

The Human Resources Department continues to update and maintain the County's job descriptions 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 for each County department 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 \$14,642,179 for funding of services nursing home residents, 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% state, and 25% county. There was an average of 705 recipients, total monthly average cost of \$545,000.

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 and Provider Payments. The costs for these services are funded 50% federal share, 25% state, and 25% county. Services are available only to those persons who would be eligible for nursing facility services. The average monthly caseload was 327 persons, average monthly cost of \$99,500. The Provider Payment caseload averaged 885 persons, an average cost of \$138,000 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 and paid for as many as 187 clients per month, total average cost of \$20,000 per month.

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 fifty percent of the costs. This program served an average caseload of 946 persons, total average monthly cost of \$ 131,200.

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 New

Hampshire Division for Children, Youth and Families (DCYF), funds 75%. Rockingham County paid expenses for an average of 405 children per month, average monthly costs of \$127,000 for out of home placement and in-home services. This department collected \$531,605 from parents to reimburse the state and county for court-ordered services for their children.

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 DCYF, called the 6% Incentive Funds. Rockingham County granted \$685,750 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 petition has been filed.

I would like to express my appreciation to the Board of Commissioners for their guidance and assistance. I would also like to recognize the excellent staff of this department for their service on behalf of the families of Rockingham County.

LONG TERM CARE SERVICES

Susan Denopoulos, Assistant Director

The year 2006 was full of changes and setting new goals while continuing to provide the highest quality care to our nursing home residents, assisted living and adult medical day clients - which is our entrusted mission.

The search for the next Long Term Care Services Director continued throughout the year. The selection of the 'right' candidate was the utmost goal of the County Commissioners; confident that our Long Term Care Divisions continued successfully. We are now pleased and hopeful that the search is near completion and a new chapter about to begin.

I would be remiss in not acknowledging the people, departments and divisions that ensured not only our steady course but also its growth and development.

Martha Roy, Human Resources Director: Her dedication, support, genuine concern for all employees, has been invaluable. Her search for a Long Term Care Director was tireless.

Jude Gates, Director of Facilities, Planning, and Information Technology: The safety of our residents was the #1 priority for Jude and her staff and always with efficiency, caring, and quality. New vans in use, upgrades to smoke and fire detector systems are just a couple of examples of two divisions working together for the greater good and setting the stage for our beautiful complex. A special note of thanks to Paul Allen and Frank Stoughton.

Lynn Garland, UNH Cooperative Extension: The UNH staff labeled our many tropical plants in the Atrium. This was based on the suggestion of a resident and has been interesting to residents and visitors.

Al Wright, Corrections Superintendent: Working collaboratively and respectfully ensures our inmate population works safely and beneficially for Rockingham County.

Theresa Young, Director of Finance: and her staff, who put their oversight and stamp on all matters.

Our Department Heads and Management Team are invaluable, especially Kathy Upson, Director of Nursing, as well as Phyllis Rogers and Mary Jane Toth, Business Office Directors. They have all been my 'right hands' in providing their knowledge and experience. A note of recognition again to Phyllis Rogers for celebrating 45 years of service to Rockingham County Nursing Home as well as being recognized as Employee of the Year at the New Hampshire Association of Counties convention in September 2006.

Staffing remains agency-free again this year which adds to our quality of care. The year 2006 saw several long-time nursing staff members retire and a new guard stepping up. Best wishes to Hilda Cheney, RN, Helen Mitchell, RN, and Sandy Picott, PT on retirement! Welcome aboard to Theresa Hemenway, RN,

Joanne Jones, RN, Lisa Caron, RN, Maureen Sacco, RN, Beth Mody, RN and the other new staff as we step into our new phases of leadership.

We continue to enjoy the Employee of the Month program whereby staff nominate and recognize their co-workers with pictures on our website and in the cafeteria, a cake baked by our talented Dietary department, balloons brought up by our OT department, small cash gift, a recognition award as well as the coveted special parking space for a month are all part of the fun. Please join me in recognizing:

January	Cheri Clements, Social Services
February	Diana Pfifferling, Dietary
March	Dorothy Hamel, Environmental Services
April	Pat Asmund, Dietary
May	Helena Fita, Nursing
June	Linda Thayer, Dietary
July	Penny Alexander, Nursing
August	Alice Adams, Dietary
September	Kim Butterfield, Environmental Services
October	Joanne Jones, Nursing
November	Jill Letourneau, Nursing
December	Dorothy Dow, Assisted Living

The new clinical software (PointClick) is up and running. The financial components are also being implemented. Landmark Health Solutions was chosen through the bid process to assist in the education and training of our staff to improve our clinical reimbursements from Medicare, Medicaid as well as streamlining our Admissions process. Our belief is that through improved clinical reimbursement programs and improvements in technology, revenues to the County will also be improved, which enhance our quality of care and services.

We also began implementation of electronic “e-Discharge” program with Exeter Hospital to better access referrals information to assist in admissions from our local hospital.

The nursing home business office was busy as usual and had additional tasks of working with the Attorney General regarding a case along with a lien and sale of property.

Our annual Medicare/Medicaid State Survey was conducted from June 5, 2006 through June 8, 2006. Once again Rockingham County Nursing Home stands out as one of the best nursing homes in the State of New Hampshire. Rockingham County Nursing Home also participated in the 1st Annual Quality of Life Awards – and plan to continue this involvement. New Hampshire Department of Health and Human Services, New Hampshire Health Care Association facilities, and county nursing homes worked together to recognize and applaud the important and meaningful things that are happening every day in our nursing homes. Our Adult Medical Day program and Assisted Living also did extremely well in their state survey processes.

Our annual Under the Tent was conducted in September in the front entrance courtyard. This is an important and mandatory in-service program for all staff which is conducted on a yearly basis. This program reinforces necessary knowledge and skills.

In August we had our 1st Annual “Moose Day” which included a dunk tank with staff willing to get dunked! This was enjoyed by residents, families, and employees from several divisions participating in the event.

We also welcomed a new Chaplain in 2006, Deacon Ginny Slawnwright. She brings new gentleness and humor to our pastoral services.

Nancy Lang, Director of the Ernest P. Barka Assisted Living continues to provide wonderful services to the very appreciative and happy clients she serves.

Helen Kolifrath, RNC, Adult Medical Day Program Director continues to bring new life to this program while continuing to improve the daily census.

Ray Bower, Nursing Home Administrator of Strafford County completed his consultation to Rockingham County at the end of 2006. His expertise and assistance is respectfully and gratefully acknowledged not only by me but all who benefited from his willingness to be of assistance.

I am proud of Rockingham County Long Term Care Services as well as proud to have been the Acting Administrator for the past year and a half. I look forward with new excitement to the year ahead, as we welcome a new Long Term Care Director. My enthusiasm is in the joy of seeing to fruition the changes we have begun implementing and also being part of assisting our new Director in my capacity as the Assistant Administrator.

I am especially proud of the people I work with every day – colleagues who work with loyalty and high standards – because of them I am honored to be a part of this incredible team.

The support of our County Commissioners: Chair Maureen Barrows along with Don Stritch and Katharin Pratt has been invaluable. We are grateful for their dedication, interest, and caring all year long.

2006 NURSING HOME CENSUS

Daily Average Census – 218

Highest Census 226 / Lowest Census 202

Admissions		Discharges			
Home	35	Hospital Admit>Returns	39	Average Age Of Residents	86
Hospital	19	Discharged- another facility	2	Average Age of Death	91
Nursing Home	22	Discharged- assisted living	6	Average Age of Admission	81
Psych Hospital	4	Discharged- home	2	Average Length of Stay	2 years,
Group Home	1	Expired- in hospital	5		4 months,
Rehabilitation	7	Deaths	58		13 days
Assisted Living	3				
Total Admissions	<u>91</u>	Total Discharges	<u>112</u>		

THE ERNEST P. BARKA ASSISTED LIVING COMMUNITY

Nancy L. Lang, Director

Here we are 2006! It is hard to comprehend that we have been up and running for three years. Everyone is bubbling with excitement at the opening of our very own unisex hair styling shop and that we have once again survived another construction project. We had our annual state survey which was very successful, complimentary and increased our license to accommodate from 30 to 49 residents.

The building looked beautiful with colors, decorations, furniture all coordinated by our talented Verne Rines. Every resident wanted to live on Fernald One. As the new residents were admitted one by one, our elegant dining room filled up and was the center for new friendship. It is such a rewarding experience to see these seniors making new friends and sharing stories with their peers. Thank you Rockingham County Commissioners for making the Assisted Living possible.

What a busy place! Soon after opening we began working on our float for the Mardi Gras parade that was being held in the Nursing Home. Our theme was “New Orleans or Bust.” As spring arrived we began our weekly shopping trips, walks, and spending a great deal of time outside in our lovely landscaped courtyard. Many thanks to Jude Gates and the Maintenance Department for all their hard work in our courtyard right down to feeding the fish in the ponds.

Activities are ongoing daily from exercise programs, board games, karaoke, cooking, bowling tournament, and every day current events. Bingo and music provided by Judy McLeod are still the favorites. We have found every ice cream stand from here to the White Mountains and believe me they have tried them all.

September brings National Assisted Living Week. We started off the week with a bowling tournament. The remainder of the week was filled with a "New York Fashion Show", activities, music, bake sale, a homemade breakfast prepared by our staff and finally an Italian Dinner Party with live music. Thanks to Don Ramsey and the Dietary Department. The food was equal to any restaurant in the North End of Boston.

The Holidays quickly approaching and our residents were busy making craft items for their table they would have at the Nursing Home Christmas Fair. Halloween is always a treat with local day cares coming in to "Trick or Treat."

The Assisted Living Residents were excited and eager to vote in the local elections, some by absentee ballots and others went to the polls and voted.

Soon to follow the carolers, decorating, wrapping gifts, baking cookies, and preparing for the festivities of the season. Our annual Christmas Party was a huge success as usual with a visit from the most unique Santa Claus, thanks to Thom Clayton. Every resident received a gift and had their picture taken with Santa. Each picture was framed by our staff and given to the resident to share with their family. Many residents look forward to spending the holidays away at family homes, while other families came to Assisted Living and had a great day.

As 2006 came to an end we had a full house with a waiting list of approximately 100+ county residents waiting for a room at the Ernest P. Barka Assisted Living. Wouldn't Commissioner Barka be proud?

I could not conclude this report without acknowledging the outstanding dedicated staff we have at Assisted Living. Our staff continues to maintain a loving, caring, safe, and supportive environment while providing a high level of care.

A heartfelt thanks to all the families of residents as their moral support and contributions help make the Ernest P. Barka Assisted Living a warm and caring facility. I would like to thank Susan Demopoulos and nursing home administration for all the help and assistance they provide for us throughout the year.

Needless to say we would not be as successful without the caring support provided from the Board of County Commissioners.

REGISTRY OF DEEDS
Cathy Ann Stacey, Registrar

As I complete my sixth term as Register of Deeds, it continues to fascinate me at the tremendous growth we have seen in Rockingham County. Although we experienced an unusually high volume in the last several years, the activity conforms to that of year 2000. There are several large proposed developments taking place throughout the county, which will continue to improve our financial outlook. Interest rates began to rise slightly in 2006 and the real estate market saw a 25% decrease in sales and as a result, our revenues to the County for the calendar year were \$4,415,995.00.

2006 Revenue Collected		Total Documents Recorded:
Transfer Tax	\$35,696,028.00	80,104
4% Commission	\$ 1,424,210.92	
Copies/Faxes	\$ 443,571.87	
Recording fees	\$ 2,548,212.21	
Total Revenue	<u>\$ 4,415,995.00</u>	

Use of our web site (www.nhdeeds.com) continues to grow at a tremendous rate. Internet activity generated \$257,668.00 in revenue for the County in 2006. Individuals with on-line accounts can view and/or print records to their home printer for a small fee. There is no charge for anyone to view a document online, and many people appreciate the ability to research records from their home or office computer. My staff is easily able to walk through the process with any member of the public who inquires about our site, the ultimate goal being the elimination of the need to travel to the Registry of Deeds office to perform research.

During 2006, our long-term project of converting old books to the imaging system continues to build. The public can access records back to 1952 at present time. We were successful in offering access to all plan indexes via the web site to assist the public in their search.

The technological advances in our office have allowed easier access to records by our staff and the public, as well as streamlining certain everyday tasks. We continue to keep abreast of technology that will increase productivity and allow for greater and easier access to our records on file.

The continued support of the Delegation and County Commissioners is deeply appreciated and my thanks are extended to each and every one of them for their support.

My staff continues to excel in their jobs meeting the day to day challenges of this office while serving the public. They are appreciated by not only me, but by those utilizing the Registry of Deeds on a daily basis. I cannot thank them enough for their outstanding efforts.

The following chart reflects annual transactions reported to each municipality within the County.

Atkinson	2900	Danville	1906	Exeter	6596
Auburn	2721	Deerfield	2251	Fremont	2389
Brentwood	2382	Derry	14,875	Greenland	1907
Candia	1952	E. Kingston	1459	Hampstead	4804
Chester	2434	Epping	3564	Hampton	8978
Hampton Falls	1306	N. Hampton	1977	Raymond	5316
Kensington	940	Newmarket	3908	Rye	2476
Kingston	2942	Newington	586	Salem	13,568
Londonderry	11,483	Newton	2314	Seabrook	4080
New Castle	401	Northwood	2629	S Hampton	295
Newfields	788	Plaistow	3931	Sandown	1536
Nottingham	2558	Portsmouth	10,113	Stratham	3737
				Windham	8233

SHERIFF'S OFFICE
J. Daniel Linehan, High Sheriff

This year brought a significant change to the organization of this agency. For nearly 13 years the Rockingham County Sheriff's Office had provided professional and quality law enforcement services to Manchester Airport. On June 30, this contractual relationship came to an end. The transition went smoothly. Fortunately, the twenty-five sworn officers who were rifted from their jobs when the Airport Division was eliminated readily found employment with other law enforcement agencies. These dedicated employees served the citizens of New Hampshire admirably, and often during difficult circumstances. It was a job well done.

Activity increased within all Divisions. The total number of arrest warrants managed was 14% greater than in 2005. Prisoner transports for local municipalities increased by 554 and the number of extraditions jumped to 193, a 13.5% increase. The Dispatch Center handled 2,331 additional calls for service.

Sheriff deputies assisted many local communities by certifying their officers in firearms, defensive tactics, the use of chemical sprays and the expandable baton. Deputies also served as instructors at the police academy and provided coverage for many towns during special events. The department continued to be engaged in Emergency Management planning and training and was represented on a wide variety of committees actively engaged in public safety issues.

It has been gratifying to work with such a dedicated and professional group of employees. Their work product continues to set the standard in public safety and brings credit to the County of Rockingham.

Active Warrants – Superior & Family Court

Warrants in NCIC	465
Warrants non-NCIC (Equity, Family Division, Cost Containment)	194
Wanted Persons beyond extradition limits	139
Wanted Persons serving time in other states	<u>71</u>
Total	<u>730</u>

Active Warrants - District Court

Wanted Persons residing in Rockingham County	127
Wanted Persons residing in other N.H. Counties	<u>11</u>
Total	<u>138</u>

Arrests – Superior Court Warrants

Criminal Warrants	413
Civil Warrants	112
Recalls	229
Total	<u>754</u>

Arrests – District Court Warrants

Arrests	21
Not found	196
Recalls after warning notice	434
Recalls after person learned of deputy seeking their arrest	497
Total	<u>1,148</u>

Total Warrants Cleared - All Courts

1,902

Total Warrant Activity - All Courts

2,770

Transports

Transports for other agencies	5,140
Involuntary Emergency Admissions	339
Juvenile transports	360
All other transports	<u>3,497</u>
Total	<u>9,336</u>

Deputy Sheriffs initiated 58 criminal reports, stopped 641 motorists for moving violations, and covered 22 motor vehicle accidents. The Patrol Division deputies served 13,136 civil process documents.

Fugitive Extraditions By State

Connecticut	4	Massachusetts	130	Vermont	2
Florida	15	Maryland	1	New York	5
Ohio	1	North Carolina	1	Washington DC	1
Pennsylvania	4	Oklahoma	1	West Virginia	1
Maine	25	Rhode Island	2	TOTAL	193

(4 instances where assisted by US Marshal or Court Services Inc.)

Dispatch Center Service Calls

2003: 88,697

2004: 86,956

2005: 89,188

2006: 91,519

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), and the Pease International Tradeport Emergency Response Plan.

TREASURER'S OFFICE

Edward R. Buck III, Treasurer

Rockingham County ended 2006 in good financial shape. This was indicated by the fact that during 2006 the County:

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

The highlight of the summer was the sale of \$15 million in a Tax Anticipation Note (or TAN). The TAN was purchased by Commerce Capital Markets, Inc. at a net interest cost (NIC) of 3.6176% and was due on Dec. 29, 2006. There were 11 bidders on this issue with an NIC range from 3.6176% to 4%.

Rockingham County issues TANS during the year to cover obligations and expenses until receiving tax revenue from the Towns in December of each year.

Moody's assigned an MIG-1 rating for the \$15 million note, the best note rating possible for short-term loans. The relatively low interest rates coupled with the high ratings from Moody's Investor Services were again a definite plus for the County. Strong financial operations, substantial tax base continuing to grow, and minimal debt burden were reasons cited by Moody's for the rating.

In March, the County Cash Management Statement of Investment Objectives, Goals and Policy Guidelines were developed and adopted. In May the County requested proposals for Financial Advisory Services dealing with the sale of bonds/notes. The established banking services relationships with TD BankNorth (operations accounts) and Citizens Bank (investment accounts) continued in an excellent manner. The Treasurer held monthly Cash Management and Account Reconciliation meetings. Investment management review was held quarterly with Citizens Bank.

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

The Treasurer collected \$37,666,947 in taxes from the 37 cities and towns of Rockingham County.

In closing, it was an honor to serve the citizens of Rockingham County for the last eight years as your County Treasurer. It was a pleasure to work with the other elected officials and the wonderful employees. I shall miss you all.

UNH COOPERATIVE EXTENSION

Claudia Boozer-Blasco and Lynn Garland, Co-Office Administrators

The mission of the University of New Hampshire Cooperative Extension is to provide 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 county 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. Examples of our efforts in 2006 to extend education to Rockingham County residents include: over 2,000 youth and adult volunteers participated in 4-H Youth Development clubs, programs, and coalitions; over 6,500 adults and youth were reached with nutrition, food safety, parenting, money management and media awareness information and programs; about 2,000 growers took part in programs on best practices in agriculture and food production; hundreds of communities, private landowners, and public and private conservation partners received information and assistance to help conserve open space lands; commercial fishermen and researchers collaborated on successful open aquaculture and cooperative research projects producing economic benefits for the fishing and shore-side support industries.

Strengthening New Hampshire Communities is one of several statewide initiatives that have impacted Rockingham County. In February 2006 Greenland, NH participated in a Community Profile process, which helps communities assess where they are today and develop an action plan for the future. At least 140 Greenland residents participated in the two-day process, and the following areas were identified as projects to consider: create an economic development committee, create opportunities for more citizen input in the planning and zoning, create a print and on-line community newsletter, assess and better utilize existing resources, identify and educate regarding the town’s natural resources, recommend Select Board with five people.

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 included 13 Rockingham County citizens, County Commissioner Kate Pratt, and NH State Representative George Winchell of Atkinson. The Chair of the Council for 2006 was Liz Conrad from Epping.

Lastly, the statewide UNH Cooperative Extension Info Line (1-877-398-4769) provides all residents including those in Rockingham County with information on the following areas: 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. They are also available to make referrals on programming opportunities in all of the UNH Cooperative Extension disciplines. In addition, Rockingham County residents can access information at the UNH Cooperative Extension web site www.extension.unh.edu and click on Counties for specific events occurring in Rockingham County.

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

ROCKINGHAM COUNTY DELEGATION MINUTES - PUBLIC HEARING

Commissioners Proposed 2006 Budget

Thursday, January 26, 2006 - 7:00 p.m.

Hilton Auditorium, Brentwood, NH

Rep. Sheila T. Francoeur, Chairman of the Rockingham County Delegation, called the Public Hearing to order at 7:06 p.m.

Chairman Francoeur called upon Rep. Ron Nowe who delivered the Invocation.

Chairman Francoeur called upon Rep. Ronald Belanger who led the Pledge of Allegiance.

Chairman Francoeur then recognized Commissioner Maureen Barrows, Chairman of the Rockingham County Board of Commissioners, who provided an overview of the Commissioners 2006 Budget. She reviewed the overall increases to the budget being attributed to the health insurance and salaries. She noted a 1 percent increase overall to the proposed budget.

Chairman Francoeur called upon Rep. James Rausch, Chairman of the Rockingham County Executive Committee, who read the Commissioners 2006 budget proposal by department as follows:

Rockingham County Delegation - 88,391	Commissioners - 173,250	Jail - 9,165,274
Treasurer - 42,555	General Government - 2,876,489	UNH Cooperative Extension - 536,915
County Attorney - 2,367,488	Projects - 593,000	Human Resources - 330,205
District Court - 201,901	Grants - 1,150,000	Non-County Specials - 263,250
Medical Examiner - 56,100	Finance - 687,558	Long-Term Care Services - 22,692,730
Sheriff's Department - 4,387,478	Engineering & Maintenance/IT - 4,060,192	
Manchester Airport Duty - 1,066,958	Human Services - 14,637,691	
Registry of Deeds - 1,470,069		

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

Chairman Francoeur then opened the meeting to the public for their questions and comments.

Steven Warnock resident from Epping and County employee for 18 years at the Jail and then Sheriff's Department, spoke about the health insurance plan increases and requested help for all employees.

Diane Gilbert, Selectman from Epping, questioned county government and its authority from state statute. She referred to items in the budget that she believes are unnecessary, which result in raising taxes to the residents of Epping. She also questioned conferences, suggesting that employees pay the expense and attend at their own time.

Paul Spidle, Epping Budget Committee, questioned the overall increases to the budget. Chairman Francoeur referred the question to Commissioner Barrows. Chairman Francoeur then recognized Ms. Young who noted a 1.5 percent increase. He further commented about government entities giving to charity or social service organizations, which taxpayers may not want to contribute.

Linda Vitello, from Sandown, spoke about the County Attorney's budget. She spoke about a civil rights violation by a local patrolman who violated her rights by trespassing on her property, resulting in her needing assistance from the County Attorney's Office. She questioned why was she told by Attorney Reams that he did not have the resources to investigate the situation. Commissioner Barrows acknowledged Ms. Vitello's concerns and told her that she would speak to her after the meeting.

Dave Vitello, from Sandown, commented that he has been told that the County Attorney's Office does not have the resources to conduct thorough civil rights investigations by police. He explained that his son was injured and that he does not have health insurance. There was an investigation of the assault.

Harriet E. Cady, resident and representative from Deerfield, expressed her concerns and issues relative elected officials' benefits, i.e., mileage, conferences, dues, etc. She referred to the Commissioners needing to take a look at these issues.

David Currier, Police Chief and Resident of Seabrook, read letters submitted by the Police Chiefs from Epping and Plaistow. He read the letters for the record which are part of the records of the Public Hearing. He noted that the networking from attending conferences is vital. All the comments outlined in the letters were in support of the County Attorney's Office. Chief Currier asked that the representatives support the County Attorney's budget.

Skip Christenbury, County Employee in the Sheriff's Department, referred to employees continuing working for the County for their benefits. He expressed his concern with the new health insurance plan. He noted that the

consultant hired to look at the county's pay plan recognized a 2 percent COLA suggested in his proposal. He asked the Delegation to please consider this request by looking at the consultant's report. This would help to offset costs to employees. He also asked that the Commissioners allow the employees to become involved in the discussions earlier next year.

James Reams, Resident of Hampton and County Attorney, referring to Rep. Cady's comments, asked that she apologize to the employees of the County Attorney's Office, as well as himself. He noted that her comments are allegations without any truth. He noted that he was never contacted regarding the concerns she expressed, and challenged her to come up with the documents to challenge the allegations, as there are no such documents that she claims that she was referring to. Attorney Reams commented that he guarantees that this is not an accurate report of his office. She asked that she also apologize to the press. Have not abused the relationship with the county, have not passed on expenses to citizens. Assures the delegation and taxpayers that she made wrong, half-true allegations.

Cathy Stacey, Resident of Salem and Register of Deeds, spoke about mileage to and from work for elected officials referring to an article she read this in the newspaper. She noted that the benefits for elected officials are approved by the Members of the Delegation every term.

Rep. Cady further commented about the County Attorney's Office. Chairman Francoeur called Rep. Cady out of order.

George Waldron, Resident of Brentwood and Assistant County Attorney in Merrimack County, referred to Rep. Cady's comments regarding dues. He noted that all counties pay dues for their attorneys. He asked that those present ignore the comments about perks by having their dues paid.

There being no further questions or comments, the Public Hearing adjourned at 8:17 p.m.

Respectfully submitted,
Cheryl A. Hurley
Delegation Coordinator

Rep. David A. Welch, Clerk
Rockingham County Delegation

ROCKINGHAM COUNTY DELEGATION ANNUAL MEETING MINUTES

Tuesday, February 21, 2006 - 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 21, 2006 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 2006 County budget.

Rep. Sheila T. Francoeur, Chairman, called the meeting to order at 6:10 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 56 members present at the time the roll was called.

Members in attendance were: Rep. Sheila T. Francoeur, Chairman; Representatives Allen, Belanger, Bicknell, Bishop, Bridle, Buxton, Cady, Cali-Pitts, Camm, Carson, Charron, Coburn, Donahue, Dowling, Dumaine, Fesh, Flanders, Flockhart, Forsing, Garrity, Gilbert, Gould, Griffin, Hughes, Hutchinson, Ingram, Itse, G. Katsakiores, Kobel, Major, McKinney, McMahan, Moore, Morris, Nowe, O'Neil, Pantelakos, Priestley, Putnam, Rausch, Robertson, Robinson, Rolston, Sanders, D. Scamman, S. Scamman, Serlin, Splaine, Stiles, Stone, Waterhouse, Weare, Welch, Weldy, Wells, Weyler, Wiley, Winchell, and Zolla.

Chairman Francoeur declared that a quorum was present.

Excused: Representatives Abbott, Casey, Dowd, Gillick, P. Katsakiores

Also Present: Commissioners Barrows, Pratt, and Stritch; Theresa Young, Finance Officer; Kathy Nikitas, Finance; Susan Denopoulos, Long Term Care; Ray Bower, Long Term Care; Jude Gates, Engineering & Maintenance; Frank Stoughton, IT/Telecommunications; Superintendent Albert Wright, Department of Corrections; Louise Turner, Department of

Corrections; Deputy County Attorney Tom Reid, County Attorney's Office; Sandy Buck, Treasurer; Christine Croto, Sheriff's Office; Sheriff Daniel Linehan, High Sheriff; Martha Roy, Human Resources Director; Matt Tarr, Lynn Garland, UNH Cooperative Extension; Cathy Stacey, Register of Deeds; Diane Gill, Human Services Director; Cheryl A. Hurley, Delegation Coordinator.

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

Chairman Francoeur recognized Commissioner Barrows who gave an overview of the county and the 2006 budget highlights.

Chairman Francoeur recognized Rep. Rausch, Chairman of the Executive Committee, who announced that revised summary sheets of the budget have been provided by the Finance Office and have been distributed to all members. He briefly noted the revisions.

Chairman Francoeur recognized Rep. Gene Charron, Chairman of the Salary Subcommittee, who made a motion to approve Resolution 1-2006 presented as follows:

RESOLUTION 1 - 2006

Be it resolved that the Rockingham County Convention accept the position listing as presented with the total number of authorized positions for 2006 being 691 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.

Rep. Cady questioned a position in the County Attorney's Office. Chairman Francoeur called upon Deputy County Attorney Reid who explained. Rep. Cady further questioned. Chairman Francoeur suggested that Rep. Cady's question be discussed under the County Attorney's budget.

Chairman Francoeur called for further questions. There were none.

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 2-2006 presented as follows:

RESOLUTION 2 - 2006

Be it resolved that the Rockingham County Convention, upon the recommendation of the Executive Committee, recommend no more than \$1,046,000 for increases related to the 10-step salary plan, which is incorporated into the 2006 budget. In addition, that the mileage reimbursement rate continue to mirror the Federal rate for 2006.

Rep. Belanger seconded the motion. Chairman Francoeur called for questions. There were none. 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 3-2006 presented as follows:

RESOLUTION 3 - 2006

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. Chairman Francoeur called for questions. There were none. 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 4-2006 presented as follows:

RESOLUTION 4 - 2006

I move that \$31,270 be appropriated for salary payments for the Delegation Coordinator.

Rep. Belanger seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote. Rep. Cady voted no.

Chairman Francoeur recognized Rep. Gene Charron, Chairman of the Salary Subcommittee, who made a motion to approve Resolution 5-2006 presented as follows:

RESOLUTION 5 - 2006

Be it resolved that the Rockingham County Convention approve the following benefits as described below for those employees listed in the position listing, other than the union eligible. The Delegation Coordinator will receive benefits in accordance with personnel policies adopted for this position.

COUNTY CONTRIBUTION %

Full-Time Employees

HEALTH BENEFITS: (Self-Insured)

Membership	PPO
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 32% of the assigned risk rate per the recommendation of the Executive Committee. Unemployment funding recommended at \$5.00 per position in 2006.

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:

Years	Payments
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. Chairman Francoeur called for questions.

Chairman Francoeur recognized Rep. Gould who had a question relative to the worker's comp and unemployment rate of 32 percent. Ms. Young explained the percentages and how they are obtained.

Chairman Francoeur recognized Rep. Cady who questioned the longevity benefit and buying back sick days. Ms. Young deferred to Martha Roy who explained that there is no such policy that allows employees to buy back sick days.

Chairman Francoeur then recognized Rep. Weldy who wanted clarification on "benefit eligible" employees. Chairman Francoeur recognized Ms. Roy who explained that there are some part-time employees that are not eligible for benefits; for example, part-time employees who are temporary or work less than the number of hours worked to be eligible for benefits.

Chairman Francoeur recognized Rep. Stone who had a question about pro-rated benefits. Ms. Roy explained that part-time employee benefits are pro-rated based on the number of hours worked.

Chairman Francoeur recognized Rep. Weldy who wanted to know how many hours does an employee work to be considered full-time. Ms. Roy responded that an employee who works 40 hours is considered full-time.

Chairman Francoeur called for further questions. There were none. The motion was approved by a voice vote.

BUDGET APPROVAL BY DEPARTMENT

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

Delegation: Rep. Rausch made a motion to approve \$89,022 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 \$42,955 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 \$2,398,514 for the County Attorney's Office budget. Rep. Flanders seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

District Court: Rep. Rausch made a motion to approve \$203,946 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. Belanger 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 \$4,459,904 for the Sheriff's Office budget. Rep. Belanger seconded the motion. Chairman Francoeur called for questions. The differences from the Commissioners proposal and Executive Committee proposal was explained by Ms. Young, referring to the addition of a dispatch position and the 2 percent salary adjustment voted by the Salary Subcommittee. 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 \$1,105,608 for the Manchester Airport budget. Rep. Flanders seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

Registry of Deeds: Rep. Rausch made a motion to approve \$1,453,562 for the Deeds Office budget. Rep. Belanger 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 \$174,223 for the Commissioners Office budget. Rep. Flanders 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 \$2,866,489 for the General Government budget. Rep. Flanders 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 \$603,000 for the Projects budget. Rep. Flanders seconded the motion. Chairman Francoeur called for questions. Rep. Cady requested a copy of the list of projects. Chairman Francoeur noted that the projects list was attached to the back page of the budget packet. Chairman Francoeur called for further 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. Belanger 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 \$694,372 for the Finance Office budget. Rep. Stone seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

Engineering/Maintenance: Rep. Rausch made a motion to approve \$3,748,413 for the Engineering / Maintenance budget. Rep. Belanger seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

IT: Rep. Rausch made a motion to approve \$329,206 IT budget. Rep. Belanger 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 \$14,642,179 for the Human Services budget. Rep. Flanders seconded the motion. Chairman Francoeur called for questions. Rep. Cady asked if “this is where all the employees are?” Commissioner Pratt responded no and explained. Rep. Cady referred to the program for juveniles – Well Done, and requested a write up of juvenile programs at Rockingham County. Chairman Francoeur explained that the Commissioners will provide it, if requested. Chairman Francoeur called for further questions. There were none. The motion was approved by a voice vote.

Jail: Rep. Rausch made a motion to approve \$9,192,411 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 \$540,296 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 \$357,787 for the Human Resources budget. Rep. Belanger 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 \$263,250 for the Non-County Specials budget. Rep. Flanders seconded the motion. Chairman Francoeur called for questions. Rep. Cady made reference to an agency that does not request funding cap. Chairman Francoeur called for further questions. There were none. The motion was approved by a voice vote.

Long Term Care Services: Rep. Rausch made a motion to approve \$22,886,428 for the Long Term Care Services budget. Rep. Flanders seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

Chairman Francoeur recognized Rep. Cady who made a motion to reduce the bottom line by one position in the County Attorney’s Office and a \$25,000 reduction for dues, conferences and travel. Chairman Francoeur asked Rep. Cady for specific details relative to her motion. Rep. Cady explained. Chairman Francoeur called for questions. The motion failed on a voice vote.

Chairman Francoeur recognized Rep. Cady who made a motion that all county budget lines 53300 Dues be reduced by \$20,000, and reduce Portsmouth District Court by \$80,467. She referred to appropriations page 5. A brief discussion on the motion ensued. Rep. Cady noted a point of order referring to a mis-statement made relative to attorney’s belonging to the bar, but does not require the county to pay for their dues.

Rep. Stone had a question relative to benefits. Ms. Young explained that there are 1 ½ positions and Deputy County Attorney Reid explained that the position is under contract for a full-time position – a full-time attorney and a half-time attorney which is part-time. He noted that these positions are currently not filled. Rep. Cady referred to an article that she read in the Portsmouth Herald, which she states contradicts what is being budgeted. Attorney Reid explained. Discussion ensued. Chairman Francoeur asked Attorney Reid for further clarification that the

Portsmouth position is funded and paid for by the City of Portsmouth. Attorney Reid responded yes. There was a motion to move the question. The motion was seconded and approved by a voice vote. Rep. Cady's motion failed.

Chairman Francoeur then recognized Commissioner Pratt who explained that the county operates on a line-item budget and cannot implement a reduction unless the Delegation identifies those changes line by line throughout the budget.

Rep. Cady requested a roll call. Chairman Francoeur noted that the motion had been previously approved by a voice vote.

RESOLUTIONS (continued)

Chairman Francoeur recognized Rep. Rausch who made a motion to approve Resolution 6-2006 presented as follows:

RESOLUTION 6 – 2006

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

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

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

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

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

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

Rep. Belanger seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

Rep. Bridle made a motion to restrict reconsideration on prior articles. Rep. Belanger seconded the motion. The motion was approved by a voice vote.

Chairman Francoeur recognized Rep. Rausch who made a motion to approve Resolution 7-2006 presented as follows:

RESOLUTION 7 – 2006

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. Flanders seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

Chairman Francoeur recognized Rep. Rausch who made a motion to approve Resolution 8-2006 presented as follows:

RESOLUTION 8 – 2006

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. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

Chairman Francoeur recognized Rep. Rausch who made a motion to approve Resolution 9-2006 presented as follows:

RESOLUTION 9 - 2006

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. Chairman Francoeur called for questions. Rep. Cali-Pitts expressed her concerns in that the Executive Committee does not provide the Delegation members with information regarding performance audits. Rep. Welch suggested that the members be notified. Chairman Francoeur explained and noted that the minutes of the Executive Committee Meetings could be provided to those who request them. It was suggested that the minutes be posted on the County's website. Chairman Francoeur called for further questions. There were none. The motion was approved by a voice vote.

Chairman Francoeur recognized Rep. Rausch who made a motion to approve Resolution 10-2006 presented as follows:

RESOLUTION 10 - 2006

That the Rockingham County Convention, in accordance with RSA 24:13, authorize \$67,957,663 in appropriations and \$747,037 in reserves and encumbrances for the use of the County during 2006. That \$37,666,947 be raised in new county taxes, that \$26,215,716 is accepted as an estimate of revenues from other sources, and that \$4,822,037 is accepted as fund balance for a total of \$68,704,700 in resources.

Rep. Flanders seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

Chairman Francoeur recognized Rep. Rausch who made a motion to approve Resolution 11-2006 presented as follows:

RESOLUTION 11 -2006

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

Rep. Belanger seconded the motion. Chairman Francoeur called for questions. There were none. The motion was approved by a voice vote.

Rep. Bridle made a motion to restrict reconsideration on prior articles. Rep. Belanger seconded the motion. The motion was approved by a voice vote.

Other Business: Chairman Francoeur called for other business. Rep. Cady requested that the chair allow her to read an anonymous letter. Chairman Francoeur, referring to the letter being unsigned, denied Rep. Cady's request.

Adjournment: Chairman Francoeur recognized Rep. Belanger who made a motion to adjourn the meeting. Rep. Flanders seconded the motion. There being no further business, the meeting was adjourned at 7:37 p.m.

Respectfully submitted,
Cheryl A. Hurley
Delegation Coordinator

Rep. David A. Welch, Clerk
Rockingham County Convention

ROCKINGHAM COUNTY DELEGATION MEETING MINUTES

Thursday, May 4, 2006

During Session Lunch Break, Room 302-304, Legislative Office Building, Concord NH

The members of the Rockingham County Convention held a meeting on Thursday, May 4, 2006, during session lunch break, in Room 302-304 at the Legislative Office Building in Concord. The purpose of the meeting was to vote the salaries and benefits for elected officials for the term of office 2007-2008.

Rep. Sheila T. Francoeur, Chair, called the meeting to order at 12:06 p.m.

Chairman Francoeur called on Rep. Welch, Clerk, to conduct the roll call.

Those in attendance were: Rep. Sheila T. Francoeur, Chair; Representatives Allen Belanger, Bettencourt, Bishop, Bridle, Buxton, Cady, Cali-Pitts, Carson, Casey, Coburn, DiFruscia, Dowd, Dowling, Fesh, Flanders, Flockhart, Forsing Garrity, Gilbert, Gillick, Gould, Griffin, Headd, Hopfgarten, Hughes, Ingram, Itse, Johnson, G. Katsakiores, P. Katsakiores, Langley, Lund, Major, Mason, McMahan, Moody Morris, Nowe, Packard, Palazzo, Pantelakos, Powers, Priestley, Robertson, D. Scamman, S. Scamman, Splaine, Stiles, Stone, Waterhouse, Weare, Welch, Wells, Weyler, Winchell, and Zolla.

Excused: Representatives Putnam, Rolston, and Weldy.

Also Present: Cheryl Hurley, Delegation Coordinator; Theresa Young, Finance Officer; James Reams, County Attorney; Cathy Stacey, Register of Deeds.

Clerk Welch reported a total of 57 members present at the time the roll was called.

Chairman Francoeur declared that a quorum was present.

Chairman Francoeur stated the purpose of the meeting.

Chairman Francoeur recognized Rep. Norman Major who made the following motion:

I move the following salaries and benefits for elected officials for the term of office 2007-2008 as recommended by the Executive Committee:

- County Attorney – 75,700
- Sheriff – 64,900
- Register of Deeds 58,400
- Commissioners 19,100
- Treasurer 6,700
- Benefits to remain the same

Rep. Flanders seconded the motion.

Rep. Cali-Pitts urged that the members take the recommendation of the Salary Subcommittee. She briefly reviewed the duties of the elected officials, noting that we are voting the salaries of the positions, not the individuals in the positions. She noted that the members have an obligation to the county taxpayers to hold the line.

Rep. Zolla questioned the Salary Subcommittee's recommendations. Rep. Francoeur explained the recommendations of the Salary Subcommittee and Executive Committee.

Rep. Lund spoke in support of the Salary Subcommittee's recommendations.

Rep. Cady questioned how much was paid to elected officials in mileage. Rep. Francoeur explained that they are reimbursed at the federal mileage rate.

Rep. Stone questioned the vote of the Executive Committee. Chairman Francoeur responded 16 yes, 1 no.

Rep. Waterhouse questioned the raises given to the employees vs. elected officials. Chairman Francoeur explained the increases given to the employees during the budget process.

Rep. Bridle commented noting that the raises proposed for elected officials are less than the raises that were voted for employees. Chairman Francoeur explained.

Rep. Belanger made an amendment to the motion on the floor to give the elected officials a 5 percent increase. Rep. Griffin seconded the motion. Rep. Belanger spoke to his motion explaining that the individuals in the

position, who get re-elected year after year, are re-elected by doing a great job for the county. He noted that they should be compensated for their dedicated work.

Rep. Welch responded noting that the salary should be based on what the particular job is worth. He referred to prior circumstances where an increase was voted to compensate an individual who did not get reelected.

Rep. Pitts commented in favor of Rep. Welch's comments. She explained that you do not need qualifications to run for the elected official's positions.

Rep. DiFruscia made a motion to move the question. The motion was seconded.

Rep. Hughes questioned. Chairman Francoeur clarified.

Rep. Belanger requested a show of hands for his motion for a 5 percent increase. The Clerk reported 4 yes, the remaining members no.

A motion was made to move the question. The motion was seconded

Chairman Francoeur re-read Rep. Major's motion as follows:

To adopt the salaries and benefits for elected officials for the term of office 2007-2008 as recommended by the Executive Committee:

- County Attorney – 75,700
- Sheriff – 64,900
- Register of Deeds 58,400
- Commissioners 19,100
- Treasurer 6,700
- Benefits to remain the same

Rep. Flanders seconded the motion. Clerk Welch reported 22 in favor, 29 opposed. The motion failed.

Rep. Pitts made a motion to accept the recommendations of the Salary Subcommittee. She read the motion as follows:

- County Attorney – 73,500
- Sheriff – 63,000
- Register of Deeds 56,700
- Commissioners 18,500
- Treasurer 6,500
- Benefits to remain the same

Rep. Nowe seconded the motion. Clerk Welch reported 47 in favor, 8 opposed. The motion was approved by a show of hands.

There being no other business to come before the committee, Rep. Flanders made a motion to adjourn. Rep. Belanger seconded the motion. The motion was approved by a voice vote.

The meeting adjourned at 12:35 p.m.

Respectfully submitted,
Cheryl A. Hurley
Delegation Coordinator

Rep. David A. Welch, Clerk
Rockingham County Executive Committee

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

2006
BUDGET
AND
STATEMENT OF APPROPRIATIONS
AND
ESTIMATE OF REVENUE - COUNTY

For: Rockingham County
Calendar year 1/01/06-12/31/06

Mailing Address: 119 North Road, Brentwood, NH 03833

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

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

CERTIFICATE OF VOTE

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

Chairman 

Clerk David A Welch

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

Budget - County of Rockingham CY 2006

MS-42

1	2	3	4	5	6
Acct.#	APPROPRIATIONS OR EXPENDITURES	Appropriations Previous Fiscal Year	Expenditures Previous Fiscal Year	Delegation Proposed Budget Ensuing Year	Appropriations Voted For Ensuing Year

GENERAL GOVERNMENT **XXXXXXXXXX** **XXXXXXXXXX** **XXXXXXXXXX** **XXXXXXXXXX**

4110	County Convention Costs	86,322	53,921	89,022	89,022
4120	Judicial				
4122	Jury Costs				
4123	County Attorney's Office	2,564,869	2,389,677	2,602,460	2,602,460
4124	Victim Witness Advocacy Program				
4130	Executive	1,327,826	1,073,158	1,287,463	1,287,463
4150	Financial Administration	697,919	623,087	702,642	702,642
4151	Treasurer	69,456	65,229	43,293	43,293
4153	Other Legal Costs	353,501	63,899	313,501	313,501
4155	Personnel Administration	337,369	318,341	357,787	357,787
4191	Planning and Zoning for Uninc.Places				
4192	Medical Examiner	58,100	49,466	56,100	56,100
4193	Register of Deeds	1,438,316	1,265,510	1,456,132	1,456,132
4194	Maintenance of Government Bldg.	3,480,422	3,315,312	4,095,397	4,095,397
**	Non-County	260,000	260,000	263,250	263,250

PUBLIC SAFETY

4211	Sheriff's Department	4,196,081	3,854,119	4,459,904	4,459,904
4212	Custody of Prisoners				
4214	Sheriff's Support Services				
4219	Other-Manchester Airport Securit	1,780,064	1,643,979	1,105,608	1,105,608

CORRECTIONS

4230	Corrections	8,364,817	8,221,696	9,192,411	9,192,411
4235	Adult Probation and Parole				
4300					

COUNTY NURSING HOME

4411	Administration	21,582,853	20,255,817	21,729,824	21,729,824
4412	Operating Expense				
4439	Other Health/ Assisted Living	825,364	825,085	1,223,275	1,223,275

HUMAN SERVICES

4442	Direct Assistance	11,521,491	10,638,384	11,926,938	11,926,938
4443	Board and Care of Children	1,717,000	1,413,319	1,560,000	1,560,000
4446	Diversion Program	1,169,597	619,569	1,264,430	1,264,430
4447	Special Outside Services				
	Admin&AG Adult Diversion Grant	414,575	395,868	474,081	474,081

62,245,942	57,345,436	64,203,518	64,203,518
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**It included with 4194 in 2005

1 Acct.#	2 APPROPRIATIONS OR EXPENDITURES	3 Appropriations Previous Fiscal Year	4 Expenditures Previous Fiscal Year	5 Proposed Budget Ensuing Year	6 Appropriations Voted For Ensuing Year
COOPERATIVE EXTENSION XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX					
4611	Administration	537,495	516,226	542,729	542,729
4619	Other Conservation				
4650	ECONOMIC DEVELOPMENT				
DEBT SERVICE					
4711	Principal Long-Term Bonds/Notes	1,175,000	670,000	1,232,000	1,232,000
4721	Interest Long-Term Bonds/Notes	138,594	138,594	207,745	207,745
	Other EAN interest	100,000	100,000	1	1
INTERGOVERNMENTAL TRANSFERS					
4800	Intergovernmental Transfers				
CAPITAL OUTLAY					
	Specify	660,000	660,000	519,500	519,500
	Non Routine Mntc and Other	163,500	65,372	149,207	149,207
INTERFUND OPERATING TRANSFERS					
GRANT CONTINGENCY					
	Specify	1,844,455	71,917	1,850,000	1,850,000
	TOTAL APPROPRIATIONS	66,864,986	59,567,545	68,704,700	68,704,700
		66,864,986	59,567,545	68,704,700	68,704,700

(0)

1	2	3	4	5
Acct.#	SOURCES OF REVENUES	Estimated Revenue Previous Fiscal Year	Actual Revenue Previous Fiscal Year	Estimated Revenue Ensuing Fiscal Year with supplemental XXXXXXXXXX
ASSESSMENTS/TAXES				
		XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
3110	Property Taxes Levied for Unincorporated Places			
3120	Land Use Change Taxes for Unincorporated Places			
3180	Resident Taxes for Unincorporated Places			
3185	Yield Taxes for Unincorporated Places			
3186	Payments in Lieu of Taxes for Unincorporated Places			
3189	Other Taxes			
3191	Penalties on Delinquent Municipal Assessments			
XXXXXXXXXX				
	Licenses, Permits, and Fees			
3319	REVENUE FROM THE FEDERAL GOVERNMENT	1,093,000	1,027,378	1,259,000
REVENUE FROM THE STATE OF NH				
3351	Shared Revenue for Unincorporated Places			
3352	Incentive Funds	695,838	685,005	713,748
3354	Water Pollution Grants			
3355	Housing and Community Development			
3356	State & Fed. Forest Land Reim. in Unincorporated Places			
3359	Other --Grants and Flex Funds+ Seabrook	1,926,750	50,911	1,850,381
3379	INTERGOVERNMENTAL REVENUES			
REVENUES FROM CHARGES FOR SERVICES				
3401	Sheriff's Department incl st reim for Bailiff	2,953,858	2,758,543	2,335,533
3402	Register of Deeds	4,850,000	5,502,645	4,375,000
3403	County Corrections	128,800	176,923	153,000
3404	County Nursing Homes and Assisted Living	13,004,833	14,066,401	14,797,426
3405	County Farm	16,000	15,522	16,000
3407	Maintenance Department			
340	Other Misc	280,334	286,638	252,108
REVENUE FROM MISCELLANEOUS SOURCES				
3502	Interest on Investments	300,000	572,317	400,000
3503	Rents of Property	5,520	5,520	5,520
3508	Contributions and Donations			
350	Other Misc incl escheat and recapture from Nhome sale		32,393	
350	Other (Specify)			
350	Other (Specify)			
OTHER FINANCIAL SOURCES				
3912	Transfer from Special Revenue Funds			
3913	Transfer from Capital Projects Funds			
		25,254,933	25,180,195	26,157,716

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

OTHER FINANCIAL SOURCES cont.

		XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
3914	Transfer from Proprietary Funds			
3915	Transfer from Capital Reserve Funds			
3916	Transfer from Trust and Agency Funds	43,001	23,890	58,000
3934	Proceeds from Long-Term Notes/Bonds			
	FUND BALANCE TO REDUCE TAX RATE	5,061,316	5,061,316	4,822,037
	TOTAL REVENUES	25,297,934	25,204,086	26,215,716
	AMOUNT TO BE RAISED BY COUNTY TAX	36,505,736	36,505,736	37,666,947
		66,864,986	66,771,138	68,704,700



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, 2006 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, 2006 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 conducted 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.

Rodwin S. Gill, CPA, PC

Concord, New Hampshire
May 22, 2007

Rockingham County's Management's Discussion and Analysis for 2006

This report provides readers with a narrative overview and analysis of the financial activities of Rockingham County for the year ended December 31, 2006. 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.

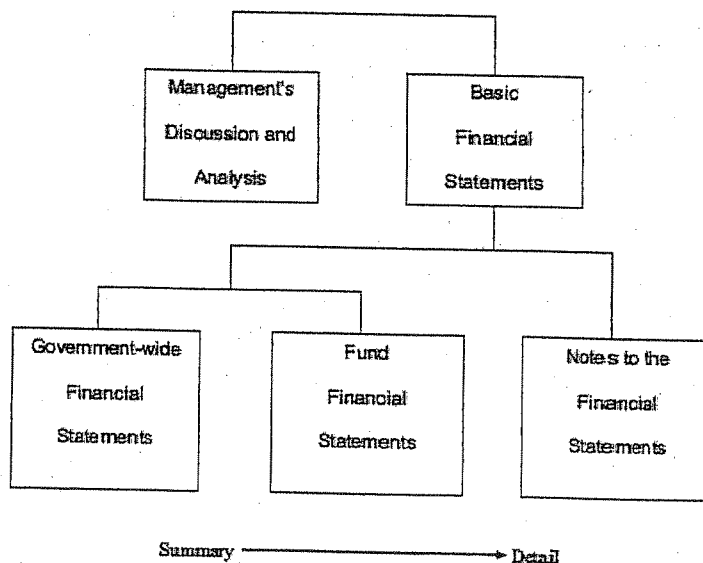
Overview of the Financial Statements

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



Financial Highlights -Government Wide

- The assets of Rockingham County exceeded its liabilities at the close of the fiscal year by \$54,161,296 (net assets).
- The government's total net assets increased by \$3,514,703 primarily due to a reduction in both expected health expenditures and long-term liabilities.

Financial Highlights-Fund Statements

- As of the close of the year, Rockingham County's reported combined ending fund balances of \$20,904,530, a decrease of \$618,962 in comparison with the prior year as restated.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$15,993,428 or 23% percent of total general fund appropriations. The amount almost mirrors 2005.
- The County's total debt decreased by \$ 1,450,328 during the current year.
- The County's retains a Aa2 bond rating for 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 \$54,161,296 of which \$24,058,669 were 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, 2005 and 2006

	Activities 2005 As Restated	Activities 2006	% change
Current and other assets	\$40,814,998	\$43,108,727	6%
Capital Assets	36,194,402	35,758,148	-1%
Total Assets	77,009,400	78,866,875	2%
Long-term liabilities	14,828,095	13,285,780	-10%
Other Liabilities	11,534,711	11,419,799	-1%
Total liabilities	26,362,806	24,705,579	-6%
Net Assets:			
Invested in capital assets			
net of related debt	24,957,924	25,971,997	4%
Restricted	4,754,459	4,130,630	-13%
Unrestricted	20,934,210	<u>24,058,669</u>	15%
Total net assets	\$50,646,593	\$54,161,296	7%

table-2

Rockingham County Changes in Net Assets at December 31, 2005 and 2006

	<u>Activities 2005 As Restated</u>	<u>Activities 2006</u>	<u>% Change</u>
Revenues:			
Program Revenues			
Charges for Services	\$24,510,562	\$24,957,039	2%
Grants and contributions	139,845	291,468	108%
General Revenues			
Taxes	36,505,736	37,666,947	3%
Other	1,132,828	1,320,856	17%
Total Revenues	<u>62,288,971</u>	<u>64,236,310</u>	3%
Expenses			
Administration	7,739,673	8,075,154	4%
Law Enforcement	14,405,946	13,724,098	-5%
Human Care and Services	33,984,773	34,941,225	3%
Other	3,140,591	3,620,897	15%
Debt interest	317,948	360,233	13%
Total Expenses	<u>59,588,931</u>	<u>60,721,607</u>	2%
Increase in net assets	2,700,040	3,514,703	30%
Net Assets at 1/1	<u>47,946,553</u>	<u>50,646,593</u>	6%
Net Assets at 12/31	<u>\$50,646,593</u>	<u>\$54,161,296</u>	7%

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. At December 31, 2006, unreserved fund balance represents 23 percent of total General Fund appropriations, while total fund balance represents 25 percent of that same amount. Both ratios remain unchanged from 2005.

Capital Asset and Debt Administration

assets

At December 31, 2006 the County reported \$35 million in capital assets net of depreciation which does not include work in progress of \$776,534. The increase is due to the completion of \$4.2 million of Assisted Living and Nursing Home refurbishments projects during the year.

debt

At December 31, 2006 the County had \$9,786,150 in outstanding long-term debt. \$3.3 million originates from a general obligation bond maturing in 2012. An additional \$2.6 million of the \$9.7 million is for a general obligation bond maturing in 2010. The final \$3.8 million is for a capital lease for the energy management project completed in 2004.

Economic Factors and Next Year's Budgets and Rates

- The second phase of the Ernest P. Barka's Assisted Living project is complete and continues to have more than a 100% waiting list.
- The Human Services and Nursing Home budgets face the largest unknowns as a result of pending legislation.
- Property taxes continue to account for 55% of expected revenues for 2007 and mirrors actual experience of 2006.
- Budgeted expenditures in the General Fund are expected to increase by approximately 1.5%

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 12/31/06. 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, 2006

Statement A

	2005 As Restated		2006		% Change
	Primary Government Governmental Activities		Primary Government Governmental Activities		
Assets					
Cash and Equivalents	\$ 27,596,095		\$ 26,697,343		-3.26%
Restricted Cash	600,624		636,584		5.99%
Investments	8,557,170		11,515,219		34.57%
Deposits	142,003		-		-100.00%
Accrued Interest Receivable	-		235,833		
Accounts Receivable, net	917,946		867,263		-5.52%
Internal Balances	-		-		
Due from Other Governments	2,255,553		2,343,871		3.92%
Prepaid Items	52,007		54,139		4.10%
Inventory	693,600		758,074		9.30%
Gift Cards	-		400		
Capital Assets, net	36,194,402		35,758,148		-1.21%
Unamortized Note Issuance Costs	-		-		
Total Assets	77,009,400		78,866,875		2.41%
Liabilities					
Accounts Payable	2,421,921		1,919,262		-20.75%
Accrued Interest Payable	134,291		113,343		-15.60%
Accrued Liabilities	596,940		619,087		3.71%
Due to Other Governments	8,242,792		8,571,288		3.99%
Deferred Revenue	138,768		196,818		41.83%
Long-term Liabilities:					
Due Within One Year	4,611,471		4,570,667		-0.88%
Due in More Than One Year	10,216,624		8,715,113		-14.70%
Total Liabilities	26,362,806		24,705,579		-6.29%
Net Assets					
Invested in capital assets, net of related debt	24,957,924		25,971,998		4.06%
Restricted for:					
Capital Projects	3,664,427		3,029,591		-17.32%
Debt Service	312,700		323,645		3.50%
Other Purposes	777,332		777,394		0.01%
Unrestricted	20,934,210		24,058,669		14.93%
Total Net Assets	\$ 50,646,593		\$ 54,161,296		6.94%

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, 2006

Statement B

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary Government:					
Governmental activities:					
General Government	\$ 944,593	\$ -	\$ -	\$ -	\$ (944,593)
Commissioners	161,700	-	-	-	(161,700)
Treasurer	29,215	-	-	-	(29,215)
County Attorney	2,369,955	163,359	43,000	-	(2,163,596)
Medical Examiner	56,420	-	-	-	(56,420)
Deeds	1,279,570	4,493,389	-	-	3,213,819
Sheriff/Dispatch/Radio	4,146,759	989,384	2,251	130,575	(3,024,548)
Airport Security	814,304	917,328	-	-	103,024
Delegation	43,173	-	-	-	(43,173)
Finance	587,856	-	-	-	(587,856)
Maintenance	3,688,790	16,255	-	-	(3,672,535)
Human Services	1,115,697	30,250	113,642	-	(971,805)
Public Assistance	12,967,828	716,248	-	-	(12,251,580)
Human Resources	361,586	124	-	-	(361,462)
Corrections	8,763,035	402,753	-	-	(8,360,282)
Nursing Home	20,756,210	16,318,407	1,000	-	(4,436,803)
Assisted Living	1,217,187	895,432	-	-	(321,754)
Information Technology	253,012	14,109	-	-	(238,903)
UNH Cooperative Extension	541,236	-	1,000	-	(540,236)
Noncounty Specials	263,250	-	-	-	(263,250)
Interest on Long Term Debt	360,233	-	-	-	(360,233)
Total governmental activities	60,721,607	24,957,037	160,893	130,575	(35,473,101)
Total Primary Government	60,721,607	24,957,037	160,893	130,575	(35,473,101)
General Revenues:					
Taxes					37,666,947
Grants Not Restricted to Specific Programs					10,492
Interest Earnings					1,258,696
Miscellaneous					51,668
Total General Revenues					38,987,803
Change in Net Assets					3,514,703
Net Assets - Beginning, as Restated					50,646,593
Net Assets - Ending					\$ 54,161,296

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

Statement C

Balance Sheet
Governmental Funds
December 31, 2006

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and Equivalents	\$ 22,746,019	\$ 3,332,773	\$ 25	\$ 26,078,818
Restricted Cash	436,946	-	199,638	636,584
Investments	-	-	59,332	59,332
Accounts Receivable, net	593,670	-	-	593,670
Due from Other Funds	97,186	-	422,176	519,362
Due from Other Governments	2,343,871	-	-	2,343,871
Prepaid Expenses	49,860	-	-	49,860
Inventory	758,074	-	-	758,074
Gift Cards	400	-	-	400
Total Assets	\$ 27,026,027	\$ 3,332,773	\$ 681,171	\$ 31,039,971
Liabilities				
Accounts Payable	\$ 945,325	\$ 59,617	\$ -	\$ 1,004,942
Accrued Liabilities	619,087	-	-	619,087
Due to Other Funds	423,834	-	17,079	440,913
Due to Other Governments	7,705,704	-	-	7,705,704
Deferred Revenue	364,795	-	-	364,795
Total Liabilities	10,058,745	59,617	17,079	10,135,441
Fund Balances				
Reserved for:				
Noncurrent Assets	807,934	-	-	807,934
Encumbrances	166,920	243,566	-	410,486
Capital Projects	-	3,029,591	-	3,029,591
Debt Service	-	-	323,645	323,645
Other Purposes	-	-	340,447	340,447
Unreserved, reported in:				
General Fund				
Designated for Continuing Appropriations	620,595	-	-	620,595
Unreserved	15,371,833	-	-	15,371,833
Total Fund Balances	16,967,282	3,273,157	664,092	20,904,530
Total Liabilities and Fund Balances	\$ 27,026,027	\$ 3,332,773	\$ 681,171	

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.	35,758,148
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.	9,890,838
Certain long term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:	
Accrued interest payable	(113,343)
Due to other governments	(865,584)
Capital lease obligations payable	(3,791,150)
General obligation bonds payable	(5,995,000)
Accrued compensated absences	(1,897,330)
Deferred revenue	270,186
	(12,392,221)
Net assets of governmental activities	\$ 54,161,296

See Accompanying Independent Auditors' Report and Notes to Financial Statements

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
 Statements of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended December 31, 2006

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 37,666,947	\$ -	\$ -	\$ 37,666,947
Charges for Services				
Commissioners	-	-	-	-
County Attorney	176,293	-	30,066	206,359
Deeds	4,333,181	-	160,208	4,493,389
Sheriff/Dispatch/Radio	1,056,638	-	-	1,056,638
Airport Security	997,584	-	-	997,584
Finance	-	-	-	-
Maintenance	2,086	-	-	2,086
County Land Management	14,169	-	-	14,169
Human Services	860,140	-	-	860,140
Human Resources	124	-	-	124
Corrections	381,474	-	21,278	402,753
Nursing Home	16,307,288	-	12,120	16,319,407
Assisted Living	894,046	-	1,386	895,432
Information Technology	14,109	-	-	14,109
Interest	565,686	24,131	12,325	602,142
Grants	77,064	-	-	77,064
Other	49,923	1,745	-	51,668
Total Revenues	63,396,752	25,876	237,383	63,660,011
Expenditures				
Current				
General Government	932,636	-	-	932,636
Commissioners	162,959	-	-	162,959
Treasurer	29,202	-	-	29,202
County Attorney	2,452,671	-	-	2,452,671
Medical Examiner	56,420	-	-	56,420
Deeds	1,346,488	-	-	1,346,488
Sheriff/Dispatch/Radio	4,321,125	-	-	4,321,125
Airport Security	887,264	-	-	887,264
Delegation Office	57,774	-	-	57,774
Finance Office	647,602	-	-	647,602
Maintenance	3,462,594	-	-	3,462,594
Human Services	1,122,842	-	-	1,122,842
Public Assistance	12,927,880	-	-	12,927,880
Human Resources	363,850	-	-	363,850
Jail	8,823,612	-	-	8,823,612
Nursing Home	21,149,537	-	-	21,149,537
Assisted Living	1,165,747	-	-	1,165,747
Information Technology	302,299	-	-	302,299
Extension Service	533,651	-	-	533,651
Non County Specials	263,250	-	-	263,250
Debt Service - Principal	1,232,000	-	139,264	1,371,264
Debt Service - Interest	207,745	-	173,436	381,181
Grants	82,268	-	-	82,268
Capital Outlay	165,412	1,486,333	-	1,651,745
Total Expenditures	62,696,828	1,486,333	312,700	64,495,861
Excess (Deficiency) of Revenues Over Expenditures	699,925	(1,460,457)	(75,317)	(835,850)
Other Financing Sources (Uses)				
Proceeds of Refunding Bonds	-	-	-	-
Proceeds of Bonds Issued	-	-	-	-
Retirement of Long Term Debt	-	-	-	-
Premium on Long Term Debt Issued	-	-	-	-
Accrued Interest on Long Term Debt Issued	-	-	-	-
Proceeds of Capital Lease	152,414	-	-	152,414
Transfers In	237,322	519,500	323,645	1,080,466
Transfers Out	(843,145)	-	(237,322)	(1,080,466)
Total Other Financing Sources (Uses)	(453,409)	519,500	86,323	152,414
Net Change in Fund Balance	246,516	(940,957)	11,006	(683,436)
Fund Balances, beginning, as restated	16,656,292	4,214,114	653,086	21,523,492
Changes in Reserves (Inventory)	64,474	-	-	64,474
Fund Balances, ending	\$ 16,967,282	\$ 3,273,157	\$ 664,092	\$ 20,904,530

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, 2006

Net change in fund balances - total governmental funds	\$ (683,436)
 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	1,775,595
Loss on disposal of capital assets	(170,173)
Depreciation expense	(2,041,675)
	<u>(436,254)</u>
 Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Deferred revenue	<u>-</u>
 Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the Statement of Net Assets. Repayment of debt principle is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the Statement of Net Assets:	
Bond proceeds received	-
Retirement of Bonds	-
Accrued Interest on Bonds	-
Capital lease proceeds received	(152,414)
Capital lease obligation principle payments	370,742
General obligation bond principle payments	1,232,000
	<u>1,450,328</u>
 Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Due to other governments	(120,204)
Accrued interest payable	20,948
Accrued compensated absences	205,501
	<u>106,245</u>
 Internal Services Funds are used by management to account for self-insured employee benefits, such as health. The net revenue (expense) of the internal service funds is reported with governmental activities.	
	<u>3,013,346</u>
 Inventory is recorded as an expenditure when purchased in the funds but is recorded as an expense when used in governmental activities.	
	<u>64,474</u>
 Change in net assets of governmental activities	 <u>\$ 3,514,703</u>

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Statement of Net Assets
Proprietary Funds
December 31, 2006

Statement F

		Governmental Activities- Internal Service Funds
Assets		
Current Assets		
Cash	\$	618,526
Investments		11,455,887
Accrued Interest Receivable		235,833
Accounts Receivable, net		176,613
Due from Other Funds		86,661
Deposits		4,279
Total Current Assets		<u>12,577,800</u>
Noncurrent Assets		
Other receivables		-
Total Noncurrent Assets		<u>-</u>
Total Assets		<u>12,577,800</u>
Liabilities		
Current Liabilities		
Accounts Payable		914,320
Due to Other Funds		68,131
Deferred Revenue		102,210
Compensated Absences Payable		140,516
Total Current Liabilities		<u>1,225,177</u>
Noncurrent Liabilities		
Compensated Absences Payable		1,461,785
Total Noncurrent Liabilities		<u>1,461,785</u>
Total Liabilities		<u>2,686,962</u>
Net Assets		
Unrestricted		9,890,838
Total Net Assets	\$	<u>9,890,838</u>

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, 2006

	<u>Governmental Activities- Internal Service Funds</u>
Operating Revenues	
Charges for Services	\$ 8,324,087
Total Operating Revenues	<u>8,324,087</u>
Operating Expenses	
Claims and Premiums	5,540,403
Compensated Absences	391,262
Total Operating Expenses	<u>5,931,665</u>
Operating Income (Loss)	2,392,422
Non-Operating Revenues (Expenses)	
Investment Income	656,555
Miscellaneous	(35,631)
Total Non-Operating Revenues (Expenses)	<u>620,924</u>
Net Income (Loss)	3,013,346
Change in Net Assets	<u>3,013,346</u>
Total Net Assets - Beginning, As Restated	6,877,493
Total Net Assets - Ending	<u>\$ 9,890,838</u>

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, 2006

	Governmental Activities- Internal Service Funds
Cash Flows from Operating Activities	
Receipts from Users	\$ 8,324,087
Payments to Providers	(5,540,403)
Payments to Employees	(391,262)
Other Receipts (Payments)	(250,217)
Net Cash Provided by (Used in) Operating Activities	<u>2,142,205</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>0</u>
Cash Flows from Investing Activities	
Purchase of Investments	(12,159,146)
Sale of Investments	9,203,258
Interest	656,555
Net Cash Provided by (Used in) Investing Activities	<u>(2,299,333)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(157,128)
Balances - Beginning of Year	775,653
Balances - End of Year	<u>\$ 618,527</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating Income (Loss)	\$ 2,392,422
Adjustments to Reconcile Operating Income to Net Cash Provided	
Non-operating revenue	(35,631)
Change in Assets and Liabilities:	
Deposits	142,003
Receivables, net	(49,799)
Deferred Revenue	14,102
Prepaid Expenses	(4,279)
Due from Other Funds	(23,801)
Accounts Payable	40,503
Due to Other Funds	31,013
Accrued Liabilities	(128,495)
Accrued Compensated Absences	-
Net Cash Provided By (Used in) Operating Activities	<u>\$ 2,378,037</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, 2006

	Agency Funds			Totals
	Inmates	Nursing Home Residents	Assisted Living Security Deposits	
Assets				
Cash and Equivalents	\$ 133,934	\$ 178,453	\$ 47,120	\$ 359,507
Accounts Receivable	-	-	-	-
Total Assets	<u>133,934</u>	<u>178,453</u>	<u>47,120</u>	<u>359,507</u>
Liabilities				
Accounts Payable	16,527	146	-	16,673
Due to Other Funds	21,355	-	927	22,282
Due to Specific Individuals	96,052	178,307	46,193	320,552
Total Liabilities	<u>\$ 133,934</u>	<u>\$ 178,453</u>	<u>\$ 47,120</u>	<u>\$ 359,507</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. (3) **Resident Funds and Security Deposits** – To account for funds held by the County for individuals living at the Nursing Home and Assisted Living facilities.

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 \$656,555 in interest and dividends for 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.

(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 and 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. Additional reporting is maintained for Nursing Home items whose costs are more than \$500 with a useful life of 3 years.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 small amount of capital asset projects in process at December 31, 2006 totaling \$776,534. The projects in process are included in the reporting of \$35,758,148 net Capital Assets in the related statements. Once a project is completed it is reported in the asset category (see note 4). \$4.2 million in Assisted Living and Nursing Home projects has been completed during the year and account for a significant decrease in work in progress at 12/31/06.

(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, 2006 is \$3,499,429.

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, 2006 is \$1,602,099. 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 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.

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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, 2006, \$4,075,000 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	\$ 90
Deeds	25,981
Finance	12,406
Sheriff	4,803
Maintenance	43,798
Projects	16,285
Jail	1,805
UNH Co-op	2,188
Nursing Home	59,564
	<u>\$166,920</u>

(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, 2006 and includes encumbrances and reserves at December 31, 2005. The breakdown is as follows:

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
 NOTES TO FINANCIAL STATEMENTS

NOTE 2—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

2006 Appropriations	\$ 67,957,663
December 2005 encumbrances	163,767
December 2005 Continuing Appropriations	<u>583,270</u>
Final Budgeted Amounts	<u>\$ 68,704,700</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, 2006 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.

Category	Category			Bank	Book
	1	2	3	Carrying Amount	Balance
Checking Accounts	\$ 26,709,649	\$-	\$-	\$ 27,372,883	\$ 26,709,649
Savings Accounts	47,120			47,120	47,120
CD's	119,982			118,996	119,982
	<u>\$ 26,876,752</u>	<u>\$-</u>	<u>\$-</u>	<u>\$ 27,538,999</u>	<u>\$ 26,876,751</u>

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

NOTE 3—CASH AND INVESTMENTS (CONTINUED)

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.

	<u>Category</u>			Bank	Book
	<u>1</u>	<u>2</u>	<u>3</u>	Carrying <u>Amount</u>	<u>Balance</u>
Investments	\$12,045,845	\$-	\$-	\$12,045,845	\$12,045,845

NOTE 4 CAPITAL ASSETS

The following is a summary of changes in capital assets for governmental activities at the year ended December 31, 2006:

	Balance at 1/1/06	Additions	Reductions	Balance at 12/31/06
Land	\$578,857			\$578,857
Building and improvements	46,460,526	\$5,064,198	\$(214,825)	51,309,899
Moveable equipment	11,327,668	976,536	(847,589)	11,456,616
Subtotal	58,367,050	6,040,735	(1,062,414)	63,345,371
Less: Accumulated Depreciation	(27,157,137)	(2,041,675)	835,054	(28,363,757)
Total	\$31,209,914	\$3,999,060	\$(227,359)	\$34,981,615

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

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

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 9.68% and 6.81% through December 31, 2006. The County contributes

NOTE 5—PENSION PLAN (CONTINUED)

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, 2006, 2005, 2004, and 2003, were \$1,574,349, \$1,460,183, \$1,301,802, and \$1,026,971 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, 2006 there were 76 retirees with a single, two-person or family health plan participating. Sixty-five 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	\$ 194,686	\$ 521,335
Special Revenue:		
Drug Task Force	-	25
Expendable Trusts	-	17,054
Special Account	3,259	-
ALF Donations	1,561	-
Commissary	89,627	-
Chapel	4,084	-
Internal Services:		
Health	95,554	9,409
Dental	737	221
Worker's Comp	2,193	4,588
Compensated Abs	675	66,411
Fiduciary:		
Inmate	-	96,052
Assisted Living	-	927
Debt Service Fund	323,645	-
Totals	\$ 716,021	\$ 716,021

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
 NOTES TO FINANCIAL STATEMENTS

NOTE 8—LONG-TERM DEBT

Changes in Long-Term Debt

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

	<u>Payable</u> <u>1-Jan</u>	<u>Additions</u>	<u>Reductions</u>	<u>Payable</u> <u>31-Dec</u>
General Obligation Debt:				
General Fund	\$7,227,000		\$ (1,232,000)	\$5,995,000
Capital Lease Obligations	4,009,477	152,414	(370,741)	3,791,150
	<u>\$11,236,477</u>	<u>\$152,414</u>	<u>\$ (1,602,741)</u>	<u>\$9,786,150</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%	\$2,670,000
2005 - \$3,887,000 Improvement Bond maturing in 2012	3.25% to 5.00%	3,325,000
Total General Obligation Long-Term Debt		<u>5,995,000</u>

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

<u>Year Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$5,995,000</u>	<u>\$543,656</u>	<u>\$6,538,656</u>

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%	114,451
Equipment, due in semi- annual installments the next of which is \$1,638 including interest at 3.37%	3,195
Equipment, due in semi- annual installments the next of which is \$2,272 including interest at 5.05%	4,378
Equipment, due in variable annual installments the next of which is \$302,126 including interest, through June, 2018 at 4.73%	3,458,997
Equipment, due in annual installments the next of which is \$9,078 including interest at 6.00%	8,564
Equipment, due in annual installments the next of which is \$28,910 including interest at 5.85%	27,313
Equipment, due in semi- annual installments the next of which is \$18,248 including interest at 4.31%	69,225
Equipment, due in monthly installments the next of which is \$845 including interest at 3.621%	24,214
Equipment, due in annual installments the next of which is \$42,801 including interest at 3.925%	80,813
	<u>\$3,791,150</u>

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

Year Ended December 31	Principle	Interest	Total
2007	397,749	178,655	576,403
2008	262,118	162,298	424,416
2009	201,030	150,739	351,769
2010	217,592	141,238	358,831
2011	240,640	130,750	371,390
2012-2018	2,472,022	281,695	2,753,717
	<u>3,791,150</u>	<u>1,045,375</u>	<u>4,836,525</u>

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

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
2007	177,615	19,743	197,358
2008	89,453	8,249	97,701
2009		2,124	2,124

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. \$620,595 in continuing appropriations for the human services and corrections departments are reported at December 31, 2006.

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, 2006. 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	\$16,643,304	\$653,484	\$6,409,777
Adjustments in Accruals and Reserves	12,988	(398)	467,716
Restated Amount	\$16,656,292	\$653,086	\$6,877,493

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

Schedule A

Budgetary Comparison Schedule

General Fund

For the Year Ended December 31, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 4,822,037	\$ 4,822,037	\$ 4,822,037	\$ -
Resources (Inflows)				
Taxes	37,666,947	37,666,947	37,666,947	-
Charges for Services				
Commissioners	-	-	-	-
County Attorney	245,608	245,608	176,293	(69,315)
Deeds	4,375,000	4,375,000	4,333,181	(41,819)
Sheriff/Dispatch/Radio	1,156,639	1,156,639	1,056,638	(100,001)
Airport Security	1,205,893	1,205,893	997,584	(208,309)
Finance	-	-	-	-
Maintenance	1	1	2,086	2,085
Information Technology	12,000	12,000	14,109	2,109
Property Management	21,520	21,520	14,169	(7,351)
Human Services	824,629	824,629	860,140	35,511
Human Resources	-	-	124	124
Corrections	253,000	253,000	381,474	128,474
Long Term Care Services				
Nursing Home	14,946,226	14,946,226	16,307,288	1,361,062
Assisted Living	967,200	967,200	894,046	(73,154)
Interest	400,000	400,000	565,686	165,686
Grants	1,750,000	1,750,000	77,064	(1,672,936)
Other	-	-	49,923	49,923
Transfers from Other Funds	58,000	58,000	237,322	179,322
Amounts Available for Appropriation	68,704,700	68,704,700	68,456,111	(248,589)
Charges to Appropriations (Outflows)				
Delegation Office	89,022	89,022	57,774	31,248
Treasurer	43,293	43,293	28,864	14,429
County Attorney/District Court	2,602,460	2,602,460	2,452,761	149,699
Medical Examiner	56,100	56,100	56,420	(320)
Sheriff/Dispatch/Radio	4,459,904	4,459,904	4,202,314	257,590
Airport Security	1,105,608	1,105,608	887,264	218,344
Registry of Deeds	1,456,132	1,456,132	1,372,837	83,295
Commissioners	174,223	174,223	162,959	11,264
General Government	1,426,744	1,328,744	932,636	396,108
Debt Service - Principle	1,232,000	1,232,000	1,232,000	-
Debt Service - Interest	207,745	207,745	207,745	-
Projects (Capital Outlay)	668,707	738,707	115,990	622,717
Grants	1,850,000	1,850,000	82,268	1,767,732
Finance Office	702,642	705,642	648,800	56,842
Maintenance	3,761,995	3,786,995	3,459,194	327,801
Information Technology	333,402	333,402	302,919	30,483
Human Services	1,738,511	1,738,511	1,140,977	597,534
Public Assistance	13,486,938	13,486,938	12,927,880	559,058
Jail	9,192,411	9,192,411	8,844,606	347,805
UNH Cooperative Extention	542,729	542,729	533,406	9,323
Human Resources	357,787	364,787	363,850	937
Non County Specials	263,250	263,250	263,250	-
Long Term Care Services				
Nursing Home	21,729,822	21,722,822	21,143,730	579,092
Assisted Living	1,223,275	1,223,275	1,164,447	58,828
Transfers to Other Funds	-	-	843,145	(843,145)
Total Charges to Appropriations	68,704,700	68,704,700	63,428,035	5,276,665
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 5,028,076	\$ 5,028,076

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

Sources/Inflow of Resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule \$ 68,456,111

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. (4,822,037)

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting services (237,322)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 63,396,752

Uses/Outflows of Resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule \$ 63,428,035

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. (40,477)

Capital Leases executed during a year are not reported as expenditures for budgetary purposes, but are reported as program expenditures for financial reporting purposes. 152,414

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (843,145)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund \$ 62,696,828

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2006

Assets	Drug Force	Task	Expendable Trusts	Special Revenue			Inmate Commissary	Inmate Chapel	Deeds Equipment	WFSturtevant Memorial	Debt Service		Permanent Funds	Total Nonmajor Governmental Funds
				Nursing Home	Assisted Living	Donations					Energy Mgmt	Project		
Cash and Equivalents	25		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	25
Restricted Cash	30,066		-	45,005	-	-	-	-	4,585	-	-	-	-	199,638
Investments	-		22,512	-	-	-	-	-	-	-	-	-	36,820	59,332
Due from Other Funds	-		-	3,259	1,561	89,627	4,084	-	-	-	-	-	-	422,176
Total Assets	\$ 30,091	\$	22,512	\$ 48,264	\$ 1,561	\$ 89,627	\$ 4,084	\$ 119,982	\$ 4,585	\$ 323,645	\$ 323,645	\$ 36,820	\$ 681,171	
Liabilities														
Accounts Payable			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Leases Payable			-	-	-	-	-	-	-	-	-	-	-	
Due to Other Funds	25		17,054	-	-	-	-	-	-	-	-	-	-	17,079
Total Liabilities	25	\$	17,054	-	-	-	-	-	-	-	-	-	-	17,079
Fund Balances														
Reserved for:														
Debt Service														
Other Purposes	30,066		5,458	48,264	1,561	89,627	4,084	119,982	4,585	323,645	323,645	36,820	323,645	323,645
Total Fund Balances	30,066	\$	5,458	48,264	1,561	89,627	4,084	119,982	4,585	323,645	323,645	36,820	340,447	340,447
Total Liabilities and Fund Balances	\$ 30,091	\$	22,512	\$ 48,264	\$ 1,561	\$ 89,627	\$ 4,084	\$ 119,982	\$ 4,585	\$ 323,645	\$ 323,645	\$ 36,820	\$ 664,092	664,092

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2006

	Special Revenue										Debt Service	Energy Mgmt Project	WFSurtavant Memorial	Permanent Funds		Total Nonmajor Governmental Funds	
	Drug Force	Task Expendable Trusts	Nursing Home Special Account	Assisted Living Donations	Inmate Commissary	Inmate Chapel	Deeds Equipment	WFSturtavant Memorial	Energy Mgmt Project	Trust				Nonexpendable			
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County Attorney	30,066	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,066
Deeds	-	-	-	-	-	-	160,208	-	-	-	-	-	-	-	-	-	160,208
Corrections	-	-	-	-	20,581	697	-	-	-	-	-	-	-	-	-	-	21,278
Nursing Home	-	11,128	-	-	-	-	-	-	-	-	991	-	-	-	-	-	12,120
Assisted Living	-	-	-	1,386	-	-	-	-	-	-	-	-	-	-	-	-	1,386
Interest	825	568	-	-	3,756	143	5,496	-	-	-	201	-	-	-	1,337	-	12,325
Total Revenues	30,066	825	11,696	1,386	24,337	840	165,704	-	-	-	1,192	-	-	-	1,337	-	237,383
Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service - Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	139,264
Debt Service - Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	173,436
Total Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	312,700
Excess (Deficiency) of Revenues Over Expenditures	30,066	825	11,696	1,386	24,337	840	165,704	-	-	-	1,192	-	-	-	1,337	-	(75,317)
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	(3,000)	(12,233)	-	(45,045)	(2,043)	(175,000)	-	-	-	-	-	-	-	-	-	323,645
Total Other Financing Sources (Uses)	-	(3,000)	(12,233)	-	(45,045)	(2,043)	(175,000)	-	-	-	-	-	-	-	-	-	(237,322)
Net Change in Fund Balance	30,066	(2,175)	(537)	1,386	(20,708)	(1,204)	(9,296)	-	-	-	1,192	-	-	-	1,337	-	11,006
Fund Balances, beginning, as restated	-	7,633	48,801	175	110,335	5,288	129,278	-	-	-	3,393	-	-	-	35,483	-	653,986
Fund Balances, ending	\$ 30,066	\$ 5,458	\$ 48,264	\$ 1,561	\$ 89,627	\$ 4,084	\$ 119,982	\$ -	\$ -	\$ -	\$ 4,585	\$ -	\$ -	\$ -	\$ 36,820	\$ -	\$ 664,092

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
 Combining Statement of Net Assets
 Internal Services Proprietary Funds
 December 31, 2006

	Total					
	Health Fund	Dental Fund	Worker's Compensation Fund	Unemployment Fund	Compensated Absences Fund	Governmental Activities-Internal Service Funds
Assets						
Current Assets						
Cash	\$ 449,871	\$ 37,864	\$ 39,637	\$ -	\$ 91,153	618,526
Investments	5,788,059	358,251	3,465,828	56,794	1,786,955	11,455,887
Accrued Interest Receivable	136,062	8,544	51,614	991	38,623	235,833
Accounts Receivable, net	75,266	325	101,000	-	22	176,613
Due from Other Funds	86,144	517	-	-	-	86,661
Deposits	-	-	4,279	-	-	4,279
Total Current Assets	6,535,402	405,501	3,662,359	57,785	1,916,753	12,577,800
Noncurrent Assets	-	-	-	-	-	-
Total Assets	6,535,402	405,501	3,662,359	57,785	1,916,753	12,577,800
Liabilities						
Current Liabilities						
Accounts Payable	498,729	29,168	379,163	-	7,261	914,320
Due to Other Funds	-	-	2,395	-	65,736	68,131
Deferred Revenue	97,630	3,944	-	-	636	102,210
Compensated Absences Payable	-	-	-	-	140,516	140,516
Total Current Liabilities	596,359	33,111	381,558	-	214,148	1,225,177
Noncurrent Liabilities						
Compensated Absences Payable	-	-	-	-	1,461,785	1,461,785
Total Noncurrent Liabilities	-	-	-	-	1,461,785	1,461,785
Total Liabilities	596,359	33,111	381,558	-	1,675,933	2,686,962
Net Assets						
Unrestricted	5,939,042	372,390	3,280,801	57,785	240,820	9,890,838
Total Net Assets	\$ 5,939,042	\$ 372,390	\$ 3,280,801	\$ 57,785	\$ 240,820	\$ 9,890,838

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, 2006

	Health Fund	Dental Fund	Worker's Compensation Fund	Unemployment Fund	Compensated Absences Fund	Total Governmental Activities-Internal Service Funds
Operating Revenues						
Charges for Services	\$ 6,915,799	\$ 425,964	\$ 481,237	\$ 3,711	\$ 497,377	\$ 8,324,087
Total Operating Revenues	6,915,799	425,964	481,237	3,711	497,377	8,324,087
Operating Expenses						
Claims and Premiums	4,651,549	402,632	371,463	8,645	106,115	5,540,403
Compensated Absences	-	-	-	-	391,262	391,262
Total Operating Expenses	4,651,549	402,632	371,463	8,645	497,377	5,931,665
Operating Income (Loss)	2,264,249	23,332	109,774	(4,934)	-	2,392,422
Non-Operating Revenues (Expenses)						
Investment Income	325,539	23,073	210,340	2,556	95,047	656,555
Miscellaneous	(29,780)	(92)	(5,759)	-	-	(35,631)
Total Non-Operating Revenues (Expenses)	295,760	22,981	204,580	2,556	95,047	620,924
Change in Net Assets	2,560,009	46,313	314,355	(2,378)	95,047	3,013,346
Total Net Assets - Beginning, as Restated	3,379,033	326,077	2,966,446	60,163	145,773	6,877,493
Total Net Assets - Ending	\$ 5,939,042	\$ 372,390	\$ 3,280,801	\$ 57,785	\$ 240,820	\$ 9,890,838

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Statement of Cash Flows
Internal Services Proprietary Funds
For the Year Ended December 31, 2006

	Health Fund	Dental Fund	Worker's Compensation Fund	Unemployment Fund	Compensated Absences Fund	Governmental Activities- Internal Service Funds
Cash Flows from Operating Activities						
Receipts from Users	\$ 6,915,799	\$ 425,964	\$ 481,237	\$ 3,711	\$ 497,377	\$ 8,324,087
Payments to Providers	(4,651,549)	(402,632)	(371,463)	(8,645)	(106,115)	(5,540,403)
Payments to Employees	-	-	-	-	(391,262)	(391,262)
Other Receipts (Payments)	(342,548)	(2,711)	(12,129)	9,672	97,499	(250,217)
Net Cash Provided by (Used in) Operating Activities	1,921,702	20,621	97,645	4,738	97,499	2,142,205
Net Cash Provided by (Used in) Noncapital Financing Activities	-	-	-	-	-	-
Cash Flows from Investing Activities						
Purchase of Investments	(7,335,032)	(480,800)	(3,723,737)	(7,434)	(612,143)	(12,159,146)
Sale of Investments	4,948,723	462,850	3,284,322	140	507,224	9,203,258
Interest	325,539	23,073	210,340	2,556	95,047	656,555
Net Cash Provided by (Used in) Investing Activities	(2,060,770)	5,123	(229,076)	(4,738)	(9,872)	(2,299,333)
Net Increase (Decrease) in Cash and Cash Equivalents	(139,068)	25,745	(131,431)	-	87,627	(157,128)
Balances - Beginning of Year	588,940	12,120	171,068	-	3,526	775,653
Balances - End of Year	\$ 449,871	\$ 37,864	\$ 39,637	\$ -	\$ 91,153	\$ 618,526
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating Income (Loss)	\$ 2,264,249	\$ 23,332	\$ 109,774	\$ (4,934)	\$ -	\$ 2,392,422
Miscellaneous Non Operating Revenues (Expenses)	(29,780)	(92)	(5,759)	-	-	(35,631)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
Change in Assets and Liabilities:						
Deposits	122,003	-	20,000	-	-	142,003
Accrued Interest	(136,062)	(8,544)	(51,614)	(991)	(38,623)	(235,833)
Receivables, net	(42,911)	(325)	(19,590)	10,663	2,364	(49,799)
Deferred Revenue	14,725	(682)	-	-	59	14,102
Prepaid Expenses	-	-	(4,279)	-	-	(4,279)
Due from Other Funds	(23,628)	1,380	(2,063)	-	510	(23,801)
Accounts Payable	38,507	7,988	(1,849)	-	(4,144)	40,503
Due to Other Funds	2,386	221	4,588	-	23,819	31,013
Accrued Liabilities	(287,789)	(2,657)	48,437	-	113,513	(128,495)
Accrued Compensated Absences	-	-	-	-	-	-
Net Cash Provided By (Used in) Operating Activities	\$ 1,921,702	\$ 20,621	\$ 97,645	\$ 4,738	\$ 97,499	\$ 2,142,205



To the Board of Commissioners:

In planning and performing our audit of the financial statements of **Rockingham County** for the year ended December 31, 2006, 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 May 22, 2007, on the financial statements of Rockingham County.

Outstanding Issues From Prior Years:

We have reviewed the current status of the 2005 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 and in your letter dated July 3, 2007 noted that you anticipate all areas to be resolved by the fourth quarter, namely:

- a. Nursing Home Cash: depositing checks received on a timely basis and not holding checks totaling in excess of \$10,000. It is our understanding that the new software will provide the capability to split deposits. County policy specifies that check will be deposited on a timely basis through the County Finance Office and checks held will not exceed \$10,000 in the aggregate.
- b. Nursing Home Accounts Receivable: Recognizing receivables at the amount to be received should be resolved with the implementation of the new software system. In addition, receivables which are long past due will be tracked more efficiently for action to be taken.
- c. Nursing Home billing: Physician billing remains a problem and is not recognized on a timely basis in MUNIS. We are pleased to know that your previous decision not to bill Medicare Part B will be reversed and that this will be recognized as a source of revenue to the County. We are also pleased to be told that the fee structure for therapy billing will be reviewed and appropriate changes made.

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:

Inventory:

Some food items on the inventory reports had dates in 2003 and 2004. It was later determined that these items are not in inventory and no items with dates older than 2006 were on hand. While dietary inventory is over-stated because of this, no adjustment will be made at this time. The impact is not material.

Several departments in inventory had 2007 purchase dates. When using the actual physical inventory process only current year dates can be posted. Therefore, 2006 items that were entered in 2007 showed 2007 dates. We do understand that this is a system problem and cannot be changed.

Recommendation: We recommend that inventory counting procedures be carefully reviewed and these procedures carefully followed.

Commissioners' Response: We agree. Changes have already been instituted to ensure that the Dietary Manage maintains proper oversight of the inventory process.

Accounts Payable

Some of the accounts payable balances are old and should be reviewed to determine if they are still to be properly included as outstanding payables.

Recommendation: If items in accounts payable that are old are not going to be paid, they should not be carried in accounts payable of, if appropriate, document reasons for still carrying in accounts payable.

Commissioners' Response: We regularly encourage departments to review their payables and encumbrances. We will stress the issue in our annual budget packet.

Assisted Living Billing:

We noted that assisted living room rates were below what Medicaid recognizes as a reasonable rate. The result is that assisted living is forfeiting revenue they could be receiving because Medicaid will not pay more than the published charges for private pay residents. This increases the tax burden on the County residents.

Recommendations: Published charges for assisted living should always be at or above what Medicaid would pay.

Commissioners' Response: Rate setting is a regular discussion during budget time. We have addressed this issue for 2007.

Nursing Home Medicare reports:

The summary of claims paid data received from Medicare is available in an electronic format which avoids more paper shuffling. These are commonly called the PS&R reports.

Recommendation: That a request be made that the reports be sent electronically. This has the advantage of receiving the reports monthly.

Commissioners' Response: Our Nursing Home Administrator is making this request.

Nursing Home Allowances for Doubtful Accounts:

The allowance for doubtful accounts on the nursing home accounts receivable remains an issue. A policy was established a few years ago stating that the allowance would, at a minimum, be equal to the balance of all receivables over two years old. This is not to be confused with write-offs, but allows older items which may or may not be collectible to remain on the detail listing. While some of these balances may be collectible, there may be recent balances that are not collectible. It does provide a means to establish a reasonable basis for collection without writing off the outstanding balance.

Recommendation: That account balances over two years old be used as a guideline for targeting the allowance on receivables. Such balances should be reviewed quarterly and adjusted accordingly.

Commissioners' Response: We agree that a reasonable method should be in place that provides for ongoing reviews and reporting. Our Financial Statements submitted do include reasonable amounts based on known information. Finance and Nursing Home Administration will be taking steps together to put a plan in motion that provides more timely accurate information.

Point Click Software:

One of the high priority items when selecting new software for long term care was how it would interface with MUNIS. We are concerned that this may become a real problem and, if it cannot be done, would require a lot of manual effort to interface the two systems. Additionally,

if it cannot be done, reports from the long term care areas to Finance may not be available on a timely basis.

We are also concerned that the new software may not have the capability of dealing with a partial deposit of a day's receipts. If this cannot be handled it may mean that total batches of checks are kept in the vault until all are endorsed and frequently this would be more than \$10,000. County internal controls require that no more than \$10,000 be kept on hand at any one time and this control needs to be followed by all departments.

Recommendation: That the issue of interfacing receive top priority. Also that if the new software cannot handle splitting a deposit, then procedures should be established so that internal controls are followed regarding checks held.

Commissioners' Response: We are in the process of testing the interface. The vendor is committed to making this process work. The depositing issue is of concern and we will continue to explore all options.

Checks Held for Deposit:

Checks should be deposited as soon after receipt as possible. In one instance we noted that a check dated 12/8/06 was not deposited until 2/6/07. The check was in the amount of \$30,065 and was drug forfeiture funds. Two months time cannot be considered a timely deposit and is in violation of the internal control policy that amounts in excess of \$10,000 should not be held, but should be deposited immediately.

Recommendation: That, to the extent possible, daily deposits should be made and that all large checks should be deposited on the day of receipt.

Commissioners' Response: Steps have been taken to improve this condition. We encourage the departments to continue their efforts until resolution is complete.

Interdepartmental Communication:

Receiving information from the various departments by the Finance Office continues to be a problem and becomes particularly important at year end. This is especially important as it relates to accounts receivable, accounts payable and payroll. Late submission results in many, many adjusting entries and frequently information is received so late that an adjustment to the prior year fund balance is required.

Recommendation: That deadlines be communicated to all departments and that the Commissioners actively support these deadlines.

Commissioners' Response: We regularly communicate deadlines to the departments. We will ensure deadlines are better known at public meetings.

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.

Robert J. Gill, CPA, PC

Concord, New Hampshire
July 10, 2007



Rockingham County Commissioners

119 North Road
Brentwood, New Hampshire 03833

Maureen Barrows, Chair
July 3, 2007

Katharin K. Pratt, Vice Chair

C. Donald Stritch, Clerk

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

Dear Mrs. Grill:

We would like to share the current status of the 2004 and 2005 management comments. They are as follows:

2004 recommendations

Nursing Home Cash and Nursing Home Accounts Receivable: With the implementation of new software purchased in 2006 for the Nursing Home and its full integration with the County's financial system, both matters will be resolved before the fourth quarter of 2007.

2005 recommendations

Compensated Absences: The Manchester airport security contract ended in 2006 and all compensated absences were paid out to airport employees.

Inventory: The County continues to review inventory and dispose of obsolete items.

Nursing Home Accounts Receivable: With the implementation of new software purchased in 2006 for the Nursing Home and its full integration with the County's financial system, this matter will be resolved before the fourth quarter of 2007. Accounts receivable will be tracked and reported to the Board on a monthly basis and write offs will be authorized as appropriate.

Nursing Home Billing: With the implementation of the new Nursing Home software and its integration with the County's financial system, this matter will be resolved before the fourth quarter of 2007. Physicians' billings will be completed and reported on a monthly basis. The County has changed its perspective on Medicare Part B billing. Consultants will be hired to train Nursing Home staff to track and capture Medicare B services to maximize reimbursement.

Nursing Home Therapy Fee Structure: Software has been purchased and consultants will be hired to train Nursing Home staff to track Medicare B services and restructure fees appropriately to maximize reimbursement.

Jail Inmate Accounts: This matter has been resolved. Inmate accounts reconcile and balance monthly.

Sincerely yours,

Maureen Barrows, Chair

BOARD OF COMMISSIONERS
ROCKINGHAM COUNTY, N. H.