



2007 Annual Report

Year Ending December 31, 2007

Rockingham County Commissioners:

Maureen Barrows, Chair

Katharin K. Pratt, Vice Chair

C. Donald Stritch, Clerk

DEDICATION

Natalie Flanagan

New Hampshire State Representative

District 6, Atkinson



Natalie Flanagan served 15 terms as a State Representative before retiring in 2004. Atkinson, New Hampshire has been her home for nearly 60 years. Over this time, she has been involved in her local town and was named 2004 Citizen of the Year by the Atkinson Lions Club and honorary member of the Atkinson Garden Club. Notably she was active and instrumental in the Rockingham County Meals on Wheels Program for over 20 years.

She was President of the New Hampshire Federation of Republican Women in the 1970's and instrumental in the Atkinson Republican Committee.

As a State Representative, Mrs. Flanagan sponsored bills to update state statutes to ensure citizens had ease of voter registration and casting of ballots, especially members of military and voters overseas. Her election law accomplishments include same day voter registration, overseas absentee ballots, electronic ballot counting devices, improving uniform hours for statewide election days, and keeping New Hampshire first in the nation presidential primary.

Governor Craig Benson proclaimed August 6, 2003 and May 23, 2004 as Natalie Flanagan Day.

In 1990, the National Association of Secretaries of State honored her numerous contributions to improving election laws with a Meritorious Service Award.

We are proud to dedicate this annual report to Mrs. Natalie Flanagan.

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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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Physical Address:

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High Sheriff

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dlinehan@rockso.org

101 North Road
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Register of Deeds

Cathy Ann Stacey

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Treasurer

David Ahearn
119 North Road

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DEPARTMENT STAFF

Department of Corrections

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99 North Road, Brentwood, NH
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Engineering & Maintenance

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116 North Road, Brentwood, NH
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Finance Office

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Human Resources

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Human Services

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IT/Telecommunications

Frank L. Stoughton, Manager
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Long Term Care Services

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117 North Road, Brentwood, NH
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Assisted Living Facility

Nancy L. Lang, Director
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REPRESENTATIVES TO THE GENERAL COURT

District 1: Candia, Deerfield, Northwood, Nottingham
Frank G. Case
Maureen R. Mann
Susi Nord
John Reagan
Richard H. Snow

District 2: Raymond
Franklin C. Bishop
Lawrence M. Kappler

District 3: Auburn, Londonderry
Alfred P. Baldasaro
Sharon M. Carson
Dudley D. Dumaine
Frank R. Emio
James F. Headd
Karen K. Hutchinson
Robert E. Introne
Betsy McKinney
Sherman A. Packard

District 4: Salem, Windham
Jason M. Bedrick
Ronald J. Belanger
David J. Bettencourt
David C. Dalrymple
Anthony R. DiFruscia
Robert J. Elliott
Marilinda J. Garcia
Mary E. Griffin
Russell F. Ingram
Charles E. McMahon
Mark A. Pearson
Anne K. Priestley
Kevin K. Waterhouse

District 5: Derry
Robert M. Fesh
John P. Gleason
Kenneth H. Gould
Paul Hopfgarten
George N. Katsakiores
Phyllis M. Katsakiores
Howie Lund
Daniel W. McKenna
James B. Rausch
Rick L. Wickson

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

District 7: Chester, Danville, Sandown
Gene P. Charron
John E. Devine
Charlotte A. Lister
Elisabeth N. Sanders

District 8: Hampstead, Kingston, Plaistow
Kevin L. Camm
John W. Flanders Sr.
Joseph A. Guthrie
Norman L. Major
David A. Welch
Roger G. Wells
Kenneth L. Weyler

District 9: Epping, Fremont
C. Pennington Brown
Daniel C. Itse
Ronald J. Nowe

District 10: Brentwood
Don Petterson

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

District 12: Newfields, Newmarket
Dennis F. Abbott
Doreen Howard
Marcia G. Moody

District 13: Exeter, North Hampton, Stratham
Judith E. Day
Eileen C. Flockhart
John W. Henson
Matthew J. Quandt
Marshall E. Quandt
Carl G. Robertson
Trinka Russell

District 14: Hampton Falls, Kensington, Seabrook, South Hampton
Benjamin E. Moore
Mark F. Preston
Everett A. Weare
James B. Webber

District 15: Hampton
Susan R. Kepner
Thomas M. McGuirk
Bennett F. Moore
Christopher F. Nevins
Nancy F. Stiles

District 16: Newington, Portsmouth
Jacqueline A. Cali-Pitts
Paul McEachern
Terie Norelli
Laura C. Pantelakos
James F. Powers
Christopher W. Serlin
James R. Splaine

District 17: Greenland
Michael G. Marsh

District 18: New Castle, Rye
David A. Borden
Otto F. Grote

Delegation Officers

Norman L. Major
Chair

Mary E. Griffin
Vice-Chair

David A. Welch
Clerk

Executive Committee

James B. Rausch
Chair

Laura C. Pantelakos
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 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 to call home and establish 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. The New Hampshire Office of Energy and Planning estimated the population of the county to be 295,948 and the trend continues to show population growth.

The Commissioners are pleased to welcome Steven E. Woods as Long Term Care Services Director. Mr. Woods came from the private sector and is our first new Long Term Care Services Director in over twenty five years. The nursing home and assisted living facility have again received excellent reviews.

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 having a positive impact. 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 borrowing rating available however Moody's has expressed concern about the long term effects on county finances of the cost shifting by the State of New Hampshire to the counties. The Commissioners continue to work diligently against increasing unfunded mandates by the legislature.

District 1 Commissioner Pratt

Serving: Danville, East
Kingston, Greenland, Hampton,
Hampton Falls, Kensington,
Kingston, New Castle,
Newington, Newton, North
Hampton, Plaistow, Portsmouth,
Rye, Seabrook, South Hampton,
Stratham

District 2 Commissioner Barrows

Serving: Atkinson, Brentwood,
Epping, Exeter, Fremont,
Hampstead, Newfields,
Newmarket, Raymond, Salem,
Sandown

District 3 Commissioner Stritch

Serving: Auburn, Candia,
Chester, Deerfield, Derry,
Londonderry, Northwood,
Nottingham, Windham

DEPARTMENT OF CORRECTIONS

Albert J. Wright, Superintendent

Through the continued use of alternative programs the average daily count was limited to a 4% increase. This was accomplished by processing prisoners into home confinement, electronic monitoring, supervised pre-trial release, and the Academy Program. The average daily population in jail during the year was 326 inmates. Electronic monitoring daily population was 25.

<u>Admissions</u>	<u>2006</u>	<u>2007</u>
Male Inmates	3,346	3,365
Female Inmates	675	699
Total	4,021	4,064

Many detainees wait lengthy periods of time before the disposition of their case is resolved at Rockingham County Superior Court. We have been successful with diverting some prisoners from jail through the use of the Supervised Community Release from Incarceration 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 and Hillsborough County house our female prisoners. The Women's State Prison in Goffstown has no space available for county prisoners.

Inmate Hours: The Nursing Home and Maintenance Department received a total of 38,100 inmate hours. 8 towns received a total of 11,000 inmate work hours. This doesn't account for the inmate hours involved within the Corrections Facility and special projects for the Sheriff's Office and County Attorney.

Project Community: During 2007 the Community Work Program completed numerous painting and landscaping projects throughout the 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 164 victims registered. The system received 1,131 incoming calls and 1,017 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: 52 inmates participated in the program with a success rate of 86%.

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. During the last holiday season several local churches shared their musical talents with sing-along, choir services, and instruments for the inmate population.

Human Services & Inmate Programs: Our GED Program had 63 inmates who signed up and attended various classes and 12 earned their GED Certificates. The education program is supported by volunteer tutors, Southeast Regional Education Services Center, the partnership of Vocational Rehabilitation and Work Opportunities Unlimited in preparation for post-release services.

Sex Offender Accountability Program: There were 22 inmates involved in this program. This is a contracted service that refers attendees to continue services in community based treatment programs upon release. Rockingham County is the only facility in New Hampshire that provides a program of this nature.

HIV & AIDS: AIDS Response of the Seacoast continues to fund a counselor to meet with inmates and provide education, counseling regarding choices, consequences, and testing information. 35 inmates participated in this opportunity. AIDS Response of the Seacoast was awarded a grant to continue the service and offer confidential testing.

Pre-Release: Pre-release planning assisted many inmates in attempting to break down barriers when released to include assistance with driver and non driver identification, medical care, prescription procurement, psychological treatment, housing, and transportation. We have partnered with community service agencies to participate in a WRAP Group to help find solutions to the problems inmates face when re-entering society.

Victim Impact: This new program was established in February 2006. Five sessions have been conducted and 28 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 four promotion ceremonies to recognize the advancement of officers through the ranks. With the retirement of two long term Sergeants, a number of supervisory positions became available with several correctional officer positions. All positions were filled during the year and more retirements are expected in 2008.

Electronic Monitoring: 60 individuals have participated in the Electronic Monitoring program, with 31 successfully completed, 1 failure, and currently 28 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 three 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 accreditation in 2005 from the National Commission on Correctional Health Care and will seek re-accreditation in 2008. 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

<u>Town</u>	<u>Number</u>	<u>Town</u>	<u>Number</u>	<u>Town</u>	<u>Number</u>	<u>Sheriff</u>	<u>Number</u>
Atkinson	22	Hampstead	21	Northwood	27	Hillsborough	2
Auburn	55	Hampton	273	Nottingham	16	Merrimack	1
Brentwood	31	Hampton Falls	18	Plaistow	77	Rockingham	1023
Candia	31	Kensington	21	Portsmouth	305	Strafford	1
Chester	10	Kingston	74	Raymond	101		
Danville	23	Londonderry	110	Rye	27	<u>Agency</u>	<u>Number</u>
Deerfield	42	Newcastle	1	Salem	327	NH State Police	252
Derry	183	Newfields	14	Sandown	20	NH State Prison	3
East Kingston	19	Newington	15	Seabrook	69	NH Parole	165
Epping	53	Newmarket	55	South Hampton	2	Immigration	115
Exeter	142	Newton	53	Stratham	65	Self Turn In	77
Fremont	26	North Hampton	39	Windham	25	US Marshal	12
Greenland	19						

Summary of Charges

Acts Prohibited	109	Fed/Immigration Chgs	137	Overnight Hold	247
Aggravated F. S. Assault	38	Felon-Firearm Possession	31	Pornography	9
Assault 1 st /2 nd Degree	4/26	Felon-Sexual Assault	20	Possession	
Assault Simple	398	Fish & Game Violations	1	Controlled Drugs	362
Assault Police Officer	4	Forgery	47	Intent to Sell	9
Arson	3	Fugitive from Justice	99	Hypodermic	1
Bail Jumping/Revoked	12/57	Fraud. use Credit Card	30	Prop. without s/n	1
Burglary	113	Habitual Offender	91	Prohibitive Sale	7
Conduct After Accident	32	Harassment	18	Prostitution	8
Conspiracy	10	Hindering Apprehension	39	Protective Custody	517
Contempt of Court	90	Indecent Exposure	13	Prowling	10
Criminal Liability	7	Issuing Bad Check	19	Receiving Stolen Property	126
Criminal Mischief	137	Interfere with Custody	15	Reckless Conduct/Oper.	66/28
Criminal Restraint	9	Kidnapping	2	Resist Arrest	144
Criminal Threat/Trespass	150/74	Motor Vehicle		Robbery	46
Cruelty to Animals	6	Attempted Theft	1	Sale-Controlled Drugs	48
Default	15	Violation	24	Shoplifting	177
Disobey a Police Officer	67	Unauthorized Usage	10	Stalking	62
Disorderly Conduct	81	Murder-1st Degree	2	State Prison Transfers	35
Destruction Evidence	1	Murder-2nd Degree	4	Theft/Deception/Unauth.	108/78/19
DWI Sentence/Pre-trial	165/225	Non Payment of Fine	3	Transport Controlled Drugs	14
Endangerment of Child	15	Non Support	60	Unlawful Poss.-Alcohol	84
Escape	6	Obstruction-Crime Report	3	Unlawful Use-Weapon	63
Fail-Reg.-Sex Offender	9	Operating-Rev./Susp	252	Violation-Parole/Protective	300/124
False Report to Police	43	Operating-without Lic.	27	Warrants	151
False Scrips	20	Open Container	39	Welfare Fraud	41
				Wire Tapping	3
				Witness Tampering	94
				Total Charges	5,915

COUNTY ATTORNEY'S OFFICE

James M. Reams, County Attorney

The office continuously strives to seek justice and improve the quality and efficiency of processing cases within the confines of a delicate balance of resources. The County Attorney wishes to thank the County Delegation for their continued support of the mission of the Office and looks forward to continuing to improve justice for 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 year 2007 was a challenging one for the County Attorney’s Office. We investigated, prosecuted and obtained convictions in some very significant and statewide precedent-setting cases.

The two precedent-setting cases were the result of the unrelated drug overdose deaths of two Rockingham County teenagers, Caitlin Brady and Ryan Scamman-Rawson. In each case, the investigations of these unfortunate deaths lead us to the individuals that dispensed or assisted in the dispensing of the drugs that killed these teenagers. The Newton Police Department, Kingston Police Department, East Kingston Police Department, Rockingham Sheriff’s Department and the Drug Enforcement Agency worked tirelessly to put these cases together.

These convictions are the first Drug Dispensing-Death Resulting cases in New Hampshire. As a result of those cases, Dante Silva received a sentence of 10 years to life at the NH State Prison for the death of Caitlin Brady. Anthony Damelio received a sentence of 15 years to life at the NH State Prison for the death of Ryan Scamman-Rawson.

The Investigators and my office are committed to continuing to try to follow the chain of illegal drug sellers that resulted in these deaths.

In addition, we prosecuted Gurrie Fandozzi, a stay at home father from Windham, who beat his 6 month old son. On August 2, 2006, Paramedics and EMT’s rushed the baby to Parkland Medical Center for severe respiratory distress. While doctors tended to the baby, they discovered that he had two healing rib fractures that were concerning for child abuse. The baby was then med-flighted to Children’s Hospital in Boston where he went into respiratory arrest and cardiac arrest. The Children’s Medical staff was eventually able to stabilize the baby and he was admitted into ICU. Doctors found that he suffered from numerous fractures.

Fandozzi was convicted of breaking 7 of the child’s bones. His sentencing has not occurred as I write this report. However, I will be asking for a significant prison term. This case was a difficult prosecution because there were no eyewitnesses to the crimes. However, the jury was convinced by the circumstantial evidence that was put together by Windham Police and the testimony of the doctors from the Child Abuse Unit of Children’s Hospital in Boston. The case was also difficult because of the emotional nature of severe injuries to an infant.

The County continues to grow at a rate that is well above the rate at which the rest of the State is growing. The threats to our communities are likewise increasing. The laws regarding criminal law, 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 37 law enforcement agencies in the County. 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.

In addition, for the ninth straight year, the County Attorney's Office set a record for the number of new cases Indicted. We reviewed, prepared and presented 2647 cases for review by the Grand Jury.

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 2647 in the year 2007, an increase of 211%. 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 2647 in 2007;
- 1244 cases were scheduled for trial by the Superior Court in 2007, up from 1116 in 2003;
- 395 defendant's closed files were reopened in 2007 covering approximately 588 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 (Probation Violations). 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.
- Duty calls from police departments after hours were 388 in 2007, which means each night the attorneys handled police calls;
- Victim/Advocates had 11,519 contacts with the victims and witnesses during 2007;
- Our two part-time investigators handled 337 cases;
- The Attorney General has mandated that County Attorneys handle many of the Petitions for Writ of Habeas Corpus filed by prisoners 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.
- Under the new Act that became effective January 1, 2007, prosecutors may file a civil commitment petition for recommitment when a sex offender's prison sentence ends and the offender is believed to be a threat to public safety. Pursuant to RSA 135-E:1, an offender can potentially qualify for a five-year minimum civil commitment in a secure psychiatric facility. The County Attorney's prosecutors reviewed 59 Sexually Violent Predator Notifications received from the Department of Corrections.

PROSECUTORS: The County Attorney and his Deputy oversee a staff of 34 in the Superior Court office, including 18 Assistant County Attorneys. The Assistant County Attorneys are divided into teams covering three geographic regions of the county, created by the County Attorney.

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 (388 Duty Calls were handled in 2007). 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 every night, prosecutors answer calls from police departments.

In addition to these duties, and as noted above, the prosecutors carry an average of over 100 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 6 towns having entered a contract with the County Attorneys Office to provider a Prosecutor for the towns. 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. In 2007, 2113 complaints were handled by the prosecutor which represents 1312 cases. Additionally, in 2007, the Exeter District Court prosecutor position was created with 2 towns having entered the contract, Exeter and Fremont. Thus far, the departments are very happy and it appears to be a success.

The County Attorney provides prosecution for certain towns in the Auburn District Court area including Nottingham and Candia. This office handled a total of 428 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 Victim/Witness Coordinators averaged over 384 telephone conferences and more than 46 office conferences with victims and witnesses of crime monthly.

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 to keep this grant for so many years. However, it is now a decreasing amount. 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 337 cases during 2007. In addition, the investigators handled 8 complaints against individual Police Departments, performed background checks for prospective employees, and also fielded numerous walk-in contacts during 2007. The investigators 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.

SUPPORT STAFF: The support staff at the County Attorney's Office consists of an Office Administrator, File Intake Manager, Receptionist, five Administrative Legal Assistants, four 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 7,941 trial subpoenas in 2007 and processed approximately 562 cases involving multiple items of trial evidence. Additionally, the office received 27 requests for Interstate Agreement on Detainers (IAD's), 8 requests for Governor's Warrants and the County Attorney approved 195 Out-of-State Arrest transports. The Reception Office averaged an astounding 36,388 incoming telephone calls this year.

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 188 scene investigations and 212 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, legislation is centralizing the Medical Examiners Office and administering the ADME's. This relieves the county of the burden and creates 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 184 interviews at the Child Advocacy Center in 2007. 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 sexual 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.

The growth of high speed internet access has made the transfer of child pornography easy, fast and inexpensive. The volume and graphic depictions of children being sexually abused is shocking. Law enforcement is fighting to stop the spread of this abuse. Unfortunately, this crime has gone from being statistically insignificant in 1999 to 6% of the caseload in the first 1/3 of 2008.

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

2007 was a year in which the Engineering & Maintenance Services (E&MS) team met the day to day operational needs of our residents, staff, visitors and facilities, while at the same time engaging in work that contributes to the long term efficiency and viability of the complex. These challenges are faced by a highly skilled group of craftsmen and staff who share the same pride in a job well done and a personal insistence on excellence that is evident in every job. It is very much a source of pride for me to be associated with such a fine group.

Some of the larger projects engaged in by the Engineering & Maintenance Services team, either directly by in house personnel, or by outside contractors managed by E&MS personnel in 2007 include the following:

- Continuation of the upgrade to an addressable fire alarm system at the complex, enhancing response capabilities. In 2007, the Rockingham County Nursing Home (RCNH) upgrade was completed, Phase I replacement of each device was undertaken at the Rockingham County House of Corrections, and further progress was made in the outbuildings.
- Replacement of door hardware in the RCNH Blaisdell Building stairwells.
- Phase I of a major signage project in the RCNH was executed, with each door in the facility being identified and American's with Disabilities Act (ADA) Compliant signage ordered
- A sound upgrade to the Hilton Auditorium
- An unexpected failure of the Driscoll Building elevator in the RCNH was repaired
- Replacement of the Blaisdell entrance to the RCNH was completed, greatly enhancing the safety of the entrance.
- Upgrades to the RCNH Beauty Shop
- Installation of a new hot water heater for the RCNH Laundry
- We continue to monitor a historical #6 oil release in the vicinity of the RCNH Boiler Plant, in compliance with direction from New Hampshire Department of Environmental Services.
- A new drainage system was installed around the building housing the Nutrition program, alleviating season water incursions.
- A major upgrade to one of our Wastewater Treatment Facility lift stations was completed.
- Replacement of out building oil tanks, ensuring compliance with applicable laws and regulations
- Access control systems were installed in the Engineering & Maintenance Services building and the RCNH phone room, which houses much of our information technology (IT) infrastructure.
- Specifications and materials purchases were made to replace the antiquated heating system in the Engineering & Maintenance Services building.
- Roof repairs to the Laundry/Boiler room and Fernald Building in the RCNH as well as a significant portion of the House of Corrections building
- Two large air handling systems for F&G Blocks at the House of Corrections were replaced.
- Upgrades and repairs to the shower units in the House of Corrections
- Extensive pipe insulation was installed in the House of Corrections for energy efficiency and indoor air quality
- Construction of an onsite shooting range training area for the Rockingham County Sheriff's Office.
- The Primary logic controller at the Water Treatment Facility was replaced
- The County's Well #2 was cleaned and reconditioned.
- Significant steps were taken to ensure the reliability of the County's IT networks, with an eye to long term stability and disaster recovery.

Regulatory agencies overseeing the multitude of permits and licenses maintained to run our facilities, including the water and wastewater plants, the spray irrigation site, the boilers and emergency generators, etc., make regular inspections of the complex and operations. We consistently receive high marks and praise for the excellent quality of the work performed. This translates as well into operational savings.

These jobs provide a snapshot of the multitude of facilities and operations taken care of by the Engineering & Maintenance Services team. On a daily basis we contribute to the safety and comfort of each resident, employee and visitor. Emphasis is placed on preventive maintenance, to assure efficiency and longevity. At the same time, every job is undertaken with a view to the long term viability of the Complex. We recognize our responsibility to properly care for the facilities and to be good stewards of the land. Energy conservation measures undertaken in 2003 continue to yield a savings of approximately 20,000 gallons of water each day, and in excess of \$800,000 in utilities expenses thus far.

I am grateful for the support and confidence shown by the Board of Rockingham County Commissioners, and for the comradeship of the many talented County Officials, Division Directors and employees with whom I have the privilege to work.

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 were held and the continuing Supervisors' Academy Series took place throughout the year. The Healthy Lunch lecture series continued in 2007, offering employees several opportunities to enjoy a health conscious lunch with a Wellness topic lecture. In a joint effort with the Engineering and Maintenance Department, sixteen computer training courses were held with topics ranging from Introduction to Windows to Power Point. The ninth annual Health and Benefits Fair was held in month November for all employees. This event provides employees with a chance to meet with health and benefit providers of the County and learn ways to lead healthier lifestyles, as well as the particulars of the various benefit plans.

In October the County held a Wellness Fair and program kick off to encourage employees to lead healthier lifestyles and in turn reduce County and employee costs in such areas as health insurance claims, workplace injuries and absenteeism. Employees participated in a confidential Health Risk Assessment test, had cholesterol, blood glucose, blood pressure and body/mass index screened and met with a Wellness nurse to receive a report of where they could lead a healthier lifestyle.

The County continued with Fiserv/Wausau Benefits as the health insurance plan third party administrator and the network of providers remained Aetna Signature Administrators. Delta Dental continued as our self-insured dental plan administrator and network in 2007.

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 introduces 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 \$15,306,380 for the funding of services to residents of nursing homes, the elderly, the disabled, and court-ordered services for juveniles and their families.

The Intermediate Nursing Care 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 – fifty percent federal share, 25 percent state share and 25 percent county share. There was an average of 625 recipients each month, at an average total monthly cost of \$577,560.

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 choose to 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 shares. Services are available only to those persons who are eligible for nursing facility admission. The average monthly caseload for HCBC clients was 380 persons, at an average cost of \$135,700 per month. The Provider Payment caseload averaged 850 persons, at an average cost of \$107,000 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 fifty percent of the total cost. Rockingham County paid for as many as 189 clients per month, at a total average cost of \$20,215 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 985 persons, at a total average monthly cost of \$136,155.

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 twenty-five percent of these costs, and the State of New Hampshire, Division for Children, Youth and Families, funds seventy-five percent. Rockingham County paid expenses for an average of 405 children on a monthly basis. Average monthly costs totaled \$124,000 for out of home placement and in-home services. This department collected \$550,915 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 the State of NH, Division for Children, Youth and Families, called the 6% Incentive Funds. Rockingham County granted \$734,192 to community programs that provide services to prevent children and families from becoming involved in the juvenile justice system, or to provide judges with alternatives to costly placements or services once a juvenile petition has been filed.

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

LONG TERM CARE SERVICES

Steven Woods, Administrator/Long Term Care Services Director

2007 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 concluded in May of 2007. Fortunately, I was the chosen candidate. I live in Brentwood with my wife and two daughters and have worked as a Long Term Care Administrator since I graduated from the Health Management Program at the University of New Hampshire in 1989. I am very pleased to be here and be part of a top notch team of health care professionals. I will work diligently to carry on the high standards, the superb community reputation and solid traditions of long term care excellence that the facility is blessed with and certainly deserves.

I would be remiss in not acknowledging the people and departments that ensured our steady course throughout the entire year. A strong team approach assures consistency and the most efficient means of delivering the care services to our residents. We have staff at all levels and in all departments that are committed to the Rockingham County Nursing Home and show that by excellent work records and employment longevity that rivals any facility in the State. Staffing remains agency-free again this year, which adds to our quality of care.

We continue to enjoy the Employee of the Month program whereby staff nominate and recognize their co-workers with pictures on the wall, a cake baked by our talented Dietary department, balloons brought up by our Occupational Therapy/Recreation department, 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: Yvonne Poliquin, Nursing
February: Johnna Ploof, Nursing
March: Donna White, Nursing
April: Beth House, Administration
May: Robin Bernier, Nursing
June: Janet Clock, Environmental Services

July: June Page, Nursing
August: Jonathan Whitcomb, Physical Therapy
September: Ben Wing, Business Office
October: Howard Phelps, Nursing
November: Dennis Tobin, Dietary
December: Robin Sharp, Occupational Therapy

The new clinical software (PointClick Care) is up and running. The financial component continues to be worked on for full implementation. Landmark Health Solutions continues 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 continued with the "e-Discharge" program with Exeter Hospital to better access referral information to assist in admissions from our local hospital.

Our annual Medicare/Medicaid State Survey was conducted in June 2007. 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 2nd Annual Quality of Life Awards and plans 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. The event had a fun "Education in Paradise/Jimmy Buffet" theme that made the event fun and positive for everyone.

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.

I am proud of Rockingham County Long Term Care Services and the strong community reputation that it deserves. I look forward with excitement to the year ahead. 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 and guidance of our County Commissioners: Chair Maureen Barrows, Vice Chair Katharin Pratt, and Clerk C. Donald Stritch has been invaluable. We are grateful for their dedication, interest, and caring all year long.

2007 NURSING HOME CENSUS

Daily Average Census: 221

Highest Census: 226

Lowest Census: 215

Average Age of Residents: 82

Average Age of Death: 86

Average Age of Admission: 80

Average Length of Stay: 2 yrs., 4 mos., 11 days

Admissions

Home	24
Hospital	25
Nursing Home	22
Psych Hospital	1
Group Home	0
Rehabilitation	6
Assisted Living	7
Total Admissions	<u>85</u>

Discharges

Hospital Admit>Returns	36
Discharged to another facility	1
Discharged to assisted living	1
Discharged home	6
Expired while in Hospital	2
Deaths	79
Total Discharges	<u>125</u>

THE ERNEST P. BARKA ASSISTED LIVING COMMUNITY

Nancy L. Lang, Director

As of January 2007 we were mandated to operate under the new rules and regulations established by the State of New Hampshire Health and Humans Services better known as the "805's." Much time and effort was extended to ensure the Ernest P. Barka Assisted Living Facility would be one of the best facilities surveyed by the state. We were informed that our facility was the first in the state to be deficiency free under the new regulations. This top notch survey result is thanks to the dedicated and hard working staff at Rockingham County.

As the year progressed the residents enjoyed many activities such as pet parades, Easter egg hunt, bible studies, music events, trips to Wal-Mart, the Dollar Store, and the Brentwood Public Library. The Resident Council was active volunteering in the 4-H to help with mailings, folding camp flyers, and other paper projects. The Council invited speakers to their monthly meetings. The residents were invited to attend a play at the Sad Café in Plaistow and had a fantastic time.

The facility enjoys opening their doors to other departments in the county by hosting the annual Under the Tent continuing education program for the nursing home and provided day care services for children of those attending.

Assisted Living Week in September was a busy with activities. Staff and volunteers cooked a full breakfast in our country kitchen and the residents were led to the dining by the smell of bacon and eggs cooking.

We have been working with a family of eight children in Brentwood who are home schooled. At Christmas one of our residents read the story "The Polar Express" to the children. The residents provided Elf's hats and goodies to the children.

I could not end this report without a heartfelt thank you to our resident's families. We have the most generous supportive families that anyone could ask for. A special thanks to the Engineering and Maintenance Department and Housekeeping Department for everything they do to keep us looking clean and beautiful along with the talents of our Dietary Department. Thanks to Steve Woods and the nursing home for all the support that they gave us through the year. I would like to thank the Board of County Commissioners for their continued interest and support to assisted living.

Last, but by no means least thanks and praise to the staff of the Earnest P. Barka Assisted Living Facility. Our high ratings and outstanding reputation throughout the state is strictly the results of their hard work and dedication.

We are looking forward to 2008 and celebrating our fifth anniversary.

REGISTRY OF DEEDS
Cathy Ann Stacey, Register

As I complete my seventh term as Register of Deeds, I have seen tremendous growth within the County along with a significant rise in the foreclosure market. Although the foreclosure numbers have not reached the staggering number seen in the early 1990's, we experienced an overall 75% increase from 2006 to 2007. The document activity for 2007 conforms to that of the year 1993. We continue to see proposed developments taking place throughout the county, which will continue to improve our financial outlook, however, the increase in foreclosure activity lends to a depressed market. Interest rates remained level in 2007 and the real estate market saw a 12% decrease in activity which resulted in our revenues to the County for the calendar year to be \$3,933,908.96.

<u>2007 Revenue Collected</u>	Total Documents Recorded:
Transfer Tax	\$32,117,615.84
4% Commission	\$ 1,337,713.16
Copies/Faxes	\$ 416,221.28
Recording fees	<u>\$ 2,179,974.52</u>
Total Revenue	<u>\$ 3,933,908.96</u>
	70,681

Use of our web site (www.nhdeeds.com) continues to grow at a tremendous rate. Internet activity generated \$259,963.00 in revenue for the County in 2007. Our entire indexing system back to 1643 is available online. Individuals with on-line accounts can view and print records to their home printer for a small fee. There is **NO CHARGE** for the public to view documents 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 2007, 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. This project converted the plan index as well as the street index to make them viewable.

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

Atkinson	2724	Danville	1455	Exeter	5719
Auburn	1916	Deerfield	2140	Fremont	1802
Brentwood	1613	Derry	11,717	Greenland	1545
Candia	1556	E. Kingston	1165	Hampstead	4022
Chester	1950	Epping	3241	Hampton	7898
Hampton Falls	949	N. Hampton	2044	Raymond	4670
Kensington	871	Newmarket	2910	Rye	2165
Kingston	2676	Newington	436	Salem	12,039
Londonderry	10,266	Newton	2142	Seabrook	3174
New Castle	522	Northwood	2273	S. Hampton	394
Newfields	547	Plaistow	3352	Sandown	787
Nottingham	2112	Portsmouth	8814	Stratham	3236
				Windham	7693

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.

SHERIFF'S OFFICE
J. Daniel Linehan, High Sheriff

STATISTICS

Active Warrants – Superior & Family Court

Warrants in NCIC	424	
Warrants non-NCIC (Equity, Family Division, Cost Containment)	193	
Wanted Persons serving time in other states	82	
Total	<u>699</u>	-4.2%
Wanted Persons beyond extradition limits (included above)	142	

Active Warrants - District Court

Wanted Persons residing in Rockingham County	<u>130</u>	-5.8%
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Grand Total **829** **-4.5%**

Arrests – Superior Court Warrants

Criminal Warrants	457	
Civil Warrants	127	
Recalls	233	
Total	<u>817</u>	+8.3%

Arrests – District Court Warrants

Arrests	15	
Not found	140	
Recalls after warning notice	409	
Recalls after person learned of deputy seeking their arrest	356	
Total	<u>920</u>	-19.9%

Total Warrants Cleared - All Courts	1,737	-8.7%
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Total Warrant Activity - All Courts	2,574	-7.1%
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Transports

Transports for other agencies	5,249	+2.1%
Involuntary Emergency Admissions	365	
Juvenile transports	480	
All other transports	4,309	
Total	<u>10,403</u>	+11.4%

Deputy Sheriffs initiated 69 criminal reports, stopped 660 motorists for moving violations, assisted 80 motorists, and covered 13 motor vehicle accidents. The Patrol Division deputies served 14,349 civil process documents, a 9% increase from 2006.

Fugitive Extraditions By State

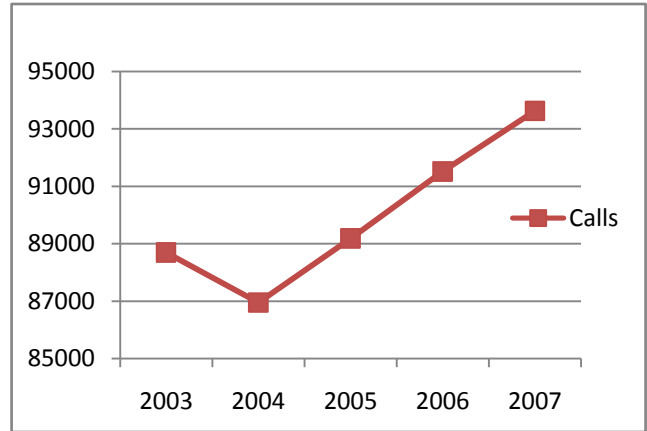
Arkansas	1	Massachusetts	126	Tennessee	1
Connecticut	3	Maryland	1	Vermont	1
Colorado	1	Michigan	2	Virginia	6
Delaware	1	New Jersey	4	Washington, DC	1
Florida	9	New York	3	TOTAL	195
Indiana	1	North Carolina	1		+1%
Maine	31	Rhode Island	2		

Deputy Sheriffs brought fugitives back in all but 4 instances where assisted by Court Services Inc.

Dispatch Center Service Calls

2003: 88,697
2004: 86,956
2005: 89,188
2006: 91,519
2007: 93,629

The Dispatch Center provides 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’s Emergency Response Plan.



BUSINESS OFFICE REPORT

I) Revenues received:	1,045,688
II) Operating Budget :	4,640,996
III) Appropriations Expended:	4,191,580
IV) Appropriations Not Expended:	449,416

EXPENDITURES % offset by REVENUES : 25%

Revenue Breakdown

Sheriff

Civil Process Service Fees:	395,105
Outside/Road Details Contracts :	210,571
Salary Reimbursement = 175,541	
Administrative Fee = 31,030	
Superior Court Bailiffs :	277,150
Transports:	115,340
NH Highway Safety Grant :	3,241
Miscellaneous revenue :	9,281
	<u>1,010,688</u>

Dispatch

Seabrook grant **35,000**

Net Department Appropriations

Sheriff's Office	2,906,901
Dispatch/Communications	1,346,299
Radio/Electronic Services	95,662
Outside/Road Detail Contracts	292,134
	<u>4,640,996</u>

TREASURER'S OFFICE

David Ahearn, Treasurer

During 2007 Rockingham County retained good financial stability. The major functions of the office including managing and investing the County funds, issuing the tax warrants and collecting the town taxes went smoothly. We continued to:

- Meet all financial obligations on a timely basis
- Obtain a mid-year borrowing at low interest rates
- Maintain excellent Moody ratings
- Continue excellent banking and investment services

The County regularly processes over \$100 million in cash annually but because approximately \$40 million isn't received until December we regularly borrow, and did borrow, \$15 million in late August. The County retained its' excellent long and short term interest ratings at Aa2 and MIG-1 respectively. Additionally, while the number of bidders dropped from 2006 we received 4 bids for the Tax Anticipation notes that resulted in a net of 3.68% in interest costs nearly mirroring 2006. First Southwest, our financial advisor, was awarded the bid.

Moody's review was favorable and continues to comment on our strong conservative fiscal management, our substantial liquidity and our solid financial position. The strength of the County finances has been developed over many years after a fiscal commitment was made to retain reserves at a reasonable level.

The tax warrants totaling \$38,778,613 were issued in October as expected and collected timely in December. We ended the year with \$8.2 million in long term debt including \$4.7 in bonded debt and the remaining \$3.5 million in long term lease obligations.

I look forward to a solid year in 2008.

UNH COOPERATIVE EXTENSION

Claudia Boozer-Blasco and Lynn Garland, Co-County 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. Examples of our efforts in 2007 to extend education to Rockingham County residents include the following:

- Over 1,000 youth and adult volunteers participated in 4-H Youth Development clubs, programs, and coalitions.
- Over 6,000 adults and youth were reached with nutrition, food safety, parenting, money management and media awareness programs.
- About 2,400 growers and landscapers took part in programs on best practices in agriculture, food production, marketing, and sustainable practices. Over 10,000 face-to-face and media contacts were made through the Master Gardner program involving 1,959 volunteer hours.
- Hundreds of communities, private landowners, and public and private conservation partners received information and assistance to help conserve open space lands.
- The new Extension Forester inspected 13 Tree Farms totaling 1,176 acres, provided technical forestry assistance to 15 landowners owning 764 acres, and made 14 referrals to private, licensed New Hampshire foresters.
- Commercial fishermen and researchers collaborated on successful open aquaculture and cooperative research projects producing economic benefits for the fishing and shore-side support industries.
- The Rockingham County section of the UNH Cooperative Extension web site was enhanced and information can be easily found by visiting:
<http://extension.unh.edu/Counties/Rockingham/Rockingham.htm>.
- This year both Auburn, New Hampshire and Epping, New Hampshire participated in a Community Profile process, which helps communities assess where they are today and develop an action plan for the future.
- The statewide UNH Cooperative Extension Info Line, 1-877-398-4769, responded to over 1,000 Rockingham County residents on agricultural, food safety and food preservation questions.

Our Rockingham County Extension Advisory Council provides input on needs assessment, program development, and evaluation. The Advisory Council included 12 Rockingham County citizens, County Commissioner Kate Pratt, and New Hampshire State Representative Kim Casey of East Kingston, New Hampshire. The Chair of the Council for 2007 was Susan Turner from Portsmouth.

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

**MINUTES
ROCKINGHAM COUNTY
DELEGATION ANNUAL MEETING
Tuesday, February 20, 2007 - 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 20, 2007 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 2007 County budget.

Rep. Norman L. Major, Chairman, called the meeting to order at 6:00 p.m.

Rep. Ron Nowe 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 48 members present at the time the roll was called.

Chairman Major declared that a quorum was present.

Members in attendance were: Rep. Norman L. Major, Chairman; Representatives Abbott, Allen, Bishop, Brown, Cali-Pitts, Camm, Carson, Case, Charron, Dalrymple, Devine, Elliott, Emiro, Fesh, Flanders, Flockhart, Garcia, Garrity, Gleason, Gould, Griffin, Guthrie, Headd, Howard, Hutchinson, Itse, Kappler, G. Katsakiores, Kelley, Lister, Marsh, McKenna McMahon, Moody, Bennett Moore, Nord, Nowe, Pantelakos, Pearson, Priestley, Matt Quandt, Rausch, Reagan, Robertson, Sanders, Serlin, Snow, Waterhouse, Weare, Welch, Weyler, Wickson, and Winchell.

Excused: Representatives Casey, Forsing, and Stiles.

Also Present: Commissioners Pratt, and Stritch; Theresa Young, Finance Officer; Kathy Nikitas, Finance; Susan Denopoulos, Long Term Care; Mary Jane Toth, Long Term Care; Jude Gates, Engineering & Maintenance; Frank Stoughton, IT/Telecommunications; Superintendent Albert Wright, Department of Corrections; Louise Turner and Anne Marie Nelson, Department of Corrections; Attorney James Reams, County Attorney's Office; Captain Joe Akerley, Sheriff's Office; Sheriff Daniel Linehan, High Sheriff; Martha Roy, Human Resources Director; Lynn Garland, UNH Cooperative Extension; Cathy Stacey, Register of Deeds; Diane Gill, Human Services Director; Cheryl A. Hurley, Delegation Coordinator.

Chairman Major reviewed the ground rules for the meeting.

The first order of business was the review and approval of cost items relative to the Sheriff's Deputy 2007 Union Contract Cost Items. Chairman Major called upon High Sheriff Daniel Linehan who provided an overview. Chairman Major called for questions. There were none.

Chairman Major recognized Rep. Rausch, Chairman of the Executive Committee, who read the following motion:

In accordance with RSA 273-A:3, I move that the Rockingham County Convention approve the cost items as recommended by the Executive Committee and reflected in the document titled 7shcomunion.xls.

Cost Items for the fiscal year (at approximately 14 and ½ months) total approximately \$1,444,521. Cost items for fiscal years 2008/2009 and 2009/2010 total approximately \$1,251,420 and \$1,286,816 respectively.

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

Chairman Major recognized Rep. Gene Charron, Chairman of the Salary Subcommittee, who made a motion to approve Resolution 1-2007 presented as follows:

RESOLUTION 1 - 2007

Be it resolved that the Rockingham County Convention accept the position listing as presented with the total number of authorized positions for 2007 being 692 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. Flanders seconded the motion.

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

Chairman Major recognized Rep. Gene Charron, Chairman of the Salary Subcommittee, who made a motion to approve Resolution 2-2007 presented as follows:

RESOLUTION 2 – 2007

Be it resolved that the Rockingham County Convention, upon the recommendation of the Executive Committee, recommend approximately \$515,000 for increases related to the new pay plan incorporated into the 2007 budget. In addition, the mileage reimbursement rate continues to mirror the Federal rate for 2007.

Rep. Flanders seconded the motion. Chairman Major called for questions. Rep. Camm, Rockingham 8, questioned the reason for adding more steps to the pay plan. Rep. Charron explained the new pay plan. Commissioner Pratt further explained. Rep. Camm further questions the cost to the taxpayers. Ms. Young explained that the plan will not cost more than the plan currently in place. Rep. Charron further explained noting that the new plan is a result of a study conducted by an outside consultant which was approved by the delegation last year.

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

Chairman Major recognized Rep. Gene Charron, Chairman of the Salary Subcommittee, who made a motion to approve Resolution 3-2007 presented as follows:

RESOLUTION 3 – 2007

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

Chairman Major recognized Rep. Gene Charron, Chairman of the Salary Subcommittee, who made a motion to approve Resolution 4-2007 presented as follows:

RESOLUTION 4 - 2006

I move that \$32,358 be appropriated for salary payments for the Delegation Coordinator.

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

Chairman Major recognized Rep. Charron, Chairman of the Salary Subcommittee, who made the following motion:

I move that the Delegation recommend an attendance bonus benefit be provided for in 2007 with the understanding that no additional funds need to be added to the bottom line.

Rep. Flanders seconded the motion. Rep. Charron requested that the Chairman recognize Commissioner Stritch for an explanation. Commissioner Stritch explained. Rep. Weyler questioned costs. Rep. Its provided clarification. Rep. Snow questioned if the Executive Committee recommended approval. Chairman Major responded yes and called for further questions. There were none. The motion was approved by a voice vote.

Chairman Major recognized Rep. Gene Charron, Chairman of the Salary Subcommittee, who made a motion to approve Resolution 5-2007 presented as follows:

RESOLUTION 5 - 2007

Be it resolved that the Rockingham County Convention approve the following benefits as described below and approval of all benefits as outlined in the 2007 summary of salary and benefits for those employees listed in the position listing, other than the union eligible. The Delegation Coordinator will receive benefits in accordance with personnel policies adopted for this position.

COUNTY CONTRIBUTION %
Full-Time Employees

HEALTH BENEFITS: (Self-Insured)

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

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

DENTAL BENEFITS:

Full-Time - 100% of all memberships

Part-Time - Pro-rated basis

WORKER'S COMP and UNEMPLOYMENT:

Worker's Compensation is funded at 28.5% of the assigned risk rate per the recommendation of the Executive Committee. Unemployment funding recommended at \$5.00 per position in 2007.

SHORT-TERM DISABILITY

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

LONGEVITY

The Longevity benefit is as follows:

<u>Years</u>	<u>Payments</u>
5	\$150
10	\$300
15	\$450
20	\$750
25	\$1,000

DEPENDENT CARE

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

MEDICAL SPENDING ACCOUNT

The Medical Spending Account is a \$4,000 employee funded benefit that will save the County Social Security and Medicare, if applicable, for every salary dollar that the employee puts into the account.

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

Chairman Major recognized Rep. Hutchinson who questioned the process of voting resolutions. Rep. Welch, Parliamentarian, explained.

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

Chairman Major 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 \$75,924 for the Delegation Office budget. Rep. Griffin seconded the motion. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

Treasurer: Rep. Rausch made a motion to approve \$33,954 for the Treasurer's Office budget. Rep. Griffin seconded the motion. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

County Attorney: Rep. Rausch made a motion to approve \$2,554,395 for the County Attorney's Office budget. Rep. Flanders seconded the motion. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

District Court: Rep. Rausch made a motion to approve \$119,535 for the District Court budget. Rep. Flanders seconded the motion. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

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

Sheriff's Department: Rep. Rausch made a motion to approve \$4,640,996 for the Sheriff's Office budget. Rep. Griffin seconded the motion. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

Registry of Deeds: Rep. Rausch made a motion to approve \$1,414,997 for the Deeds Office budget. Rep. Griffin seconded the motion. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

Commissioners: Rep. Rausch made a motion to approve \$170,149 for the Commissioners Office budget. Rep. Waterhouse seconded the motion. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

General Government: Rep. Rausch made a motion to approve \$2,765,082 for the General Government budget. Rep. Flanders seconded the motion. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

Projects: Rep. Rausch made a motion to approve \$575,000 for the Projects budget. Rep. Griffin seconded the motion. Chairman Major called for questions. Rep. Cali-Pitts questioned. Chairman Major called for further questions. There were none. The motion was approved by a voice vote.

Grants: Rep. Rausch made a motion to approve \$1,500,000 for the Grants budget. Rep. Griffin seconded the motion. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

Finance: Rep. Rausch made a motion to approve \$717,477 for the Finance Office budget. Rep. Griffin seconded the motion. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

Engineering/Maintenance: Rep. Rausch made a motion to approve \$3,798,497 for the Engineering/Maintenance budget. Rep. Griffin seconded the motion. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

IT: Rep. Rausch made a motion to approve \$325,151 IT budget. Rep. Griffin seconded the motion. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

Human Services: Rep. Rausch made a motion to approve \$16,440,914 for the Human Services budget. Rep. Griffin seconded the motion. Chairman Major called for questions. Rep. Cali-Pitts questioned if the amount budgeted was an accurate figure. Commissioner Pratt explained that the numbers are believed to be adequate. Chairman Major called for further questions. There were none. The motion was approved by a voice vote.

Jail: Rep. Rausch made a motion to approve \$9,224,785 for the Jail budget. Rep. Griffin seconded the motion. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

UNH Cooperative Extension: Rep. Rausch made a motion to approve \$538,391 for the UNH Cooperative Extension budget. Rep. Griffin seconded the motion. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

Human Resources: Rep. Rausch made a motion to approve \$377,552 for the Human Resources budget. Rep. Griffin seconded the motion. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

Non-County Specials: Rep. Rausch made a motion to approve \$272,501 for the Non-County Specials budget. Rep. Nowe seconded the motion. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

Long Term Care Services: Rep. Rausch made a motion to approve \$23,407,193 for the Long Term Care Services budget. Rep. Griffin seconded the motion. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

Chairman Major recognized Rep. Rausch who made a motion to approve Resolution 6-2007 presented as follows:

RESOLUTION 6 – 2007

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 authorize 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. Griffin seconded the motion. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

Chairman Major recognized Rep. Rausch who made a motion to approve Resolution 7-2007 presented as follows:

RESOLUTION 7 – 2007

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

Chairman Major recognized Rep. Rausch who made a motion to approve Resolution 8-2007 presented as follows:

RESOLUTION 8 – 2007

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

Chairman Major recognized Rep. Rausch who made a motion to approve Resolution 9-2007 presented as follows:

RESOLUTION 9 - 2007

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

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

Chairman Major recognized Rep. Rausch who made a motion to approve Resolution 10-2007 presented as follows:

RESOLUTION 10 - 2007

That the Rockingham County Convention, in accordance with RSA 24:13, authorize \$69,008,591 in appropriations and \$787,514 in reserves and encumbrances for the use of the County during 2007. That \$38,778,613 be raised in new county taxes, that \$26,127,758 is accepted as an estimate of revenues from other sources, and that \$4,889,734 is accepted as fund balance for a total of \$69,796,105 in resources.

Rep. Pantelakos seconded the motion. Chairman Major called for questions.

Rep. Cali-Pitts questioned. Ms. Young explained. Rep. Katsakiores asked for the percentage for tax increase. Commissioner Pratt noted a 2.9 percent increase. Rep. Nowe questioned further. Ms. Young explained town evaluations that make up the difference in the tax increase, which is usually not obtained until September. Rep. Flockhart, questioned increases at the county level that are brought forth from the state. Commissioner Pratt referred to various instances and noted that it is mostly due to the Medicaid tax. Rep. Weyler noted that we are a donor county. Rep. Pantelakos questioned. Rep. Guthrie commented noting House Bill 851 which is in working process. Rep. Serlin commented. Rep. Snow questioned unreserved fund balance. Ms. Young explained. Chairman Major called for further questions. There were none. The motion was approved by a voice vote.

Chairman Major recognized Rep. Rausch who made a motion to approve Resolution 11-2007 presented as follows:

RESOLUTION 11 -2007

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

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

Other Business

Chairman Major made an announcement urging all delegation members to file a mileage and per-diem form for the term 2007-2008.

Rep. MacMahon questioned how to be informed of the bills that will affect the county. Chairman Major referred him to the House Calendar. Commissioner Pratt noted upcoming meetings.

Rep. Rausch, in light of Commissioner Pratt's explanation, made a motion that the Delegation Members oppose House Bill 851. Rep. Itse seconded the motion. Discussion ensued. Rep. Elliott commented. Rep. Guthrie questioned. Rep. Rausch withdrew his motion.

Rep. Winchell noted that UNH Cooperative Extension has booklets to distribute to members.

Adjournment

Chairman Major recognized Rep. Flanders who made a motion to adjourn the meeting. Rep. Griffin seconded the motion. There being no further business, the meeting was adjourned at 7:30 p.m.

Respectfully submitted,

Cheryl A. Hurley

Delegation Coordinator

Rep. David A Welch, Clerk

Rockingham County Convention

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

2007
BUDGET
AND
STATEMENT OF APPROPRIATIONS
AND
ESTIMATE OF REVENUE - COUNTY

For: Rockingham County
Calendar year 1/01/07-12/31/07

Mailing Address: 119 North Road, Brentwood, NH 03833

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

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

CERTIFICATE OF VOTE

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

Chairman

Norman F. Majors

Clerk

David A. Welch 4-4-2007

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

1 Acct.#	2 APPROPRIATIONS OR EXPENDITURES	3 Appropriations Previous Fiscal Year	4 Expenditures Previous Fiscal Year	5 Delegation Proposed Budget Ensuing Year	6 Appropriations Voted For Ensuing Year
GENERAL GOVERNMENT		XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
4110	County Convention Costs	89,022	56,665	75,924	75,924
4120	Judicial				
4122	Jury Costs				
4123	County Attorney's Office	2,602,460	2,449,472	2,674,020	2,674,020
4124	Victim Witness Advocacy Program				
4130	Executive	1,189,465	1,018,438	1,261,371	1,261,371
4150	Financial Administration	705,642	665,889	729,883	729,883
4151	Treasurer	43,293	29,573	33,954	33,954
4153	Other Legal Costs	313,501	79,974	273,501	273,501
4155	Personnel Administration	364,787	363,582	377,552	377,552
4191	Planning and Zoning for Uninc.Places				
4192	Medical Examiner	56,100	56,520	56,100	56,100
4193	Register of Deeds	1,456,132	1,344,571	1,440,978	1,440,978
4194	Maintenance of Government Bldg.	4,120,397	3,733,230	4,167,446	4,167,446
**	Non-County	263,250	263,250	272,501	272,501
PUBLIC SAFETY					
4211	Sheriff's Department	4,461,553	4,227,701	4,645,799	4,645,799
4212	Custody of Prisoners				
4214	Sheriff's Support Services				
4219	Other-Manchester Airport Security	1,105,608	915,670	-	-
CORRECTIONS					
4230	Corrections	9,192,411	8,788,826	9,245,779	9,245,779
4235	Adult Probation and Parole				
4300					
COUNTY NURSING HOME					
4411	Administration	21,722,824	21,017,373	22,148,395	22,148,395
4412	Operating Expense				
4439	Other Health/ Assisted Living	1,223,275	1,167,325	1,318,362	1,318,362
HUMAN SERVICES					
4442	Direct Assistance	11,876,938	11,253,570	13,668,206	13,668,206
4443	Board and Care of Children	1,610,000	1,532,203	1,638,000	1,638,000
4446	Diversion Program	1,264,430	663,851	1,332,506	1,332,506
4447	Special Outside Services				
	Admin&AG Adult Diversion Grant	474,081	458,321	403,607	403,607
		64,135,169	60,086,004	65,763,884	65,763,884

**It included with 4194 in 2005

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
	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	1,259,000	1,427,173	1,336,000
	REVENUE FROM THE STATE OF NH			
3351	Shared Revenue for Unincorporated Places			
3352	Incentive Funds	713,748	716,248	754,927
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	1,850,381	191,096	1,449,314
3379	INTERGOVERNMENTAL REVENUES			
	REVENUES FROM CHARGES FOR SERVICES			
3401	Sheriff's Department incl st reim for Bailiff	2,335,533	2,016,551	1,199,759
3402	Register of Deeds	4,375,000	4,515,550	3,616,000
3403	County Corrections	153,000	172,277	163,000
3404	County Nursing Homes and Assisted Living	14,797,426	16,012,374	16,936,937
3405	County Farm	16,000	8,649	16,000
3407	Maintenance Department			
340	Other Misc	252,108	166,937	173,245
	REVENUE FROM MISCELLANEOUS SOURCES			
3502	Interest on Investments	400,000	565,149	400,001
3503	Rents of Property	5,520	5,520	5,520
3508	Contributions and Donations			
350	Other Misc incl escheat and recapture from Nhome sale		74,987	
350	Other (Specify)			
350	Other (Specify)			
	OTHER FINANCIAL SOURCES			
3912	Transfer from Special Revenue Funds			
3913	Transfer from Capital Projects Funds			
		26,157,716	25,872,511	26,050,703

1
2
3
4
5

SOURCES OF REVENUES

Acct.#

Estimated Revenue
Actual Revenue
Estimated Revenue

Previous
Previous
Ensuig

Fiscal Year
Fiscal Year
Fiscal Year

OTHER FINANCIAL SOURCES cont. XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX

3914	Transfer from Proprietary Funds			
3915	Transfer from Capital Reserve Funds			
3916	Transfer from Trust and Agency Funds	58,000	29,229	77,055
3934	Proceeds from Long-Term Notes/Bonds			
	FUND BALANCE TO REDUCE TAX RATE	4,823,687	4,823,687	4,889,734
	TOTAL REVENUES	26,215,716	25,901,740	26,127,758
	AMOUNT TO BE RAISED BY COUNTY TAX	37,666,947	37,666,947	38,778,613
		68,706,350	68,392,461	69,796,105
				69,796,105

1
2
3
4
5
6

APPROPRIATIONS OR EXPENDITURES

Acct.#

Appropriations
Expenditures
Proposed Budget
Appropriations

Previous
Previous
Ensuig Year
Voted For

Fiscal Year
Fiscal Year
Fiscal Year
Ensuig Year

COOPERATIVE EXTENSION XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX

4611	Administration	542,729	533,473	540,579	540,579
4619	Other Conservation				
4650	ECONOMIC DEVELOPMENT				

DEBT SERVICE

4711	Principal Long-Term Bonds/Notes	1,232,000	1,232,000	1,225,000	1,225,000
4721	Interest Long-Term Bonds/Notes	207,745	207,745	175,356	175,356
	Other BAN interest	1	-	1	1

INTERGOVERNMENTAL TRANSFERS

4800	Intergovernmental Transfers				
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CAPITAL OUTLAY

	Specify	519,500	519,500	500,000	500,000
	Non Routine Maint and Other	219,207	165,412	91,285	91,285

INTERFUND OPERATING TRANSFERS

GRANT CONTINGENCY

	Specify	1,850,000	81,522	1,500,000	1,500,000
	TOTAL APPROPRIATIONS	68,706,350	62,825,656	69,796,105	69,796,105

68,706,350
62,825,656
69,796,105
69,796,105



ROBBIN R. GRILL, CPA, PC

The Concord Center, 10 Ferry Street, Suite 311, Concord, NH 03301

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, 2007 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, 2007 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.

Robin L. Hill, CPA, PC

Concord, New Hampshire
May 12, 2008

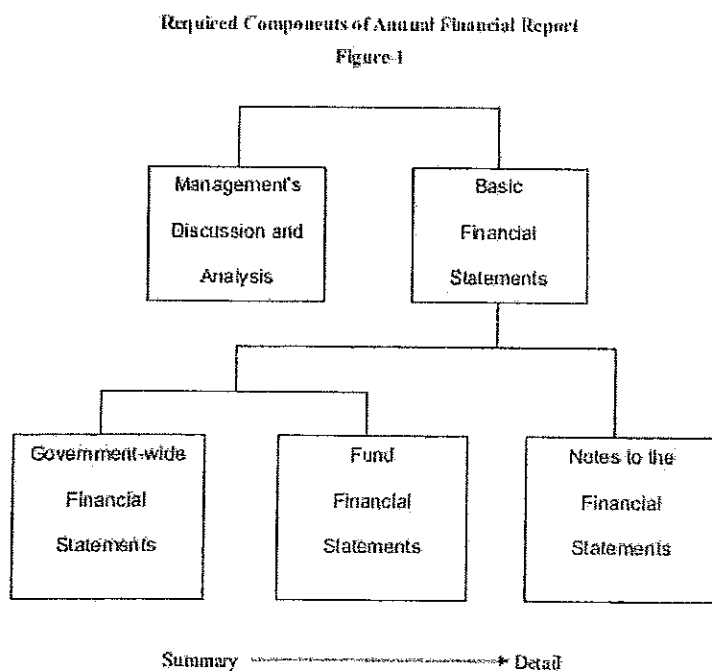
Rockingham County's Management's Discussion and Analysis for 2007

This report provides readers with a narrative overview and analysis of the financial activities of Rockingham County for the year ended December 31, 2007. Readers are encouraged to review the information presented here in conjunction with additional information furnished in the County's financial statements, which follow this narrative. This discussion and analysis is required to provide comparisons with the previous year.

Overview of the Financial Statements

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

- The statements presented on pages 8 and 9 are the Government-wide Financial Statements. They provide both short and long-term information about the County's financial status.
- The next statements are Fund Financial Statements. These statements focus on the activities of the individual parts of the County's government. They provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.
- The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. Following the notes, is the required supplemental information that further explains and support the information in the financial statements.



Financial Highlights -Government Wide

- The assets of Rockingham County exceeded its liabilities at the close of the fiscal year by \$54,056,171 (net assets).
- While the government's total net assets reflects minimal a minimal reduction of \$103,000 its long-term liabilities continue to decrease as debt is paid off.

Financial Highlights-Fund Statements

- As of the close of the year, Rockingham County's reported combined ending fund balances of \$23,277,595 an increase of \$2,299,531 in comparison with the prior year as restated.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$18,626,995 or 25% percent of total general fund appropriations. The amount is 3% or approximately \$2.2 million more as a result of a one time internal transfer.
- The County's total debt decreased by \$ 1,494,723 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 \$54,056,171 of which \$23,375,339 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, 2006 and 2007

	Activities 2006 As Restated	Activities 2007	% change
Current and other assets	\$43,095,130	\$41,983,171	-3%
Capital Assets	35,760,405	34,826,390	-3%
Total Assets	78,855,535	76,809,561	-3%
Long-term liabilities	13,283,012	11,103,122	-16%
Other Liabilities	11,412,403	11,650,269	2%
Total liabilities	24,695,415	22,753,391	-8%
Net Assets:			
Invested in capital assets net of related debt	25,974,255	26,534,963	2%
Restricted	4,130,629	4,145,869	0%
Unrestricted	24,055,236	23,375,339	-3%
Total net assets	\$54,160,120	\$54,056,171	0%

table-2

Rockingham County Changes in Net Assets at December 31, 2006 and 2007

	Activities 2006 As Restated	Activities 2007	% Change
Revenues:			
Program Revenues			
Charges for Services	\$24,934,947	\$24,680,127	-1%
Grants and contributions	291,468	128,607	-56%
General Revenues			
Taxes	37,666,947	38,779,032	3%
Other	1,320,668	1,693,260	28%
Total Revenues	<u>64,214,030</u>	<u>65,281,026</u>	2%
Expenses			
Administration	8,159,769	8,504,505	4%
Law Enforcement	13,625,561	13,858,795	2%
Human Care and Services	34,939,068	38,727,534	11%
Other	3,615,872	3,973,360	10%
Debt interest	360,233	320,782	-11%
Total Expenses	<u>60,700,503</u>	<u>65,384,976</u>	8%
Increase (Decrease) in net assets	3,513,527	(103,949)	-103%
Net Assets at 1/1	<u>50,646,593</u>	<u>54,160,120</u>	7%
Net Assets at 12/31	<u>\$54,160,120</u>	<u>\$54,056,171</u>	0%

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, 2007, unreserved fund balance represents 26 percent of total General Fund appropriations, while total fund balance represents 27 percent of that same amount.

Capital Asset and Debt Administration

Assets

At December 31, 2007 the County reported \$35 million in capital assets net of depreciation which does not include work in progress of \$738,534.

debt

At December 31, 2007 the County had \$8,291,427 in outstanding long-term debt. \$2.7 million originates from a general obligation bond maturing in 2012. An additional \$2 million of the \$8.2 million is for a general obligation bond maturing in 2010. The final \$3.5 million is for capital leases including an energy management project completed in 2004.

Economic Factors and Next Year's Budgets and Rates

- Uncertainty surrounds future County expenditures due to a formula change in the funding of nursing home care. Since July 1, 2008, counties are liable for 100% of the non-Medicaid portion of intermediate nursing care. Demographics of the aging population would indicate that these expenses will be subject to extraordinary increases.
- Property taxes continue to account for 55% of expected revenues for 2008 and mirrors actual experience of 2006 and 2007.
- Budgeted expenditures in the General Fund are expected to increase by approximately 4.5%

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 12/31/07. Questions about this report can be directed to the Finance Office at 119 North Road, Brentwood, New Hampshire, 03833.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Comparative Statement of Net Assets
December 31, 2007

	2006 As Restated		2007		% Change
	Primary Government		Primary Government		
	Governmental Activities	Governmental Activities	Governmental Activities	Governmental Activities	
Assets					
Cash and Equivalents	\$ 26,697,343	\$ 24,749,758			-7.30%
Restricted Cash	636,584	697,982			9.64%
Investments	11,515,219	11,913,974			3.46%
Deposits	-	-			
Accrued Interest Receivable	235,833	1,580			-99.33%
Accounts Receivable, net	800,319	1,559,417			94.85%
Internal Balances	-	-			
Due from Other Governments	2,397,217	2,166,965			-9.60%
Prepaid Items	54,139	73,012			34.86%
Inventory	758,074	815,356			7.56%
Gift Cards	400	5,125			1181.25%
Capital Assets, net	35,760,405	34,826,390			-2.61%
Unamortized Note Issuance Costs	-	-			
Total Assets	78,855,535	76,809,561			-2.59%
Liabilities					
Accounts Payable	1,822,907	2,161,021			18.55%
Accrued Interest Payable	113,343	92,045			-18.79%
Accrued Liabilities	708,046	1,066,057			50.56%
Due to Other Governments	8,571,288	7,572,409			-11.65%
Deferred Revenue	196,818	211,589			7.50%
Long-term Liabilities:					
Due Within One Year	4,570,667	4,817,624			5.40%
Due in More Than One Year	8,712,345	6,832,645			-21.58%
Total Liabilities	24,695,415	22,753,391			-7.86%
Net Assets					
Invested in capital assets, net of related debt	25,974,255	26,534,963			2.16%
Restricted for:					
Capital Projects	3,029,591	2,987,876			-1.38%
Debt Service	323,645	334,972			3.50%
Other Purposes	777,394	823,021			5.87%
Unrestricted	24,055,236	23,375,339			-2.83%
Total Net Assets	\$ 54,160,120	\$ 54,056,171			-0.19%

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Statement of Activities
For the Year Ended December 31, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary Government:					
Governmental activities:					
General Government	\$ 1,173,999	\$ -	\$ -	\$ -	\$ (1,173,999)
Commissioners	172,818	-	-	-	(172,818)
Treasurer	30,248	-	-	-	(30,248)
County Attorney	2,615,785	176,799	30,000	-	(2,408,986)
Medical Examiner	61,218	-	-	-	(61,218)
Deeds	1,290,119	3,994,935	-	-	2,704,816
Sheriff/Dispatch/Radio	4,366,109	999,778	98,607	-	(3,267,724)
Delegation	62,144	-	-	-	(62,144)
Finance	712,622	52	-	-	(712,570)
Maintenance	3,700,869	20,182	-	-	(3,680,687)
Human Services	1,129,286	13,014	-	-	(1,116,272)
Public Assistance	14,498,081	734,194	-	-	(13,763,887)
Human Resources	352,619	91	-	-	(352,528)
Corrections	9,492,686	368,365	-	-	(9,124,321)
Nursing Home	22,705,538	17,232,315	-	-	(5,473,224)
Assisted Living	1,523,915	1,123,300	-	-	(400,616)
Information Technology	347,310	17,102	-	-	(330,207)
UNH Cooperative Extension	556,328	-	-	-	(556,328)
Noncounty Specials	272,500	-	-	-	(272,500)
Interest on Long Term Debt	320,782	-	-	-	(320,782)
Total governmental activities	65,384,976	24,680,127	128,607	-	(40,576,241)
Total Primary Government	65,384,976	24,680,127	128,607	-	(40,576,241)
General Revenues:					
Taxes					38,779,032
Grants Not Restricted to Specific Programs					297,429
Interest Earnings					1,324,224
Miscellaneous					71,607
Total General Revenues					40,472,292
Change in Net Assets					(103,949)
Net Assets - Beginning, as Restated					54,160,120
Net Assets - Ending					\$ 54,056,171

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

Balance Sheet
 Governmental Funds
 December 31, 2007

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and Equivalents	\$ 21,301,163	\$ 3,352,046	\$ 0	\$ 24,653,209
Restricted Cash	436,946	-	261,036	697,982
Investments	-	-	63,973	63,973
Accounts Receivable, net	1,221,157	-	-	1,221,157
Due from Other Funds	2,919,822	-	437,681	3,357,502
Due from Other Governments	2,166,965	-	-	2,166,965
Prepaid Expenses	57,050	-	-	57,050
Inventory	815,356	-	-	815,356
Gift Cards	5,125	-	-	5,125
Total Assets	\$ 28,923,585	\$ 3,352,046	\$ 762,690	\$ 33,038,321
Liabilities				
Accounts Payable	\$ 827,554	\$ 32,823	\$ 1,906	\$ 862,283
Accrued Liabilities	1,066,057	-	-	1,066,057
Due to Other Funds	415,498	324,639	39,737	779,873
Due to Other Governments	6,688,117	-	-	6,688,117
Deferred Revenue	364,396	-	-	364,396
Total Liabilities	9,361,621	357,462	41,643	9,760,726
Fund Balances				
Reserved for:				
Noncurrent Assets	872,407	-	-	872,407
Encumbrances	62,563	6,708	-	69,271
Capital Projects	-	2,987,876	-	2,987,876
Debt Service	-	-	334,972	334,972
Other Purposes	-	-	386,075	386,075
Unreserved, reported in:				
General Fund				
Designated for Continuing Appropriations	568,029	-	-	568,029
Unreserved	18,058,966	-	-	18,058,966
Total Fund Balances	19,561,964	2,994,584	721,047	23,277,595
Total Liabilities and Fund Balances	\$ 28,923,585	\$ 3,352,046	\$ 762,690	

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. 34,826,390

Internal service funds are used by management to account for self insured employee benefits, such as health. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. 6,854,770

Certain long term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:

Accrued interest payable	(92,045)
Due to other governments	(884,292)
Capital lease obligations payable	(3,521,427)
General obligation bonds payable	(4,770,000)
Accrued compensated absences	(1,905,007)
Deferred revenue	270,186
	<u>(10,902,585)</u>

Net assets of governmental activities

\$ 54,056,171

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
 Statements of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended December 31, 2007

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 38,779,032	\$ -	\$ -	\$ 38,779,032
Charges for Services				
Commissioners	-	-	-	-
County Attorney	171,799	-	35,000	206,799
Deeds	3,853,573	-	141,362	3,994,935
Sheriff/Dispatch/Radio	1,038,020	-	-	1,038,020
Finance	52	-	-	52
Maintenance	1,604	-	-	1,604
County Land Management	18,578	-	-	18,578
Human Services	747,208	-	-	747,208
Human Resources	91	-	-	91
Corrections	346,671	-	21,694	368,365
Nursing Home	17,221,052	-	11,263	17,232,315
Assisted Living	1,122,175	-	1,125	1,123,300
Information Technology	17,102	-	-	17,102
Interest	451,386	147,765	17,678	616,829
Grants	357,794	-	-	357,794
Other	64,657	7,830	-	72,487
Total Revenues	64,190,795	155,595	228,122	64,574,511
Expenditures				
Current				
General Government	876,570	-	-	876,570
Commissioners	164,006	-	-	164,006
Treasurer	30,232	-	-	30,232
County Attorney	2,522,747	-	13,733	2,536,480
Medical Examiner	61,218	-	-	61,218
Deeds	1,274,618	-	-	1,274,618
Sheriff/Dispatch/Radio	4,346,151	-	-	4,346,151
Delegation Office	57,775	-	-	57,775
Finance Office	718,938	-	-	718,938
Maintenance	3,390,766	-	-	3,390,766
Human Services	1,108,973	-	-	1,108,973
Public Assistance	14,479,373	-	-	14,479,373
Human Resources	366,998	-	-	366,998
Jail	8,931,787	-	-	8,931,787
Nursing Home	21,323,568	-	-	21,323,568
Assisted Living	1,301,295	-	-	1,301,295
Information Technology	412,896	-	-	412,896
Extension Service	532,407	-	-	532,407
Non County Specials	272,500	-	-	272,500
Debt Service - Principal	1,225,000	-	156,921	1,381,921
Debt Service - Interest	175,356	-	166,724	342,080
Grants	360,359	-	-	360,359
Capital Outlay	62,259	934,168	-	996,427
Total Expenditures	63,995,792	934,168	337,378	65,267,338
Excess (Deficiency) of Revenues Over Expenditures	195,002	(778,573)	(109,256)	(692,826)
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	185,075	-	-	185,075
Transfers In	2,898,200	500,000	334,972	3,733,172
Transfers Out	(834,972)	-	(148,200)	(983,172)
Total Other Financing Sources (Uses)	2,248,303	500,000	186,772	2,935,075
Net Change in Fund Balance	2,443,305	(278,573)	77,516	2,242,249
Fund Balances, beginning, as restated	17,061,377	3,273,157	643,531	20,978,064
Changes in Reserves (Inventory)	57,282	-	-	57,282
Fund Balances, ending	\$ 19,561,964	\$ 2,994,584	\$ 721,047	\$ 23,277,595

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, 2007

Net change in fund balances - total governmental funds	\$	2,242,249
 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		1,246,205
Loss on disposal of capital assets		(2,849)
Depreciation expense		(2,177,371)
		(934,015)
 Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Deferred revenue		-
 Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the Statement of Net Assets. Repayment of debt principle is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the Statement of Net Assets:		
Bond proceeds received		-
Retirement of Bonds		-
Accrued Interest on Bonds		-
Capital lease proceeds received		(185,075)
Capital lease obligation principle payments		454,798
General obligation bond principle payments		1,225,000
		1,494,723
 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		(18,708)
Accrued interest payable		21,298
Accrued compensated absences		(10,445)
		(7,856)
 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.		
		(2,956,333)
 Inventory is recorded as an expenditure when purchased in the funds but is recorded as an expense when used in governmental activities.		
		57,282
 Change in net assets of governmental activities	 \$	 <u><u> (103,949)</u></u>

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Statement of Net Assets
Proprietary Funds
December 31, 2007

	Governmental Activities- Internal Service Funds
	Funds
Assets	
Current Assets	
Cash	\$ 96,549
Investments	11,850,000
Accrued Interest Receivable	1,580
Accounts Receivable, net	198,991
Due from Other Funds	4,001
Deposits	15,962
Total Current Assets	12,167,084
Noncurrent Assets	
Other receivables	-
Total Noncurrent Assets	-
Total Assets	12,167,084
Liabilities	
Current Liabilities	
Accounts Payable	1,298,738
Due to Other Funds	2,442,361
Deferred Revenue	117,380
Compensated Absences Payable	754,989
Total Current Liabilities	4,613,468
Noncurrent Liabilities	
Compensated Absences Payable	698,846
Total Noncurrent Liabilities	698,846
Total Liabilities	5,312,314
Net Assets	
Unrestricted	6,854,770
Total Net Assets	\$ 6,854,770

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, 2007

	<u>Governmental Activities- Internal Service Funds</u>
Operating Revenues	
Charges for Services	\$ 6,973,677
Total Operating Revenues	<u>6,973,677</u>
Operating Expenses	
Claims and Premiums	7,221,978
Compensated Absences	630,382
Total Operating Expenses	<u>7,852,360</u>
Operating Income (Loss)	(878,683)
Non-Operating Revenues (Expenses)	
Investment Income	707,395
Miscellaneous	(35,046)
Total Non-Operating Revenues (Expenses)	<u>672,349</u>
Net Income (Loss)	(206,333)
Transfers In	-
Transfers Out	<u>(2,750,000)</u>
Change in Net Assets	<u>(2,956,333)</u>
Total Net Assets - Beginning, As Restated	9,811,104
Total Net Assets - Ending	<u>\$ 6,854,770</u>

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007

	Governmental Activities- Internal Service Funds
Cash Flows from Operating Activities	
Receipts from Users	\$ 6,973,677
Payments to Providers	(7,221,978)
Payments to Employees	(630,382)
Other Receipts (Payments)	2,793,425
Net Cash Provided by (Used in) Operating Activities	<u>1,914,742</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(2,750,000)</u>
Cash Flows from Investing Activities	
Purchase of Investments	(13,382,086)
Sale of Investments	12,987,973
Interest	707,395
Net Cash Provided by (Used in) Investing Activities	<u>313,282</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(521,976)
Balances - Beginning of Year	618,526
Balances - End of Year	<u>\$ 96,550</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating Income (Loss)	\$ (878,683)
Adjustments to Reconcile Operating Income to Net Cash Provided	
Non-operating revenue	(35,046)
Change in Assets and Liabilities:	
Deposits	-
Accrued Interest	234,253
Receivables, net	(14,537)
Deferred Revenue	15,170
Prepaid Expenses	(11,683)
Due from Other Funds	(486,276)
Accounts Payable	(15,023)
Due to Other Funds	2,943,166
Accrued Liabilities	163,399
Accrued Compensated Absences	-
Net Cash Provided By (Used in) Operating Activities	<u>\$ 1,914,742</u>

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2007

	Agency Funds			Totals
	Inmates	Nursing Home Residents	Assisted Living Security Deposits	
Assets				
Cash and Equivalents	\$ 182,351	\$ 205,734	\$ 60,062	\$ 448,148
Accounts Receivable	-	3,500	-	3,500
Total Assets	182,351	209,234	60,062	451,648
Liabilities				
Accounts Payable	7,201	197	-	7,398
Due to Other Funds	134,828	-	7,941	142,769
Due to Specific Individuals	40,323	209,037	52,121	301,481
Total Liabilities	\$ 182,351	\$ 209,234	\$ 60,062	\$ 451,648

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.

**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 \$707,395 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 are reported in the applicable governmental activities column in the government-wide financial statements. The County defines a capital asset as an asset that has an initial cost of \$5,000 and an estimated useful life of 3 years except for the Nursing Home where assets are capitalized at \$500 and more with a useful life of 3 years.

**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, 2007 totaling \$738,534. The projects in process are included in the reporting of \$34,826,390 net Capital Assets in the related statements. Once a project is completed it is reported in the asset category (see note 4).

(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, 2007 is \$3,358,842.

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, 2007 is \$1,453,835. 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, 2007, \$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:

Deeds	\$4,253
Jail	32,925
Maintenance	7,722
Nursing Home	17,663
	<u>\$62,563</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, 2007 and includes encumbrances and reserves at December 31, 2006. The breakdown is as follows:

NOTE 2—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

2007 Appropriations	\$ 669,008,591
December 2006 encumbrances	148,389
December 2006 Continuing Appropriations	<u>666,345</u>
Final Budgeted Amounts	<u>\$ 69,796,105</u>

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

(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, 2007 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	\$ 22,232,828	\$-	\$-	\$ 22,706,390	\$ 22,232,828
Savings Accounts	64,955			64,955	64,955
CD's	152,572			152,081	152,572
	<u>\$22,450,355</u>	<u>\$-</u>	<u>\$-</u>	<u>\$22,923,426</u>	<u>\$22,450,355</u>

Investments

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

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

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

NOTE 3—CASH AND INVESTMENTS (CONTINUED)

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	\$15,237,177		\$ -	\$15,237,177	\$15,237,177

NOTE 4 CAPITAL ASSETS

The following is a summary of changes in capital assets for governmental activities at the year ended December 31, 2007:

	Balance at 1/1/07 as Restated	Additions	Reductions	Balance at 12/31/07
Land	\$578,857			\$578,857
Building and improvements	51,431,259	997,672		52,428,931
Moveable equipment	11,498,275	286,533	-293,302	11,491,506
Subtotal	63,508,391	1,284,205	-293,302	64,499,294
Less: Accumulated Depreciation	-28,524,520	-2,177,371	288,361	-30,413,530
Total	<u>\$34,983,871</u>	<u>-893,166</u>	<u>4,941</u>	<u>\$34,085,764</u>

NOTE 5—PENSION PLAN

Pension Description

The County contributes to the New Hampshire Retirement System (NHRS), a cost-sharing multiple-employer defined benefit pension plan administered by the NHRS Board of Trustees. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 4 Chenell Drive, Concord, New Hampshire 03301.

Funding Policy

Covered public safety and general employees are required to contribute 9.3% or 5.0% of their covered salary, respectively, and the County is required to contribute at an actuarially determined rate. The County’s contribution rates were 11.84% and 8.74% at December 31, 2007. The County contributes

65% of the employer cost for police employed by the County and the State contributes the remaining 35% of the employer cost. The County contributes 100% of the employer cost for general employees of the County.

Per RSA-100:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The County’s contributions to the NHRS for the years ending

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

NOTE 5—PENSION PLAN (CONTINUED)

December 31, 2007, 2006, 2005, and 2004, were \$1,791,643, \$1,574,349, \$1,460,183, and \$1,301,802, 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, 2007 there were 85 retirees with a single, two-person or family health plan participating. Fifty-six were over the age of 65.

NOTE 7 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Individual interfund balances at year end are as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
	\$	
General	3,533,648.96	\$ 1,029,324.80
Permanent		
Non-Expendable		17,554
Special Revenue:		
Expendable Trusts	-	22,183
Special Account	3,259	1,878
ALF Donations	2,686	-
Commissary	92,284	-
Chapel	4,451	-
Capital	1,659	326,297
Internal Services:		
Health	543,091	842,497
Dental	4,001	366
Worker's Comp	34,353	2,000,768
Compensated Abs	3,988	180,162
Fiduciary:		
Inmate	-	134,828
Assisted Living		7,941
Residents	3,500	
Debt Service Fund	336,878	
Non-Expendable		17,554
Totals	<u>4,563,801.35</u>	<u>4,563,801.35</u>

**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 January 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Payable December 31</u>
General Obligation Debt:				
General Fund	5,995,000		(1,225,000)	\$4,770,000
Capital Lease Obligations	<u>3,791,150</u>	<u>185,075.28</u>	<u>(454,798.01)</u>	<u>3,521,427</u>
	<u>9,786,150</u>	<u>185,075</u>	<u>(1,679,798)</u>	<u>\$11,236,477</u>

General Obligation Debt

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

<u>Long-Term Debt</u>	<u>Interest</u>	<u>Balance</u>
2003 - \$4,685,000 Improvement Bond maturing in 2010	2.00% to 4.00%	2,000,000
2005 - \$3,887,000 Improvement Bond maturing in 2012	3.25% to 5.00%	2,770,000
Total General Obligation Long-Term Debt		<u>\$4,770,000</u>

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

Debt Service

<u>Year Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$4,770,000</u>	<u>\$368,300</u>	<u>\$5,138,350</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 lease balances at year end:

Equipment, due in variable annual installments the next of which is \$334,972 including interest, through June, 2018 at 4.73%	\$3,302,076
Equipment, due in semi-annual installments the next of which is \$18,248 including interest, through July, 2008 at 4.31%	35,351
Equipment, due in monthly installments the next of which is \$845 including interest, through June, 2009 at 3.621%	14,790
Equipment, due in annual installments the next of which is \$42,801 including interest, through Aug, 2008 at 3.925%	41,184
Equipment, due in annual installments the next of which is \$50,362 including interest, through May, 2009 at 3.42%	95,784
Equipment, due in semi-annual installments the next of which is \$6,687 including interest, through June, 2010 at 2.445%	32,242
	<u>\$3,521,427</u>

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

Year Ended December 31	Principle	Interest	Total
2008	321,866	166,285	488,151
2009	262,701	152,804	415,505
2010	224,199	141,319	365,518
2011	240,640	119,151	359,791
2012	265,236	130,750	395,986
2013	2,206,785	162,544	2,369,329
	<u>3,521,427</u>	<u>872,853</u>	<u>4,394,280</u>

NOTE 9—OPERATING LEASES

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

Year Ended December 31	Office Space	Equipment Rental	Total
2008	181,613	11,363	192,976
2009	187,119	5,238	192,357
2010	192,806	1,650	194,456
2011	97,847		97,847
	<u>659,385</u>	<u>18,251</u>	<u>677,636</u>

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

NOTE 10—DESIGNATED FUND BALANCE

General Fund

Appropriations for certain projects and specific items not fully expended at year end are carried forward as continuing appropriations to the next year in which they supplement the appropriations of that year. \$568,029 in continuing appropriations for the human services department are reported at December 31, 2007.

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, 2007. The adjustments are as follows:

	General Fund Fund Balance	Other Governmental Fund Balance	Internal Service Total Net Assets
As Previously Reported	\$16,967,282	\$664,092	\$9,890,838
Adjustments in Accruals and Reserves	<u>94,095</u>	<u>(20,561)</u>	<u>(79,734)</u>
Restated Amount	<u>\$17,061,377</u>	<u>\$643,531</u>	<u>\$9,811,104</u>

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 4,889,734	\$ 4,889,734	\$ 4,889,734	\$ -
Resources (Inflows)				
Taxes	38,778,613	38,778,613	38,779,032	419
Charges for Services				
Commissioners	-	-	-	-
County Attorney	153,744	153,744	171,799	18,055
Deeds	3,616,000	3,616,000	3,853,573	237,573
Sheriff/Dispatch/Radio	1,226,759	1,226,759	1,038,020	(188,739)
Finance	-	-	52	52
Maintenance	1	1	1,604	1,603
Information Technology	12,000	12,000	17,102	5,102
Property Management	21,520	21,520	18,578	(2,942)
Human Services	796,177	796,177	747,208	(48,969)
Human Resources	-	-	91	91
Corrections	321,564	321,564	346,671	25,107
Long Term Care Services				
Nursing Home	17,028,537	17,028,537	17,221,052	192,515
Assisted Living	1,074,400	1,074,400	1,122,175	47,775
Interest	400,001	400,001	451,386	51,385
Grants	1,400,000	1,400,000	357,794	(1,042,206)
Other	-	-	64,657	64,657
Transfers from Other Funds	77,055	77,055	2,898,200	2,821,145
Amounts Available for Appropriation	69,796,105	69,796,105	71,978,729	2,182,624
Charges to Appropriations (Outflows)				
Delegation Office	75,924	75,924	57,775	18,149
Treasurer	33,954	33,954	30,232	3,722
County Attorney/District Court	2,674,020	2,674,020	2,522,657	151,363
Medical Examiner	56,100	56,100	61,218	(5,118)
Sheriff/Dispatch/Radio	4,645,799	4,645,799	4,219,111	426,688
Registry of Deeds	1,443,916	1,443,916	1,249,952	193,964
Commissioners	170,149	170,149	164,006	6,143
General Government	1,364,726	1,266,726	876,570	390,156
Debt Service - Principle	1,225,000	1,225,000	1,225,000	-
Debt Service - Interest	175,356	175,356	175,356	(0)
Projects (Capital Outlay)	591,285	661,285	45,974	615,311
Grants	1,500,000	1,456,101	360,359	1,095,742
Finance Office	726,945	729,945	709,470	20,475
Maintenance	3,808,679	3,833,679	3,388,305	445,374
Information Technology	358,767	358,767	316,442	42,325
Human Services	1,735,185	1,735,185	1,077,351	657,834
Public Assistance	15,307,134	15,307,134	14,477,619	829,515
Jail	9,245,779	9,289,678	8,943,718	345,960
UNH Cooperative Extention	540,579	540,579	530,219	10,360
Human Resources	377,552	384,552	366,998	17,554
Non County Specials	272,501	272,501	272,500	1
Long Term Care Services				
Nursing Home	22,147,991	22,140,991	21,282,568	858,424
Assisted Living	1,318,764	1,318,764	1,300,395	18,369
Transfers to Other Funds	-	-	834,972	(834,972)
Total Charges to Appropriations	69,796,105	69,796,105	64,488,767	5,307,338
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 7,489,962	\$ 7,489,962

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 \$ 71,163,995

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. (4,075,000)

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting services (2,898,200)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 64,190,795

Uses/Outflows of Resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule \$ 64,488,767

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. 156,922

Capital Leases executed during a year are not reported as expenditures for budgetary purposes, but are reported as program expenditures for financial reporting purposes. 185,075

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (834,972)

balances-governmental funds \$ 63,995,792

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2007

	Special Revenue										Debt Service		Permanent Funds		Total Nonmajor Governmental Funds
	Drug Task Force	Expendable Trusts	Nursing Home Special Account	Assisted Living Donations	Inmate Commissary	Inmate Chapel	Deeds Equipment	WFS turkvaant Memorial	Energy Mgmt Project	Nonexpendable Trust					
Cash and Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash	51,333	-	52,238	-	-	-	152,572	4,893	-	-	-	-	-	-	261,036
Investments	-	24,250	-	-	-	-	-	-	-	-	-	-	-	39,723	63,973
Due from Other Funds	-	-	1,381	2,686	92,284	4,451	-	-	-	-	336,878	-	-	-	437,681
Total Assets	\$ 51,333	\$ 24,250	\$ 53,619	\$ 2,686	\$ 92,284	\$ 4,451	\$ 152,572	\$ 4,893	\$ 4,893	\$ 336,878	\$ 336,878	\$ 39,723	\$ 39,723	\$ -	\$ 762,690
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leases Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	22,183	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	\$ -	\$ 22,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,906
Fund Balances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserved for:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Purposes	51,333	2,067	53,619	2,686	92,284	4,451	152,572	4,893	-	-	334,972	-	-	-	334,972
Total Fund Balances	\$ 51,333	\$ 2,067	\$ 53,619	\$ 2,686	\$ 92,284	\$ 4,451	\$ 152,572	\$ 4,893	\$ 4,893	\$ 334,972	\$ 334,972	\$ 22,170	\$ 22,170	\$ -	\$ 386,075
Total Liabilities and Fund Balances	\$ 51,333	\$ 24,250	\$ 53,619	\$ 2,686	\$ 92,284	\$ 4,451	\$ 152,572	\$ 4,893	\$ 4,893	\$ 336,878	\$ 336,878	\$ 39,723	\$ 39,723	\$ -	\$ 762,690

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	Special Revenue										Debt Service		Permanent Funds		Total Nonmajor Governmental Funds
	Drug Task Force	Expendable Trusts	Nursing Home Special Account	Nursing Home	Assisted Living Donations	Inmate Commissary	Inmate Chapel	Deeds Equipment	WFSurtevant Memorial	Energy Mgmt Project	Trust	Nonexpendable	Trust		
Revenues															
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services															
County Attorney	35,000	-	-	-	-	-	-	-	-	-	-	-	-	-	35,000
Deeds	-	-	-	-	-	-	141,362	-	-	-	-	-	-	-	141,362
Corrections	-	-	-	-	21,194	500	-	-	-	-	-	-	-	-	21,694
Nursing Home	-	-	11,188	-	-	-	-	-	-	75	-	-	-	-	11,263
Assisted Living	-	-	-	-	1,125	-	-	-	-	-	-	-	-	-	1,125
Interest	1,738	-	674	-	4,705	198	7,227	233	-	-	2,903	-	-	-	17,678
Total Revenues	35,000	1,738	11,862	1,125	25,899	698	148,589	308	-	-	2,903	-	-	-	228,122
Expenditures															
Current															
County Attorney	13,733	-	-	-	-	-	-	-	-	-	-	-	-	-	13,733
Debt Service - Principal	-	-	-	-	-	-	-	-	-	156,921	-	-	-	-	156,921
Debt Service - Interest	-	-	-	-	-	-	-	-	-	166,724	-	-	-	-	166,724
Total Expenditures	13,733	-	-	-	-	-	-	-	-	323,645	-	-	-	-	337,378
Excess (Deficiency) of Revenues Over Expenditures	21,267	1,738	11,862	1,125	25,899	698	148,589	308	(323,645)	2,903	(109,256)	-	-	-	(109,256)
Other Financing Sources (Uses)															
Transfers In	-	-	-	-	-	-	-	-	-	334,972	-	-	-	-	334,972
Transfers Out	-	(1,621)	(6,506)	-	(23,242)	(330)	(116,000)	-	-	(500)	-	-	-	-	(148,200)
Total Other Financing Sources (Uses)	-	(1,621)	(6,506)	-	(23,242)	(330)	(116,000)	-	-	334,972	(500)	-	-	-	186,772
Net Change in Fund Balance	21,267	116	5,356	1,125	2,657	367	32,589	308	11,328	2,403	(109,256)	-	-	-	77,516
Fund Balances, beginning, as restated	30,066	1,950	48,264	1,561	89,028	4,084	119,982	4,585	323,645	19,766	643,531	-	-	-	1,148,200
Fund Balances, ending	\$ 51,333	\$ 2,067	\$ 53,619	\$ 2,686	\$ 92,384	\$ 4,451	\$ 152,572	\$ 4,893	\$ 334,972	\$ 22,170	\$ 721,047	-	-	-	\$ 1,225,716

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
 Combining Statement of Net Assets
 Internal Services Proprietary Funds
 December 31, 2007

	Total					
	Health Fund	Dental Fund	Worker's Compensation Fund	Unemployment Fund	Compensated Absences Fund	Governmental Activities-Internal Service Funds
Assets						
Current Assets						
Cash	\$ 76,494	\$ 3,639	\$ 15,534	\$ -	\$ 882	96,549
Investments	5,773,082	402,100	3,604,250	57,089	2,013,479	11,850,000
Accrued Interest Receivable	733	-	440	-	407	1,580
Accounts Receivable, net	130,603	139	68,200	-	50	198,991
Due from Other Funds	366	3,635	-	-	-	4,001
Deposits	15,962	-	-	-	-	15,962
Total Current Assets	5,997,240	409,514	3,688,425	57,089	2,014,817	12,167,084
Noncurrent Assets	-	-	-	-	-	-
Total Assets	5,997,240	409,514	3,688,425	57,089	2,014,817	12,167,084
Liabilities						
Current Liabilities						
Accounts Payable	742,240	30,885	521,142	-	4,471	1,298,738
Due to Other Funds	299,772	-	1,966,415	-	176,174	2,442,361
Deferred Revenue	107,321	9,393	-	-	665	117,380
Compensated Absences Payable	-	-	-	-	754,989	754,989
Total Current Liabilities	1,149,333	40,278	2,487,558	-	936,299	4,613,468
Noncurrent Liabilities						
Compensated Absences Payable	-	-	-	-	698,846	698,846
Total Noncurrent Liabilities	-	-	-	-	698,846	698,846
Total Liabilities	1,149,333	40,278	2,487,558	-	1,635,145	5,312,314
Net Assets						
Unrestricted	4,847,907	369,236	1,200,867	57,089	379,672	6,854,770
Total Net Assets	\$ 4,847,907	\$ 369,236	\$ 1,200,867	\$ 57,089	\$ 379,672	\$ 6,854,770

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, 2007

	Health Fund	Dental Fund	Worker's Compensation Fund	Unemployment Fund	Compensated Absences Fund	Total Governmental Activities-Internal Service Funds
Operating Revenues						
Charges for Services	\$ 5,391,035	\$ 382,841	\$ 438,810	\$ 3,586	\$ 757,405	\$ 6,973,677
Total Operating Revenues	5,391,035	382,841	438,810	3,586	757,405	6,973,677
Operating Expenses						
Claims and Premiums	5,970,903	387,783	728,971	7,298	127,023	7,221,978
Compensated Absences	-	-	-	-	630,382	630,382
Total Operating Expenses	5,970,903	387,783	728,971	7,298	757,405	7,852,360
Operating Income (Loss)	(579,868)	(4,942)	(290,161)	(3,712)	0	(878,683)
Non-Operating Revenues (Expenses)						
Investment Income	344,232	1,788	219,838	2,686	138,852	707,395
Miscellaneous	(25,765)	-	(9,611)	330	-	(35,046)
Total Non-Operating Revenues (Expenses)	318,467	1,788	210,227	3,016	138,852	672,349
Net Income (Loss) before Transfers	(261,401)	(3,154)	(79,934)	(696)	138,852	(206,333)
Transfers In	-	-	-	-	-	-
Transfers Out	(750,000)	-	(2,000,000)	-	-	(2,750,000)
Change in Net Assets	(1,011,401)	(3,154)	(2,079,934)	(696)	138,852	(2,956,333)
Total Net Assets - Beginning, as Restated	5,859,308	372,390	3,280,801	57,785	240,820	9,811,104
Total Net Assets - Ending	\$ 4,847,907	\$ 369,236	\$ 1,200,867	\$ 57,089	\$ 379,672	\$ 6,854,770

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
 Statement of Cash Flows
 Internal Services Proprietary Funds
 For the Year Ended December 31, 2007

	Health Fund	Dental Fund	Worker's Compensation Fund	Unemployment Fund	Compensated Absences Fund	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities						
Receipts from Users	\$ 5,391,035	\$ 382,841	\$ 438,810	\$ 3,586	\$ 757,405	\$ 6,973,677
Payments to Providers	(5,970,903)	(387,783)	(728,971)	(7,298)	(127,023)	(7,221,978)
Payments to Employees	-	-	-	-	(630,382)	(630,382)
Other Receipts (Payments)	597,282	12,779	2,184,642	1,321	(2,599)	2,793,425
Net Cash Provided by (Used in) Operating Activities	17,414	7,836	1,894,481	(2,391)	(2,599)	1,914,742
Cash Flows from Noncapital Financing Activities						
Transfers from Other Funds	-	-	-	-	-	-
Transfers to Other Funds	(750,000)	-	(2,000,000)	-	-	(2,750,000)
Net Cash Provided by (Used in) Noncapital Financing Activities	(750,000)	-	(2,000,000)	-	-	(2,750,000)
Cash Flows from Investing Activities						
Purchase of Investments	(8,192,832)	(430,175)	(3,711,830)	(14,261)	(1,032,988)	(13,382,086)
Sale of Investments	8,207,889	386,326	3,573,408	13,966	806,464	12,987,973
Interest	344,232	1,788	219,838	2,686	138,852	707,395
Net Cash Provided by (Used in) Investing Activities	359,289	(42,061)	81,416	2,391	(87,672)	313,282
Net Increase (Decrease) in Cash and Cash Equivalents	(373,377)	(34,225)	(24,103)	-	(90,271)	(521,976)
Balances - Beginning of Year	449,871	37,864	39,637	-	91,153	618,526
Balances - End of Year	\$ 76,494	\$ 3,639	\$ 15,534	\$ -	\$ 882	\$ 96,549
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating Income (Loss)	\$ (579,868)	\$ (4,942)	\$ (290,161)	\$ (3,712)	\$ 0	\$ (878,683)
Miscellaneous Non Operating Revenues (Expenses)	(25,765)	-	(9,611)	330	-	(36,046)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
Change in Assets and Liabilities:						
Deposits	-	-	-	-	-	-
Accrued Interest	135,328	8,544	51,174	991	38,216	234,253
Receivables, net	(47,496)	187	32,799	-	(27)	(14,537)
Deferred Revenue	9,691	5,449	-	-	29	15,170
Prepaid Expenses	(15,962)	-	4,279	-	-	(11,683)
Due from Other Funds	(447,538)	(3,264)	(32,160)	-	(3,313)	(486,276)
Accounts Payable	(22,752)	4,460	6,060	-	(2,790)	(15,023)
Due to Other Funds	833,088	145	1,996,180	-	113,752	2,943,166
Accrued Liabilities	178,687	(2,742)	135,920	-	(148,466)	163,399
Accrued Compensated Absences	-	-	-	-	-	-
Net Cash Provided By (Used in) Operating Activities	\$ 17,414	\$ 7,836	\$ 1,894,481	\$ (2,391)	\$ (2,599)	\$ 1,914,742



To the Board of Commissioners:

In planning and performing our audit of the financial statements of **Rockingham County** for the year ended December 31, 2007, 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 12, 2008, on the financial statements of Rockingham County.

Outstanding Issues From Prior Years:

We have reviewed the current status of outstanding issues from the 2005 and 2006 Management issues as documented in a letter from the Rockingham County Commissioners dated September 3, 2008. There are specific areas requiring further work as enumerated below:

- 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 deposits are now taken to the Finance Office.
- 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. We believe this has been done. Nursing Home billing: Physician billing remains a problem and is not recognized on a timely basis in MUNIS. It is our understanding that physician billing is still a problem with the new system. We still recommend that the fee structure for therapy billing be reviewed and appropriate changes made.

During the period of time covered under the audit there was a misappropriation of funds within the Finance Office. The misappropriation was found and reported by the Finance staff, the total amount was not material for a fair presentation of the financial statements, and before the audit was completed, the entire amount had been repaid.

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:

Timeliness:

There is a major problem with tasks being done timely. This affects work flow between departments and, because of late submissions, the Finance Department cannot get their work done timely. This was evidenced during the audit. The initial field work dates were postponed from mid-February to mid-March. When we came back in May there were still accounts not ready for us to audit. As of the date of this letter final financial statements still have not been issued.

We also noted that bank reconciliations are not done on a timely basis, making it more difficult to find any errors. The bank reconciliation for the General Fund was still not in balance in May. It was off by a small amount, but timeliness would have made the problem easier to find.

The accounts receivable reconciliations for long term care and for Due From Other Governments were not completed as of May 12, 2008.

As mentioned above, nursing home deposits are now taken to the Finance Office. However, supporting documentation is not submitted with the deposit. When a deposit is brought to the Finance Office it should be accompanied by a revenue warrant and all supporting documentation. Therefore the accounting entries cannot be made until the documentation is received.

New fixed assets are not added to the system until after the end of the year. This creates a large time requirement which puts other work further behind at this critical period when year end processes need to be completed.

During the past year the entire Finance staff has had to work on payroll to make sure that payroll is fully supported and run timely. There are too many mistakes emanating from interpretation of data submitted by the various departments.

The Finance Office work was significantly behind this year. This is a result in part by timeliness of information from other departments but also from the inability to recruit qualified payroll staff. Staff was displaced to other finance positions and some staff were ineffective in their roles. Other Finance staff was pulled in to produce a fully supported biweekly payroll and resolve payroll problems that have been mounting since before the staff shortages. Diverting staff from their primary functions causes important work to fall behind potentially leaving the door open for issues to occur and lack of comprehensive knowledge of financial position. Payroll and benefits are closely related and relations between Human Resources and Finance should be strong but are strained. This has caused problems in effectively producing a biweekly payroll and causing other payroll work to fall behind. In addition, external forces have effected

changes in payroll internal controls without the input or knowledge of Finance staff causing further delays and confusion as Finance staff struggled to support the payroll based on established internal controls.

Recommendation: We recommend that timeliness be a primary factor both between departments and within departments. Being able to process data timely highlights potential errors quickly and makes correction easier. In line with this, we recommend that all bank reconciliations be done monthly. We also recommend that fixed assets be posted and reconciled monthly. Departments need to make sure that Finance has adequate supporting documentation timely so that uniform payroll policies are in place and practice County wide.

Commissioners' Response: Staffing and training of new Finance staff continued as an issue into 2008 and as a result, timing and completion of the workload within the department is still an issue but is improving. We will restate the need for timeliness with all departments.

With regards to Nursing Home deposits, we continue to work with the software vendor to ensure that automated entries will be a reality in the near future. This is not wholly within our control but a deadline will be issued. We have also made positive strides in 2008 with our deposit process. We expect to be even further along in the year ahead.

We recognize the importance of the relationship between Human Resources and Finance. We expect as that as managers the directors find a way to work together.

Inventory:

Several items in inventory had 2007 purchase dates with no pricing. There is improvement in the pricing of inventory, but a random review of inventory revealed 3,000 items that had not been priced in the maintenance department. It is our understanding that many of these items relate to capital projects which are being tracked through the system but not prices.

Recommendation: We recommend that the pricing of inventory continue to be reviewed with the goal of eliminating all unpriced items. A separate section could be set up for capital projects.

Commissioners' Response: We continue to review inventory with the goal of eliminating surplus items. The method we use to account for inventory currently calls for unpriced items as previously explained in more detail. We will explore another idea of tracking this inventory for review and reporting ease.

Accounts Payable:

Some of the accounts payable balances date back to 2003, 2005, and 2006. Specifically there are balances of \$18.00 for 2003, \$17,654.81 for 2005, and \$196.56 for 2006.

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: Finance has communicated with departments to ensure these items are resolved in 2008 and expect they will be without exception.

Payroll:

Payroll items remain posted to Due From Other Governments from 2002, 2003, and 2004 for IRS taxes.

Recommendation: As soon as incorrect postings are found, they should be corrected. In the long run, this saves a lot of time and does not have to be a reconciling item repeatedly.

Commissioners' Response: These documented items are actually not issues with the IRS but instead an issue with how entries from prior years were processed by the payroll staff. As new experienced payroll staff becomes familiar with the issues and the system the items are expected to be cleared. There are no current IRS issues.

Assisted Living Billing:

Once again, 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: We understand the issue and are in the process of establishing a rate structure that will include rates at or above the Medicaid rate.

Nursing Home Allowances for Doubtful Accounts:

The allowance for doubtful accounts on the nursing home accounts receivable remains an issue. A policy was established several 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 take steps to put a plan in motion that provides timely and accurate information.

Interest on Inmate Account:

Interest in the amount of \$3,280.10 had not been posted to the general ledger since May. This should be posted monthly. It is our understanding that the subsidiary ledgers at the Jail are properly posted. However, interest earned should be posted to the proper account in MUNIS.

Recommendation: That the posting of interest be done monthly to the MUNIS general ledger when the bank account is reconciled.

Commissioners' Response: We concur.

Nursing Home Internal Control:

In reviewing the internal control in effect in the Nursing Home we are concerned that too much control is held by one person without checks and balances. For example, the system administrator makes decisions on billing, has the authority to override the daily rate, is responsible for the accounts receivable process and is in charge of the collection process.

Recommendation: That, at a minimum, decisions regarding a change in the daily rate be approved by the Administrator after authorized by Board of Commissioners. Anything impacting the County's financial position should also be received by Finance.

Commissioners' Response: We understand and agree that enhanced controls should be in place. Currently the Long Term Care Director is evaluating the issues and will ensure appropriate controls and levels of authority are in place.

Interdepartmental Communication:

Lack of effective communications and cooperation between County departments is affecting a comprehensive understanding by management of the County's financial position. The financial position is critical to decision making through County departments. Each department has a distinct role in the County, the the overlap of duties or the idea of one entity does not seem to be understood County wide. Issues created between departments do not foster entity wide thinking or bring forward innovative ideas to better the County.

Recommendations: Management should encourage interdepartmental cooperation, communications, problem solving, support and innovative thinking.

Commissioners' Response: We will encourage elected officials and division directors to ensure lines of communications are open and working effectively.

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.

Rollin S. Guit, CPAFC

Concord, New Hampshire
August 18, 2008



Rockingham County Commissioners

119 North Road
Brentwood, New Hampshire 03833

Maureen Barrows, Chair

Katharin K. Pratt, Vice Chair

C. Donald Stritch, Clerk

September 3, 2008

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 2005 and 2006 management comments. They are as follows:

2005 recommendations

- A. The system continues to be unable to split the deposit however the vendor is pursuing resolution and has scheduled time to work onsite in 2008. Further while cash is being deposited through the Finance Office, additional compliance with documentation and verification of timeliness is being pursued.
- B. While the new system has been implemented, additional effort is needed in this area.
- C. We are pleased to report that we have pursued Medicare part B revenue and will continue to pursue additional amounts however physician and therapy billing require further effort.

2006 recommendations

- Changes instituted last year as noted in the report continue to be observed.
- A good deal of the outstanding balances has been resolved. Of the remaining amounts reported in the 2006 financial statements, some amounts, such as restitutions owed, could not be eliminated due to the nature of the payable. Some immaterial values remain and will be resolved as time permits.
- The Commissioners continue to evaluate the cost of providing elder care services and made movement towards reasonable rates for all rooms in the Assisted Living Facility while considering the immediate effect of any increase on the residents.
- The Nursing Home Administrator has made the request and is receiving this information electronically.
- We continue to reasonably estimate allowances based on known amounts. We desire to make progress in the review and reporting process.
- It has been determined that the software does interface with MUNIS and additional internal work is being completed. Also as reported earlier the vendor is working with us on splitting cash receipts. Finally, additional compliance with documentation and verification of timeliness is being pursued.
- This specific issue has been resolved.
- This is regularly an ongoing issue and we continue to pursue it.

Sincerely,

Maureen Barrows, Chair

Katharin K. Pratt, Vice Chair

C. Donald Stritch, Clerk