

2013 Annual Report

Year Ending December 31, 2013

Rockingham County Commissioners:

Katharin K. Pratt, Chair
Kevin L. Coyle, Vice Chair
Thomas Tombarello, Clerk

DEDICATION

Lorna Bryan
Long Term Care Services
Registered Nurse



The 2013 Annual Report is dedicated to Lorna Bryan. Ms. Bryan is a Registered Nurse at the Rockingham County Rehabilitation and Nursing Center. Ms. Bryan began her career with the County in 2012. Prior to coming to Rockingham County, she had grown up in Hampton, NH, and went to college at the University of Wyoming. She joined the U.S. Army in 1997, where her career progressed from Assistant Team Leader, to Operations Officer, to Medevac Team Leader. Ms. Bryan is currently a helicopter pilot with the New Hampshire Air National Guard, specializing in medical evacuation.

Ms. Bryan flew numerous missions over Afghanistan during Operation Enduring Freedom, in which she piloted a medevac helicopter with the call sign "Dustoff 10." During two lifesaving missions, Ms. Bryan carried a U.S. flag aboard the aircraft. On Friday, August 8, 2014, Ms. Bryan presented the flag and a certificate to the residents of our facility. They hang proudly in our new resident/family room on Blaisdell ground floor.

Ms. Bryan is an incredible nurse who has made many contributions to our nursing home and to our country. We are so proud of all that she has accomplished. She is an amazing citizen and an important part of our team in the County.

Thank you,
The Board of Rockingham County Commissioners

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ELECTED OFFICERS

Commissioners

Katharin K. Pratt, Chair
Kevin L. Coyle, Vice-Chair
Thomas Tombarello, Clerk
commissioners@co.rockingham.nh.us
119 North Road
Brentwood, NH 03833
Phone: 603-679-9350 Fax: 603-679-9354
www.co.rockingham.nh.us

County Attorney

Jan-Nov 2013
James M. Reams
jreams@rcao.net

Nov-Dec 2013
James Boffetti
jboffetti@rcao.net

Mailing Address:
P.O. Box 1209
Kingston NH 03848

Physical Address:
10 Route 125
Brentwood, NH 03833
Phone: 603-642-4249 Fax: 603-642-8942

Sheriff

Michael W. Downing
101 North Road
Brentwood, NH 03833
Phone: 603-679-9475 Fax: 603-679-9474

Register of Deeds

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

Treasurer

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

DEPARTMENTS

Department of Corrections

99 North Road
Brentwood, NH
Phone: 603-679-2244
Fax: 603-679-9465

Engineering & Maintenance

116 North Road
Brentwood, NH
Phone: 603-679-9375
Fax: 603-679-9380

Finance Office

119 North Road
Brentwood, NH
Phone: 603-679-9340
Fax: 603-679-9346

Human Resources

111 North Road
Brentwood, NH
Phone: 603-679-9420
Fax: 603-679-9357

Long Term Care Services

117 North Road
Brentwood, NH
Phone: 603-679-9383
Fax: 603-679-9456

Admissions Offices

Rockingham County Nursing Home:
603-679-9305

Ernest P. Barka Assisted Living:
603-679-5335

Helen F. Wilson Adult Day Care Program:
603-679-9317



Connect With Us

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co.rockingham.nh.us



and connect with us on Facebook and Twitter

REPRESENTATIVES TO THE GENERAL COURT

District 1:

Bruce Hodgdon

District 2:

Romeo Danais
Joe Duarte
Kyle Tasker

District 3:

Franklin Bishop
Kathleen Hoelzel
Lawrence Kappler

District 4:

Gene Charron
James Devine
Dudley Dumaine
Joseph Hagan
Stella Tremblay

District 5:

Alfred Baldasaro
Robert Introne
David Lundgren
Betsy McKinney
Sherman Packard
Daniel Tamburello
Lisa Whittemore

District 6:

Elizabeth Burtis
Brian Chirichiello
Beverly Ferrante
Robert Fesh
David Milz
John O'Connor
Frank Sapareto
David Thompson
Mary Till
James Webb

District 7:

Mary Griffin
Walter Kolodziej
Charles McMahon
Kevin Waterhouse

District 8:

Gary Azarian
Ronald Belanger
Patrick Bick
Robert Elliot
Bianca Garcia
Marilinda Garcia
Anne Priestley
Joe Sweeney
John Sytek

District 9:

Jeffrey Harris
Barbara Helmstetter

District 10:

Daniel Itse

District 11:

Curtis Grace

District 12:

Elisabeth Sanders

District 13:

Regina Birdsell
John Sedensky
Kevin St. James
Kenneth Weyler

District 14:

Debra DeSimone
William Friel
Jack Hayes
Norman Major

District 15:

Mary Allen

District 16:

Robert Nigrello

District 17:

Michael Cahill
Marcia Moody
Adam Schroadter

District 18:

Steven Briden
Eileen Flockhart
Frank Heffron
Donna Schlachman

District 19:

Patrick Abrami
Timothy Copeland

District 20:

Aboul Khan
Amy Perkins
Lawrence Perkins

District 21:

Robert Cushing
J. Tracy Emerick
Chris Muns
Frederick Rice

District 22:

Michelle Peckham

District 23:

Pamela Tucker

District 24:

David Borden
Thomas Sherman

District 25:

Laura Pantelakos

District 26:

Terie Norelli

District 27:

Rebecca Emerson-Brown

District 28:

Gerald Ward

District 29:

Brian Wazlaw

District 30:

Jacqueline Cali-Pitts

District 31:

Joe Scarlotto

District 32:

Maureen Mann

District 33:

Timothy Comerford

District 34:

Jeffrey Oligny

District 35:

Richard Gordon

District 36:

Patricia Lovejoy

District 37:

E. Elaine Andrews-Ahearn

Delegation Officers

Norman L. Major
Chair

Mary E. Griffin
Vice-Chair

Kevin Waterhouse
Clerk

Executive Committee

Gene P. Charron
Chair

Kenneth L. Weyler
Vice-Chair

Kevin Waterhouse
Clerk

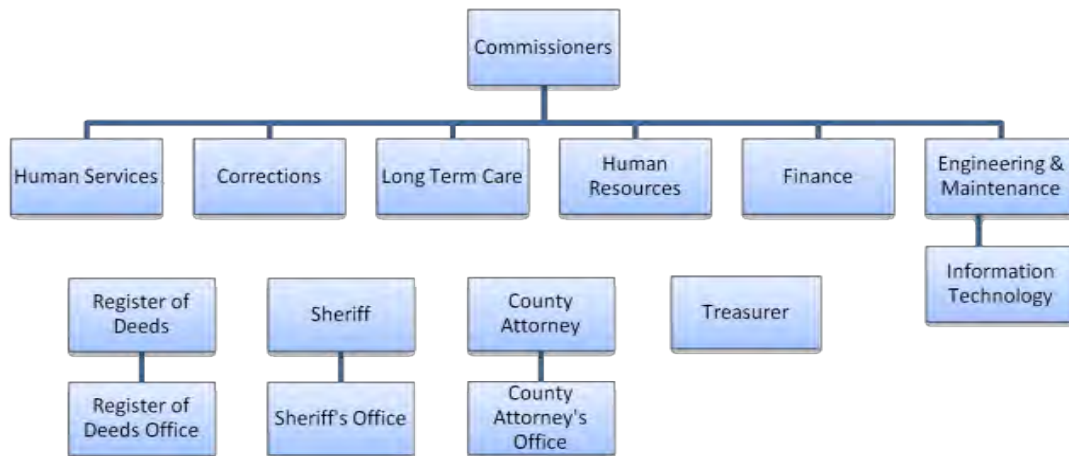
ROCKINGHAM COUNTY COMMISSIONERS



Chair Katharin K. Pratt, District 1
Vice Chair Kevin L. Coyle, District 3
Clerk Thomas Tombarello, District 2

As Rockingham County Commissioners, it is our duty to provide essential services to the taxpayers of Rockingham County in the most efficient, cost effective manner.

The structure of county government today is modeled after a basic three-branch system of government. The County Commissioners make up the Executive Branch, which is responsible for the day-to-day operations of county government, in both fiscal and policy matters. The Board of Commissioners is responsible for all county departments and exercise budgetary oversight of all county finances. Other responsibilities include the management of county buildings, and land, and personnel. Authority to permanently hire, discipline, and discharge a county employee is solely the responsibility of the County Commissioners unless otherwise provided for.



This year saw a change of the guard with the election of two new Commissioners in Districts 2 and 3. In 2013, the Commissioners significantly reduced the number of employees by 7 percent. Despite significant increased costs downshifted by the State Legislature, the Commissioners managed to keep the tax increase at approximately 1 percent.

The Rockingham County Biomass Facility was operational for its full year in 2013. A grant award was received from the American Recovery and Reinvestment Act for an Energy Efficiency and Conservation Block Grant from the United States Department of Energy in the amount of \$1,966,700. This heating project changed our heating source at the complex from #6 oil to wood pellets with substantial heating cost savings.

The Commissioners continued to work diligently with the Jail Study Committee and the Delegation to address overcrowding in the jail. The Commissioners proposed a pre-trial electronic monitoring program which they expect to start in 2014. The goal of the Commissioners, Delegation, and the Department of Corrections is to prevent Rockingham County from having to construct a new jail facility.

The Commissioners worked with the Long Term Care Services Director to improve the skilled care nursing program and increase revenues. The restorative rehabilitation program provides focused rehabilitation services for our long term care population. In addition, after much deliberation, the Commissioners reluctantly made the decision to close the adult medical daycare program.

Finances are in order and once again Rockingham County has the highest short term borrowing rating, MIG1 Rating, by Moody's Investors Service on 6.5 million dollar general obligation tax anticipation note for 2013. Each year Rockingham County borrows funds in anticipation of the county tax receipts paid by the towns and city in the county each December. Moody's cited satisfactory cash flow projections, healthy financial position, and low direct burden debt as facets in the rating issued. This excellent rating resulted in a net interest cost of .258 percent with a 1 percent coupon rate. Rockingham County's prudent financial planning and strong budgeting efforts are a direct result of this rating and interest rate.

Grant award activity continued in 2013 from the New Hampshire Highway Safety Agency, United States Department of Justice, and the New Hampshire Department of Safety.

The Commissioners look forward to an improving economy in 2014, and hope to work with all department heads in order to seek continued cost-savings and improved services for County residents.



Katharin K. Pratt
Chair
District 1

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

Hampton is my home where my political career began as a member of the Hampton Budget Committee in 1991.

Then, from 1992 to 1996, I was a member of the State Legislature before being elected a County Commissioner in 1997.

My goal is to maintain Rockingham's quality services and traditionally low county taxes in an environment of diminishing federal and state Medicaid funding and to fight further cost shifting by the state of New Hampshire to local property taxes.



Kevin L. Coyle
Vice Chair
District 3

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

I am a 40 year resident of Derry. I proudly served my community on the ZBA, Finance Committee, Trustee of the Trust Funds, and Town Council.

My goal as County Commissioner is to provide County services in a responsible manner without competing with private sector businesses.



Thomas Tombarello
Clerk
District 2

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

With over a decade of public service, I represent my district with the dedication and thoroughness the taxpayers deserve. My public service ranges from law enforcement, conservation commission, planning board, and Selectman.

As a small business owner I know first-hand the hard work and commitment it takes for a small business to survive.

My family and I live in Sandown and you will often see me at my children's sporting and school events.

DEPARTMENT OF CORRECTIONS

Stephen A. Church, Superintendent

We have enjoyed steady progress throughout 2013. We were able to institute some new inmate programs and continue existing services that will be outlined in the following report.

2013 was another busy year for the department. We continue to experience significant increase in the use of the Video Arraignment system and the employee man hours needed to accommodate the demand. Two Thirds of our average inmate population continues to be pre-trial offenders. Four of our six cell blocks are dedicated to housing pre-trial inmates. Female Offenders numbers continue to increase and associated housing costs continue to be of budgetary concern.

Census

Average Daily Count	361
Intakes	4,084
Males	3,216
Females	868
New Offenders	1,427
Repeat Offenders	2,657
Total Charges	8,057

Electronic Monitoring

Our Electronic monitoring program continues to be a popular alternative to incarceration for those convicted offenders that meet the criteria and have the option written into their court sentencing order. The System that the department utilizes is state of the art and incorporates the latest GPS and mapping systems to monitor the location of participants at all times. Participants are required to report to the facility at regular intervals and are subject to random urinalysis screening as well as random home visits by Corrections staff. Participants are also required to fund the cost of the system in order to have the privilege of participating, thus alleviating any cost to the taxpayer to fund this program. We averaged approximately 20 inmates on Electronic Monitoring throughout the year. This translates into a considerable savings on housing, meals and medical expenses. Changes in legislation under RSA 651: 19 have been a positive step into utilizing this sentencing alternative.

Number of Participating inmates in 2013	66
Bed days saved	7,547

Adult Diversion

The Rockingham County Adult Diversion Program is a pretrial program designed to divert individuals who have been charged with violation, misdemeanor and/or felony level offenses. Individuals, who are referred to, accepted into and successfully complete the program avoids prosecution/convictions, related fines and/or incarceration. The goal is to redirect offenders away from the criminal justice system and toward healthier choices through support, guidance and education.

In 2013 the Adult Diversion Program was moved from the Human Services division to Corrections. Social Worker Dawn Barnes retired after 25 years with the County and Alyson (Mahler) Velardi was brought on in July as her replacement.

Since Alyson has joined us, we have averaged approximately 38 inmates weekly in the Adult Diversion Program. There were 67 cases successfully closed and 7 cases that were returned for prosecution. Diversion is an alternative to incarceration and a positive way to reach first time offenders and curb recidivism.

Inmate Work Hours

Whenever possible we schedule Minimum Security convicted offenders to various work details around the county facilities. These people work for several county departments including the Nursing Home and County Maintenance. We also have several area police agencies that are assigned an inmate worker. The workers will provide general janitorial duties and grounds maintenance services for the local safety complex. This program has saved many paid man hours for the county and area towns that would otherwise have to hire civilian employees to complete these tasks. The following is a representation of the man hours provided with inmate labor.

Complex	42,023+
Municipalities	17,304+

Disciplinary Board Hearings

Disciplinary board hearings are held in compliance with federal guidelines for inmates that break institutional rules or commit crimes while incarcerated. Our population within the jail continues the trend of younger offenders. These offenders seem to care less about their charges or their behavior while in custody. Inmate fights continue to be the highest violation of the rules. There were a total of 287 D-Board Hearings in 2013. There was a 25% increase in positive urinalysis and a 37.5% increase in inmate possession of illegal drugs from 2012. We believe these increases are due to the growing dependence and abuse of prescription drugs on the streets and the officers becoming more alert and thorough while conducting searches.

Class A Offenses (Most Serious Offenses of Assault, Fights, Drug Use/Possession, etc.)

Fighting	52
Assault on Inmate	13
Assault on Staff	2
Attempted Escape	1
Sexual Misconduct between Inmates	1
Delivery of Prohibited Article	4
Positive Urinalysis	28
Possession of Unauthorized/Illegal Drugs	16
Hoarding of Medication	17
Sprinkler Activation	8
Total	142

Class B Offenses (Violation of Non-Violent acts where no drug involvement and/or no injuries were involved)

Possession/Consumption/Preparation of Home Brew	14
Being Away from Work Detail	2
Removal of I.D. Bracelet	3
Disorderly Conduct including Threats/Intimidation	13
Stealing	3

Destruction of County Property	6
Being in Unauthorized Area	4
Possession/Use of Tobacco (more than 1 offense)	7
Threatening Staff	4
Sexual Misconduct toward Staff	2
Violation of Electronic Monitor	2
Refusal to Lock In	8
Possession of Dangerous Contraband	17
Tampering with Plumbing/Electrical/Ventilation Systems	15
Disobeying Direct Orders	27
Racial Harassment	3
Possession/Use of Tattooing Equipment	5
Total	135

Disposition of Disciplinary Hearings

Guilty Findings	198
Not Guilty Findings	40
Hearings Dismissed for not being held in allotted time period	35
Hearings Dismissed due to inmate release / transfer	14
Inmate Appeals to Disciplinary Hearings	7
Appeals Granted due to flawed hearing process	4

Human Services

We have a very pro-active human services/inmate programs staff. They are a small group of very dedicated professionals working to provide the best services for those in their care with the continual focus on positive incarceration to give offenders the tools and life skills needed to break the cycle and ultimately reduce recidivism.

One program that we are especially proud of is our STAR Program.

STAR = Solutions Transitioning and Recovery. This is a 28 day in-house residential drug treatment program. Through Court Order, inmates may be released upon completion of this program. Some inmates enter the program through staff recommendation and/or self-referral.

2013 STAR Participants	58
Graduations	52
Bed Days Saved	2,299
Recidivism of all Bookings	65%

The following represents other initiatives that the Human Services staff is involved in:

- Case Management** Assisting inmates with issues that revolve around incarceration and pre-release planning.
- Education** 32 inmates completed and earned their GED, this is up from 18 in 2012
- OSHA** 12 inmates participated in OSHA safety certification - this is a grant funded program

- Reasoning Skills** Individual program where inmates work through modules
- Coping with Anger** Offered to all sentenced inmates
- Restorative Justice** This group participates in workshops with a focus on Community involvement, such as various crafts and donations to local shelters.

VINE = Victim Identification and Notification Every day

The department Victim notification program continues to see an increase in use. This program began in 1998 and allows for victims of crime to register for automated notification of an offenders release from the facility. Technology in this area continues to increase and as a result we have seen registration through the internet increase with E-mail notification on the rise. We continually receive positive feedback about this program. In 2014 we will again promote this program to all Law Enforcement and social service/domestic violence protective agencies in the county. This service can be accessed at www.vinelink.com as is represented by the numbers below, the access and activity with this program continues to rise.

New Registrations	4 70
Phone Calls Generated	2,537 (an increase from 1,628 in 2012)
Vine site searches	43,291 (an increase from 28,004 in 2012)

New Projects For 2014

Pre-Trial Supervision and Electronic Monitoring

A cooperative effort in a task force capacity with Department of Corrections working with the County Board of Commissioners, the Rockingham County Sheriff's Department, Superior Court, Prosecutors and Defense Bar. The new program will be designed to keep some pre-trial detainees in the community with added supervision as a bail condition. This may include a component of Electronic monitoring. This will help to alleviate overcrowding at the jail facility and the tax burden of care and custody of these offenders. We are extremely happy about this multi-jurisdictional approach to Positive Community Corrections.

Video Visitation

In 2014 we plan to introduce a video visitation program. This will offer many more visiting opportunities for offenders with loved ones and greatly reduce the required employee man hours needed to administer visitation. This will be accomplished by adding video visitation booths on each cell block as well as in the current public side visitation area at the facility. Loved ones will also have the availability to log in remotely and this option will be a revenue source for the county. Many jurisdictions in the region utilize this type of visitation program with great success.

Video Arraignment

We are currently connected to all seven Rockingham County Circuit Courts as well as many other courts and institutions throughout the state and beyond. We have maintained our ability to connect using either an I.S.D.N. (phone lines) or an I.P. connection (cable).

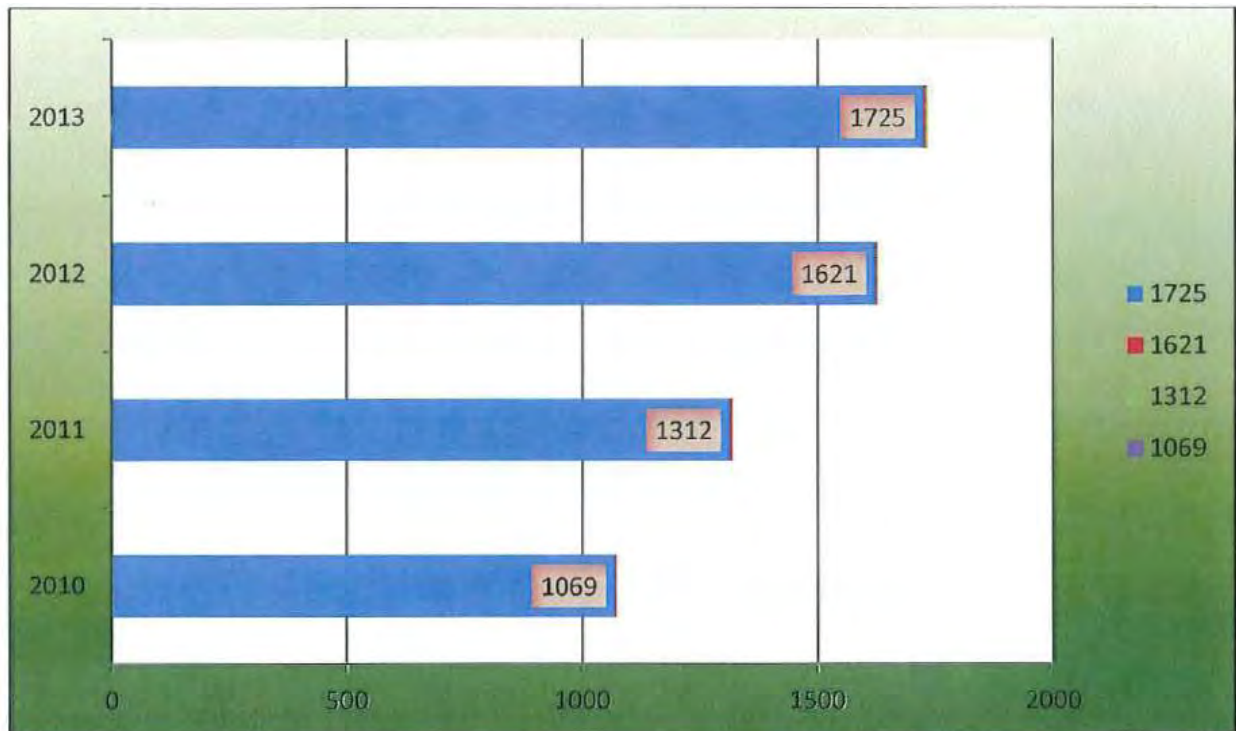
Total for 2013: **1,725** Total for 2012: **1,621** Total for 2011: **1,312** Total for 2010: **1,069**
 This represents a 6.4% year over year increase and two year increase of 31.5%.

We continued to host prosecutors who found it more convenient to come here than to travel across the county for an arraignment. In rare instances we also hosted defense counsel for high profile cases where the interests of justice and public safety were best served by allowing them to appear from the jail facility with their client. The courts have made increased usage of our equipment's ability to host multipoint video conferences allowing prosecutors to appear from their home court while the judge and defendant are in two additional locations.

The courts have called upon us to do additional hearings in new areas besides arraignments. We have done family court, child support status hearings, arraignments, parole hearings, waiver of P.C. hearings and sentencing hearings all which otherwise would have required transport. We have also been able to accommodate the Federal Court in Boston.

The courts have made it clear in their directives that they intend to continue putting increased pressure on our services.

Total Video Arraignments conducted for the year = 1725



Medical Services

Prime Care Medical Incorporated continues to provide the care for the inmate population. This company specializes in Jail Healthcare. They provide a team of highly dedicated and professional health care workers to include Nurses, MD, PA, Psychiatrist, Dentist, and Mental Health Services. We continue to be the only corrections agency in the state of NH to be accredited with the National Commission on Correctional Health Care. The current contract with this company runs through December 2015.

Personnel

The Rockingham County Department of Corrections represents the largest, full time, uniformed Law Enforcement agency in the county. These dedicated professionals give much of themselves in their chosen public safety profession.

Officers Thomas Scurini, William Lundgren, David Clement, and Joseph Melanson joined the department in 2013 and we wish them well in their training as they embark on their new career. Our Administrative staff was joined by Alyson (Mahler) Velardi as a Social Worker III heading up our Adult Diversion Program, and Jayne Jackson joined us after many years in the Finance department, filling the position of our Business Office Supervisor.

We had four employees retire in 2013: Officer Frank Monczewski after 17 years, Lt. Ren Horne after 20 years, Major John Blomeke after 30 years, and Social Worker Dawn Barns after 25 years of service. Together they dedicated a combined total of 90+ years of service to Rockingham County. We congratulate them on their retirement and wish them well in the future.

The following is a list of Milestones reached by several of our employees. I congratulate them on achieving these goals and I thank them for their dedication and service to the citizens of Rockingham County.

<u>5 Years</u> Linda Stilkey	<u>15 Years</u> Mel Okereke Eric Whipple Jeffrey Viera	<u>20 Years</u> Ren Horne Shawn Fogarty	<u>30 Years</u> John Blomeke
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Town Commitments Report Year-End

Atkinson	11	Kensington	40	Sandown	17
Auburn	10	Kingston	29	Seabrook	151
Brentwood	28	Londonderry	109	South Hampton	3
Candia	25	Newcastle	4	Stratham	26
Chester	15	Newfields	5	TRANSFERS	9
Danville	6	Newington	35	Windham	29
Deerfield	24	Newmarket	55	Immigration	0
Derry	302	Newton	21	COURTESY HOLD	2
East Kingston	15	North Hampton	20	Rockingham Sheriff	1,368
Epping	51	Northwood	26	FISH/GAME	2
Exeter	121	Nottingham	25	N.H. State Police	255
Fremont	10	Plaistow	47	Self Turn-Ins	199
Greenland	9	Portsmouth	301	N.H. State Prison	1
Hampstead	18	Raymond	97	Probation/Parole	160
Hampton	18	Rye	18	Federal Marshal	0
Hampton Falls	43	Salem	447	Total	4,359

In conclusion, I would like to express my appreciation to the Rockingham County Board of Commissioners. This past year has come with some new and interesting challenges and the Board’s support and guidance has been refreshing and most helpful when many tough decisions needed to be made. I would also like to express my thanks to Representative Bob Fesh, the Chairman of the Jail Sub-Committee. He has been a long term member of the delegation and the Jail Sub-Committee and his oversight and thorough and positive review are always welcome and refreshing. Many thanks also to all

of the members of the Jail Sub-Committee and all members of the committee and the Rockingham County Delegation for their support.

I must recognize the Corrections Staff, the office team, Human Services Staff, medical personnel, Command Staff and the Correctional Officers of the department. This is a group of highly dedicated and career minded individuals. The professionalism and skill the staff projects while dealing with a difficult population is amazing to see. The Correctional Officers work in a direct supervision atmosphere directly on the cell blocks among the inmate population. As the years go on, and society changes, their work becomes more difficult. The work they do and the number of issues they deal with, and are able to resolve, make me proud to be the head of this agency and a member of the corrections profession.

COUNTY ATTORNEY'S OFFICE

James M. Reams, County Attorney
James Boffetti, Interim County Attorney

The Rockingham County Attorney's Office is pleased to submit the 2013 Annual Report. We strive to seek justice and improve the quality and efficiency of processing cases within the confines of a delicate balance of resources.

"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. Additionally, they have the responsibility for and exercise general supervisory control over the enforcement and prosecution of the criminal laws of the State.

The year 2013 was another challenging one for the Rockingham County Attorney's Office. In addition to the investigation and prosecution of cases, we continue to be actively involved in improving and implementing various phases of the statewide County Attorney Database.

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 38 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.

Since 1999, the number of cases handled by the County Attorneys office has dramatically increased. A strict comparison of the actual number of Indictments returned by the Grand Jury reveals a leap from 1254 in 1998 to 2375 in the year 2009, an increase of 189%. In 2013, that number increased to 2,939. Simply comparing these numbers cannot accurately reflect the increased workload handled by this office. The County Attorney exercises great restraint and consideration when making charging decisions. 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. A number of sophisticated improvements and updates to our database system during the year have presented some unique challenges among our staff as they tested the new additions and changes to the database.

- Indictments have increased from 1,254 in 1998 to 2,939 in 2013.
- Again in 2013 the Court did not schedule jury trials for seventeen (17) weeks throughout the year (in 2011, it was six weeks). This increases the workload significantly in an attempt to prepare for a large number of trials, most of which will not be heard the week they are scheduled.

- 272 Probation violations were filed, along with 18 New Hope cases.
- 424 cases were assigned to a Victim Advocate in 2013.
- Our two part-time investigators handled 365 cases; located over 100 trial witnesses; recorded 78 various interviews and investigative follow ups. Additionally, they conducted 106 gun line checks.

Prosecutors

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. All prosecutors are on a rotating schedule 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 142 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.

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.

One of the 3 advocates continues to be partially grant funded through the State of New Hampshire. 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 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, Assistant Office Administrator/Case Intake Manager, Receptionist, four Legal Assistant II positions, five Legal Assistant I positions, and one Paralegal. The support staff is responsible for duties such as discovery preparation, running criminal history checks through the State Police On-Line Telecommunications System on all defendants and civilian witnesses for trial, assembling and requesting certified copies of convictions for their attorney’s felony cases, dealing with witnesses, law enforcement officers, and witnesses from other private and public agencies. They may perform legal research for their attorneys, transcribe police and

CAC interviews, draft, file, and mail various legal correspondence and pleadings, as well as drafting interstate subpoenas, subpoenas duces tecum, and coordinating and scheduling monthly Grand Jury proceedings.

- The support staff generated 1,550 Grand Jury and Trial subpoenas in 2013 and processed 2,274 cases that most often involve multiple items of trial evidence.
- Additionally, the office received 29 requests for Interstate Agreement on Detainers (IADs), 9 requests for Governor's Warrants, and the County Attorney approved 164 Out-of-State Arrest transports.
- The Reception Office receives in excess of 30,000 incoming telephone calls every year.

ENGINEERING AND MAINTENANCE SERVICES

Jude Gates, Director of Facilities, Planning, and Information Technology

The mission of the Engineering & Maintenance Services (E&MS) department is to provide, safely and efficiently, the infrastructure services that contribute to the quality of life for our residents, the safety of the personnel in the Correctional facility, and the maximum productivity of the employees. We place a strong emphasis on responsible management of resources and preventive maintenance to control costs and increase the life expectancy of equipment and systems.

Every member of the Engineering & Maintenance Services team takes great pride in our work, as is evidenced throughout the buildings and grounds. We are a dedicated and skilled group of individuals who truly touch the lives of every resident, staff person, and visitor every day. I am proud to be a part of this team.

In addition to daily operations and maintenance, E&MS also participated in bringing the following projects to fruition in 2013:

- Replacement of three walk-in cooler doors in the Nursing Home kitchen
- Upgrade of the tub/shower room on the Blaisdell I unit of the Nursing Home
- Design and replacement of the Nursing Station at the Driscoll Ground floor unit; work included upgrade of the lighting in the area with LED fixtures
- Replacement of the condensing unit on the HVAC system serving the second floor of the Driscoll building in the Nursing Home and replacement of the rooftop HVAC unit serving Staff Dining
- With support and assistance from our IT/Telecommunications (IT/T) Manager, continued implementation of security measures in the nursing home including cameras and wireless locks with proximity readers
- IT/T oversaw an upgrade and expansion to the wireless system at the Complex,
- The server virtualization project was completed by IT/T
- Upgrade and replacement of the awnings on the Mitchell building of the Nursing Home
- Replacement of the roof on the Mitchell building of the Nursing Home
- Replacement of twenty-three cell and passage doors in the Jail/House of Corrections
- A major upgrade to the security camera system at the Jail/House of Corrections was undertaken, including software upgrade, replacement and/or new installation of nearly 100 cameras, all digital with expanded capability for recording
- Engineering and RFP process for replacement of HVAC systems for four cell blocks and two mezzanine units at the Jail/House of Corrections. Construction scheduled for 2014.
- Replacement of the roof on the Water Treatment Facility
- Removal of deteriorated retaining walls at either side of the E&MS building and construction of new parking areas

Whereas a large portion of our operating budget is for utilities expenses, we continue to pursue any and all reasonable avenues for cost savings. The 2013 audited energy savings for energy conservation measures put in place in 2003 is \$259,763. Our biomass facility, in its first full year of operation in 2013, saved the County in excess of \$500,000 in heat and hot water expenses. Conservation and efficiency are key elements of every work order, every equipment purchase and every project undertaken. We continue to maintain a Wellhead Protection Program, ensuring water quality, saving on annual laboratory fees, and maintaining the natural resources. After treatment our wastewater is used to irrigate the hay fields, recharging the aquifer and producing a source for revenue that is able to absorb the nutrients. The savings and the stewardship of the land and other natural resources are a continuing source of pride.

I am grateful for the continued support and confidence shown to Engineering & Maintenance Services by the Board of Rockingham County Commissioners.

LONG TERM CARE SERVICES

Steven Woods, Administrator/Long Term Care Services Director

The year 2013 was full of changes and setting new goals, while continuing to fulfill our entrusted mission to provide the highest quality care to our nursing home residents, assisted living, and adult medical day clients.

I certainly want to acknowledge 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 Rockingham County Nursing Home, as demonstrated by excellent work records and employment longevity that rivals any facility in the State.

Our annual Medicare/Medicaid State Survey was conducted in July 2013. Once again Rockingham County Nursing Home stands out as one of the best nursing homes in the State of New Hampshire. I am honored to announce that the Nursing Home and Assisted Living both had excellent survey results.

Our annual Education Day was conducted in October in the Assisted Living building. This is an important and mandatory in-service program for all staff which is conducted annually. This program reinforces necessary knowledge and skills. The event had a circus theme that made the event fun and positive for everyone.

Another initiative that we continued in 2013 was the oral health program enhancement. Since 1979, we have been providing dental services to our residents. We continue to upgrade the space, equipment, and oral health training of our staff. We have an annual oral health fair in cooperation with local dental hygienist students, which is enjoyed by residents and staff alike. This project will continue well into 2014 and beyond and continues to serve as a role model for all nursing homes in the state.

Our biggest initiative that continued in 2013 was the growth of our rehabilitation program. We continued to serve more residents from the community that required short-term, skilled rehabilitation services. Our contract continues with Rehab Choice, allowing us to continue to provide a higher level of care to our residents, and in turn, be able to enhance revenues by accessing federal Medicare dollars. We continued upgrading the therapy rooms and the Driscoll Ground Unit in order to best serve these new Rockingham County short-term clients. Further, we continued our IV Therapy services. We continue to keep moving to the future of long term care delivery and working to become a more regional provider of skilled services. We changed our name to Rockingham County Rehabilitation and Nursing Center to best express the work we are currently doing to serve our community.

I am proud of Rockingham County Long Term Care Services and the strong community reputation it has earned, and I look forward with excitement to the year ahead. I am especially proud of the people I work with every day – colleagues, whose loyalty and high standards make me honored to be a part of this incredible team.

The support and guidance of our County Commissioners, Chair Katharin Pratt, Vice Chair Kevin Coyle, and Clerk Thomas Tombarello, have been invaluable. We are grateful for their dedication, interest, and caring all year long.

2013 NURSING HOME CENSUS

Daily Average Census – 216
Highest Census 226 / Lowest Census 206

Admissions		Discharges	
Home	16	Hospital Admit>Returns	110
Hospital	120	Discharged to another facility	13
Nursing Home	04	Discharged to Assisted Living	19
Psych Hospital	05	Discharged home	64
Rehabilitation	18	Expired while in Hospital	06
Assisted Living	10	Deaths	71
Total Admissions	<u>173</u>	Total Discharges	<u>283</u>

Average Age of Residents as of 12/31/13	80
Average Age of Death	82
Average Age of Admission	80
Average Length of Stay	0 yrs. – 07 mos. – 26 days

REGISTRY OF DEEDS
Cathy Ann Stacey, Register

As I begin my twentieth year as Rockingham County Register of Deeds, I first wish to take this opportunity to commend the Registry of Deeds staff for their continued hard work and dedication in fulfilling the mission of this office. In addition, I extend my deepest appreciation to the residents of Rockingham County for their continued support and confidence in me as their elected County Register of Deeds. It continues to be my pleasure to serve you and I pledge to continue on my vision to make the Registry of Deeds records more accessible to the public and strive to discover ways to ensure continued fiscal responsibility in the budgeting and administration of this office.

During 2013, the Registry of Deeds implementation of the “GO GREEN” in all of our account billing and town transfer document filings has resulted in significant savings to the taxpayer. Programs were implemented which updated in-house accounting software with our on-line database allowing the merger of information to an email billing format. All 37 communities are utilizing the on-line access to document transfer information which is required by law to be forwarded to them. These on-line accounts contain transfer documents specific to each community and assist Town Assessors in keeping their taxing records up to date.

The restoration of ancient documents continues to move forward. From the dedicated fund the sum of \$50,000.00 was budgeted and expended for this project. As a reminder, the dedicated fund (surcharge fund) contains non-taxpayer dollars which are statutorily dedicated for use in the Registry of Deeds.

Toward the end of 2013 this office was challenged with replacing the Main Computer Server which was not an anticipated or budgeted expense in the 2013 budget. To accommodate this unanticipated expense, funds were moved from within departmental budget lines to avoid the necessity of requesting additional funds from the County Delegation.

The Registry of Deeds experienced an overall increase in document recording volumes of eighteen (18%) percent for a total of 67,798 filings.

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

2013 Municipal Transactions

Atkinson	745	Greenland	563	Newington	129
Auburn 679		Hampstead	997	Newton 579	
Brentwood	511	Hampton F	292	Northwood	520
Candia	396	Hampton	2191	Plaistow	899
Chester 521		Kensington	243	Portsmouth	2591
Danville	440	Kingston	726	Raymond	1158
Deerfield	524	Londonderry	2739	Rye	778
Derry	3168	New Castle	160	Salem	3179
E Kingston	317	Newfields	200	Seabrook	885
Epping	817	Nottingham	581	S Hampton	111
Exeter	1574	N Hampton	672	Sandown	783
Fremont	564	Newmarket	807	Stratham	968
				Windham	1874

The foreclosure trend in Rockingham County continues to decline. During 2013, Rockingham County recorded 538 foreclosures, which reflect a decrease of 205 from the previous year.

2013 Foreclosure Transactions

Atkinson	6	Greenland	0	Newington	0
Auburn	9	Hampstead	12	Newton	11
Brentwood	4	Hampton F	0	Northwood	16
Candia	13	Hampton	13	Plaistow	18
Chester	9	Kensington	3	Portsmouth	9
Danville	18	Kingston	9	Raymond	31
Deerfield	9	Londonderry	42	Rye	2
Derry	103	New Castle	0	Salem	42
E Kingston	8	Newfields	2	Seabrook	14
Epping	14	Nottingham	13	S Hampton	0
Exeter	37	N Hampton	4	Sandown	17
Fremont	12	Newmarket	14	Stratham	8
				Windham	16

The total County revenue collected by the Registry of Deeds in the 2013 calendar year was \$3,493,828.91.

2013 Revenue Collected

State Transfer Tax	\$28,543,856.12
4% RETT commission	\$1,189,090.88
State LCHIP tax	\$1,165,375.00
4% LCHIP commission	\$46,613.00
Copies/Faxes	\$348,375.80
Recording Fees	\$1,909,749.23
Total Revenue	\$3,493,828.91
Total Documents recorded	66,864

2013 Scanning and Filming

Current year documents scanned/filmed	332,621 pages
Current year scanned plans	864 sheets
Current year daybook filmed	9,000 pages
Historical records scanned	39,500 pages
Total Pages	382,190 pages

Finally, I wish to acknowledge the Rockingham County Board of Commissioners and members of the Rockingham County Finance Department for the continued assistance and support provided to this office.

SHERIFF'S OFFICE

Michael W. Downing, High Sheriff



Rockingham County Sheriff's Office is grateful for the support of its Commissioners, Legislative Delegation, local police and fire departments and citizens of Rockingham County. As can be seen by the statistics provided, the calls for service continue to increase, and the issues faced by our employees are more complex and challenging. The Office continues to adapt to meet these challenges and those of the citizens and communities in Rockingham County.

Sheriff Offices in New Hampshire act on instructions issued from the Courts for civil process service, provide for the transportation of incarcerated individuals to and from court; and, provide security at state courts. Additionally, deputy sheriffs must be trained and certified by NH Police Standards and Training Council. Further information is available through New Hampshire's Revised Statutes Annotated (RSAs), Title VII: Sheriffs, Constables and Police Officers; Chapter 104: Sheriffs and Constables. Additionally, Rockingham County Sheriff's Office frequently assists smaller police departments within Rockingham County upon their request.

The calendar year of 2013 was very busy. The Court Services Division provided for 9,062 court transports, the Patrol Division processed slightly more than 10,000 court documents and made 2,139 motor vehicle stops. The Criminal Investigations/Warrants Division undertook 89 investigations, completed 164 out-of-state extraditions and managed 2,259 District and Superior Court warrants. Rockingham County Communications Center fielded 128,509 calls for service representing twenty five (25) Police Departments, eighteen (18) Fire/EMS Departments along with dispatching for the Sheriff's Office.

There have been several changes in personnel of the Sheriff's Office due to retirements, resignations and reorganization.

Superior Court Bailiffs Lewis Cedrone, Richard Lausier, Charles Welch, John Boudreau and Mark Cavanaugh resigned after serving a combined total of 33 years. Donald Meroth transitioned to the position of Superior Court Bailiff after serving 8 years as a Reserve Deputy. Glenn Senechal, Michael Foti and Thomas Tetreault were hired as Bailiffs for Superior Court.

Deputy Sheriff Kevin Gelineau resigned his position to join a police department within Rockingham County. Deputy Steven Warnock retired after serving Rockingham County for twenty five years both as a Deputy Sheriff and Corrections Officer.

Chief Electronics/Communications Technician Parks "Skip" Christenbury resigned with sixteen years of service. This position was filled by Joshua Mann who was hired in September.

Deputy Sheriffs Joe Costa and Peter Fowler were hired full time and assigned to the Court Services Division. Deputy Sheriff Jason MacLeod was hired as a Reserve Deputy. Deputy Sheriffs Michael Chavez and George Malgeri were transferred from Court Services and assigned to Patrol Areas 7 and 2.

Deputy Sheriff Ray Berube was hired as a full time Deputy assigned to the Warrants / Investigations Division. Deputy Sheriff Kevin Swift was hired as a Part Time Deputy. Sergeant Darin Melanson was promoted to the rank of Major; Deputy Sheriff Marshall Bennett was promoted to Sergeant, Administrative Services; and Major Al Brackett was appointed as head of the Drug Task force after Mathew Steer, Meghan Dawson, Melissa Gates and Richard Fowler were hired as Dispatchers. being reassigned to Chief Deputy.

I would like to thank those who retired or resigned from service for their time and dedication. I appreciate all

they have accomplished and wish them well in future endeavors. Equally, I wish the best of luck to new employees and to those who have transitioned into new roles. I look forward to working with each of you.

The Office continues to work to update the infrastructure of the county-wide communications system. The Sheriff's Office has attained most of the grant funding necessary for a new communications center. This new equipment will greatly enhance communication and safety of first responders throughout the County. I wish to personally thank NH Department of Safety, Homeland Security Field Representative Paul Hatch for his continued guidance and advice.

Rockingham County Sheriff's Office continues to work collaboratively with US Marshals Service, Rockingham County Drug Task Force and Internet Crimes Against Children Task Force. Sheriff's Deputies provided support for local police departments by assisting with DWI checkpoints, representing law enforcement at community events, and participating in Emergency Preparedness Training. These cooperative efforts have significantly reduced criminal activity in Rockingham County.

Arrest Warrant Statistics

Active Warrants – Superior Court & Family Division

Active Warrants in NCIC	492
Active Superior Court Civil Warrants non-NCIC (Equity, Family Division, Cost Containment)	166
Active Warrants – Persons Serving Time in Other States	48
Subtotal	706
Active Warrants – Persons Beyond Extradition Limits (included above)	152

Active Warrants - District Court

Active Warrants	98
Active Warrants Issued to Other Counties	0
Subtotal	98

Grand Total – Active Warrants All Courts 804

Arrest & Recall Statistics

Arrests – Superior Court Warrants

Criminal Warrant Arrests	508
Civil Warrant Arrests	81
Electronic Bench Warrant Arrests	57
Recalls	202
Subtotal	848

Arrests – District Court Warrants

Active Warrants	98
Arrests	25
Non Est	119
Warrant Recalls After Warning Notice	144
Warrant Recalls After Person Learned a Deputy Was Actively Seeking Their Arrest	221
Subtotal	607
Grand Total – All Warrants Cleared	1,455
Total Warrants Managed – All Courts	2,259

Court Services Division

The Court Services Division transported 9,062 prisoners in 2013, an increase of approximately 494 prisoners over those transported in 2012. During this period there was also a 6% increase in the number of video arraignments conducted by the jail. Transports to juvenile and adult facilities in the northern part of the state like Berlin and Jefferson continue to place high demand on the personnel assigned to the Transportation Division. The Transportation Division routinely experiences personnel shortages. These shortages are supplemented with Reserve Deputies and reassignment of personnel from other divisions to meet daily transportation needs.

Transports for Other Agencies	8,575
Involuntary Emergency Admissions	341
Juvenile Transports	140
All Other Transports	6
Total 2013	9,062
Total 2012	8,568

Patrol / Civil Statistics

The Patrol Division continues to experience a high level of requests for service of documents. The Patrol / Civil Division processed approximately 900 documents per month for the thirty-seven (37) towns within Rockingham County. Services cover documents which must be served in hand, served by leaving at place of business or residence and services which must be recorded at Rockingham County Registry of Deeds. Additionally, deputies were involved in traffic enforcement initiatives that contributed to making the roadways in Rockingham County safer for the motoring public. These initiatives were funded by the New Hampshire Highway Agency.

Civil Process Served	10,677
Motor Vehicle Enforcement	2,139

Criminal Investigations / Warrants Division

Criminal Investigations	89
Number of Cases Where Drugs Were Seized:	
Cocaine	3
Heroin	16
Marijuana	14
Fentanyl	3
Suboxone	3
Methadone	1
Gabapentin	1
Butane Honey Oil	2
Marijuana Grow Operation	1
Total	44

Out of State Extraditions by State

California	1	New York	2
Connecticut	1	North Carolina	2
District of Columbia	1	Pennsylvania	3
Georgia	1	Rhode Island	3
Florida	9	South Dakota	1
Maine	30	Vermont	3
Massachusetts	104	Virginia	1
New Jersey	2	Total Out of State Extraditions: 164	

Rockingham County Supervised Pretrial Release Program

On September 20, 2013, Rockingham County Sheriff's Office Supervised Conditional Release from Incarceration Program (SCRIP) experienced significant changes in structure. Through a cooperative effort between the Sheriff's Office, County Attorney's Office, Department of Corrections, and Rockingham County Courts, a new program structure was developed. The SCRIP program was renamed to Rockingham County Supervised Pretrial Release (RCSPPR).

The new program structure was designed to alleviate many issues experienced by Department of Corrections involving pretrial defendants housed by Rockingham County, and provide options to the pretrial defendant.

Final decisions to release a defendant from incarceration to the RCSPPR program are ordered by Rockingham County Superior Court Judges. Defendants referred to the program are interviewed, and assessed which includes residential visits and agreements are completed by the RCSPPR Deputy. The entire assessment package is forwarded by Rockingham County Sheriff's Office to the prosecution, defense attorney, and Superior Court for a bail review hearing, or final order.

GPS Electronic Monitoring bracelets are utilized in conjunction with home / employment visitation, telephonic / in office reporting, curfews, and drug screening to assure the defendant's compliance with the Court Order and the RCSPPR program.

Program participants ordered to RCSPPR, are required to abide by all Court orders and any additional conditions set by the program. Any violation of these conditions may result in additional charges, arrest, and / or incarceration. Violations may cause the defendant's removal from the RCSPPR program. All violations are reported to the Court, prosecution, and defense attorneys to determine an appropriate course of action.

In 2013, the program saw an increase in the number of defendants screened. As of December 31, 2013 there were a total of 504 defendants screened; 424 male and 80 female. Of the 504 screened, a total of 17 identified defendants were approved in the pretrial program. There were a total of 11 male, and 6 female defendants who participated. Eleven defendants participated through to sentencing, and six were terminated from the program due to violation.

In 2013 the estimated housing cost savings for individuals participating in the SCRIP/RCSPPR Program was \$167,616.

Warrant Entry Team

The Warrant Entry Team currently operates with one Team Leader, one Assistant Team Leader and eight Operators / Members. In 2013, one Deputy joined the team as an Operator and Team Medic. Additionally, one member stepped down from the team to focus on other responsibilities and another resigned from the Sheriff's Office.

The team maintained overall proficiency by participating in scheduled physical training days including fourteen (14) scheduled SWAT related trainings. They participated in eleven (11) planned operations and call-outs. Training days included but were not limited to:

- Land navigation / line searches
- Barricaded subjects
- Motor vehicle assaults
- Breaching instructor courses
- Hostage rescue
- Active shooter exercises
- Sig Sauer Academy
- High risk arrests and search warrant services

The team hosted Advanced Tactics and Firearms, LLC who provided training for the team and Narcotics Task Force, teaching techniques for vehicle takedowns and officer rescue scenarios. Two Operators received their Breaching Instructor certifications through L.E.A.D consultants. One Operator received his Active Shooter Instructor certification through Sig Sauer training academy, and two received certifications as Defensive Tactics instructors.

The Team Medic provided classes on “combat care” for Operators and assisted with assembling an individual first aid kit that is now carried by all team members.

The team acquired an “up-armored” HMMWV, enhancing team safety, and providing additional rescue options when assisting members of the community and law enforcement. Other notable equipment acquired by the team were Remington Eyeballs and a remote control "bomb robot." These items were acquired at no cost through the Defense Logistics Agency Reutilization Program.

The team was also activated and instrumental in assisting the narcotics task force, executing search warrants and arrests in and with the following communities / agencies:

- Brentwood Police Dept.
- Danville Police Dept.
- Deerfield Police Dept.
- Derry Police Dept.
- Epping Police Dept.
- Exeter Police Dept.
- Fremont Police Dept.
- Hampstead Police Dept.
- Hampton Police Dept.
- Kingston Police Dept.
- Londonderry Police Dept.
- Newmarket Police Dept.
- Newton Police Dept.
- North Hampton Police Dept.
- Northwood Police Dept.
- Plaistow Police Dept.
- Portsmouth Police Dept.
- Raymond Police Dept.
- Rockingham County Department of Corrections
- Salem Police Dept.
- Seabrook Police Dept.
- Windham Police Dept.

Warrant Entry Team Members were successful in apprehending or clearing (67) individuals with outstanding warrants. These warrants and operations met the criteria of a “high risk” situation and displayed “special threat considerations.” Special threat considerations included but were not limited to; drug warrants, suspects with a propensity toward violence, persons known to be armed, heavily fortified locations (booby traps) or known gang members.

On February 7, 2013, the team hosted active shooter training for local agencies at Sanborn Regional High School. This event focused on individual and team tactics covering several different scenarios.

On May 16, 2013, members of the team were activated to secure a residence, where they had planned a “high risk” eviction with subjects that had intended to barricade themselves, with one of the persons having a

history of firearms charges. While conducting surveillance, the team made the decision to secure the residence before the operation, when they confirmed that both parties had left the residence to get supplies.

On Nov 1, 2013, the team was activated to secure the residence of a dangerous subject for the Town of Brentwood. This subject was subsequently charged with Assault and Federal Firearms charges. This subject posed a significant threat to the public and Law Enforcement personnel. The team secured the home, then assisted in the execution of the search warrant once the subject was in custody.

The Warrant Entry Team continues to maintain proficiency and actively seeks out further training to increase its mission readiness. Team members are frequently recognized for their efforts and actions and are selected for special assignments that can utilize their enhanced capabilities.

Administrative Services Division

The Dispatch Center handled 128,509 calls for service (Police, Fire/EMS and Sheriff's Office) in 2013. The Dispatch Center continues to dispatch for 25 Police Departments 18 Fire/EMS Departments along with dispatching for the Sheriff's Office.

The Dispatch Center, working with the Seacoast Fire Chiefs' Association, accomplished a goal of forming a common language for radio communications throughout the seacoast area. This will allow for fire departments to better communicate through the mutual aid system.

The 2013 authorized strength of the Dispatch Center was (4) Dispatch Supervisors, (13) full-time Dispatchers and (4) on-call Dispatchers.

Network Administrator

The Network Administrator's authorized strength is (1) computer technician. The Network Administrator continued to make improvements this year with upgrades to the dispatch network by adding Tri Techs Multi-Agency module. This allows towns in the county network to connect to the Sheriff's Office system to better share information. This year a lightning strike caused damage to part of the computer network. All repairs have been accomplished with as little disruption as possible. A Wi-Fi network was added to the office and parking area.

Radio Shop

The Radio Shop's authorized strength is (1) Chief Electronics Technician. This year saw the end of an era when long time Chief Electronics Technician Parks "Skip" Christenbury resigned and moved on to a similar role with the Strafford County Sheriff's Office. We wish Skip the best of luck. In August, Joshua Mann was hired as the new Chief Electronics Technician. Joshua has stepped in and has been doing an outstanding job with working closely with our vendors and public safety community.

Internet Crimes Against Children (ICAC) Unit

Since its inception in 1998, the New Hampshire Internet Crimes Against Children Task Force (ICAC) has grown to over 75 affiliates. There are currently 13 lead investigators responsible for conducting forensic examinations. Collaboration with Federal, State and local law enforcement has benefited the Task Force greatly.

In 2013 The NH ICAC Task Force was involved in numerous investigations. There were 166 investigations opened and many led to the issuance and execution of search warrants. Task Force forensic examiners conducted 269 forensic exams and provided technical assistance in over 475 situations.

A number of Task Force personnel are Special Deputies in their respective counties. This allows the members to conduct investigations in all cities and towns in NH. The support of law enforcement personnel working with Counties greatly aides in the success of the program.

TREASURER
Edward R. Buck III

Rockingham County ended 2013 in good financial shape. This was indicated by the fact that during 2013, the County:

- Met all financial obligations on a timely basis
- Obtained borrowing at low interest rates
- Maintained an excellent Moody rating
- Continued satisfactory banking services relationships
- Collected all tax warrants from towns and cities with no defaults

In July, the County issued \$8,695,000 General Obligation Municipal Purpose Loan of 2013 Bonds. The purpose was for Capital Projects and Energy Management re-funding. This totaled ten bonds at various interest rates and due dates.

The highlight of the end of the summer was the sale of \$6.5 million in a Tax Anticipation Note (or TAN). This amount was substantially less than the previous year when the County borrowed \$13.5 million.

The TAN was purchased by TD Securities (USA) LLC at an interest coupon rate of 0.2577% and was due on Dec. 20, 2013. There were five bidders on this issue. The term of the note was 97 days.

Moody's assigned an MIG-1 rating for the \$6.5 million note, the best note rating possible. The MIG-1 rating applies to short-term loans only. Strong financial operations, substantial tax base continuing to grow, and minimal debt burden were reasons cited by Moody's for the rating.

The relatively low interest rates coupled with the high ratings from Moody's Investor Services were again a definite plus for the County. Rockingham County issues TANS during the year to cover obligations and expenses until receiving tax revenue from the Towns in mid-December of each year.

The established banking services relationship with TD Bank continued in a satisfactory manner. Internal Control of Information and Communications for the County was reviewed and updated with the Finance office.

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

The Treasurer's Office collected \$ 43,873,563.00 in taxes, with no defaults, from the thirty-seven cities and towns of Rockingham County. Tax payments were due, by law, December 17th.

ROCKINGHAM COUNTY CONVENTION



DELEGATION

*Norman L. Major, Chairman
Mary E. Griffin, Vice Chair
Kevin Waterhouse, Clerk*

EXECUTIVE COMMITTEE

*Gene P. Charron, Chairman
Kenneth L. Weyler, Vice Chairman
Kevin Waterhouse, Clerk*

118 North Road, Brentwood, New Hampshire 03833
Telephone (603) 679-9369
Fax 679-9370 (24 hours)

MINUTES

ROCKINGHAM COUNTY DELEGATION MEETING

Tuesday, March 5, 2013
6:00 PM
Hilton Auditorium
Rockingham County Nursing Home
Brentwood NH

The members of the Rockingham County Delegation held Meeting on Tuesday, March 5, 2013 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 vote the 2013 County budget.

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

Chairman Major recognized Rep. Kenneth L. Weyler who delivered the Invocation.

Chairman Major recognized Rep. Lawrence L. Kappler who led the Pledge of Allegiance.

Chairman Major recognized Rep. Kevin Waterhouse, Clerk, who conducted the roll call.

Those in attendance were: Rep. Norman L. Major, Chairman; Representatives Abrami, Bick, Birdsell, Bishop, Borden, Cahill, Cali-Pitts, Charron, Comerford, Copeland, Cushing, Danais, DeSimone, Devine, Duarte, Dumaine, Elliott, Emerick, Fesh, Flockhart, Friel, Gordon, Grace, Griffin, Hagan, Harris, Hayes, Heffron, Hodgdon, Hoelzel, Khan, Kappler, Kolodziej, Lovejoy, Mann, McKinney, McMahon, Muns, Nigrello, O'Connor, Pantelakos, Priestley, Rice, Schlachman, Sedensky, St. James, Sweeney, Sytek, Thompson, Till, Tremblay, Waterhouse, Wazlaw, Webb, Weyler, and Whittemore.

Excused: Representatives Andrews-Ahearn, Ferrante, B.R. Garcia, M. Garcia, Helmstetter, Itse, Lundgren, Milz, A. Perkins, L. Perkins, Sherman, and Ward.

Absent: Representatives Azarian, Baldassaro, Belanger, Borden, Briden, Chirichiello, Emerson-Brown, Introne, Norelli, Oligny, Packard, Peckham, Sanders, Sapareto, Scarlotto, Schroadter, Tasker, Tamburello, and Tucker.

Also Present: Commissioners Pratt, Coyle and Tombarello; Steven Woods, Long-Term Care Director; Jude Gates, Engineering & Maintenance Director; Frank Stoughton, IT Manager; Superintendent Stephen Church, House of Corrections; Ann-Marie Nelson, House of Corrections; John Blomeke, House of Corrections; Julie Hoyt, Human Resources; Diane Gill, Human Services Director; Sheriff Michael Downing, High Sheriff; Fred Borman, UNH Cooperative Extension; Attorney James Reams, County Attorney; Edward "Sandy" Buck, County Treasurer; Martha Breen, Sheriff's Department; Theresa Young, Finance Officer; Kathy Nikitas, Finance Office and Cheryl A. Hurley, Delegation Coordinator.

Rep. Major, Chairman, recognized Commissioner Pratt, Chairman of the Board of Commissioners, who provided an overview of the 2013 budget.

Rep. Major, Chairman, recognized Rep. Birdsell, Chair of the Salary Subcommittee, who read the report of the Salary Subcommittee, outlining the recommendations made by the subcommittee. Rep. Birdsell noted that the Executive Committee supports the recommendation of the Salary Subcommittee.

Chairman Major recognized Rep. Griffin who read the following resolutions:

Chairman Major recognized Rep. Griffin who made a motion to approve Resolution 1 – 2013 as follows:

RESOLUTION 1 – 2013

Be it resolved that the Rockingham County Convention accept the position listing as presented with the total number of authorized positions for 2013 being 643 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, 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. Weyler seconded the motion. The motion was approved by a voice vote.

Chairman Major recognized Rep. Griffin who made a motion to approve Resolution 2 – 2013 as follows:

RESOLUTION 2 – 2013

Be it resolved that the Rockingham County Convention, upon the recommendation of the Executive Committee, recommend no increases related to the pay plan incorporated into the 2013 budget. It is recommended that a one-time payment of \$500 be incorporated into the budget for a total of \$265,413, to be given to non-union employees who are on the pay plan during their anniversary month, upon completion of a satisfactory evaluation in 2013, pro-rated for part-time employees. In addition, the mileage reimbursement rate continues to mirror the Federal rate for 2013.

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

Chairman Major recognized Rep. Mary Griffin who made a motion to approve Resolution 3 - 2012 as follow:

RESOLUTION 3 – 2013

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 Chairman of the Delegation and Chairman of 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. An appeal from the decision of the 5 officers may be made to the Executive Committee.

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

Chairman Major recognized Rep. Mary Griffin who made a motion to approve Resolution 4-2013 as follows:

RESOLUTION 4 - 2013

I move that \$37,238 be appropriated for salary payments for the Delegation Coordinator.

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

Chairman Major recognized Rep. Mary Griffin who made a motion to approve Resolution 5 - 2012 as follows:

RESOLUTION 5 – 2013

Be it resolved that the Rockingham County Convention approve the following benefits as described below and approval of all benefits as outlined in the 2013 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 (Fully Insured)

<u>Membership</u>	<u>NH SOS</u>	<u>NE SOS</u>
Single	80%	85%
2-Person	80%	85%
Family	80%	85%

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

County Contributions to a Health Reimbursement Account for Employees and Retirees in Site of Service Plans

	<u>Employees</u>	<u>Retirees</u>
Single	\$500	\$500
2-Person	\$1,000	\$1000
Family	\$1,000	\$1000

Dental Benefits

Full-Time - 75% of premium

Part-Time - Pro-rated basis

Workers Compensation and Unemployment

Worker's Compensation is funded at 90% of the assigned risk rate per the recommendation of the Executive Committee. Unemployment funding recommended at \$135.00 per position in 2013.

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.

Full-Time – 100%

Part-Time – Pro-rated basis

The Longevity benefit is as follows:

<u>Years</u>	<u>Payments</u>
5-9	\$150
10-14	\$300
15-19	\$450
20-24	\$750
25 and greater	\$1000

Dependent Care

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

Medical Spending Account

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

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

Rep. Major recognized Rep. Griffin who read the following 2013 departmental budgets as recommended by the Executive Committee:

Delegation - \$91,741

Treasurer - \$15,606

County Attorney - \$2,876,859

District Court – \$218,319

Medical Examiner – \$40,504

Sheriff's Department – \$5,301,596

Registry of Deeds – \$1,288,451

Commissioners – \$168,794

General Government - \$1,880,584

Projects – \$550,200

2012 Projects List

Rep. Griffin made a motion to approve the 2013 Projects List. Rep. Pantelakos seconded the motion. Rep. Chairman Major called for questions. There were none. The motion was approved by a voice vote.

Grants - \$1,924,000

Finance – \$1,135,089

Engineering/Maintenance – \$3,761,655

IT - \$322,283

Human Services – 16,347,654

Jail – 12,295,242

Human Resources – \$435,375

Non-County Specials - \$247,750

Chairman Major recognized Rep. Bishop who questioned the funding for the Conservation District. Chairman Major recognized Commissioner Pratt who referred to Mr. Lord, Conservation District Manager. Mr. Lord referred to RSA 432, Section 11. Chairman Major recognized Rep. Bishop who read RSA 432, Section 7. Rep. Bishop made a motion to reduce the Conservation District line to zero. Rep. Comerford seconded the motion. Chairman Major recognized Rep. Sytek, from Salem and Treasurer for the Town of Salem, commented in favor of supporting the Conservation District. Rep. Elliott questioned. Rep. Schlachman commented in favor of supporting the Conservation District. Rep. Weyler spoke in

support of the agency as well. Rep. Pantelakos spoke in support of the agency. Chairman Major recognized Commissioner Coyle who read RSA 432, Section 11, Subsection 4, noting that the statute authorizes the expenditures. Chairman Major called for further questions. There were none. Chairman Major called for the vote to zero fund the Conservation District. The motion failed by a voice vote.

Chairman Major recognized Rep. Tremblay who wanted to know where to find the county's assets. Chairman Major recognized Commissioner Pratt who responded that they are listed on the county's website.

Long Term Care Services - \$28,902,249

Chairman Major recognized Rep. Mary Griffin made a motion to approve Resolution 6 - 2013 as follows:

RESOLUTION 6 – 2013

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

Chairman Major recognized Rep. Griffin who made a motion to approve Resolution 7-2013 as follows:

RESOLUTION 7 – 2013

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

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

Chairman Major recognized Rep. Griffin who made a motion to approve Resolution 8-2013 as follows:

RESOLUTION 8 – 2013

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

Chairman Major recognized Rep. Griffin who made a motion to approve Resolution 9-2013 as follows:

RESOLUTION 9 - 2013

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

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

Chairman Major recognized Rep. Griffin who made a motion to approve Resolution 10 - 2013 as follows:

RESOLUTION 10 – 2013

**That the Rockingham County Convention, in accordance with
RSA 24:13, authorize \$77,803,951 in appropriations and \$98,056
in reserves and encumbrances for the use of the County during 2013.
That \$43,873,563 be raised in new county taxes; that \$29,574,121
be accepted as an estimate of revenues from other sources, and that
\$4,454,323 is accepted as fund balance for a total of \$77,902,007
in resources.**

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

Chairman Major recognized Rep. Griffin who made a motion to approve Resolution 11 – 2013 as follows:

RESOLUTION 11 -2013

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

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

Chairman Major recognized Rep. Griffin who made a motion to approved Resolution 12 – 2013 as follows:

RESOLUTION 12-2013

Authorization for Rockingham County to Pay 2014 Expenses (RSA 24:15):

Due to timing differences, the County runs without a signed operating budget during the months of January and February. Historical figures demonstrate that the January and February expenses for 2014 will total approximately \$10 million.

Since RSA 24:15 states that “no County Commissioners or elected or appointed official shall pay, or agree to pay, or incur any liability for the payment of, any sum of money for which the County Convention has made no appropriation, I move that we, the County Convention, authorize the County to spend up to \$10 million for 2014 expenses during the months of January and February in anticipation of the subsequent approval of the 2014 budget.

Further, that the \$10 million be allocated proportionately to line items based on 2013 approved net appropriations to fund like operating and personnel expenses in existence as of 12/31/13.

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

Chairman Major recognized Rep. Griffin who read the following motion relative to the Bond Issuance:

BE IT RESOLVED: That Rockingham County is hereby authorized to raise and appropriate a sum of up to Nine Million Five Hundred Thousand Dollars (\$9,500,000) for the purposes of financing certain capital expenditures of the County and refunding and prepaying a \$2,000,000 energy management lease, including the financing of any prepayment penalties, along with related costs and expenses; Nine Million Five Hundred Thousand Dollars (\$9,500,000) of such sum to be raised through the issuance of bonds or notes under and in compliance with the provisions of New Hampshire RSA Chapters 28 and 33, as amended; to authorize the County Commissioners to issue, negotiate, sell and deliver such bonds and notes and to determine the rate of interest thereon and the maturity and other terms thereof; to authorize the County Commissioners to transfer annually energy savings to the Capital Fund realized from the energy management projects and to authorize the County Commissioners to take any other action or to pass any other vote relative thereto.

Chairman Major recognized Rep. Khan who wanted to know if the county had any other bonds at the present time. Commissioner Pratt responded no.

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

Chairman Major recognized Ms. Young, Finance Officer, who requested a roll call vote. Clerk Waterhouse conduct the roll call vote and reported the vote as follows: 56 yes, 2 no. The motion was approved.

Chairman Major recognized Rep. Griffin who read the following motion relative to the Use of Real Property:

Whereas: The County Convention has the power to ratify the County Commissioners approved agreements for the use of real property under RSA 28:8-d; and

Whereas: The County Convention further has the power to authorize the Executive Committee of the County and the County Commissioners to enter into agreements for the use of county-owned real property, subject to restrictions which the county convention may impose;

Therefore be it Resolved: That pursuant to RSA 28:8-d, I, the County Convention, hereby authorize the Executive Committee of the County Convention and the County Commissioners to enter into agreements for the use of county-owned real property during calendar year 2013.

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

Chairman Major recognized Rep. Griffin for a motion to approve the Memorandum of Understanding between the UNH Cooperative Extension and the Delegation and Commissioners. Rep. Weyler made a motion to approve the Memorandum of Understanding as written. Rep. Charron seconded the motion. The motion was approved by a voice vote.

Other Business:

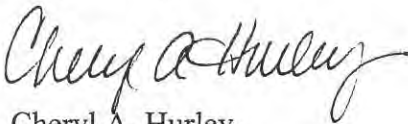
Chairman Major recognized Rep. Weyler who commented relative to the county budget noting the overall low impact to the taxpayers.

Chairman Major announced that he has appointed to subcommittees. They are as follows: Interstate Emergency Unit (IEU) Coordinating Committee who will assist the agency the budgeting process, and the Long-Term Care Subcommittee/Adult Medical Day Care who is charged with seeking alternatives to keep the county's program operational.

Rep. DeSimone, Chair of the Long-Term Care Subcommittee made an announcement to the subcommittee members.

There being no further business, the meeting adjourned at 7:15 p.m.

Respectfully submitted,



Cheryl A. Hurley
Delegation Coordinator



Rep. Kevin Waterhouse, Clerk
Rockingham County Delegation

KW:cah

NH Department of Revenue Administration
Municipal Services Division
P. O. Box 487, Concord, NH 03302-0487
(603) 230-5090

STATEMENT OF COUNTY APPROPRIATIONS AND REVENUE AS VOTED

For County of : ROCKINGHAM

DATE OF CONVENTION: 3/5/2013 Fiscal Year Ending: 12/31/2013

Mailing Address: 119 North Road
Brentwood NH 03833

Phone #: 603-679-9330 Fax #: _____ E-Mail: _____

Prepared by: Katherine C. Nikitas, Sr. Financial Analyst

This form is used to report the voted appropriations, as required under RSA 24:24, to the Secretary of State and to the Commissioner of the Dept. of Revenue Admin. It is due by September 1 per RSA 21-J:34.

CERTIFICATE OF VOTE

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

Under penalties of perjury, I declare that I have examined the information contained in this form and to the best of my belief it is true, correct and complete.

Norman I. Major
Chairperson

Kari Waterhouse
Clerk of County Convention

FOR DRA USE ONLY

MAR 18 '13 PM 2:24

1	2	3	4
Acct.#	APPROPRIATIONS	Appropriations as Voted	DRA USE
GENERAL GOVERNMENT			
4110	County Convention Costs	91,741	
4120	Judicial		
4122	Jury Costs		
4123	County Attorney's Office	3,095,178	
4124	Victim Witness Advocacy Program		
4130	Executive	1,056,778	
4150	Financial Administration	1,135,089	
4151	Treasurer	15,606	
4153	Other Legal Costs	200,000	
4155	Personnel Administration	435,375	
4191	Planning and Zoning for Uninc.Places		
4192	Medical Examiner	40,504	
4193	Register of Deeds	1,288,451	
4194	Maintenance of Government Bldg.	4,083,938	
4196	Insurance, Not Otherwise Allocated		
4198	Contingency		
4199	Other (Contingnt grants; Non-County Specials; reserve/encumb)	2,269,806	
PUBLIC SAFETY			
4211	Sheriff's Department	5,301,596	
4212	Custody of Prisoners		
4214	Sheriff's Support Services		
4219	Other Public Safety		
CORRECTIONS			
4230	Corrections	12,295,242	
4235	Adult Probation and Parole		
COUNTY FARM			
4301	Administration		
4302	Operating Expenditures		
4309	Other County Farm Expenditures		
COUNTY NURSING HOME			
4411	Administration	27,199,728	
4412	Operating Expense		
4439	Other Health (Assisted Living Unit)	1,702,521	
HUMAN SERVICES			
4441	Administration	130,484	
4442	Direct Assistance	16,217,170	

1	2	3	4
Acct.#	APPROPRIATIONS	Appropriations as Voted	DRA USE
HUMAN SERVICES (continued)			
4443	Board and Care of Children		
4446	Diversion Program		
4447	Special Outside Services		
	Other (Specify)		
COOPERATIVE EXTENSION			
4611	Administration	378,599	
4619	Other Conservation		
ECONOMIC DEVELOPMENT			
4651	Administration		
4652	Economic Development		
4659	Other Economic Development		
DEBT SERVICE			
4711	Principal Long-Term Bonds/Notes	0	
4721	Interest Long-Term Bonds/Notes	1	
	Other (Specify) bond anticipation expense	414,000	
INTERGOVERNMENTAL TRANSFERS			
4800	Intergovernmental Transfers		
CAPITAL OUTLAY			
4901	Land and Improvements	550,200	
4902	Machinery		
4903	Buildings		
4904	Improvements Other than Bldg.		
INTERFUND OPERATING TRANSFERS			
4912	To Special Revenue Fund		
4913	To Capital Projects Fund		
4914	To Proprietary Funds		
4915	To Capital Reserve Funds		
4916	To Trust and Fiduciary Funds		
TOTAL APPROPRIATIONS		77,902,007	

1	2	3
Acct.#	SOURCES OF REVENUES	Estimated Revenue Ensuing Fiscal Year
ASSESSMENTS/TAXES		
3110	Property Taxes Levied for Unincorporated Places	43,873,563
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	
3187	Payments in Lieu of Taxes	
3189	Other Taxes	
3191	Penalties on Delinquent Municipal Assessments	
3200	Licenses, Permits, and Fees	
3319	REVENUE FROM THE FEDERAL GOVERNMENT	1,157,702
REVENUE FROM THE STATE OF NH		
3351	Shared Revenue for Unincorporated Places	
3352	Incentive Funds	
3354	Water Pollution Grants	
3355	Housing and Community Development	
3356	State & Fed. Forest Land Reim. in Unincorporated Places	
3359	Other (Specify) contingent grants, dispatch grant, HS recoveries	1,880,000
3379	INTERGOVERNMENTAL REVENUES	
REVENUES FROM CHARGES FOR SERVICES		
3401	Sheriff's Department	1,174,000
3402	Register of Deeds	3,240,000
3403	County Corrections	135,000
3404	County Nursing Homes	21,598,207
3405	County Farm	22,920
3406	Cooperative Extension Service	
3407	Maintenance Department	
3409	Other (Specify) Adult Diversion (in 2013, program resides in Corrections); County Atty district court prosecution	247,679
REVENUE FROM MISCELLANEOUS SOURCES		
3501	Sale of County Property	
3502	Interest on Investments	50,000
3503	Rents of Property	
3508	Contributions and Donations	
350	Other (Specify) E&MS, Commissioners, IT, Jail, HR, Finance	25,000
350	Other (Specify) CA district court prosecution previously reported here; now in 3409	

1	2	3
Acct.#	SOURCES OF REVENUES	Estimated Revenue Ensuing Fiscal Year
OTHER FINANCIAL SOURCES		
3912	Transfer from Special Revenue Funds	43,613
3913	Transfer from Capital Projects Funds	
3914	Transfer from Proprietary Funds	
3915	Transfer from Capital Reserve Funds	
3916	Transfer from Trust and Agency Funds	
3934	Proceeds from Long-Term Notes/Bonds	
ESTIMATED REVENUE SUBTOTAL		73,447,684
FUND BALANCE TO REDUCE TAX RATE		4,454,323
TOTAL ESTIMATED REVENUES		77,902,007

BUDGET SUMMARY

Total Voted Appropriations	77,902,007
Total Revenues	77,902,007
Amount Certified to be Raised by Taxes	43,873,563

**COUNTY OF
ROCKINGHAM, NEW HAMPSHIRE**

Annual Financial Statements

For the Year Ended December 31, 2013

County of Rockingham, New Hampshire

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
County of Rockingham, New Hampshire

Additional Offices:
Andover, MA
Greenfield, MA
Manchester, NH
Ellsworth, ME

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Rockingham, New Hampshire, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County of Rockingham, New Hampshire's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Rockingham, New Hampshire, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and Schedule of Funding Progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information appearing on pages 46 through 51 is presented for purposes of additional analysis and is not a required part of the basic

financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Melanson Heath

September 22, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County of Rockingham's financial management offers readers of these financial statements this narrative, overview and analysis of the financial activities of the County of Rockingham (County) for the year ended December 31, 2013. This discussion and analysis is designed for readers in focusing on the significant financial issues and activities of the County and to identify any significant change in financial position. 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.

A. FINANCIAL HIGHLIGHTS – GOVERNMENT WIDE

- The assets of the County exceeded its liabilities at the close of the fiscal year by \$63,463,017 (net position).
- The County's total net position reflects an increase of \$4,116,806. The increase was planned to prepare for self-insured health funding.
- Long-term liabilities increased significantly as a result of bonds issued in July 2013. The bonds will be used to fund a variety of capital improvement projects.

B. FINANCIAL HIGHLIGHTS – FUND STATEMENTS

- As of the close of the year, the County's reported combined ending fund balances of \$42,001,230 were an increase of \$11,479,280 in comparison to the prior year. The increase is mostly due to other financing sources, notably the proceeds and premium from bonds issued in July 2013. The increase is also partially due to specific planning by management to increase reserves for self-insured benefit funding.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$22,544,749, or 29% of total 2013 General Fund (budgeted) appropriations.
- The County's total long-term debt increased by approximately \$9.2 million during the current year, mostly due to the \$8.7 million of general obligation bonds issued in July 2013. \$1.6 million is committed to refunding of an outstanding lease.
- The County retains an Aa1 bond rating for its long-term borrowing and maintained its MIG-1 rating on its short-term borrowing. The consistent level of bond rating is a clear indication of the sound financial condition of the County.

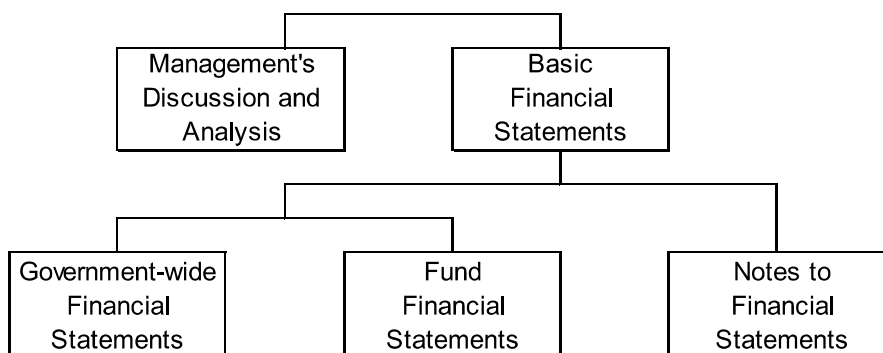
C. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the 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 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 11 and 12 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 fund 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 supports the information in the financial statements.

Required Components of Annual Financial Report

Figure 1



D. ANALYSIS OF NET POSITION

The following analysis focuses on net position (Table 1) and changes in net position (Table 2). Net position may serve, over time, as one useful indicator of a government's financial condition. Unrestricted net position can be used to finance day-to-day operations of the County and reduce the effect of property taxes.

Table 1**NET POSITION**

		Governmental <u>Activities</u>
	<u>2012</u>	<u>2013</u>
Current assets	\$ 43,817,616	\$ 58,149,771
Noncurrent assets	<u>32,841,835</u>	<u>32,418,942</u>
Total assets	76,659,451	90,568,713
Current liabilities	13,974,628	16,754,822
Noncurrent liabilities	3,326,409	10,337,202
Deferred inflows of resources	<u>12,203</u>	<u>13,672</u>
Total liabilities and deferred inflows of resources	17,313,240	27,105,696
Net position:		
Net investment in capital assets	30,526,299	30,764,090
Restricted	478,962	499,328
Unrestricted	<u>28,340,950</u>	<u>32,199,599</u>
Total net position	<u>\$ 59,346,211</u>	<u>\$ 63,463,017</u>

Table 2**CHANGE IN NET POSITION**

		Governmental <u>Activities</u>
	<u>2012</u>	<u>2013</u>
Revenues:		
Program revenues:		
Charges for services:		
Long Term Care Services	\$ 24,820,545	\$ 23,887,394
Corrections	220,345	205,798
Administration and Other	3,630,356	3,676,803
Sheriff's Office	1,172,893	1,208,733
County Attorney	<u>286,216</u>	<u>241,663</u>
Total charges for services	30,130,355	29,220,391
Operating grants and contributions	794,709	691,576
Capital grants and contributions	-	23,552
General revenues:		
Taxes	43,141,885	43,873,563
Investment income	44,376	46,691
Miscellaneous	<u>122,401</u>	<u>183,867</u>
Total revenues	74,233,726	74,039,640

(continued)

(continued)

Table 2

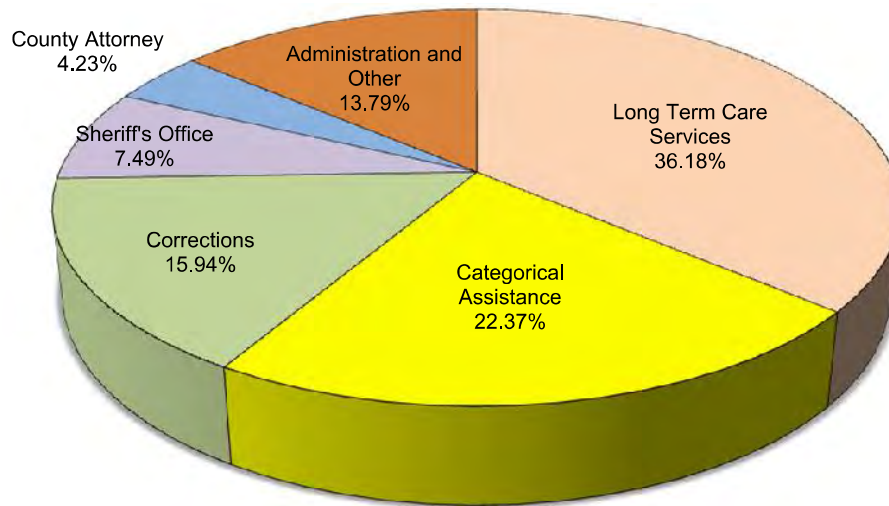
CHANGE IN NET POSITION

	Governmental Activities	
	<u>2012</u>	<u>2013</u>
Expenses:		
Long Term Care Services	26,774,512	25,313,379
Categorical Assistance	15,386,052	15,652,117
Corrections	11,615,159	11,152,313
Administration and Other	9,541,174	9,602,985
Sheriff's Office	4,908,408	5,242,391
County Attorney	<u>3,036,099</u>	<u>2,959,649</u>
Total expenses	<u>71,261,404</u>	<u>69,922,834</u>
Change in net position	2,972,322	4,116,806
Net position - beginning of year	<u>56,373,889</u>	<u>59,346,211</u>
Net position - end of year	<u>\$ 59,346,211</u>	<u>\$ 63,463,017</u>

E. GOVERNMENTAL ACTIVITIES

Below is a graph that presents actual expenditures under each of the major governmental activities as a percentage of total expenditures.

Expenses by Function - Governmental Activities For the Year Ended December 31, 2013



The following tables present the costs and net costs of the major County departments/functions. Costs are based upon total expenses and net costs are calculated by taking the total function-specific expenses, less direct revenues related to that particular function. The net costs represent amounts that are funded by general revenues, notably taxes.

Table 3 - Total and Net Cost of Services

Function / Program	2012			2013		
	Total Cost of Services	Revenues	Net Cost of Services	Total Cost of Services	Revenues	Net Cost of Services
Long Term Care Services	\$ 26,774,512	\$ 24,820,545	\$ 1,953,967	\$ 25,313,379	\$ 23,887,394 *	\$ 1,425,985
Categorical Assistance	15,386,052	-	15,386,052	15,652,117	-	15,652,117
Corrections	11,615,159	220,345	11,394,814	11,152,313	205,798	10,946,515
Administration and Other	9,541,174	4,210,157	5,331,017	9,602,985	4,176,710	5,426,275
Sheriff's Office	4,908,408	1,366,920	3,541,488	5,242,391	1,386,295	3,856,096
County Attorney	3,036,099	307,097	2,729,002	2,959,649	279,322	2,680,327
	<u>\$ 71,261,404</u>	<u>\$ 30,925,064</u>	<u>\$ 40,336,340</u>	<u>\$ 69,922,834</u>	<u>\$ 29,935,519</u>	<u>\$ 39,987,315</u>

*This amount reflects the budgetary net cost; actual net cost of services (a portion of which is reflected in Administration and Other) is \$4,417,645 as cited in the December 31, 2013 Rockingham County Nursing Home Medicaid Cost Report.

Table 4 - Comparative Net Cost of Services

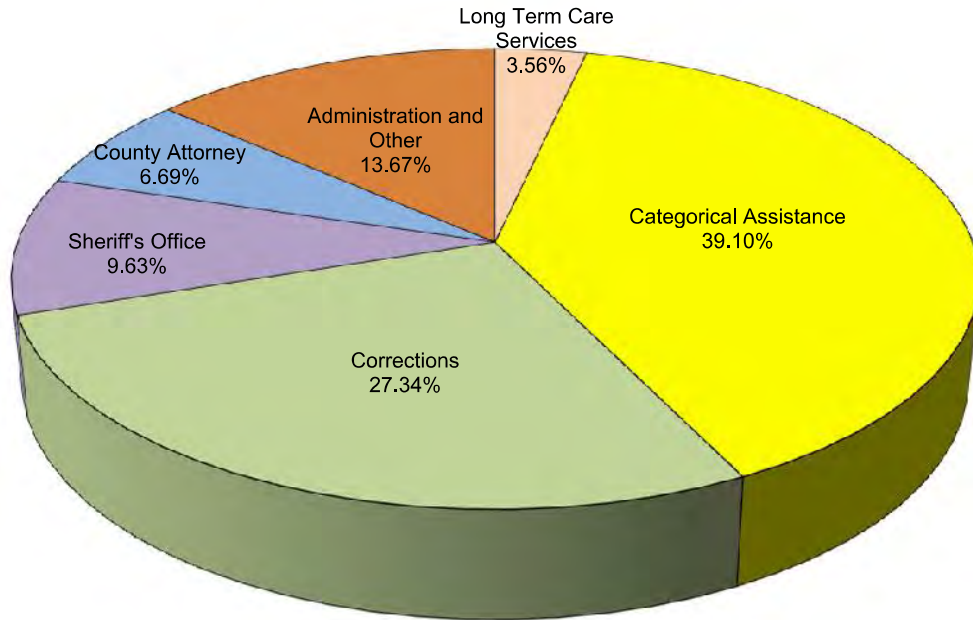
Function / Program	2012	2013	Change in Net Cost of Services
	Net Cost of Services	Net Cost of Services	
Long Term Care Services	\$ 1,953,967	\$ 1,425,985	\$ (527,982)
Categorical Assistance	15,386,052	\$ 15,652,117	266,065
Corrections	11,394,814	\$ 10,946,515	(448,299)
Administration and Other	5,331,017	\$ 5,426,275	95,258
Sheriff's Office	3,541,488	\$ 3,856,096	314,608
County Attorney	2,729,002	\$ 2,680,327	(48,675)
	<u>\$40,336,340</u>	<u>\$ 39,987,315</u>	<u>\$ (349,025)</u>

Note: For Table 3 and Table 4 presentation purposes, Debt Interest costs are included in the "Administration and Other" function.

The reduction in net costs for Long Term Care Services in 2013 was largely due to continued cost cutting measures that outpaced the reduction in revenues and management's planning to increase reserves to provide for self-insured benefits. The increase in net costs for Categorical Assistance was the result of the increased expenditure caps established by the State of New Hampshire. The decrease in net costs for Corrections was mostly the result of decreased expenses for contracted medical care (\$249,000) and outside medical care (\$111,000). The increase in net costs for Administration and Other is primarily due to increases in legal expenses (\$100,000) and labor relations (\$52,000). The increase in net costs for the Sheriff's Office was mostly the result of increased payroll and related expenses (\$250,000) and an increase in equipment and vehicle expenses (\$80,000).

The following chart is a graphical presentation of the components of the 2013 Net Costs of Services from Table 4. The primary source of funding for Net Costs is tax revenues.

Net Cost of Services - by Function/Program for the Year Ending December 31, 2013



F. COUNTY GOVERNMENTAL 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, unassigned 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 unassigned fund balance and total fund balance to total fund appropriations. At December 31, 2013, unassigned fund balance represents 29% of total General Fund (budgeted) appropriations, while total fund balance represents 43% of that same amount.

G. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. At December 31, 2013 the County reported approximately \$32.4 million in capital assets, net of depreciation, which includes construction in

progress of \$1,027,654. These assets include land, buildings and improvements, machinery, equipment and furnishings, and vehicles.

Long-term debt. At December 31, 2013 the County had approximately \$13.5 million in outstanding long-term debt. Most of this amount is comprised of general obligation bonds of \$8.7 million issued in 2013, with the remaining balance including an energy management lease that was refunded in 2014, compensated absences, and net OPEB obligation.

Additional information on capital assets and long-term debt can be found in the notes to financial statements.

H. ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Property taxes accounted for 58% of expected resources for 2013 and account for 57% of revenues in the 2014 budget.
- The reduction in the Long Term Care deficit in 2013 was largely due to the receipt of an additional \$3.2 million in proportionate share revenues. This additional amount is expected in 2014 as well but cannot be predicted.
- The State of New Hampshire planned to institute a Managed Care Program and a Balancing Incentive Program to address long term care costs effective for late 2012. While both of these programs are meant to slow the cost of Medicaid statewide, neither were in place at year end and thus far have not been implemented in 2014. The State has committed to a 2015 date.
- The caps for Categorical Assistance payments are expected to increase as part of the State's new biennial budget proposal. Categorical Assistance will continue to be the largest net County expenditure, followed by Corrections.
- Jail expenditures, including facility maintenance and correctional services, will be an increasing cost to the county. The County's ability to maintain a stable financial position and ample reserves, while continuing to control jail expenditures, will be a key factor in the future.

REQUESTS FOR INFORMATION

This financial report is intended to provide report users with a general overview of the County's finances at December 31, 2013. Questions about this report can be directed to the Finance Office at 119 North Road, Brentwood, New Hampshire, 03833. Additional information about the County of Rockingham can be found at www.co.rockingham.nh.us.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

STATEMENT OF NET POSITION

DECEMBER 31, 2013

	Governmental Activities
ASSETS	
Current:	
Cash and short-term investments	\$ 50,930,752
Restricted cash	1,043,062
Investments	73,222
Receivables:	
Accounts, net	1,358,306
Due from other governments, net	3,383,787
Due from fiduciary funds	388,267
Prepaid expenses	139,802
Inventory	832,560
Other assets	13
Total current assets	<u>58,149,771</u>
Noncurrent:	
Capital Assets:	
Land	578,857
Construction in progress	1,027,654
Other assets, net of accumulated depreciation	<u>30,812,431</u>
Total noncurrent assets	<u>32,418,942</u>
TOTAL ASSETS	90,568,713
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Liabilities	
Current:	
Accounts payable	1,333,287
Accrued payroll and related liabilities	1,754,924
Due to other governments	8,799,452
Incurred but not reported claims liability	1,533,006
Security deposits	14,483
Accrued interest payable	145,091
Current portion of long-term liabilities:	
Bonds payable	682,238
Capital leases payable	410,259
Compensated absences	<u>2,082,082</u>
Total current liabilities	<u>16,754,822</u>
Noncurrent:	
Bonds payable, net of current portion	8,549,577
Capital leases payable, net of current portion	63,258
Compensated absences, net of current portion	923,711
Net OPEB obligation	<u>800,656</u>
Total noncurrent liabilities	<u>10,337,202</u>
TOTAL LIABILITIES	27,092,024
Deferred Inflows of Resources	<u>13,672</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	27,105,696
NET POSITION	
Net investment in capital assets	30,764,090
Restricted for:	
Grants and other statutory restrictions	471,499
Permanent funds:	
Nonexpendable	27,829
Unrestricted	<u>32,199,599</u>
TOTAL NET POSITION	\$ <u>63,463,017</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Long Term Care Services:					
Nursing home	\$ 23,772,825	\$ 22,386,951	\$ -	\$ -	\$ (1,385,874)
Assisted living	1,540,554	1,500,443	-	-	(40,111)
Categorical Assistance:					
Public assistance	15,652,117	-	-	-	(15,652,117)
Corrections	11,152,313	205,798	-	-	(10,946,515)
Administration and Other:					
Maintenance	3,941,026	21,045	-	-	(3,919,981)
General government	1,907,548	-	499,907	-	(1,407,641)
Deeds	1,251,564	3,621,831	-	-	2,370,267
Finance	950,525	-	-	-	(950,525)
Information technology	308,323	14,055	-	-	(294,268)
Human resources	297,271	-	-	-	(297,271)
Interest	251,458	-	-	-	(251,458)
Non-county specials	239,750	-	-	-	(239,750)
Commissioners	184,840	-	-	-	(184,840)
Human services	112,005	19,872	-	-	(92,133)
Delegation	85,951	-	-	-	(85,951)
Medical examiner	58,029	-	-	-	(58,029)
Treasurer	14,695	-	-	-	(14,695)
Sheriff's Office:					
Sheriff/dispatch/radio	5,242,391	1,208,733	154,010	23,552	(3,856,096)
County Attorney	<u>2,959,649</u>	<u>241,663</u>	<u>37,659</u>	<u>-</u>	<u>(2,680,327)</u>
Total Governmental Activities	<u>\$ 69,922,834</u>	<u>\$ 29,220,391</u>	<u>\$ 691,576</u>	<u>\$ 23,552</u>	<u>(39,987,315)</u>
General Revenues:					
					43,873,563
					46,691
					183,867
					<u>44,104,121</u>
					4,116,806
Net Position:					
					59,346,211
					<u>\$ 63,463,017</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2013

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and short-term investments	\$ 39,738,388	\$ 8,196,657	\$ 43,807	\$ 47,978,852
Restricted cash	746,748	-	296,314	1,043,062
Investments	-	-	73,222	73,222
Receivables:				
Accounts, net	1,343,829	-	45	1,343,874
Due from other governments, net	3,314,209	-	-	3,314,209
Due from other funds	1,106,339	422,368	154,413	1,683,120
Prepaid expenses	134,927	-	-	134,927
Inventory	832,560	-	-	832,560
Other assets	13	-	-	13
TOTAL ASSETS	\$ 47,217,013	\$ 8,619,025	\$ 567,801	\$ 56,403,839
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,196,283	\$ 90,672	\$ -	\$ 1,286,955
Accrued payroll and related liabilities	1,754,924	-	-	1,754,924
Due to other funds	842,131	477,873	68,473	1,388,477
Due to other governments	8,799,452	-	-	8,799,452
Security deposits	14,483	-	-	14,483
Compensated absences	1,149,752	-	-	1,149,752
TOTAL LIABILITIES	13,757,025	568,545	68,473	14,394,043
DEFERRED INFLOWS OF RESOURCES	8,566	-	-	8,566
Fund Balances:				
Nonspendable:				
Prepaid expenses	134,927	-	-	134,927
Inventory	832,560	-	-	832,560
Nonexpendable permanent funds	-	-	27,829	27,829
Total Nonspendable	967,487	-	27,829	995,316
Restricted:				
Long term care (RSA 24:13)	440,270	-	-	440,270
Capital projects	-	6,444,350	-	6,444,350
Special revenue funds	-	-	471,499	471,499
Total Restricted	440,270	6,444,350	471,499	7,356,119
Committed:				
Compensated absences	1,958,818	-	-	1,958,818
Health fund funding	2,804,174	-	-	2,804,174
Total Committed	4,762,992	-	-	4,762,992
Assigned:				
Subsequent year budget	4,578,000	-	-	4,578,000
Encumbrances	157,924	1,606,130	-	1,764,054
Total Assigned	4,735,924	1,606,130	-	6,342,054
Unassigned	22,544,749	-	-	22,544,749
TOTAL FUND BALANCES	33,451,422	8,050,480	499,328	42,001,230
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 47,217,013	\$ 8,619,025	\$ 567,801	\$ 56,403,839

The accompanying notes are an integral part of these financial statements.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET POSITION OF GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET POSITION

DECEMBER 31, 2013

Total governmental fund balances	\$ 42,001,230
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	32,418,942
• Internal service funds are used by management to account for certain activities. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	1,549,965
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(145,091)
• Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable	(9,231,815)
Capital leases payable	(473,517)
Compensated absences (unfunded)	(1,856,041)
Net OPEB obligation	<u>(800,656)</u>
Net position of governmental activities	<u>\$ 63,463,017</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	\$ 43,873,563	\$ -	\$ -	\$ 43,873,563
Charges for services	29,072,260	-	214,017	29,286,277
Intergovernmental	625,690	-	-	625,690
Investment income	37,736	7,930	694	46,360
Miscellaneous	261,780	-	-	261,780
Total Revenues	73,871,029	7,930	214,711	74,093,670
Expenditures:				
Current:				
Long Term Care Services:				
Nursing home	23,085,271	-	-	23,085,271
Assisted living	1,415,944	-	-	1,415,944
Categorical Assistance:				
Public assistance	15,652,117	-	-	15,652,117
Corrections	10,688,140	-	-	10,688,140
Administration and Other:				
Maintenance	3,597,356	-	-	3,597,356
General government	1,369,547	-	-	1,369,547
Deeds	1,269,367	-	-	1,269,367
Finance	949,636	-	-	949,636
Grants	599,186	-	-	599,186
Information technology	311,053	-	-	311,053
Human resources	297,779	-	-	297,779
Non-county specials	239,750	-	-	239,750
Commissioners	155,147	-	-	155,147
Human services	145,359	-	-	145,359
Delegation	84,670	-	-	84,670
Medical examiner	58,029	-	-	58,029
Treasurer	14,689	-	-	14,689
Sheriff's Office:				
Sheriff/dispatch/radio	5,226,805	-	18,357	5,245,162
County Attorney	2,917,239	-	6,962	2,924,201
Capital outlay	39,688	1,816,634	-	1,856,322
Debt service:				
Principal	-	291,475	-	291,475
Interest	-	106,367	-	106,367
Total Expenditures	68,116,772	2,214,476	25,319	70,356,567
Excess (deficiency) of revenues over expenditures	5,754,257	(2,206,546)	189,392	3,737,103
Other Financing Sources (Uses):				
Proceeds of bonds	-	7,090,000	-	7,090,000
Premium on bonds issued	-	455,797	-	455,797
Refunding bonds issued	1,605,000	-	-	1,605,000
Refunding bond premium	151,019	-	-	151,019
Payment to refunded bond escrow agent	(1,743,774)	-	-	(1,743,774)
Proceeds of capital lease	184,135	-	-	184,135
Transfers in	169,026	914,000	-	1,083,026
Transfers out	(914,000)	-	(169,026)	(1,083,026)
Total Other Financing Sources (Uses)	(548,594)	8,459,797	(169,026)	7,742,177
Change in fund balance	5,205,663	6,253,251	20,366	11,479,280
Fund Equity, at Beginning of Year	28,245,759	1,797,229	478,962	30,521,950
Fund Equity, at End of Year	\$ 33,451,422	\$ 8,050,480	\$ 499,328	\$ 42,001,230

The accompanying notes are an integral part of these financial statements.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2013

Net changes in fund balances - Total governmental funds	\$ 11,479,280																										
<ul style="list-style-type: none"> • Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <table border="0" style="margin-left: 40px;"> <tr> <td>Capital asset purchases</td> <td style="text-align: right;">2,019,173</td> </tr> <tr> <td>Capital asset donations</td> <td style="text-align: right;">23,552</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(2,465,615)</td> </tr> </table> • The issuance of long-term debt (e.g., bonds and capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position: <table border="0" style="margin-left: 40px;"> <tr> <td>Proceeds of bonds</td> <td style="text-align: right;">(7,090,000)</td> </tr> <tr> <td>Proceeds of bond premium</td> <td style="text-align: right;">(455,797)</td> </tr> <tr> <td>Refunding of capital lease using bond proceeds, net</td> <td style="text-align: right;">(160,158)</td> </tr> <tr> <td>Proceeds of capital lease</td> <td style="text-align: right;">(184,135)</td> </tr> <tr> <td>Repayments of debt - capital leases</td> <td style="text-align: right;">430,292</td> </tr> <tr> <td>Amortization of bond premium</td> <td style="text-align: right;">70,000</td> </tr> </table> • In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;">(145,091)</td> </tr> </table> • Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. <table border="0" style="margin-left: 40px;"> <tr> <td>Compensated absences - change in unfunded liability</td> <td style="text-align: right;">103,409</td> </tr> <tr> <td>Net OPEB obligation</td> <td style="text-align: right;">(121,478)</td> </tr> </table> • Internal service funds are used by management to account for certain activities. The net activity of internal service funds is reported with governmental activities. <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;"><u>613,374</u></td> </tr> </table> 		Capital asset purchases	2,019,173	Capital asset donations	23,552	Depreciation	(2,465,615)	Proceeds of bonds	(7,090,000)	Proceeds of bond premium	(455,797)	Refunding of capital lease using bond proceeds, net	(160,158)	Proceeds of capital lease	(184,135)	Repayments of debt - capital leases	430,292	Amortization of bond premium	70,000		(145,091)	Compensated absences - change in unfunded liability	103,409	Net OPEB obligation	(121,478)		<u>613,374</u>
Capital asset purchases	2,019,173																										
Capital asset donations	23,552																										
Depreciation	(2,465,615)																										
Proceeds of bonds	(7,090,000)																										
Proceeds of bond premium	(455,797)																										
Refunding of capital lease using bond proceeds, net	(160,158)																										
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Repayments of debt - capital leases	430,292																										
Amortization of bond premium	70,000																										
	(145,091)																										
Compensated absences - change in unfunded liability	103,409																										
Net OPEB obligation	(121,478)																										
	<u>613,374</u>																										
Change in net position of governmental activities	\$ <u>4,116,806</u>																										

The accompanying notes are an integral part of these financial statements.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

GENERAL FUND

STATEMENT OF REVENUES AND OTHER SOURCES,
AND EXPENDITURES AND OTHER USES - BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2013

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance	\$ 4,454,323	\$ 4,454,323	\$ 4,454,323	\$ -
Revenues (Inflows):				
Taxes	43,873,563	43,873,563	43,873,563	-
Charges for services:				
Long Term Care Services:				
Nursing home	21,164,389	21,164,389	22,379,205	1,214,816
Assisted living	1,524,818	1,524,818	1,500,118	(24,700)
Corrections	157,001	157,001	168,680	11,679
Administration and Other:				
Deeds	3,110,000	3,110,000	3,488,605	378,605
Property management	22,920	22,920	20,170	(2,750)
Human services	16,000	16,000	19,872	3,872
Information technology	15,000	15,000	14,055	(945)
Maintenance	-	-	875	875
Sheriff's Office:				
Sheriff/dispatch/radio	1,241,701	1,241,701	1,204,883	(36,818)
County Attorney	265,679	265,679	275,797	10,118
Intergovernmental	1,824,000	1,824,000	625,690	(1,198,310)
Investment income	50,000	50,000	37,736	(12,264)
Miscellaneous	-	-	261,780	261,780
Transfers from other funds	182,613	182,613	169,026	(13,587)
Amounts Available for Appropriation	77,902,007	77,902,007	78,494,378	592,371
Charges to Appropriations (Outflows):				
Long Term Care Services:				
Nursing home	27,224,900	27,175,096	23,110,608	4,064,488
Assisted living	1,702,521	1,714,618	1,417,841	296,777
Categorical Assistance:				
Public assistance	16,217,170	16,217,170	15,652,117	565,053
Corrections	12,295,242	12,288,800	10,688,140	1,600,660
Administration and Other:				
Maintenance	3,774,040	3,829,108	3,585,606	243,502
General government	1,466,583	1,491,583	1,369,546	122,037
Deeds	1,339,350	1,339,350	1,256,072	83,278
Finance	1,142,489	1,142,489	949,636	192,853
Grants	1,924,000	1,849,000	599,186	1,249,814
Information technology	322,283	317,214	311,054	6,160
Human resources	435,375	431,905	297,779	134,126
Non-county specials	247,750	247,750	239,750	8,000
Commissioners	168,794	168,794	155,147	13,647
Human services	130,484	174,634	145,359	29,275
Delegation	91,741	95,211	84,670	10,541
Medical examiner	40,504	40,504	58,029	(17,525)
Projects (capital outlay)	52,400	52,400	39,689	12,711
Treasurer	15,606	15,606	14,689	917
Sheriff's Office:				
Sheriff/dispatch/radio	5,301,596	5,301,596	5,099,459	202,137
County Attorney	3,095,179	3,095,179	2,917,239	177,940
Transfers to other funds	914,000	914,000	914,000	-
Total Charges to Appropriations	77,902,007	77,902,007	68,905,616	8,996,391
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 9,588,762	\$ 9,588,762

The accompanying notes are an integral part of these financial statements.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

DECEMBER 31, 2013

	Governmental Activities <u>Internal Service Funds</u>
ASSETS	
Current:	
Cash and short-term investments	\$ 2,951,900
Receivables:	
Accounts	14,432
Due from other governments	69,578
Due from other funds	292,876
Prepaid expenses	<u>4,875</u>
Total current assets	<u>3,333,661</u>
TOTAL ASSETS	3,333,661
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Liabilities	
Current:	
Accounts payable	46,332
Due to other funds	199,252
Incurred but not reported claims liability	<u>1,533,006</u>
Total current liabilities	<u>1,778,590</u>
Deferred Inflows of Resources	<u>5,106</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,783,696
NET POSITION	
Unrestricted	<u>1,549,965</u>
TOTAL NET POSITION	<u>\$ 1,549,965</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2013

	Governmental Activities <u>Internal Service Fund</u>
Operating Revenues:	
Employee and employer contributions	\$ <u>1,793,350</u>
Total Operating Revenues	1,793,350
Operating Expenses:	
Employee benefits	<u>1,164,697</u>
Total Operating Expenses	<u>1,164,697</u>
Operating Income (Loss)	628,653
Nonoperating Revenues (Expenses):	
Investment income	331
Miscellaneous	<u>(15,610)</u>
Total Nonoperating Revenues (Expenses), Net	<u>(15,279)</u>
Change in Net Position	613,374
Net Position at Beginning of Year	<u>936,591</u>
Net Position at End of Year	<u>\$ 1,549,965</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
<u>Cash Flows From Operating Activities:</u>	
Receipts from users	\$ 1,947,534
Payments to providers	(1,162,449)
Other receipts (payments)	<u>(4,554)</u>
Net Cash Provided By Operating Activities	780,531
<u>Cash Flows From Noncapital Financing Activities:</u>	
Net change in due to/from other funds	<u>(15,371)</u>
Net Cash Used In Noncapital Financing Activities	(15,371)
<u>Cash Flows From Investing Activities:</u>	
Investment income	<u>331</u>
Net Cash Provided By Investing Activities	<u>331</u>
Net Change in Cash and Short-Term Investments	765,491
Cash and Short-Term Investments, Beginning of Year	<u>2,186,409</u>
Cash and Short-Term Investments, End of Year	<u>\$ 2,951,900</u>
<u>Reconciliation of Operating Income to Net Cash Provided By (Used For) Operating Activities:</u>	
Operating income (loss)	\$ 628,653
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Nonoperating revenues (expenses)	(15,610)
Changes in assets and liabilities:	
Accounts receivable	(12,595)
Due from other governments	97,921
Prepaid expenses	2,247
Accounts payable	37,532
Incurred but not reported claims liability	41,626
Deferred inflows of resources	<u>757</u>
Net Cash Provided By Operating Activities	<u>\$ 780,531</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

DECEMBER 31, 2013

	Agency Funds
<u>ASSETS</u>	
Cash and short-term investments	\$ 622,451
Accounts receivable	<u>25</u>
Total Assets	<u>\$ 622,476</u>
 <u>LIABILITIES</u>	
Accounts payable	\$ 518
Due to other funds	388,267
Due to specific individuals	<u>233,691</u>
Total Liabilities	<u>\$ 622,476</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the County of Rockingham, New Hampshire (the County) conform to generally accepted accounting principles (GAAP) as applicable to governmental 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 (as amended) of the Governmental Accounting Standards Board, *The Financial Reporting Entity*, these financial statements are required to present 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.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes, charges for services, 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 or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or

privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental 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 are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as well as the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 to be available when they are collectible within the current period and available to pay current liabilities. Generally, all other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service, claims and judgment expenditures are recorded only when payment is due.

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, 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 (internal service) funds in accordance with GASB Statement 10, "Accounting and financial Reporting for Risk financing and Related Insured 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 funds held by the County for individuals incarcerated at the County Corrections Facility, (2) Trust Funds - To account for funds designated for subsequent year's expenditures of the Long Term Care facilities as appropriated and (3) Residents Funds - To account for funds held by the County for individuals living in the Long Term Care facility.

D. Cash and Short-Term Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the financial statements under the caption "cash and short-term investments". The interest earnings attributable to each fund type are included under investment income.

For purpose of the Statement of Cash Flows, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

E. 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.

Investments 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 based on current market prices. Fair value fluctuates with interest rates and increasing rates could cause fair value to decline below original cost. Management of the County 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.

F. Interfund Receivables and Payables

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.

G. Inventory

Inventory is valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventory is recorded as an expenditure when purchased rather than when consumed. Significant inventory balances on hand in governmental funds at year end are reported as assets of the respective fund, with an offsetting nonspendable fund balance.

H. Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, machinery, equipment and furnishings, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of three years, except for the Nursing Home, where assets are capitalized at \$500 or more with a useful life of at least three years.

All Long Term Care fixed assets, including those of the Nursing Home, are valued at historical cost. As of November 2001, 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.

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 capitalized. Also, interest costs that are deemed to be immaterial and not directly allocable to a specific asset are expensed when incurred.

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.

The County has a sizable amount of capital asset projects in process at December 31, 2013 totaling \$1,027,654. The projects in process are included in the reporting of \$32,418,942 net capital assets in the related statements. Once a project is completed it is reported in the asset category (see Note 8).

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 - 30
Machinery, equipment, and furnishings	3 - 15
Vehicles	4 - 10

I. Compensated Absences

Certain County employees are entitled to 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 liability of the fund that will pay it. The total liability at December 31, 2013 is \$3,005,793.

The funded portion of the compensated absences liability reported in the General Fund at December 31, 2013 is \$1,149,752. Any liability for which no funding is currently available is reported in the government wide Statement of Net Position long term liabilities.

The calculation of compensated absences can include vacation, sick time, earned time and holiday pay that are 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.

J. 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 Position.

K. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Balance – Generally, fund balance represents the difference between current assets and current liabilities/deferred inflows. The County reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. For governmental funds, unassigned fund balances represent the amount that may be available for budgeting future operations. The County has set and exceeded a financial management goal of attaining an unassigned fund balance of at least three months of budgeted appropriations.

The County’s fund balance classification policies are as follows:

- 1) Nonspendable funds are either unspendable in the current form (\$134,927 and \$832,560 for prepaid expenses and inventory, respectively, as of December 31, 2013) or can never be spent (\$27,829 principal portion of permanent fund as of December 31, 2013).

- 2) Restricted funds are used solely for the purpose in which the fund was established. In the case of amounts restricted for Long Term Care, these funds are created by statute or otherwise have external constraints on how the funds can be expended. The County's special revenue funds fall under this category.
- 3) Committed funds are reported and expended as a result of motions passed by the highest decision making authority in the County (i.e., the Board of County Commissioners). Amounts committed for compensated absences and for health fund funding fall under this category.
- 4) Assigned funds are used for specific purposes as established by management. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet paid for. The amount of fund balance designated for use in the next year to reduce the tax burden is categorized as assigned.
- 5) Unassigned funds are available to be spent in future periods. The County has made it a goal to maintain fund balance reserves (currently part of unassigned funds) equivalent to at least three months of current year appropriations. The County has continually been able to meet and exceed this measure, with three months of reserves being equivalent to \$19,450,988 for 2013, with an ending unassigned balance amount of \$24,488,523. The intent of the County was for these reserves to be part of committed fund balance for 2013.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the County uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

Net Position – Net position represents the difference between assets and liabilities/deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

L. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and

expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

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, 2013, \$4,356,267 of the beginning General Fund unassigned 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 assigned 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:

Long Term Care Services	\$ 31,192
Corrections	1,141
Administration and Other:	
Maintenance	15,452
General government	72,881
Deeds	12,521
Finance	22,836
Information technology	<u>1,901</u>
Total Encumbrances	<u>\$ 157,924</u>

C. Budgetary Basis

The General Fund final appropriation appearing on the “Budget and Actual” page of the fund financial statements represents the final amended budget after all transfers and supplemental appropriations.

D. Budget/GAAP Reconciliation

The budgetary data for the General Fund is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the General Fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison with budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>General Fund</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP Basis)	\$ 73,871,029	\$ 68,116,772
Other financing sources/uses (GAAP Basis)	<u>353,161</u>	<u>914,000</u>
Subtotal (GAAP Basis)	74,224,190	69,030,772
Adjustment for inventory budgeted on the cash basis	-	58,979
Reverse proceeds of capital lease	(184,135)	(184,135)
Recognize use of fund balance as funding source	<u>4,454,323</u>	<u>-</u>
Budgetary Basis	<u>\$ 78,494,378</u>	<u>\$ 68,905,616</u>

3. Cash and Short-Term Investments

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. RSA 48:16 limits “deposit in any one bank shall not at any time exceed the sum of its paid-up capital and surplus.” The County’s deposit policy for custodial credit risk is that all deposits with banks are to be fully insured and collateralized.

As of December 31, 2013, the County's bank balance of \$52,255,509 was fully insured or collateralized.

4. Investments

A. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law employs the prudent person rule whereby investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Presented below is the actual rating as of year-end for the investments of the County. (All federal agency securities have an implied credit rating of AAA.):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year-end</u>		
				<u>Aaa</u>	<u>Aa</u>	<u>Not Rated</u>
Mutual funds	\$ <u>73,222</u>	N/A	\$ <u>73,222</u>	\$ -	\$ -	\$ -
Total investments	\$ <u>73,222</u>		\$ <u>73,222</u>	\$ -	\$ -	\$ -

B. Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the County will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The County has formal policies for custodial credit risk.

The County has a custodial credit risk exposure of \$73,222 because the related securities are uninsured, unregistered and held by the County's brokerage firm, which is also the counterparty to these securities. The County manages this custodial credit risk with SIPC and excess SIPC.

C. Concentration of Credit Risk

The County places no limit on the amount that may be invested in any one issuer. At December 31, 2013, no investments in any one issuer represent 5% or more of total investments.

D. Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The County does not have a policy for foreign currency risk.

5. Accounts Receivable, Net

Accounts receivable consist of the following at December 31, 2013:

	General Fund	Nonmajor Governmental Funds	Internal Service Fund	Total
Nursing home	\$ 1,735,058	\$ -	\$ -	\$ 1,735,058
Assisted living	14,112	-	-	14,112
Grant monies	20,907	-	-	20,907
Phone commissions	9,227	-	-	9,227
Civil services	18,014	-	-	18,014
Health premiums	27,911	-	-	27,911
Outside detail	18,258	-	-	18,258
Deeds	3,900	-	-	3,900
Adult Diversion Program	3,765	-	-	3,765
Vendor credits	1,825	-	1,501	3,326
Other	3,343	45	12,931	16,319
Total	<u>1,856,320</u>	<u>45</u>	<u>14,432</u>	<u>1,870,797</u>
Less: allowance for doubtful accounts	<u>(512,491)</u>	<u>-</u>	<u>-</u>	<u>(512,491)</u>
Total accounts receivable, net	<u>\$ 1,343,829</u>	<u>\$ 45</u>	<u>\$ 14,432</u>	<u>\$ 1,358,306</u>

6. Due From Other Governments, Net

Due from other governments consist of the following at December 31, 2013:

	General Fund	Internal Service Fund	Total
State of New Hampshire	\$ 3,190,788	\$ 69,578	\$ 3,260,366
U.S. Treasury	689,301	-	689,301
Other	9,332	-	9,332
Total	<u>3,889,421</u>	<u>69,578</u>	<u>3,958,999</u>
Less: allowance for doubtful accounts	<u>(575,212)</u>	<u>-</u>	<u>(575,212)</u>
Total due from other governments, net	<u>\$ 3,314,209</u>	<u>\$ 69,578</u>	<u>\$ 3,383,787</u>

7. Interfund Fund Receivables/Payables

Although self-balancing funds are maintained, most transactions flow through the General Fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is an analysis of the December 31, 2013 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 1,106,339	\$ 842,131
Special Revenue Funds:		
Expendable Trust	-	27,869
Nursing Home Special Account	-	23,050
Assisted Living Donations	6,971	-
Inmate Commissary	136,690	-
Inmate Chapel	9,256	-
Deeds Equipment	1,496	-
Capital Projects Fund	422,368	477,873
Internal Service Funds:		
Dental	239,541	90,301
Workers' Compensation	53,335	108,951
Permanent Trust Fund	-	17,554
Agency Funds:		
Inmates	-	338,732
Nursing Home Residents	-	8,614
Assisted Living Security Deposits	-	40,921
Total	<u>\$ 1,975,996</u>	<u>\$ 1,975,996</u>

8. Capital Assets

Capital asset activity for the year ended December 31, 2013 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 54,677	\$ 1,012	\$ -	\$ 55,689
Machinery, equipment, and furnishings	12,343	613	(18)	12,938
Vehicles	1,440	177	(134)	1,483
Total capital assets, being depreciated	68,460	1,802	(152)	70,110
Less accumulated depreciation for:				
Buildings and improvements	(29,259)	(1,723)	-	(30,982)
Machinery, equipment, and furnishings	(6,478)	(620)	18	(7,080)
Vehicles	(1,247)	(123)	134	(1,236)
Total accumulated depreciation	(36,984)	(2,466)	152	(39,298)
Total capital assets, being depreciated, net	31,476	(664)	-	30,812
Capital assets, not being depreciated:				
Land	579	-	-	579
Construction in progress	786	1,021	(779)	1,028
Total capital assets, not being depreciated	1,365	1,021	(779)	1,607
Governmental activities capital assets, net	<u>\$ 32,841</u>	<u>\$ 357</u>	<u>\$ (779)</u>	<u>\$ 32,419</u>

Depreciation expense was charged to functions of the County as follows:

Governmental Activities:	
Long Term Care Services:	
Nursing home	\$ 1,174,107
Assisted living	159,873
Corrections	549,643
Administration and Other:	
Maintenance	355,127
General government	21,101
Deeds	9,230
Finance	569
Information technology	4,275
Human resources	7,803
Commissioners	24,055
Human services	7,419
Delegation	604
Treasurer	8
Sheriff's Office:	
Sheriff/dispatch/radio	142,423
County Attorney	<u>9,378</u>
Total	<u>\$ 2,465,615</u>

9. Accounts Payable

Accounts payable represent 2013 expenditures paid after December 31, 2013.

10. Due To Other Governments

Due to other governments consist of the following at December 31, 2013:

	<u>General Fund</u>
State of New Hampshire	\$ 8,698,522 *
Hillsborough County	79,265
Other	<u>21,665</u>
Total	<u>\$ 8,799,452</u>

* = Includes approximately \$2.4 million of transfer taxes and \$5.5 million related to human services liabilities.

11. Tax Anticipation Notes Payable

In 2013, the County issued tax anticipation notes in advance of property tax collections, depositing the proceeds in the General Fund. These notes were

necessary because property taxes are a major source of funding for appropriations but the tax collections are not received until shortly before their December 17, 2013 due date. The annual interest rate for the notes was 1.00%, with a net interest cost of 0.2577% after taking into account the premium paid by the purchaser.

The following summarizes activity of tax anticipation notes payable during 2013:

	Balance Beginning of Year	9/13/2013 Proceeds	12/20/2013 Repayment	Balance End of Year
Tax anticipation	\$ -	\$ 6,500,000	\$ (6,500,000)	\$ -

12. Long-Term Debt

A. Changes in General Long-Term Liabilities

During the year ended December 31, 2013, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 1/1/13	Additions	Reductions	Total Balance 12/31/13	Less Current Portion	Equals Long-Term Portion 12/31/13
<u>Governmental Activities</u>						
Bonds payable	\$ -	\$ 8,695	\$ -	\$ 8,695	\$ (525)	\$ 8,170
Bond premium	-	607	(70)	537	(157)	380
Subtotal	-	9,302	(70)	9,232	(682)	8,550
Other:						
Capital leases payable	2,316	184	(2,027)	473	(410)	63
Compensated absences	3,109	-	(103)	3,006	(2,082)	924
Net OPEB obligation	679	329	(207)	801	-	801
Totals	\$ 6,104	\$ 9,815	\$ (2,407)	\$ 13,512	\$ (3,174)	\$ 10,338

B. General Obligation Bonds

The County issues 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 are as follows:

<u>Governmental Activities:</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 12/31/13</u>
General Obligation Municipal Purpose Loan of 2013 Bonds	5/15/23	3.0 - 4.0%	\$ <u>8,695,000</u>

The annual payments to retire all general obligation long-term debt outstanding as of December 31, 2013 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 525,000	\$ 399,651	\$ 924,651
2015	985,000	268,200	1,253,200
2016	1,040,000	227,700	1,267,700
2017	1,095,000	185,000	1,280,000
2018	1,160,000	139,900	1,299,900
2019 - 2023	<u>3,890,000</u>	<u>298,200</u>	<u>4,188,200</u>
Total	<u>\$ 8,695,000</u>	<u>\$ 1,518,651</u>	<u>\$ 10,213,651</u>

C. Advance Refundings

A portion of the County's general obligation bonds were used to advance refund \$1,595,861 of its April 14, 2013 energy management lease with an interest rate of 4.73%. The lease matures on June 14, 2018 and was scheduled to callable on June 14, 2014.

The refunding met the requirements of an in-substance debt defeasance, and the energy management lease, non-refunded portion, was removed from the County's financial statements.

As a result of the advance refunding, the County reduced its total debt service cash flow requirements by \$56,617, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$52,759.

Defeased debt for the energy management lease still outstanding at December 31, 2013 was \$319,449 (paid on June 14, 2014).

D. 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 \$319,449 including interest, through June, 2014 at 4.73%	\$ 319,449
Equipment, due in annual installments the next of which is \$32,026 including interest, through December 2014 at 2.25%	31,321
Equipment, due in annual installments the next of which is \$56,260 including interest, through November 2015 at 2.28%	108,785
Equipment, due in monthly installments the next of which is \$129 including interest, through July 2017 at 3.14%	5,219
Equipment, due in annual installments the next of which is \$4,552 including interest, through November 2015 at 2.75%	<u>8,743</u>
Totals	<u>\$ 473,517</u>

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

Year Ended <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 410,259	\$ 95,887	\$ 506,146
2015	60,879	1,475	62,354
2016	1,489	53	1,542
2017	<u>890</u>	<u>9</u>	<u>899</u>
Totals	<u>\$ 473,517</u>	<u>\$ 97,424</u>	<u>\$ 570,941</u>

13. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of assets by the County that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. For 2013, deferred inflows of resources are comprised of revenues received in advance.

14. Operating Leases

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

<u>Year Ended</u> <u>December 31</u>	<u>Office</u> <u>Space</u>	<u>Equipment</u> <u>Rental</u>	<u>Total</u>
2014	\$ 177,636	\$ 21,402	\$ 199,038
2015	<u>179,448</u>	<u>7,418</u>	<u>186,866</u>
Totals	<u>\$ 357,084</u>	<u>\$ 28,820</u>	<u>\$ 385,904</u>

15. Restricted Net Position

The accompanying entity-wide financial statements report restricted net position when external constraints from grantors or contributors are placed on net position.

Permanent fund restricted net position is segregated between nonexpendable and expendable. The nonexpendable portion represents the original restricted principal contribution, and the expendable represents accumulated earnings which are available to be spent based on donor restrictions.

16. Stabilization Reserves

The County has established a goal of maintaining stabilization reserves equivalent to three months of current year budgeted appropriations. Usage of reserves can only be authorized if certain conditions are met. The intention was for such reserve funds to be classified as committed fund balance within the general fund, but the current technical classification under GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* is for the stabilization reserves to be included under unassigned funds. The 2013 reserve amount, \$19,450,988, comprises 79% of the unassigned fund balance total. If this amount was deemed to be committed fund balance, \$5,037,535 would have been the ending unassigned funds total for 2013.

17. Commitments and Contingencies

Outstanding Lawsuits - There are several pending lawsuits in which the County is involved. 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. The County's management is also of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Grants - Amounts received are subject to later year's review and adjustments 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, 2013, 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.

18. Post-Employment Healthcare Insurance Benefits

GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the Statement of Activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Position over time.

A. Plan Description

The New Hampshire retirement system (Title VI, Medical Benefits Chapter 100-A:50) requires that political subdivisions in New Hampshire extend the same health insurance coverage to retirees as those offered to active employees, including spousal, and family coverage. Premium rates must be rated on a group basis including both employees and retirees. Premium charges payable by employees and by retirees are at the discretion of the subdivision. As of December 31, 2013 (the actuarial valuation date), 78 retirees and 472 active employees met the eligibility requirements. The plan does not issue a separate financial report.

B. Benefits Provided

The County provides medical, prescription drug, and mental health/substance abuse to retirees and their covered dependents. All active employees who retire from the County and meet the eligibility criteria will receive these benefits.

C. Funding Policy

The contributions policy of the County is established by the County and state law. The contributions are based upon a pay-as-you-go financing plan. Retirees under age 65 may participate in these same coverage plans as active employees by paying 100% of the required premium.

D. Annual OPEB Costs and Net OPEB Obligation

The County of Rockingham’s fiscal 2013 annual OPEB expense is calculated based on the Annual Required Contribution of the Employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the Normal Cost (NC) per year and amortize any unfunded actuarial liability (UAAL), or funding excess, over a period of thirty years. This calculation is performed using an open amortization and level service. The following table shows the components of the County’s annual OPEB cost for the year ending December 31, 2013, the amount actually contributed to the plan, and the change in the County’s net OPEB obligation based on an actuarial valuation as of December 31, 2013.

Annual Required Contribution (ARC)	\$ 302,054
Interest on net OPEB obligation	27,167
Adjustment to ARC	<u>(39,277)</u>
Annual OPEB cost	289,944
Contributions made*	<u>(168,468)</u>
Increase in net OPEB obligation	121,476
Net OPEB obligation - beginning of year	<u>679,180</u>
Net OPEB obligation - end of year	<u>\$ 800,656</u>

*The County made no separately identified contributions. The excess morbidity cost for retirees under age 65 are implicit in the premiums paid for active lives. “Contributions made” is the estimated portion of premiums for retirees under age 65.

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2013	\$ 289,944	58.1%	\$ 800,656
2012	\$ 323,608	57.3%	\$ 679,180
2011	\$ 339,125	50.1%	\$ 540,869
2010	\$ 258,837	53.6%	\$ 371,739
2009	\$ 251,548	0.0%	\$ 251,548

E. Funded Status and Funding Progress

The funded status of the plan as of December 31, 2013, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 2,877,684
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 2,877,684</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0%</u>
Covered payroll (active plan members)	<u>\$ 19,269,747</u>
UAAL as a percentage of covered payroll	<u>14.9%</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations, and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

F. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan as understood by the County and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the County and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the December 31, 2013 actuarial valuation, the entry age normal level dollar method was used. The actuarial value of assets was not determined as the County has not advance funded its obligation. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), the anticipated long-term investment return on the County's invested funds. Healthcare inflation is calculated based upon a secular trend of 9.0% grading to down to 5.0% over 9 years. UAAL is being amortized over a 30-year period (level dollar method, on an open basis) using a 4.0% interest rate discount factor.

19. **Pension Plan**

The County follows the provisions of GASB Statement No. 27, *Accounting for Pensions for State and Local Government Employees*, (as amended by GASB 50) with respect to the employees' retirement funds.

A. Plan 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, 54 Regional Drive, Concord, New Hampshire 03301.

B. Funding Policy

Covered public safety (Group II) and general employees (Group I) are required to contribute 11.55% or 7.0% of their covered salary, respectively, and the County is required to contribute at an actuarially determined rate. The County's contribution rates were 25.30% (Group II) and 10.77% (Group I) at December 31, 2013. Effective July 1, 2011, the County contributes 100% of the employer cost for general employees and police employed by the County.

Per RSA-100:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The County's contributions to the NHRS for the years ending December 31, 2013, 2012, 2011, and 2010 were \$2,642,349, \$2,675,847, \$2,886,088, and \$2,530,973, respectively, which were equal to the required contributions for each year.

20. **Self-Insurance**

The County self-insures against claims for all employee dental coverage and workers' compensation. Annual estimated requirements for claims are provided in the County's annual operating budget.

Dental Insurance

The County does not contract with an insurance carrier for excess liability coverage. Under the terms of its dental insurance coverage, the County is liable for all dental claims up to an annual maximum of \$1,000 per covered

individual. Any claim amounts exceeding \$1,000 maximum, are the responsibility of the covered plan participants. The claims liability represents an estimate of claims incurred but unpaid at year-end, based on past historical costs and claims paid subsequent to year-end.

Workers Compensation

The County contracts with an insurance consultant for claims processing of the County’s workers’ compensation policy, which has no excess liability coverage for any employees. The workers’ compensation claims liability represents an estimate of future costs based on a historical analysis of similar claims for all employees excluding public safety. The County is unable to make any reasonable estimate of its liability for public safety employees.

Changes in the aggregate liability for claims for the year ended December 31, 2013 are as follows:

	<u>Dental</u>	<u>Workers'</u> <u>Compensation</u>	<u>Total</u>
Claims liability, beginning of year	\$ 21,380	\$ 1,470,000	\$ 1,491,380
Claims incurred/recognized in 2013	405,270	473,274	878,544
Claims paid in 2013	<u>(409,644)</u>	<u>(427,274)</u>	<u>(836,918)</u>
Claims liability, end of year	\$ <u>17,006</u>	\$ <u>1,516,000</u>	\$ <u>1,533,006</u>

21. 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.

22. Implementation of New GASB Standards

The GASB has issued Statement 68 *Accounting and Financial Reporting for Pensions*, which is required to be implemented in fiscal year 2015. Management’s current assessment is that this pronouncement will have a significant impact on the County’s basic financial statements by recognizing as a liabil-

ity and expense, the County's applicable portion of the New Hampshire Retirement System's actuarially accrued liability.

**ROCKINGHAM COUNTY, NEW HAMPSHIRE
SCHEDULE OF FUNDING PROGRESS
REQUIRED SUPPLEMENTARY INFORMATION**

December 31, 2013

(Unaudited)

(Amounts Expressed in Thousands)

Other Post-Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent- age of Covered Payroll [(b-a)/c]
12/31/13	\$ -	\$ 2,878	\$ 2,878	0.0%	\$19,270	14.9%
12/31/11	\$ -	\$ 2,808	\$ 2,808	0.0%	n/a	n/a
12/31/09	\$ -	\$ 2,184	\$ 2,184	0.0%	n/a	n/a

See Independent Auditors' Report.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

DECEMBER 31, 2013

	Drug Task Force	Expendable Trust	Nursing Home Special Account	Assisted Living Donations	Inmate Commissary	Inmate Chapel	Deeds Equipment	WF Sturtevant Memorial	Permanent Fund	Total Nonmajor Governmental Funds
ASSETS										
Cash and short-term investments	\$ 38,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,188	\$ -	\$ 43,807
Restricted cash	-	-	92,680	-	-	-	203,634	-	-	296,314
Investments	-	27,839	-	-	-	-	-	-	45,383	73,222
Receivables:										
Accounts, net	-	-	45	-	-	-	-	-	-	45
Due from other funds	-	-	-	6,971	136,690	9,256	1,496	-	-	154,413
TOTAL ASSETS	\$ 38,619	\$ 27,839	\$ 92,725	\$ 6,971	\$ 136,690	\$ 9,256	\$ 205,130	\$ 5,188	\$ 45,383	\$ 567,801
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	\$ -	\$ 27,869	\$ 23,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,554	\$ 68,473
TOTAL LIABILITIES	-	27,869	23,050	-	-	-	-	-	17,554	68,473
Fund Balances:										
Nonspendable	-	-	-	-	-	-	-	-	27,829	27,829
Restricted	38,619	(30)	69,675	6,971	136,690	9,256	205,130	5,188	-	471,499
TOTAL FUND BALANCES	38,619	(30)	69,675	6,971	136,690	9,256	205,130	5,188	27,829	499,328
TOTAL LIABILITIES AND FUND BALANCES	\$ 38,619	\$ 27,839	\$ 92,725	\$ 6,971	\$ 136,690	\$ 9,256	\$ 205,130	\$ 5,188	\$ 45,383	\$ 567,801

See Independent Auditors' Report.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2013

	Drug Task Force	Expensible Trust	Nursing Home Special Account	Assisted Living Donations	Inmate Commissary	Inmate Chapel	Deeds Equipment	WF Sturtevant Memorial	Permanent Fund	Total Nonmajor Governmental Funds
Revenues:										
Charges for services:										
County attorney	\$ 3,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,525
Deeds	-	-	-	-	-	-	133,226	-	-	133,226
Sheriff/dispatch/radio	32,077	-	-	-	-	-	-	-	-	32,077
Corrections	-	-	-	-	36,568	550	-	-	-	37,118
Nursing home	-	-	7,746	-	-	-	-	-	-	7,746
Assisted living	-	-	-	325	-	-	-	-	-	325
Investment income	14	(30)	78	-	337	23	303	13	(44)	694
Total Revenues	35,616	(30)	7,824	325	36,905	573	133,529	13	(44)	214,711
Expenditures:										
Current:										
County attorney	6,962	-	-	-	-	-	-	-	-	6,962
Sheriff/dispatch/radio	18,357	-	-	-	-	-	-	-	-	18,357
Total Expenditures	25,319	-	-	-	-	-	-	-	-	25,319
Excess (deficiency) of revenues over expenditures	10,297	(30)	7,824	325	36,905	573	133,529	13	(44)	189,392
Other Financing Sources (Uses):										
Transfers out	-	-	(14,159)	(1,487)	(23,380)	-	(130,000)	-	-	(169,026)
Total Other Financing Sources (Uses)	-	-	(14,159)	(1,487)	(23,380)	-	(130,000)	-	-	(169,026)
Change in fund balance	10,297	(30)	(6,335)	(1,162)	13,525	573	3,529	13	(44)	20,366
Fund Equity, at Beginning of Year	28,322	-	76,010	8,133	123,165	8,683	201,601	5,175	27,873	478,962
Fund Equity, at End of Year	\$ 38,619	\$ (30)	\$ 69,675	\$ 6,971	\$ 136,690	\$ 9,256	\$ 205,130	\$ 5,188	\$ 27,829	\$ 499,328

See Independent Auditors' Report.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

PROPRIETARY FUNDS

COMBINING STATEMENT OF NET POSITION

DECEMBER 31, 2013

	Dental <u>Fund</u>	Workers' Compensation <u>Fund</u>	<u>Governmental Activities Total Internal Service Funds</u>
ASSETS			
Current:			
Cash and short-term investments	\$ 183,016	\$ 2,768,884	\$ 2,951,900
Receivables:			
Accounts	4,794	9,638	14,432
Due from other governments	-	69,578	69,578
Due from other funds	239,541	53,335	292,876
Prepaid expenses	4,875	-	4,875
Total current assets	<u>432,226</u>	<u>2,901,435</u>	<u>3,333,661</u>
TOTAL ASSETS	432,226	2,901,435	3,333,661
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Liabilities			
Current:			
Accounts payable	27,488	18,844	46,332
Due to other funds	90,301	108,951	199,252
Incurred but not reported claims liability	17,006	1,516,000	1,533,006
Total current liabilities	<u>134,795</u>	<u>1,643,795</u>	<u>1,778,590</u>
Deferred Inflows of Resources	<u>5,106</u>	<u>-</u>	<u>5,106</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	139,901	1,643,795	1,783,696
NET POSITION			
Unrestricted	<u>292,325</u>	<u>1,257,640</u>	<u>1,549,965</u>
TOTAL NET POSITION	<u>\$ 292,325</u>	<u>\$ 1,257,640</u>	<u>\$ 1,549,965</u>

See Independent Auditors' Report.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

PROPRIETARY FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2013

	Dental Fund	Workers' Compensation Fund	Governmental Activities <u>Total</u> Internal Service Fund
Operating Revenues:			
Employee and employer contributions	\$ 427,752	\$ 1,365,598	\$ 1,793,350
Total Operating Revenues	427,752	1,365,598	1,793,350
Operating Expenses:			
Employee benefits	438,856	725,841	1,164,697
Total Operating Expenses	438,856	725,841	1,164,697
Operating Income (Loss)	(11,104)	639,757	628,653
Nonoperating Revenues (Expenses):			
Investment income	26	305	331
Miscellaneous	-	(15,610)	(15,610)
Total Nonoperating Revenues (Expenses), Net	26	(15,305)	(15,279)
Change in Net Position	(11,078)	624,452	613,374
Net Position at Beginning of Year	303,403	633,188	936,591
Net Position at End of Year	\$ 292,325	\$ 1,257,640	\$ 1,549,965

See Independent Auditors' Report.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

PROPRIETARY FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Dental Fund</u>	<u>Workers' Compensation Fund</u>	<u>Governmental Activities Total Internal Service Fund</u>
<u>Cash Flows From Operating Activities:</u>			
Receipts from users	\$ 424,075	\$ 1,523,459	\$ 1,947,534
Payments to providers	(439,595)	(722,854)	(1,162,449)
Other receipts (payments)	<u>23,871</u>	<u>(28,425)</u>	<u>(4,554)</u>
Net Cash Provided By Operating Activities	8,351	772,180	780,531
<u>Cash Flows From Noncapital Financing Activities:</u>			
Net change in due to/from other funds	<u>(60,266)</u>	<u>44,895</u>	<u>(15,371)</u>
Net Cash Provided by (Used In) Noncapital Financing Activities	(60,266)	44,895	(15,371)
<u>Cash Flows From Investing Activities:</u>			
Investment income	<u>26</u>	<u>305</u>	<u>331</u>
Net Cash Provided By Investing Activities	<u>26</u>	<u>305</u>	<u>331</u>
Net Change in Cash and Short-Term Investments	(51,889)	817,380	765,491
Cash and Short-Term Investments, Beginning of Year	<u>234,905</u>	<u>1,951,504</u>	<u>2,186,409</u>
Cash and Short-Term Investments, End of Year	<u>\$ 183,016</u>	<u>\$ 2,768,884</u>	<u>\$ 2,951,900</u>
<u>Reconciliation of Operating Income to Net Cash Provided By (Used For) Operating Activities:</u>			
Operating income (loss)	\$ (11,104)	\$ 639,757	\$ 628,653
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Nonoperating revenues (expenses)	-	(15,610)	(15,610)
Changes in assets and liabilities:			
Accounts receivable	(3,676)	(8,919)	(12,595)
Due from other governments	-	97,921	97,921
Prepaid expenses	(740)	2,987	2,247
Accounts payable	27,488	10,044	37,532
Incurred but not reported claims liability	(4,374)	46,000	41,626
Deferred revenue	<u>757</u>	<u>-</u>	<u>757</u>
Net Cash Provided By Operating Activities	<u>\$ 8,351</u>	<u>\$ 772,180</u>	<u>\$ 780,531</u>

See Independent Auditors' Report.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

FIDUCIARY FUNDS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

DECEMBER 31, 2013

	<u>Inmates</u>	<u>Nursing Home Residents</u>	<u>Assisted Living Security Deposits</u>	<u>Total Agency Funds</u>
<u>ASSETS</u>				
Cash and short-term investments	\$ 378,306	\$ 135,955	\$ 108,190	\$ 622,451
Accounts receivable	<u>-</u>	<u>25</u>	<u>-</u>	<u>25</u>
Total Assets	<u>\$ 378,306</u>	<u>\$ 135,980</u>	<u>\$ 108,190</u>	<u>\$ 622,476</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 121	\$ 397	\$ -	\$ 518
Due to other funds	338,732	8,614	40,921	388,267
Due to specific individuals	<u>39,453</u>	<u>126,969</u>	<u>67,269</u>	<u>233,691</u>
Total Liabilities	<u>\$ 378,306</u>	<u>\$ 135,980</u>	<u>\$ 108,190</u>	<u>\$ 622,476</u>

See Independent Auditors' Report.