

**County of Sullivan, NH**

**Type of meeting:** Board of Commissioners – Audit Exit Interview, Regular Business Meeting and Tour of DOC and Nursing Home

**Date / Time:** Tuesday, September 25, 2012; 2:30 PM

**Place:** Unity, NH - Ahern Building, 5 Nursing Home Drive

**Attendees:** Commissioners Bennie Nelson – Chair, Jeffrey Barrette – Vice Chair and John M. Callum Jr. – Clerk, Greg Chanis – County Administrator, Ted Purdy – SCHC Administrator, Sheryl Stephens-Burke – Melanson Heath & Company PC

**Public attendees:** Archie Mountain - Eagle Time Staff Reporter / Argus Champion Editor, Raymond Gagnon – State/County Delegate District 4 (arrived later in meeting).

**2:34** The Chair, Bennie Nelson, called the meeting to order.

**Agenda Item No. 1. FY12 County Year Ended Audited Financials Exit Interview-Melanson Heath & Associates**

Mr. Chanis introduced Sheryl Stephens-Burke from Melanson Heath & Co., auditors of the County's fiscal year ending June 30, 2012. Ms. Stephens-Burke thanked Mr. Chanis and staff for gathering documents and having all ready for them to complete the audit. She reviewed the *DRAFT Sullivan County, New Hampshire Annual Financial Statements for the Year Ended June 30, 2012* [Appendix A.1-36], going over the following:

- Independent Auditor's Report: a 'clean report' in accordance with GAAP
- Page 3-9 Management's Discussion and Analysis
- Page 10 Statement of Net Assets: this used to show a 'business activities' column, which is now consolidated into the column called Governmental Activities, the nursing home is included in the Governmental Activities column: aka Presentation; this presentation is what the bond agency zones in on; in liability section – GASB, highlighted \$661,759 GASB – calculated by actuary, \$6,030,000 unrestricted – this is a 'really good number'.
- Page 11: nursing home on 1 line item; 3<sup>rd</sup> line up is positive \$1,819,293 – 'you had a very good year'.
- Page 12 Governmental Funds Balance Sheet does not include fixed assets or long term liability; it is presented on Fund basis. General column includes nursing home fund. \$4,210,636 was called Unreserved Balance.
- Page 13 is the Reconciliation - difference between the government fund balances vs. government wide net asset balance.
- Page 14 Statement of Revenues, Expenditures and Changes in Fund Balances: based on fund basis. The nursing home has its own line in the General Fund column. Net balance is \$1,722,360. \$5,429,683 - 2<sup>nd</sup> line up from bottom - is

starting point from General Fund. Other funds broke even. Capital fund slight negative, but this will be funded going forward into FY13.

- Page 15 reflects the reconciliation of income between net income of County.
- Page 16 is All Budgeted Funds: budget vs. actual. The far right column is variance – the Net, \$2,340,961, reflects a ‘very good year’. \$550,894 negative in the “Other Funds: Grants” reflects ‘unanticipated grants’.

2:43 *Representative Gagnon arrived.*

Commissioner Barrette commended Administration for ‘Nice work’; he also pointed out two figures he looks at, Page 16, that illustrate the tax payer subsidy for the nursing home, General Fund Nursing homes Actual Amounts \$13,350,388 and Expenditures Actual of \$13,969,004 – the difference is the cost.

Ms. Stephens-Burke confirmed those are two numbers to use; and continued her review of the following:

- Page 17: Summary of Accounting Policies
- Page 28: detailed breakdown of Balance Sheet numbers by Funds
- Page 32 – 33: the Beginning Fund Balance Restatement - nursing home

Comm. Barrette questioned, of the ten NH counties, how many MH&Co. performed audits on? Ms. Stephens-Burke confirmed four; and confirmed they have all changed over to the same reporting method – two of which are on a calendar year; she pointed out it will be helpful for the County during their budget process to see it in this format; she did not have an opinion on the other six counties, but could take a look at their audits on line if the Commissioners wanted her to.

Comm. Nelson asked for clarification of the *Post-Employment Benefits?* Ms. Stephens-Burke confirmed it is a requirement of GASB 45, it relates to liability that is out there when you have a health insurance plan that retirees participate in – the cost of participation; she noted the County hired an actuary a couple years ago to calculate this – ‘what do you need to put into the fund to fully fund it over a number of years so that it accrues a liability?’; she confirmed it’s an implied subsidization - they are getting a benefit due to their age vs. younger people; you don’t have to pay it and its calculated differently based on who your insurance provider is.

Ms. Stephens-Burke confirmed the County did not receive a *Management Letter* as she reviewed all comments and recommendations with the County Administrator for improvement and no formal management letter was needed.

2:54 *Ms. Stephens-Burke, Mr. Chanis, and Mr. Mountain left the room.*

2:57 *Mr. Mountain returned to the meeting in progress.*

**Agenda Item No. 3. Sullivan County Health Care Administrator Report, Ted Purdy**

Agenda Item No. 3.a. Census

Mr. Purdy reviewed the following reports [Appendix B.1-7]:

- August 2012 Medicare, Private, Medicaid, HCBC, Managed Care, and Medicare B: positive variance in Medicare and Private, negative variances in Medicaid and Med B; ended month with total positive variance of \$12,293+
- Revenue Review thru 08/31/2012: meals have not caught up yet
- Quarterly Resident Census: 138.2 last month, 138.3 average for two months, 6 average Skilled
- Medicare Length of Stay Analysis: Medicare Net Revenue is \$134,783, which is within the \$132,000 budget
- 8/1/2012 thru 8/31/2012 Summary Admission / Discharge Report: 10 admissions and 12 discharges
- 7/1/12 thru 8/31/12 Summary Admission: 26 admissions and 23 discharges
- Month-end Aged Analysis

Agenda Item No. 3.c. Medicaid Cost Report

Mr. Purdy noted the Medicaid Cost report was circulated earlier; this requires the Board Chair signature; the report is due 9/30<sup>th</sup> and used to develop the Medicaid Cost report; this report will determine January 2013 rates.

**3:04 Motion: to authorize the Chair to sign the Medicaid cost report. Made by: Barrette. Seconded by: Callum Jr. Voice vote: All in favor.**

*Commissioner Nelson signed the report.*

Agenda Item No. 3.b. Staffing

Mr. Purdy noted all key staff positions are filled and they have not used agency staff in the last couple weeks; they will be reevaluating their Per Diem list in the spring so as to avoid using agency staff for summer vacations.

**Agenda Item No. 2. Department of Corrections Superintendent's Report, Ross L. Cunningham**

Agenda Item No. 2.a. Population Census

Supt. Cunningham distributed the *September 25<sup>th</sup> Daily Report from Sergeant S. Coughlan* and went over the report [Appendix C] with the Board members.

Agenda Item No. 2.b. Staffing

Supt. Cunningham noted they have one (1) Corporal position vacant, which will probably lead to a Correctional Officer vacancy.

Non Agenda Item

Operations

They have begun another Dartmouth college student / inmate collaborative program and anticipate the presentation to be Thu Oct 25<sup>th</sup> and Fri. Oct. 26<sup>th</sup> @ 4:00 PM. Commissioner Barrette would like to see the program run at a future New Hampshire Association of Counties conference. Supt. Cunningham noted HBO contacted the program director showing interest in running a special.

The exterior project is complete. They are waiting for the flooring company to begin epoxying. The exterior recreation yard for females is complete. The back CCC entrance to the female unit is now paved.

**Agenda Item No. 4.**

**County Administrator's Report, *Greg Chanis***

Agenda Item No. 4.a.

FY '13 Update

Mr. Chanis noted, the Delegation voted to establish a Capital Reserve Fund (CRF) and met to approve meeting minutes from the public hearing in order to send to Dept. of Revenue. Mr. Chanis is working with the County Treasurer to move money into a separate interest bearing account for the CRF.

Agenda Item No. 4.b.

Biomass Project Update

Mr. Chanis drew their attention to the motion they made on July 24<sup>th</sup>, authorizing the County Administrator to enter into a contract - since that time, minor changes to work have occurred and, rather than create a change order, the County Attorney has recommended the Board rescind the motion and redo it. Mr. Chanis offered suggested wording.

**3:14 Motion: to rescind the motion approved on 7/24/2012 regarding the contract with Woodard and Curran of Portland Maine. Made by: Barrette. Seconded by: Callum Jr. Voice vote: All in favor.**

**3:15 Motion: to authorize the County Administrator to finalize and execute all documents for a Design/Build Contract with Woodard and Curran of Portland, Maine, for the design and construction of the Sullivan County Biomass Project. The Stipulated Sum of said contract shall be Two million, nine hundred ninety nine thousand and three hundred fifty eight dollars (\$2,999,358.00), subject to additions and deductions as provided in the Design - Build documents. We further authorize the County Administrator to approve said additions and deductions when he deems they are in the best interest of Sullivan County. Made by: Barrette. Seconded by: Callum Jr. Voice vote: All in favor.**

Mr. Chanis noted he received the original contracts signed by Woodard and Curran, which now need to be signed by the County Attorney, then they will be sent to the USDA; Woodard and Curran is holding a kick off design meeting next week; initially, the contract stipulated the project would be completed within 365 days after the

contract is signed - he and Dan Kelly, of Woodard and Curran, agreed to change the completion date to September 15<sup>th</sup>, 2013, whereas a \$750 damage penalty would occur p/day, if not completed.

Non Agenda Item                      Community Corrections Center Plaque  
Mr. Chanis confirmed the plaque was ordered and awaiting delivery.

Agenda Item No. 4.c.                      Discussion of Future Commissioner Meetings  
Mr. Chanis pointed out upcoming events that would conflict with October and November County Commissioner meetings scheduled. The Board decided to hold their meetings in October and November on the following Tuesdays at 3PM:

- Oct. 9<sup>th</sup> in Newport & Oct. 30<sup>th</sup> in Unity,
- November 13<sup>th</sup> in Newport & November 27<sup>th</sup> in Unity

Non Agenda Item                      State Salt Shed, Unity County Property  
Mr. Chanis confirmed a draft agreement is in the works – he and Mr. Cressy will be meeting to read through the updated draft received from the State; improvements have been made to the area and more are planned by the State.

Non Agenda Item                      County Property Logging Projects  
Mr. Chanis noted the timber harvest by the salt shed will be finished this week; and there is one other sale: the Red Pine Sale opposite side of the trail by the salt shed that was put on hold but should start soon; Dave Kent is marking trees for a sale on the Judkin property and they will come before the Board when ready to release the RFP, for approval. Chanis pointed out, the timber sale revenue, in the recent audit, far exceeded sales by \$40,000 – \$50,000.

**Agenda Item No. 5.                      Commissioners' Report**

Agenda Item No. 5.a.                      Old Business  
There was none noted.

Agenda Item No. 5.b.                      New Business  
Commissioner Barrette noted he attended a recent Acworth Town Select Board meeting to encourage them to attend today's tour and to apprise them of County operations when they indicated they would be unable to attend - he received positive comments from them; he also followed up with phone calls to all other Select Board offices, last week, to make sure they knew about the tour being offered.

## **Public Participation**

Representative Gagnon offered apologies for arriving late for audit discussions.

### **Agenda Item No. 6. Meeting Minutes Review**

Agenda Item No. 6.a.      Sep 4<sup>th</sup> 2012 Public Meeting Minutes

**3:24 Motion: to approve the September 4<sup>th</sup> public meeting minutes as written. Made by: Barrette. Seconded by: Callum Jr. Voice vote: All in favor.**

Agenda Item No. 6.b.      Sep 4<sup>th</sup> 2012 3:31 Executive Session Meeting Minutes

**3:24 Motion: to approve the September 4<sup>th</sup> 3:31 Executive Session and release. Made by: Barrette. Seconded by: Callum Jr. Voice vote: All in favor.**

Agenda Item No. 6.c.      Sep 4<sup>th</sup> 2012 4:12 Executive Session Meeting Minutes

**3:25 Motion: to approve and release the Sep. 4<sup>th</sup> 4:12 p.m. Executive Session minutes. Made by: Barrette. Seconded by: Callum Jr. Voice vote: All in favor.**

### **Agenda Item No. 7. Probable Executive Session Per RSA 91:A: 3.II.a. – Finalize County Administrator’s Performance Evaluation**

**3:26 Motion: to go into Executive Session Per RSA 91:A: 3.II.a. to finalize the County Administrator’s performance evaluation. Made by: Barrette. Seconded by: Callum Jr. Roll call vote: All three Commissioners voted in favor of the motion. Those in Executive Session included: Commissioners Nelson, Barrette and Callum Jr., and County Administrator Greg Chanis.**

*All others left the room.*

**3:45 Motion: to come out of Executive Session. Made by: Barrette. Seconded by: Callum Jr. Voice vote: All**

*The meeting recessed until 4:30, at which time the following convened at the Ahern Building.*

**County Personnel Present:** Commissioners Nelson, Barrette and Callum Jr., Greg Chanis – County Administrator, Ted Purdy – Sullivan County Health Care Administrator, Ross L. Cunningham – Superintendent of Department of Corrections, John Cressy – Facilities Director, Sharon Callum – Administrative Assistant.

**Town Representatives Present:**

- Charlestown Select Board members Steve Neill and Brenda Ferland.
- Claremont Mayor James Neilsen IV & spouse and City Manager Guy Santagate.
- Grantham Select Board member Connie Jones and Town Administrator Melissa White.
- Lempster Town Select Board members Ed Sauer, Everett Thurber and Mary Grenier and Town Administrative Assistant Ingrid Locher.
- Paul Howe - Eagle Times Photographer.

Commissioner Nelson thanked all for attending, introduced the Board members and provided a brief overview of County government and the Commissioner roles. Mr. Chanis provided a PowerPoint presentation that overviewed the County departments, budget process, FY13: budget, revenue & expenses, tax revenue distribution, unassigned fund balance history from 2004-2012, percent change in taxes raised from 1994-2013, and a link to the County's website [Appendix D.1-5]. Mr. Chanis also ran a PowerPoint overview of the Biomass project started up at the Unity Complex [Appendix E.1-4].

Mr. Purdy and Tammy Lallo toured two groups through the nursing home.

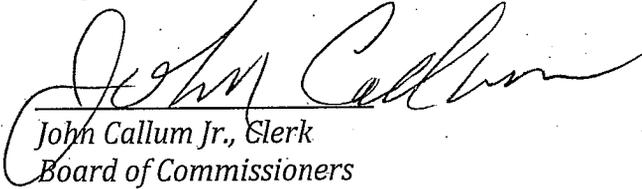
Supt. Cunningham, Capt. Douglass Roberts and Sergeant Joe Brookens toured groups through the old jail and the Community Corrections Center.

All reconvened at the Ahern Building for a BBQ and informal discussions.

*The following material was available for the tour attendees at the Ahern Building: Prescription Discount Cards, brochure of the Sullivan County Health Care, brochure of the TRAILS program, a public notice of the Prescription Take Back day scheduled for Sat. Sep. 29<sup>th</sup> and the bi-monthly newsletter of Preventionworksnh.org Vol. 3:No.4*

**The event adjourned at 6:30 PM.**

*Respectfully submitted,*

  
John Callum Jr., Clerk  
Board of Commissioners

JC/s.j.c.

Date minutes approved: October 9, 2012 Meeting



**Tuesday September 25<sup>th</sup>, 2012, 2:30 PM Meeting**  
Sullivan County NH, Board of Commissioners  
**FY12 Audit Exit Interview & Regular Business Meeting**

**AGENDA – Revised**

**Meeting Location: Unity County Complex – Sullivan County Health Care**

Ahern Building – Function Hall

MapQuest/Google Address: 5 Nursing Home Drive, Claremont, NH 03743

- |                   |    |  |
|-------------------|----|--|
| 2:30 PM – 3:00 PM | 1. | FY12 County Year Ended Audited Financials<br>Exit Interview- <i>Melanson Heath &amp; Associates</i>  |
| 3:00 PM – 3:15 PM | 2. | Department of Corrections Superintendent's<br>Report, <i>Ross L. Cunningham</i><br>a. Population Census Review<br>b. Staffing Review   |
| 3:15 PM – 3:30 PM | 3. | Sullivan County Health Care Administrator's<br>Report, <i>Ted Purdy</i><br>a. Census<br>b. Staffing<br>c. Medicaid Cost Report   |
| 3:30 PM – 4:00 PM | 4. | County Administrator's Report, <i>Greg Chanis</i><br>a. FY 13 Financial Update<br>b. Biomass Project Update – Potential Vote on<br>Contract Language<br>c. Discussion of future Commissioner meetings                                |
| 4:00 PM – 4:15 PM | 5. | Commissioners' Report<br>a. Old Business<br>b. New Business  |
| 4:15 PM – 4:20 PM | 6. | Meeting Minutes Review<br>a. Sep 4 <sup>th</sup> , 2012 Public Meeting Minutes<br>b. Sep 4 <sup>th</sup> , 2012 3:31 Executive Session Meeting<br>Minutes<br>c. Sep 4 <sup>th</sup> , 2012 4:12 Executive Session Meeting<br>Minutes |

The times reflected on this agenda, other than the start time, are estimates. Actual time will depend on level of interest and participation.



- 4:20 PM – 4:30 PM 7. Probable Executive Session Per RSA 91-A:3.II.a. – Finalize County Administrator Performance Evaluation
- 4:30 PM 8. Adjourn meeting to for presentation and tour Of Facility for Municipality Governing Bodies

*Upcoming Events / Meetings:*

- **Oct 2<sup>nd</sup> Tue. Sullivan County Board of Commissioners Meeting**
- **Time:** 3 PM
  - **Place:** Newport, 14 Main Street – 1<sup>st</sup> Floor Commissioners Conf. Room

**SULLIVAN COUNTY, NEW HAMPSHIRE**

**Annual Financial Statements**

**For the Year Ended June 30, 2012**

**DRAFT**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
Sullivan County, New Hampshire  
Newport, New Hampshire

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sullivan County, New Hampshire, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of Sullivan County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Sullivan County, New Hampshire, as of June 30, 2012, and the respective changes in financial position thereof and the respective budgetary comparison for all budgeted funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis appearing on the following pages and the supplementary information on page 34 are not a required part of the basic financial statements but is supplementary information required by accounting

principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated \_\_\_\_\_, 2012 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Nashua, New Hampshire  
\_\_\_\_\_, 2012

DRAFT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Sullivan County, New Hampshire (the County), we offer readers this narrative overview and analysis of the financial activities of Sullivan County for the fiscal year ended June 30, 2012.

### A. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The governmental activities include general government, public safety, corrections, human services, cooperative extension, and nursing home.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The accounts of the County are reported as governmental funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available

at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

An annual appropriated budget is adopted for all funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with this budget.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by the accounting principles generally accepted in the United States of America.

## **B. FINANCIAL HIGHLIGHTS**

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$ 13,690,583 (i.e., net assets), a change of \$ 1,819,293 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$ 7,351,406, a change of \$ 1,772,216 in comparison to the prior year.
- At the end of the current fiscal year, the fund balance for the general fund was \$ 7,152,043, a change of \$ 1,722,360 in comparison to the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$ 5,255,000, a change of \$ (660,000) in comparison to the prior year.

## **C. GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following is a summary of condensed government-wide financial data for the current and prior fiscal years.

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Current assets	\$ 9,240,081	\$ 7,788,726
Noncurrent assets	13,018,388	13,427,431
Total assets	<u>22,258,469</u>	<u>21,216,157</u>
Current liabilities	2,825,195	3,049,578
Noncurrent liabilities	<u>5,742,691</u>	<u>6,295,289</u>
Total liabilities	8,567,886	9,344,867
Net assets:		
Invested in capital assets, net	7,459,427	7,103,260
Restricted	201,156	192,382
Unrestricted	6,030,000	4,575,648
Total net assets	<u>\$ 13,690,583</u>	<u>\$ 11,871,290</u>

CHANGES IN NET ASSETS

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Revenues:		
Program revenues:		
Charges for services	\$ 13,097,277	\$ 13,039,169
Operating grants and contributions	1,687,239	2,132,750
General revenues:		
County taxes	13,905,995	13,310,658
Grants and contributions not restricted to specific programs	-	69,496
Investment income	8,574	27,101
Miscellaneous	<u>323,593</u>	<u>424,334</u>
Total revenues	29,022,678	29,003,508

(continued)

(continued)

CHANGES IN NET ASSETS

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
Expenses:		
General government	1,932,225	2,012,116
Public safety	956,906	987,301
Corrections	4,513,044	4,148,512
Human services	5,683,353	5,553,781
Cooperative extension	282,066	316,144
Nursing home	13,641,908	13,821,479
Interest expense	193,883	253,625
Total expenses	<u>27,203,385</u>	<u>27,092,958</u>
Change in net assets	1,819,293	1,910,550
Net assets - beginning of year	11,871,290	9,960,740
Net assets - end of year	<u>\$ 13,690,583</u>	<u>\$ 11,871,290</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net assets were \$ 13,690,583, a change of \$ 1,819,293 from the prior year.

The largest portion of net assets \$ 7,459,427 reflects our investment in capital assets (e.g., land, buildings and improvements, equipment and furnishings, vehicles, and construction in progress); less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net assets \$ 189,758 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$ 6,041,398 may be used to meet the government's ongoing obligations to citizens and creditors.

**Governmental activities.** Governmental activities for the year resulted in a change in net assets of \$ 1,819,293. Key elements of this change are as follows:

Operating Results:

General fund	\$ 1,722,360
Register of deeds fund	14,424
Grants fund	46,830
Capital projects fund	<u>(11,398)</u>
Subtotal operating results	1,772,216
Purchase of capital assets	475,893
Principal debt service in excess of depreciation expense	(140,928)
Change in accrued interest liability and bond premium	44,059
Change in compensated absence liability	2,482
Change in net OPEB obligation	<u>(334,429)</u>
Total	\$ <u>1,819,293</u>

**D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$ 7,351,406, a change of \$ 1,772,216 in comparison to the prior year. Key elements of this change are as follows:

General fund revenues and transfers in excess of expenditures and transfers out	\$ 1,722,360
Register of Deeds fund revenues and transfers in excess of expenditures and transfers out	14,424
Grants fund revenues in excess of expenditures	46,830
Capital projects fund expenditures in excess of revenues	<u>(11,398)</u>
Total	\$ <u>1,772,216</u>

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$ 4,210,636, while total fund

balance was \$ 7,152,043. 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 budgeted expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/12</u>	<u>6/30/11</u>	<u>Change</u>	<u>% of Total Budgeted Expenditures</u>
Unassigned fund balance	\$ 4,210,636	\$ 4,387,153	\$ (176,517)	14.5%
Total fund balance	\$ 7,152,043	\$ 5,429,683	\$ 1,722,360	24.5%

The total fund balance of all funds changed by \$ 1,772,216 during the current fiscal year. Key factors in this change are as follows:

Revenues in excess of budget	\$ 1,439,657
Expenditures less than appropriations	901,304
Use of fund balance as a funding source	(655,500)
Encumbrance timing differences	86,755
Total all funds	\$ 1,772,216

#### **E. BUDGETARY HIGHLIGHTS**

There were no changes to the total budget during fiscal year 2012.

#### **F. CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** Total investment in capital assets for governmental activities at year end amounted to \$ 13,018,388 (net of accumulated depreciation), a decrease of \$ 409,043 from the prior year. This investment in capital assets includes land, buildings and improvements, equipment and furnishings, vehicles, and construction in progress.

Addition information on capital assets can be found in the notes to financial statements.

**Long-term debt.** At the end of the current fiscal year, total bonded debt outstanding was \$ 5,255,000, all of which relates to the corrections facility upgrade, was backed by the full faith and credit of the County.

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

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Sullivan County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Sullivan County, New Hampshire  
14 Main Street  
Newport, New Hampshire 03773

**DRAFT**

SULLIVAN COUNTY, NEW HAMPSHIRE.

STATEMENT OF NET ASSETS

JUNE 30, 2012

Governmental  
Activities

**ASSETS**

Current:

Cash and short-term investments	\$ 5,733,459
Restricted cash	219,012
Accounts receivable, net of allowances	2,996,529
Prepaid expenses	260,378
Inventory	30,703

Noncurrent:

Capital Assets:

Land	105,430
Construction in progress	160,727
Capital assets, net of accumulated depreciation	12,752,231

**TOTAL ASSETS**

22,258,469

**LIABILITIES**

Current:

Accounts payable	955,282
Accrued liabilities	616,081
Deferred revenue	182,876
Restricted cash liability	219,012

Current portion of long-term liabilities:

Notes payable	15,882
Bond premium	32,600
Bonds payable	660,000
Compensated absences	143,462

Noncurrent:

Notes payable, net of current	15,881
Bond premium, net of current	228,200
Bonds payable, net of current	4,595,000
Compensated absences, net of current	241,851
Net OPEB obligation	661,759

**TOTAL LIABILITIES**

8,567,886

**NET ASSETS**

Invested in capital assets, net of related debt	7,459,427
Restricted	201,156
Unrestricted	6,030,000

**TOTAL NET ASSETS**

\$ 13,690,583

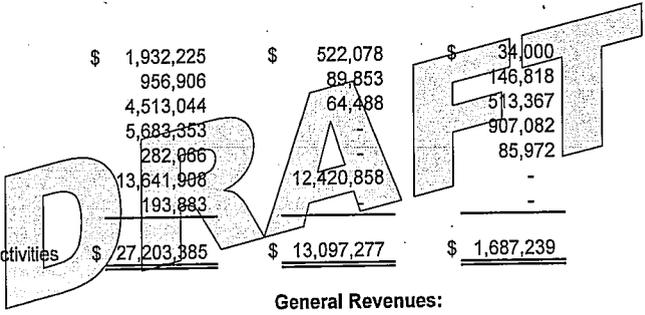
See notes to financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>Governmental Activities:</b>				
General government	\$ 1,932,225	\$ 522,078	\$ 34,000	\$ (1,376,147)
Public safety	956,906	89,853	146,818	(720,235)
Corrections	4,513,044	64,488	513,367	(3,935,189)
Human services	5,683,353	-	907,082	(4,776,271)
Cooperative extension	282,066	-	85,972	(196,094)
Nursing home	13,641,908	12,420,858	-	(1,221,050)
Interest expense	193,883	-	-	(193,883)
Total Governmental Activities	<u>\$ 27,203,885</u>	<u>\$ 13,097,277</u>	<u>\$ 1,687,239</u>	(12,418,869)
		<b>General Revenues:</b>		
		County taxes		13,905,995
		Investment income		8,574
		Miscellaneous		323,593
		Total general revenues		<u>14,238,162</u>
		Change in Net Assets		1,819,293
		<b>Net Assets:</b>		
		Beginning of year		<u>11,871,290</u>
		End of year		<u>\$ 13,690,583</u>



See notes to financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2012

	General Fund	Register of Deeds Fund	Grants Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and short-term investments	\$ 5,612,766	\$ 96,701	\$ 23,992	\$ -	\$ 5,733,459
Restricted cash	182,411	36,601	-	-	219,012
Accounts receivable, net of allowances	2,867,605	-	128,924	-	2,996,529
Prepaid expenses	260,378	-	-	-	260,378
Due from other funds	-	5,256	6,430	-	11,686
Inventory	30,703	-	-	-	30,703
<b>TOTAL ASSETS</b>	<b>\$ 8,953,863</b>	<b>\$ 138,558</b>	<b>\$ 159,346</b>	<b>\$ -</b>	<b>\$ 9,251,767</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 914,467	\$ 248	\$ 40,567	\$ -	\$ 955,282
Accrued liabilities	521,778	5,108	4,619	-	531,505
Due to other funds	288	-	-	11,398	11,686
Deferred revenue	182,876	-	-	-	182,876
Restricted cash liability	182,411	36,601	-	-	219,012
<b>TOTAL LIABILITIES</b>	<b>1,801,820</b>	<b>41,957</b>	<b>45,186</b>	<b>11,398</b>	<b>1,900,361</b>
<b>Fund Balances:</b>					
Nonspendable	291,081	-	-	-	291,081
Restricted	10,498	-	190,658	-	201,156
Committed	477,009	96,601	-	-	573,610
Assigned	2,162,819	-	-	-	2,162,819
Unassigned	4,210,636	-	(76,498)	(11,398)	4,122,740
<b>TOTAL FUND BALANCES</b>	<b>7,152,043</b>	<b>96,601</b>	<b>114,160</b>	<b>(11,398)</b>	<b>7,351,406</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,953,863</b>	<b>\$ 138,558</b>	<b>\$ 159,346</b>	<b>\$ -</b>	<b>\$ 9,251,767</b>

See notes to financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

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

JUNE 30, 2012

<b>TOTAL GOVERNMENTAL FUND BALANCES</b>	\$ 7,351,406
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	13,018,388
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(84,576)
• Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Notes payable	(31,763)
Bond premium	(260,800)
Bonds payable	(5,255,000)
Compensated absences	(385,313)
Net OPEB obligation	<u>(661,759)</u>
<b>NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ 13,690,583</u>

See notes to financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Register of Deeds Fund	Grants Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues:</b>					
County taxes	\$ 13,905,995	\$ -	\$ -	\$ -	\$ 13,905,995
Nursing home	12,420,858	-	-	-	12,420,858
Charges for services	244,124	342,442	89,853	-	676,419
Intergovernmental	321,990	-	1,365,249	-	1,687,239
Investment income	8,574	-	-	-	8,574
Miscellaneous	290,993	-	-	-	290,993
Total Revenues	<u>27,192,534</u>	<u>342,442</u>	<u>1,455,102</u>	<u>-</u>	<u>28,990,078</u>
<b>Expenditures:</b>					
Current:					
General government	1,547,243	229,712	146	-	1,877,101
Public safety	670,968	-	236,829	-	907,797
Corrections	8,663,161	-	544,549	-	4,207,710
Human services	5,135,603	-	545,237	11,398	5,692,238
Cooperative extension	246,955	-	81,511	-	328,466
Nursing home	18,033,474	-	-	-	13,033,474
Capital outlay	269,476	-	-	-	269,476
Debt service	901,600	-	-	-	901,600
Total Expenditures	<u>25,468,480</u>	<u>329,712</u>	<u>1,408,272</u>	<u>11,398</u>	<u>27,217,862</u>
Excess (deficiency) of revenues over expenditures	1,724,054	12,730	46,830	(11,398)	1,772,216
<b>Other Financing Sources (Uses):</b>					
Transfers:					
Register of Deeds	(1,694)	1,694	-	-	-
Total Other Financing Sources (Uses)	<u>(1,694)</u>	<u>1,694</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,722,360	14,424	46,830	(11,398)	1,772,216
Fund Equity, at Beginning of Year, as restated	<u>5,429,683</u>	<u>82,177</u>	<u>67,330</u>	<u>-</u>	<u>5,579,190</u>
Fund Equity, at End of Year	<u>\$ 7,152,043</u>	<u>\$ 96,601</u>	<u>\$ 114,160</u>	<u>\$ (11,398)</u>	<u>\$ 7,351,406</u>

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See notes to financial statements.

SULLIVAN COUNTY, 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 JUNE 30, 2012.

**NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 1,772,216

- 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:

Capital asset purchases	475,893
Depreciation	(884,936)

- The issuance of long-term debt (e.g., bonds and notes) 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 assets:

Repayments of bonds payable	660,000
Repayments of notes payable	84,008
Amortization of bond premium	32,600

- In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. 11,459

- Some expenses reported in the Statement of Activities, such as compensated absences and net OPEB obligation, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.

Compensated absences	2,482
Net OPEB obligation	<u>(334,429)</u>

**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES** \$ 1,819,293

See notes to financial statements.

SULLIVAN COUNTY, NEW HAMPSHIRE

ALL BUDGETED FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues and Other Sources:</b>				
<b>General Fund:</b>				
County taxes	\$ 13,905,995	\$ 13,905,995	\$ 13,905,995	\$ -
Nursing home	12,844,889	12,844,889	13,350,388	505,499
Charges for services	226,376	226,376	244,124	17,748
Intergovernmental	60,500	60,500	321,990	261,490
Investment income	17,500	17,500	8,574	(8,926)
Miscellaneous	219,007	219,007	290,993	71,986
Use of fund balance	655,500	655,500	655,500	-
<b>Other Funds:</b>				
Register of Deeds	350,000	350,000	342,442	(7,558)
Grants	857,378	857,378	1,455,102	597,724
Transfers in	-	-	1,694	1,694
<b>Total Revenues and Other Sources</b>	<b>29,137,145</b>	<b>29,137,145</b>	<b>30,576,802</b>	<b>1,439,657</b>
<b>Expenditures and Other Uses:</b>				
<b>General Fund:</b>				
General government	1,560,920	1,560,920	1,570,643	(9,723)
Public safety	675,456	675,456	670,968	4,488
Corrections	3,781,000	3,781,000	3,720,516	60,484
Human services	5,277,195	5,277,195	5,135,603	141,592
Cooperative extension	267,483	267,483	246,955	20,528
Nursing home	15,156,276	15,156,276	13,969,004	1,187,272
Capital outlay	301,000	301,000	269,476	31,524
Debt service	913,792	913,792	901,600	12,192
<b>Other Funds:</b>				
Register of Deeds	346,645	346,645	329,712	16,933
Grants	857,378	857,378	1,408,272	(550,894)
Capital projects	-	-	11,398	(11,398)
Transfers out	-	-	1,694	(1,694)
<b>Total Expenditures and Other Uses</b>	<b>29,137,145</b>	<b>29,137,145</b>	<b>28,235,841</b>	<b>901,304</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,340,961</b>	<b>\$ 2,340,961</b>

See notes to financial statements.

# SULLIVAN COUNTY, NEW HAMPSHIRE

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

The accounting policies of Sullivan County, New Hampshire (the County) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

#### A. Reporting Entity

The County is a municipal corporation governed by an elected Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the County and applicable component units for which the County is considered to be financially accountable. In fiscal year 2012, it was determined that no entities met the required GASB 39 criteria of component units.

#### B. Government-wide and Fund Financial Statements

##### Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of 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.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are 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. 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*. 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. 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 or soon enough thereafter to pay liabilities of the current period. Generally, all other revenue items are considered to be measurable and available only when cash is received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the government, except those required to be accounted for in another fund.
- The *Register of Deeds Fund* is used to account for the proceeds of specific revenue sources and related expenditures that are associated with registry activities.
- The *Grants Fund* account for grant activity of the County.
- The *Capital Projects Fund* accounts for the activity of the biomass project.

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 special revenue 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 combined financial statements under the caption "cash and short-term investments". The interest earnings attributable to each fund type are included under investment income.

E. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

F. Inventory

Inventory is valued at cost using the first-in/first-out (FIFO) method.

G. Capital Assets

Capital assets, which include land, buildings and improvements, equipment and furnishings, vehicles, and construction in progress, 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 five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 - 40
Equipment and furnishings	5
Vehicles	5

*H. Compensated Absences*

It is the County's policy to permit employees to accumulate earned but unused vacation pay benefits. All vested vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

*I. Long-Term Obligations*

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

*J. 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 assets".

Fund Balance - Generally, fund balance represents the difference between the current assets and current liabilities. 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. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

The County's fund balance classification policies and procedures are as follows:

- 1) Nonspendable funds are either unspendable in the current form (i.e., inventory or prepaid items) or can never be spent.
- 2) Restricted funds are used solely for the purpose in which the fund was established. In the case of special revenue funds, these funds are created by statute or otherwise have external constraints on how the funds can be expended.
- 3) Committed funds are reported and expended as a result of motions passed by the highest decision making authority in the County (i.e., County Delegation).

- 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. This account also includes fund balance voted to be used in the subsequent fiscal year.
- 5) Unassigned funds are available to be spent in future periods.

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 Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist 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 assets are 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. All other net assets are reported as unrestricted.

#### K. 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.

#### L. Reclassifications

The accompanying financial statements reflect various changes in classifications from the prior year.

## 2. Stewardship, Compliance and Accountability

### A. Budgetary Information

The County follows the following procedures establishing the budgetary data reflected in the basic financial statements:

- Prior to May 1<sup>st</sup>, the County departments submit to the County Commissioners a proposed budget for the fiscal year commencing

the following July 1. The budget includes proposed expenditures and the means of financing them.

- Hearings are conducted by the County Commissioners prior to the County's budget meeting to discuss the proposed budget.
- The budget is legally enacted by the County Delegation prior to September 1<sup>st</sup>.
- Appropriations for certain projects and specific items not fully expended at the fiscal year-end are carried forward as continued appropriations to the new fiscal year in which they supplement the appropriations of that year.
- The budgets for all departments and operations of the County are prepared under the direction of the County Commissioners. Original appropriations are acted upon by the County Delegation vote.
- A copy of the budget is published in the Annual Report of Sullivan County, New Hampshire.

B. Budgetary Basis

The final appropriation appearing on the "Budget and Actual" page of the fund financial statements represents the final amended budget after all reserve fund transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

Budgetary data 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 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>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures - (GAAP Basis)	\$ 28,990,078	\$ 27,217,862
Other financing sources/uses (GAAP Basis)	<u>1,694</u>	<u>1,694</u>
Subtotal (GAAP Basis)	28,991,772	27,219,556
To record use of fund balance	655,500	-
Reclassification of nursing home bed tax and write-offs	929,530	929,530
Encumbrance timing differences	<u>-</u>	<u>86,755</u>
Budgetary Basis	<u>\$ 30,576,802</u>	<u>\$ 28,235,841</u>

D. Deficit Fund Equity

The following funds had deficits as of June 30, 2012:

<u>Fund Number</u>	<u>Fund Name</u>	<u>Deficit</u>
527	Justice Assistance Grant	\$ (912)
602	ARRA: ARLECCD CCC	(9,425)
603	DOC RSAT	(18,075)
643	Sullivan County Juvenile Justice Planning Grant	(2,122)
646	Highway Safety	(451)
863	2nd Chance JMI	(3,007)
907	Fed Forfeiture	(1)
939	GSCAHR Phase III Part I (\$10,000)	(20)
944	SC Intervention Program 2 (No FY08 funding)	(3,329)
948	Parents As Teachers	(3,283)
955	Public Health Network Coordinator (\$75,000)	(3,464)
959	ASPR	(8)
961	PHN PHER Phase III	(15)
965	SCARDP + CSA + MHD	(17,594)
966	SCAPRI: LD	(3,394)
42	Capital projects fund	<u>(11,398)</u>
	Total	<u>\$ (76,498)</u>

The deficits in these funds will be eliminated through future revenues and transfers from other funds.

**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 29:1 limits "deposit in any one bank shall not at any time exceed the sum of its paid-up capital and surplus. The County does not have a deposit policy for custodial credit risk.

As of June 30, 2012, \$ 3,413,348 of the County's bank balance of \$ 7,230,808 was exposed to custodial credit risk as uninsured or uncollateralized.

**4. Allowance for Doubtful Accounts and Contractual Allowances**

The allowance for doubtful accounts for Nursing Home receivables has been estimated at \$ 172,000 at June 30, 2012. Nursing Home receivables are also reported net of contractual allowances.

**5. 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 June 30, 2012 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ -	\$ 288
Special Revenue Funds:		
Register of Deeds Fund	5,256	-
Grants Fund	6,430	-
Capital Projects Fund	-	11,398
Total	<u>\$ 11,686</u>	<u>\$ 11,686</u>

**6. Capital Assets**

Capital asset activity for the year ended June 30, 2012 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 14,274	\$ 7,835	\$ -	\$ 22,109
Equipment and furnishings	3,567	32	-	3,599
Vehicles	599	-	-	599
Total capital assets, being depreciated	18,440	7,867	-	26,307
Less accumulated depreciation for:				
Buildings and improvements	(8,999)	(711)	-	(9,710)
Equipment and furnishings	(3,222)	(125)	-	(3,347)
Vehicles	(449)	(49)	-	(498)
Total accumulated depreciation	(12,670)	(885)	-	(13,555)
Total capital assets, being depreciated, net	5,770	6,982	-	12,752
Capital assets, not being depreciated:				
Land	-	105	-	105
Construction in progress	7,657	161	(7,657)	161
Total capital assets, not being depreciated	7,657	266	(7,657)	266
Governmental activities capital assets, net	\$ 13,427	\$ 7,248	\$ (7,657)	\$ 13,018

Depreciation expense was charged to functions of the County as follows (in thousands):

<b>Governmental Activities:</b>	
General government	\$ 143
Public safety	35
Human services	1
Corrections	311
Cooperative extension	1
Nursing home	394
Total depreciation expense - governmental activities	\$ <u>885</u>

## 7. Accounts Payable

Accounts payable represents 2012 expenditures paid after June 30, 2012.

## 8. Deferred Revenue

Deferred revenue represents loan proceeds received prior to June 30, 2012 to be used to purchase vehicles in 2013.

**9. Anticipation Notes Payable**

At June 30, 2012, the County had no anticipation lines of credit available. The following summarizes notes payable activity during fiscal year 2012:

	<u>Issue Amount</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Balance Beginning of Year</u>	<u>Advances</u>	<u>Repayments</u>	<u>Balance End of Year</u>
Revenue anticipation	\$ 2,000,000	11/01/11	0.45%	\$ -	\$ 500,000	\$ (500,000)	\$ -
Total				\$ -	\$ 500,000	\$ (500,000)	\$ -

**10. Long-Term Debt**

**A. General Obligation Bonds**

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds currently outstanding are as follows:

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<u>Governmental Activities:</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/12</u>
Corrections facility upgrades	01/15/20	2.62%	\$ 5,255,000
Total Governmental Activities			\$ 5,255,000

**B. Notes Payable**

The County has entered into agreements to provide funds for the acquisition of vehicles and payroll system. At June 30, 2012 notes payable outstanding were as follows:

<u>Governmental Activities:</u>	<u>Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/12</u>
Vehicles	2014	1.970%	\$ 10,513
Vehicles	2014	1.970%	21,250
Total Governmental Activities			\$ 31,763

C. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding and notes payable as of June 30, 2012 are as follows:

<u>Bonds Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 660,000	\$ 183,805	\$ 843,805
2014	660,000	164,050	824,050
2015	660,000	144,250	804,250
2016	655,000	124,450	779,450
2017	655,000	104,800	759,800
2018 - 2021	<u>1,965,000</u>	<u>157,200</u>	<u>2,122,200</u>
Total	<u>\$ 5,255,000</u>	<u>\$ 878,555</u>	<u>\$ 6,133,555</u>

<u>Notes Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 15,882	\$ 626	\$ 16,508
2014	<u>15,881</u>	<u>313</u>	<u>16,194</u>
Total	<u>\$ 31,763</u>	<u>\$ 939</u>	<u>\$ 32,702</u>

The general fund has been designated as the source that will repay the long-term debt outstanding as of June 30, 2012.

D. Bond Anticipation Note

On June 21, 2012, the County issued a bond anticipation note in the amount of \$ 3,200,000 with an interest rate of .98% maturing on December 31, 2013. These funds are available for use on July 1, 2012 and will serve as temporary financing for the County's biomass project.

E. Changes in General Long-Term Liabilities

During the year ended June 30, 2012, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/11	Additions	Reductions	Total Balance 6/30/12	Less Current Portion	Equals Long-Term 6/30/12
<u>Governmental Activities</u>						
Bonds payable	\$ 5,915	\$ -	\$ (660)	\$ 5,255	(660)	4,595
Notes payable	116	-	(84)	32	(16)	16
Other:						
Compensated absences	388	-	(3)	385	(143)	242
Bond premium	293	-	(32)	261	(33)	228
Net OPEB obligation	327	437	(102)	662	-	662
Totals	<u>\$ 7,039</u>	<u>\$ 437</u>	<u>\$ (881)</u>	<u>\$ 6,595</u>	<u>\$ (852)</u>	<u>\$ 5,743</u>

## 11. Restricted Net Assets

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

## 12. Fund Balances

The following is a summary of fund balances at June 30, 2012:

	General Fund	Register of Deeds Fund	Grants Fund	Capital Projects Fund	Total Governmental Funds
Nonspendable:					
Prepaid expenses	\$ 260,378	\$ -	\$ -	\$ -	\$ 260,378
Inventory	30,703	-	-	-	30,703
<b>Total Nonspendable</b>	<b>291,081</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291,081</b>
Restricted:					
Nursing home trust fund	10,498	-	-	-	10,498
Unexpended grant funds	-	-	190,658	-	190,658
<b>Total Restricted</b>	<b>10,498</b>	<b>-</b>	<b>190,658</b>	<b>-</b>	<b>201,156</b>
Committed:					
Capital reserve fund	477,009	-	-	-	477,009
Deeds surcharge account	-	96,601	-	-	96,601
<b>Total Committed</b>	<b>477,009</b>	<b>96,601</b>	<b>-</b>	<b>-</b>	<b>573,610</b>
Assigned:					
Use of fund balance in subsequent year budget	1,211,864	-	-	-	1,211,864
Encumbrances	86,755	-	-	-	86,755
Designated for future projects	864,200	-	-	-	864,200
<b>Total Assigned</b>	<b>2,162,819</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,162,819</b>
Unassigned:					
Grant funds in deficit	-	-	(76,498)	-	(76,498)
Capital projects fund in deficit	-	-	-	(11,398)	(11,398)
Remaining fund balance	4,210,636	-	-	-	4,210,636
<b>Total Unassigned</b>	<b>4,210,636</b>	<b>-</b>	<b>(76,498)</b>	<b>(11,398)</b>	<b>4,122,740</b>
<b>Total Fund Balances</b>	<b>\$ 7,152,043</b>	<b>\$ 96,601</b>	<b>\$ 114,160</b>	<b>\$ (11,398)</b>	<b>\$ 7,351,406</b>

### 13. Commitments and Contingencies

Outstanding Legal Issues - There are several pending legal issues in which the County is involved. The County's management is 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 or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

### 14. Post-Employment Healthcare and Life Insurance Benefits

#### Other Post-Employment 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) 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 Assets over time.

#### A. Plan Description

The County provides post-employment healthcare benefits for certain retirees.

#### B. Benefits Provided

The County provides medical benefits to its eligible retirees.

#### C. Funding Policy

Eligible retirees and their spouses contribute 100% of premium rates for the medical plan selected.

#### D. Annual OPEB Costs and Net OPEB Obligation

The County's fiscal 2012 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 per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the County's annual OPEB cost for the year ending June 30, 2012, the amount actually contributed to the plan, and the change in the County's net OPEB obligation based on an actuarial valuation as of July 1, 2010.

Annual Required Contribution (ARC)	\$ 442,404
Interest on net OPEB obligation	13,093
Adjustment to ARC	<u>(18,932)</u>
Annual OPEB cost	436,565
Contributions made	<u>102,136</u>
Increase in net OPEB obligation	334,429
Net OPEB obligation - beginning of year	827,330
Net OPEB obligation - end of year	<u>\$ 661,759</u>

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

Fiscal year ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 436,565	23%	\$ 661,759
2011	\$ 415,329	21%	\$ 327,330

*E. Funded Status and Funding Progress*

The funded status of the plan as of July 1, 2010, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 2,501,694
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 2,501,694</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0%</u>
Covered payroll (active plan members)	<u>\$ 8,273,545</u>
UAAL as a percentage of covered payroll	<u>30%</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 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 July 1, 2010 actuarial valuation the projected unit credit method was used. The actuarial value of assets was not determined as the County has not advanced funded its obligation. The actuarial assumptions included a 4.0% investment rate of return and an initial annual healthcare cost trend rate of 10%, which decreases to a 5% long-term rate for all healthcare benefits after five years. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 30 years, on a closed basis. This has been calculated assuming the amortization payment increases at a rate of 4.0%.

**15. 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 contributory defined benefit pension plan. NHRS provides service, disability and death, and vested retirement benefits to plan members and beneficiaries. NHRS is administered by a 13-member Board of Trustees. The Board of Trustees formulates administrative policies and procedures and authorizes benefit payments to members and their beneficiaries. The NHRS issues a publicly

available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301-8507.

**B. Funding Policy**

Sheriff's deputies and correctional officers plan members and all other employee plan members are required to contribute 11.55% and 7%, respectively, of their annual covered salary and the County is required to contribute at an actuarially determined rate. The current rate for sheriff's deputies and correctional officers is 19.95% of annual covered payroll. The current rate for all other employees is 8.80% of annual covered payroll. The contribution requirements of plan members are fixed by statute. The County's contributions to NHRS for the years ended June 30, 2012, 2011, and 2010 were \$ 904,004, \$ 749,462, and \$ 738,471, respectively, equal to the required contributions for each year.

The payroll for employees covered by the System for the year ended June 30, 2012 was \$ 8,182,032. In accordance with State House Bill 2, the provision in RSA 100-A:16 requiring State contributions has been eliminated as of July 1, 2011. Contribution requirements for the year ended June 30, 2012, were as follows:

County contributions	\$ 904,004
Employees contributions	<u>639,923</u>
Total	<u>\$ 1,543,927</u>

**16. 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; and natural disasters for which the County carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

**17. Beginning Fund Balance Restatement**

The beginning (July 1, 2011) balances of the County have been restated as follows:

	Governmental Funds				Business- Type Activities
	General Fund	Deeds Fund	Grants Fund	Total	Nursing Home
As previously reported	\$ 8,947,300	\$ 82,177	\$ 67,330	\$ 9,096,807	\$ -
Reclassification of Nursing Home from enterprise fund to governmental fund	<u>(3,517,617)</u>	<u>-</u>	<u>-</u>	<u>(3,517,617)</u>	<u>-</u>
As restated	<u>\$ 5,429,683</u>	<u>\$ 82,177</u>	<u>\$ 67,330</u>	<u>\$ 5,579,190</u>	<u>\$ -</u>

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

**June 30, 2012  
(Unaudited)**

**Other Post-Employment Benefits**

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent- age of Covered Payroll [(b-a)/c]
07/01/10	\$ -	\$ 2,501,694	\$ 2,501,694	0%	\$ 8,273,545	30%

See Independent Auditors' Report.

September \_\_\_\_, 2012

Mr. Greg Chanis  
Sullivan County, New Hampshire  
14 Main Street  
Newport, NH 03776

Dear Mr. Chanis:

During the course of our audit, we identified certain areas where improvements and/or efficiencies could be made that were not included in a County formal management letter. The following summarizes these issues very briefly:

General

- Deficit fund balances related to grants exist at June 30, 2012. These should be investigated and cleared.
- The County should consider documenting the policies, procedures and controls over key financial transactions, including cash, receivables, departmental receipts, purchasing, vendor disbursements, employee benefit/payroll disbursements, and general ledger maintenance. This documentation could be used as guidance to help safeguard assets, to properly record transactions, and to provide a basis for continuing operations when there is turnover in key employee positions.
- Internal monitoring is an important control measure to provide some assurance that procedures are actually being performed in accordance with management's assertions, and that assets actually exist and are properly safeguarded. The County historically has relied on the independent auditor to perform these functions as part of the annual audit. This reliance, however, increases the risk that errors or irregularities could occur and not be tested or detected by management in a timely manner. We recommend that the County implement a regular internal monitoring process throughout the year, especially of decentralized departmental receipts (i.e., Register of Deeds, etc.). These internal audits should be performed by an individual not involved in the receipts process and should include reconciling of supporting documentation to bank deposits and posting in the general ledger.
- The County will need an updated OPEB valuation for 2013.

## Year End Closing Process

- Recording of accrued payroll should be included in the County's year end closing process. So that subsequent year payroll expenditures aren't distorted during the year, we recommend that this accrual not be reversed until the end of the subsequent year.
- Land should be separated out from building costs in the detailed depreciation schedules. This may require an analysis of the cost of buildings currently on the schedule in order to determine the land portion that should be removed.
- With the implementation of GASB 54, and encumbrances now using the terminology "assigned fund balance", the County's year end closing process should now include a new category of fund balance for items that management and the Commissioners wish to carry over but for which do not qualify as an encumbrance under Generally Accepted Accounting Principles. These items, although not encumbrances, can also be included in assigned fund balance, however, they should be differentiated as such. Encumbrances should be recorded only for items that have been contracted for as of year end, where the vendor will be performing in the subsequent year. Encumbrances should not be recorded for unexpended appropriation line items unless there is a contract or order in effect at year end. Instead, these items can be included in a separate assigned fund balance category. Payables should be recorded when goods or services have been received as of year end. It is important to note that only items that meet the GAAP definition of encumbrance will be treated as being charged to the budget for purposes of the budget versus actual comparison. All other items included in the assigned category will be charged to the subsequent year budget.
- At year end, there was approximately \$ 110,000 in credit balances included in the Nursing Home receivable listing. These should be reviewed.

## Treasury Function

- Although mitigating controls exist, we recommend that only the County Treasurer and Deputy Treasurer be the only authorized signers on County bank accounts. For accounts where there are authorized signers other than the Treasurer and Deputy Treasurer, additional procedures should be performed. Specifically, the detailed transactions flowing through these accounts should be "audited" by someone that is not involved in the receipts or disbursements process. This "audit" should be documented.

## Vendor Disbursements

- We recommend that all disbursements be approved by the Commissioners prior to check release. This recommendation includes transactions from Registry and sheriff accounts, but does not include agency fund accounts such as the Nursing Home resident trust or inmate accounts. Wire transfers and electronic payments should be included in this process.

- Reports showing changes made to the vendor master file should be generated on a regular basis and be reviewed and approved by someone that is not involved in the vendor disbursement process.
- During our audit, we noted several instances where individuals in the Finance Office approved purchase orders for other departments. This should be discontinued. Instead, the department head should be performing this function.

### Payroll

- We recommend that reports supporting payroll disbursements be reviewed and approved by someone independent of the payroll function prior to the Treasurer transferring funds and prior to check signing. Since checks are signed electronically by the payroll clerk and payroll manifests are signed after payroll has been processed, we believe this to be an important mitigating control within the payroll cycle. The independent review of the payroll should be documented with a signature or initials and should be included with the supporting documentation presented to the Commissioners for their approval.
- The payroll clerk has the ability to enter new employees into the payroll system. This is perceived as a risk area where fictitious employees could be entered into the payroll system and go undetected. We recommend that the ability to perform this function either be removed or other mitigating controls be put in place.
- During our fiscal year 2012 audit, we noted several rate agreements that included signatures of the payroll department and human resources. Rate agreements should be approved by the department head and/or County Manager. In addition, we found several discrepancies, as follows:
  - Shift differential pay not formally documented.
  - Timesheet not approved prior to the employee being paid.
  - Employee appeared to have been overpaid since supporting documentation did not agree.
  - On call stipend amount not documented.
  - Support for bonus did not include documented approval.

### Agency Funds

- Consideration should be given to performing periodic, independent reviews of Nursing Home – Resident Trust Account disbursements. Our testing of disbursements noted several instances where disbursement request forms were not used, situations where there was no supporting documentation such as a vendor invoice or receipt, and one instance where the patient fund balance was overdrawn.

## AUGUST 2012

MEDICARE					Days in Month	31	
	Aug 2011 Compare	Aug 2011 AVG CENSUS	Aug 2012 Actual	Aug 2012 AVG DAILY CENSUS	BUDGETED	BUDGETED AVG CENSUS	VARIANCE
CENSUS:	30	1	265	9	279	9	-14
REVENUE	\$12,082.40		\$134,783.05		\$132,525.00		\$2,258.05
AVERAGE RATE PER DAY	\$402.75		\$508.62		\$475.00		\$33.62

PRIVATE							
	Aug 2011 Compare	Aug 2011 AVG CENSUS	Aug 2012 Actual	Aug 2012 AVG DAILY CENSUS	BUDGETED		VARIANCE
CENSUS:	618	20	633	20	558	18	75
REVENUE	\$153,270.00		\$164,025.00		\$142,290.00		\$21,735.00
AVERAGE RATE PER DAY	\$248.01		\$259.12		\$255.00		\$4.12

MEDICAID							
	Aug 2011 Compare	Aug 2011 AVG CENSUS	Aug 2012 Actual	Aug 2012 AVG DAILY CENSUS	BUDGETED		VARIANCE
CENSUS:	3,502	113	3,374	109	3,441	111	-67
REVENUE	\$520,222.10		\$483,797.86		\$491,030.70		-\$7,232.84
AVERAGE RATE PER DAY	\$148.55		143.39		\$142.70		\$0.69

HCBC (RESPITE)							
	Aug 2011 Compare	Aug 2011 AVG CENSUS	Aug 2012 Actual	Aug 2012 AVG DAILY CENSUS	BUDGETED		VARIANCE
CENSUS:	5	0	7	0		0	7
REVENUE	801.6		\$1,122.24		\$424.66		\$697.58
AVERAGE RATE PER DAY	\$160.32		\$160.32				\$160.32

MANAGED CARE							
	Aug 2011 Compare	Aug 2011 AVG CENSUS	Aug 2012 Actual	Aug 2012 AVG DAILY CENSUS	BUDGETED		VARIANCE
CENSUS:	0	0	6	0	0	0	6
REVENUE	\$0.00		\$2,100.00		\$1,698.63		\$401.37
AVERAGE RATE PER DAY	\$0.00		\$350.00		\$0.00		\$350.00

	Aug 2011 Compare	Aug 2011 AVG CENSUS	Aug 2012 Actual				
TOTAL CENSUS	4,158		4,285		0		\$0.00
AVERAGE CENSUS		134.0		138.2		0	138.0
	\$686,376.10		\$765,828.15		\$767,968.99		\$17,859.16

MEDICARE B REVENUE							
	ACTUAL		Aug 2012 Actual		BUDGETED		VARIANCE
	\$52,346.29		\$39,078.18		\$44,643.48		-\$5,565.30
	\$738,722.39		\$824,906.33		\$812,612.47		\$12,293.86
					TOTAL MONTHLY REVENUE VARIANCE		\$12,293.86

## Revenue Review thru 08/31/2012

	Annual Budget	62 Days YTD Budget	YTD	Variance	
Medicaid	5,781,491	982,061	986,275	4,213	
Private	1,675,350	284,580	271,797	(12,783)	
Insurance	20,000	3,397	12,378	8,980	
Respite (HCBC)	5,000	849	1,924	1,075	
Medicaid Assessment	1,418,025			-	Paid quarterly
Medicare Part B (Total)	525,641	89,287	74,406	(14,881)	
Medicare Part A	1,560,375	265,050	295,391	30,341	
Proshare	1,012,875			-	Paid at end of FY
Net Variance from Operations		1,625,225	1,642,170	16,945	
Misc Income	15,000	2,548	7,772	5,224	
Laundry	112,000	19,025	13,045	(5,980)	
Cafeteria	15,000	2,548	4,177	1,629	
Meals	339,164	57,611		(57,611)	
YTD Variance	12,479,921	3,332,182	3,309,334	(22,848)	

Sullivan County Nursing Home  
Quarterly Resident Census

Resident Census - FY 13

	TOTAL DAYS	MEDICAID		PRIVATE		SKILLED		HCBC		MANAGED		LEAVE		TOTAL DAYS	
	AVAILABLE	DAYS		DAYS		DAYS		RESPIRE	CARE		DAYS		FILLED		
Jul-12	4836	3353	78.19%	559	13.04%	339	7.91%	5	0.12%	29	0.68%	3	0.07%	4288	88.67%
Aug-12	4836	3374	78.74%	633	14.77%	265	6.18%	7	0.16%	6	0.14%	0	0.00%	4285	88.61%
Sep-12	4680	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0.00%
1ST QUARTER	14352	6,727	78.47%	1,192	13.90%	604	7.05%	12	0.14%	35	0.41%	3	0.03%	8,573	89.73%
Oct-12	4836	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0.00%
Nov-12	4680	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0.00%
Dec-12	4836	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0.00%
2ND QUARTER	14352	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0.00%
Jan-13	4836	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0.00%
Feb-13	4368	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0.00%
Mar-13	4836	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0.00%
3RD QUARTER	14040	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0.00%
Apr-13	4680	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0.00%
May-13	4836	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0.00%
Jun-13	4680	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0.00%
4TH QUARTER	14196	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0.00%
<b>FY '12 TOTAL</b>	<b>56,940</b>	<b>6,727</b>	<b>78.47%</b>	<b>1,192</b>	<b>13.90%</b>	<b>604</b>	<b>7.05%</b>	<b>12</b>	<b>0.14%</b>	<b>35</b>	<b>0.41%</b>	<b>3</b>	<b>0.03%</b>	<b>8,573</b>	<b>89.04%</b>
<b>YTD AVG.</b>		<b>108.5</b>		<b>19.2</b>		<b>9.7</b>		<b>0.2</b>		<b>0.6</b>		<b>0.0</b>		<b>138.3</b>	

Avg  
Census

138.3

Resident Census - FY 12

	TOTAL DAYS	MEDICAID		PRIVATE		SKILLED		HCBC		MANAGED		LEAVE		TOTAL DAYS	
	AVAILABLE	DAYS		DAYS		DAYS		RESPIRE	CARE		DAYS		FILLED		
Jul-11	4836	3589	85.60%	483	11.52%	112	2.67%	7	0.17%	0	0.00%	2	0.05%	4193	86.70%
Aug-11	4836	3626	87.21%	494	11.88%	30	0.72%	5	0.12%	0	0.00%	3	0.07%	4158	85.98%
Sep-11	4680	3462	87.12%	419	10.54%	89	2.24%	0	0.00%	0	0.00%	4	0.10%	3974	84.91%
1ST QUARTER	14352	10,677	86.63%	1,396	11.33%	231	1.87%	12	0.19%	0	0.00%	9	0.07%	12,823	85.88%
Oct-11	4836	3512	82.83%	432	10.19%	294	6.93%	0	0.00%	0	0.00%	2	0.05%	4240	87.68%
Nov-11	4680	3380	81.98%	409	9.92%	333	8.08%	0	0.00%	0	0.00%	1	0.02%	4123	88.10%
Dec-11	4836	3526	82.29%	417	9.73%	340	7.93%	0	0.00%	0	0.00%	2	0.05%	4285	88.61%
2ND QUARTER	14352	10,418	82.37%	1,258	9.95%	967	7.65%	0	0.00%	0	0.00%	5	0.04%	12,648	88.13%
Jan-12	4836	3491	83.32%	414	9.88%	273	6.52%	0	0.00%	12	0.29%	0	0.00%	4190	86.64%
Feb-12	4524	3272	82.96%	431	10.93%	239	6.06%	0	0.00%	0	0.00%	2	0.05%	3944	87.18%
Mar-12	4836	3413	80.61%	544	12.85%	252	5.95%	6	0.14%	16	0.38%	3	0.07%	4234	87.55%
3RD QUARTER	14196	10,178	82.25%	1,389	11.75%	764	6.18%	6	0.05%	28	0.23%	0	0.00%	12,166	87.12%
Apr-12	4680	3248	80.72%	513	12.75%	230	5.72%	0	0.00%	30	0.75%	3	0.07%	4024	85.98%
May-12	4836	3333	80.49%	539	13.02%	236	5.70%	0	0.00%	31	0.75%	2	0.05%	4141	85.63%
Jun-12	4680	3110	76.77%	577	14.24%	332	8.20%	0	0.00%	30	0.74%	2	0.05%	4051	86.56%
4TH QUARTER	14196	10,659	82.33%	1,479	13.74%	795	7.95%	0	0.00%	31	0.74%	2	0.05%	12,716	86.05%
<b>FY '12 TOTAL</b>	<b>57,096</b>	<b>40,962</b>	<b>82.66%</b>	<b>5,672</b>	<b>11.45%</b>	<b>2,760</b>	<b>5.57%</b>	<b>18</b>	<b>0.04%</b>	<b>119</b>	<b>0.24%</b>	<b>26</b>	<b>0.05%</b>	<b>49,557</b>	<b>86.80%</b>
<b>YTD AVG.</b>		<b>111.9</b>		<b>15.5</b>		<b>7.5</b>		<b>0.0</b>		<b>0.3</b>		<b>0.1</b>		<b>135.4</b>	

Avg  
Census

134.0

137.5

12=MRA Repl.

135.9

CI

CI

CI

134.2

CI

**Medicare Length of Stay Analysis**  
Sullivan County Health Care (SC)

Page 1 of 1  
9/24/2012 4:01 PM  
AR7400A

	Aug 2012	Jul 2012	Jun 2012	May 2012	Apr 2012	Mar 2012	Feb 2012	Jan 2012	Dec 2011	Nov 2011	Oct 2011	Sep 2011	12 Mos.	Calendar YTD
Total Admits & Readmits (All payer types)	10	16	11	12	10	11	5	11	10	9	10	9	124	86
MCR # Admits & Readmits	5	10	9	7	8	8	3	9	8	6	9	7	89	59
MCR # Discharges from facility	5	2	4	2	7	3	1	5	5	2	2		38	29
MCR Discharged LOS	55.8	36.0	35.5	32.5	22.9	32.7	31.0	43.2	14.0	49.0	21.5		33.5	36.7
MCR # End or A/R Change	2	9	5		4	5	5	3	5	3	5	3	49	33
MCR End or A/R Change LOS	22.5	41.0	42.0		40.3	41.4	35.6	42.3	52.2	36.3	22.2	14.7	37.2	39.3
Total Average MCR LOS	46.3	40.1	39.1	32.5	29.2	38.1	34.8	42.9	33.1	41.4	22.0	14.7	35.6	38.1
Total MCR Days	265	339	332	236	230	252	240	273	340	333	294	89	3223	2167
Rehab RUGs	263	328	321	227	223	249	237	271	330	333	290	89	3161	2119
% of Total MCR Days	99%	97%	97%	96%	97%	99%	99%	99%	97%	100%	99%	100%	98%	98%
Non-Rehab RUGs	2	11	11	9	7	3	2	2	10		4		61	47
% of Total MCR Days	1%	3%	3%	4%	3%	1%	1%	1%	3%		1%		2%	2%
Default Days														
% of Total MCR Days														
A ADL (low dependency)	89	173	147	71	122	109	120	164	170	150	155	54	1524	995
% of Total MCR Days	34%	51%	44%	30%	53%	43%	50%	60%	50%	45%	53%	61%	47%	46%
B ADL (medium dependency)	124	109	125	89	44	72	48	64	90	41	44	22	852	655
% of Total MCR Days	47%	32%	38%	29%	19%	29%	20%	23%	26%	12%	15%	25%	26%	30%
C ADL (high dependency)	52	57	60	96	64	71	71	45	80	142	95	13	846	516
% of Total MCR Days	20%	17%	18%	41%	28%	28%	30%	16%	24%	43%	32%	15%	26%	24%
Medicare Net Revenue	\$134,783	\$160,608	\$151,884	\$111,050	\$105,146	\$115,946	\$111,723	\$123,133	\$157,881	\$159,233	\$146,775	\$49,530	\$1,527,692	\$1,014,274

Note: This report includes only the selection criteria listed below.

Effective Date From 8/1/2012 Thru 8/31/2012

Status: All

Sort: AR Type

**Summary Admission / Discharge Report**

Sullivan County Health Care (SC)

Admissions (Includes Readmits)

Page 1 of 2  
09/25/2012 9:17 AM  
RI6300B

<i>A/R Type</i>	<i>From/To</i>	<i>Admissions</i>	<i>Readmits</i>	<i>Discharges</i>
HCB	HM Home	0	1	1
	<i>HCB Subtotal</i>	0	1	1
MCD	AL Assisted Living	2	0	0
	EX Expired	0	0	1
	HM Home	0	0	1
	HP Hospital	0	0	2
	<i>MCD Subtotal</i>	2	0	4
MRA	5 Acute care hospital	0	0	0
	EX Expired	0	0	1
	HM Home	0	0	4
	HP Hospital	1	3	0
	NH Nursing Home	1	0	0
<i>MRA Subtotal</i>	2	3	5	
PVT	1 Private home/apartme	0	0	0
	5 Acute care hospital	0	0	0
	AL Assisted Living	1	0	0
	HP Hospital	0	1	2
<i>PVT Subtotal</i>	1	1	2	
<i>Total</i>		5	5	12

Note: This report includes only the selection criteria listed below.  
Effective Date From 7/1/2012 Thru 8/31/2012

Status: All

Sort: AR Type

**Summary Admission / Discharge Report**

Sullivan County Health Care (SC)

Admissions (Includes Readmits)

Page 1 of 2  
09/24/2012 4:18 PM  
RI6300B

<i>A/R Type</i>	<i>From/To</i>	<i>Admissions</i>	<i>Readmits</i>	<i>Discharges</i>
HCB	HM Home	1	1	2
	<i>HCB Subtotal</i>	1	1	2
INS	HP Hospital	0	1	1
	<i>INS Subtotal</i>	0	1	1
MCD	1 Private home/apartme	1	0	0
	5 Acute care hospital	1	0	0
	AL Assisted Living	2	0	0
	EX Expired	0	0	2
	HM Home	0	1	2
	HP Hospital	0	0	5
	<i>MCD Subtotal</i>	4	1	9
MRA	1 Private home/apartme	0	0	0
	5 Acute care hospital	2	0	0
	EX Expired	0	0	1
	HM Home	0	0	4
	HP Hospital	3	9	1
	NH Nursing Home	1	0	1
	<i>MRA Subtotal</i>	6	9	7
PVT	1 Private home/apartme	0	0	0
	5 Acute care hospital	0	0	0
	AL Assisted Living	1	0	0
	HP Hospital	0	2	4
	<i>PVT Subtotal</i>	1	2	4
<i>Total</i>		12	14	23

Month-end Aged Analysis

Appendix B.7

9/24/12 3:47 PM

Sullivan County Health Care (SC)  
For the Month of Aug, 2012

Resident (Res #) (Discharge Date)

Type Balance	Aug/	Jul/	Jun/	May/	Apr/	Mar/	Feb/	Jan/	Dec/	Nov/	Oct/	Sep/	Aug/	Balance
<b>Aged Analysis Summary</b>														
HCB	1,122.24	801.60				961.92							1,896.32	4,782.08
INS	26,841.13	34,751.66	29,882.93	26,318.09	17,065.51	19,548.46	9,330.60	10,168.95	1,350.02	3,565.57	5,610.33	1,409.32	18,144.27	203,986.84
MCD	985,666.92	29,526.38	17,229.82	23,024.49	14,353.92	9,383.11	12,371.15	11,964.29	9,460.48	4,593.59-	581.52	386.51	62,792.12	572,147.12
MCP														
MRA	105,750.05	126,361.31	20,331.27	10,858.37	12,414.59	7,624.77	44.30	60.07					5,795.76-	278,648.97
MRB	31,262.51	28,261.92	3,456.23	6,540.61	3,104.90	225.73	439.42	1,124.12	644.96	2,043.35	1,614.43	1,241.24	10,729.37	90,688.79
MXA	3,595.50	7,628.73	2,317.48		2,649.50	19.00-	19.00-	5,472.00	3,350.54	1,415.00	598.00		3,192.24-	23,796.51
MXB	3,338.71	3,416.29	197.34-	519.90	114.30-	656.33-	422.81-	155.26	575.72	499.17	19.61	93.76-	1,175.32-	5,864.80
PVT	46,751.75	29,045.25	15,680.00	20,109.99	22,301.50	21,317.68	4,960.48	1,939.48	5,880.00	21,115.52	12,907.55	11,806.50	134,377.40	348,193.10
RES	7,559.40	382.40-	4,194.64-	2,650.27-	1,746.30	5,878.67	1,834.08	1,950.55	425.62-	610.54	1,089.85	484.74	2,611.43-	10,889.77
PHC													375.00-	375.00-
HST														
PIN														
HSR														
<b>Totals:</b>	<b>612,888.21</b>	<b>259,410.74</b>	<b>84,505.75</b>	<b>84,721.18</b>	<b>73,521.92</b>	<b>64,265.01</b>	<b>28,538.22</b>	<b>32,834.72</b>	<b>20,836.10</b>	<b>24,655.56</b>	<b>22,421.29</b>	<b>15,234.55</b>	<b>214,789.73</b>	<b>1,538,622.98</b>
	<b>39.83%</b>	<b>16.86%</b>	<b>5.49%</b>	<b>5.51%</b>	<b>4.78%</b>	<b>4.18%</b>	<b>1.85%</b>	<b>2.13%</b>	<b>1.35%</b>	<b>1.60%</b>	<b>1.46%</b>	<b>0.99%</b>	<b>13.95%</b>	<b>100.00%</b>



Sullivan County Department of Corrections  
103 County Farm Rd  
Claremont, NH 03743

Intra-Department Memorandum

From: Sergeant S. Coughlan  
Subject: Daily Report  
To: Superintendent Ross L. Cunningham  
Date: September 25th, 2012  
At: Classification Department

POPULATION DATA:

House of Corrections	Pre-Trial Inmates	Protective Custody	Home Confinement
Male - 50 Female - 6	Male - 12 Female - 2	Male - 0 Female - 0	Male - 8 Female - 1

Total In-House Population: 70 (Home Confinement - 9) In-House Population on 09/25/2011 - 98

Unit Breakdown (included in the above count):

Unit 1 - 19	Male Flex - 13	Female Flex - 1
Unit 2 - 3	Male Treatment - 10	Female Treatment - 1
Unit 3 - 10	Male Work Release - 7	Female Work Release - 3
OBS - 3		

Jail Total: 35 CCC Total: 35

CENSUS DATA:

Cheshire Cty	Strafford Cty	Carroll Cty	Weekender
Male - 2 Female - 0	Male - 0 Female - 0	Male - 0 Female - 0	Male - 2 Female - 0
Hillsbor. Cty	NHSP/SPU	Merrimack Cty	
Male - 2 Female - 0	Male - 10 Female - 0	Male - 1 Female - 0	

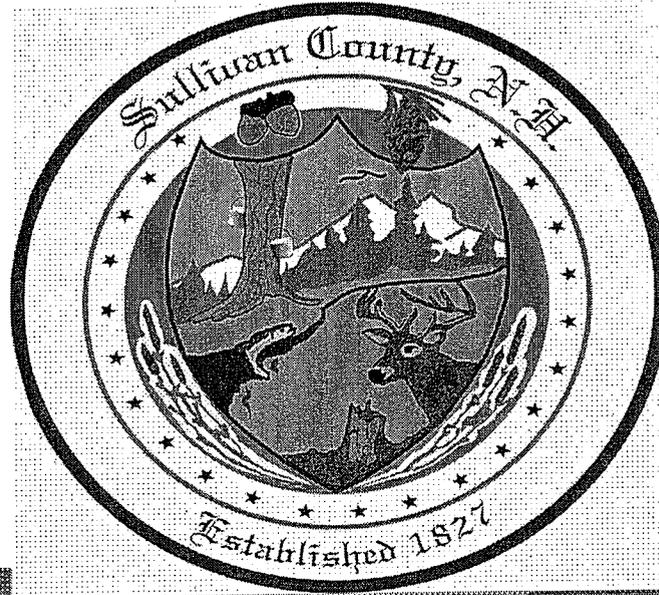
Total Census Population: 96 Census Population on 09/25/2011 - 124

Individuals Housed at SCDOC for other Facilities:

Individuals seen by P&P prior to release:

3 Males from NHSP 1 Male from Strafford County Males - 0 Females - 0  
Pre-Trial Services Program - Total: 17 Male - 14 Females - 3

SULLIVAN COUNTY, NH  
FISCAL YEAR 2013



## Sullivan County Services

- Sullivan County Health Care
- Department of Corrections
- Sheriffs Office
- County Attorney's Office
- Registry of Deeds
- Cooperative Extension
- Human Services
- Conservation District
- Facilities and Operations
- County Administration

## Sullivan County, NH

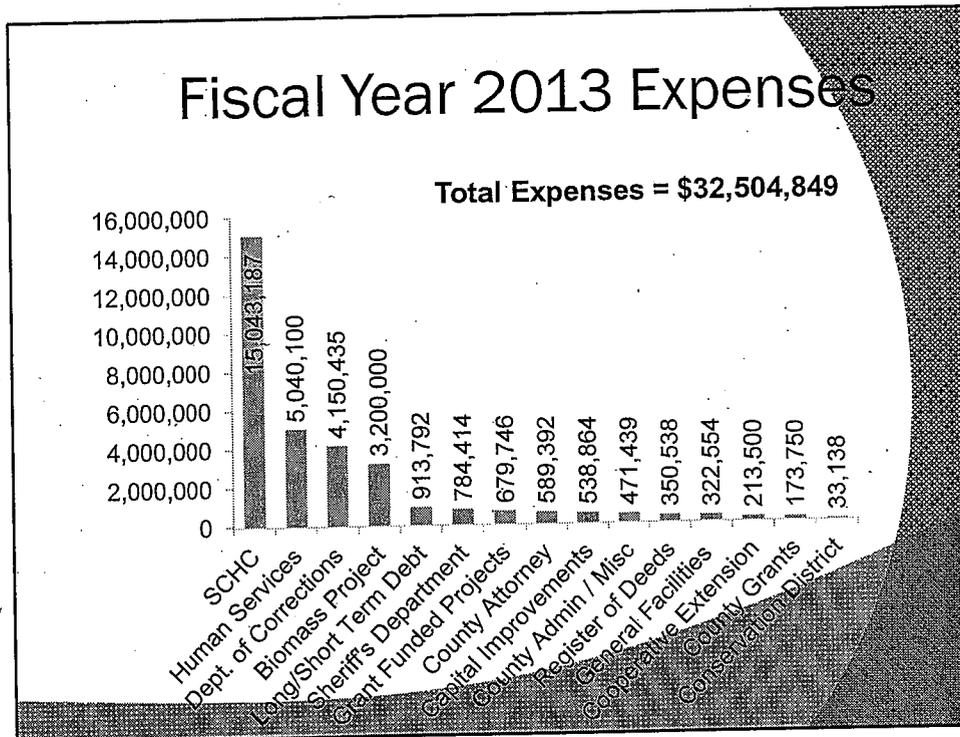
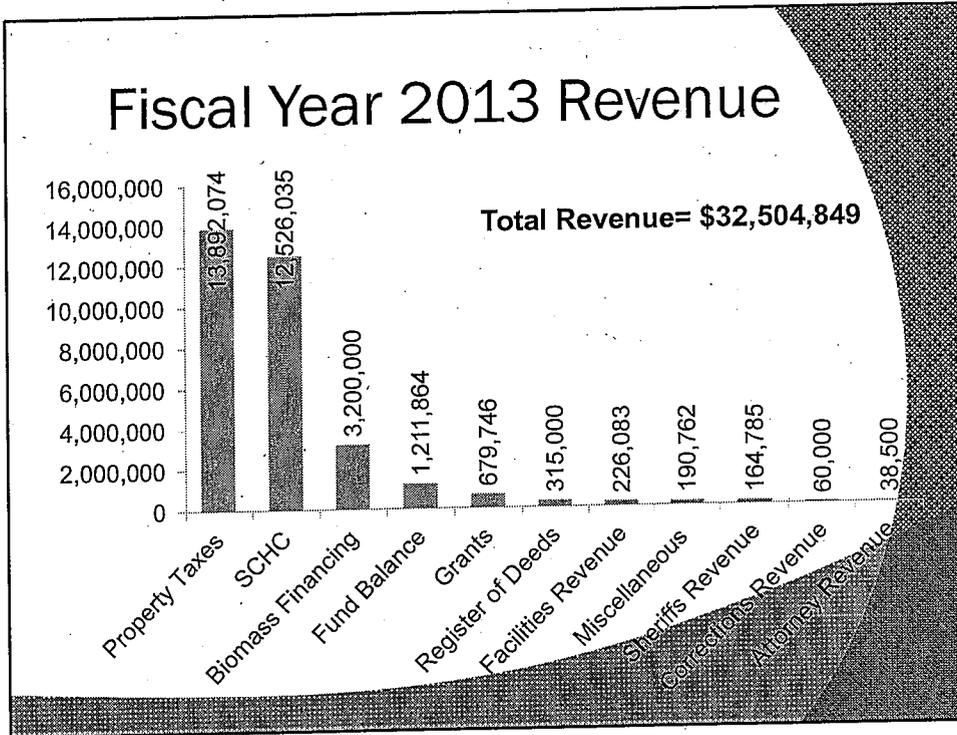
### Budget Process

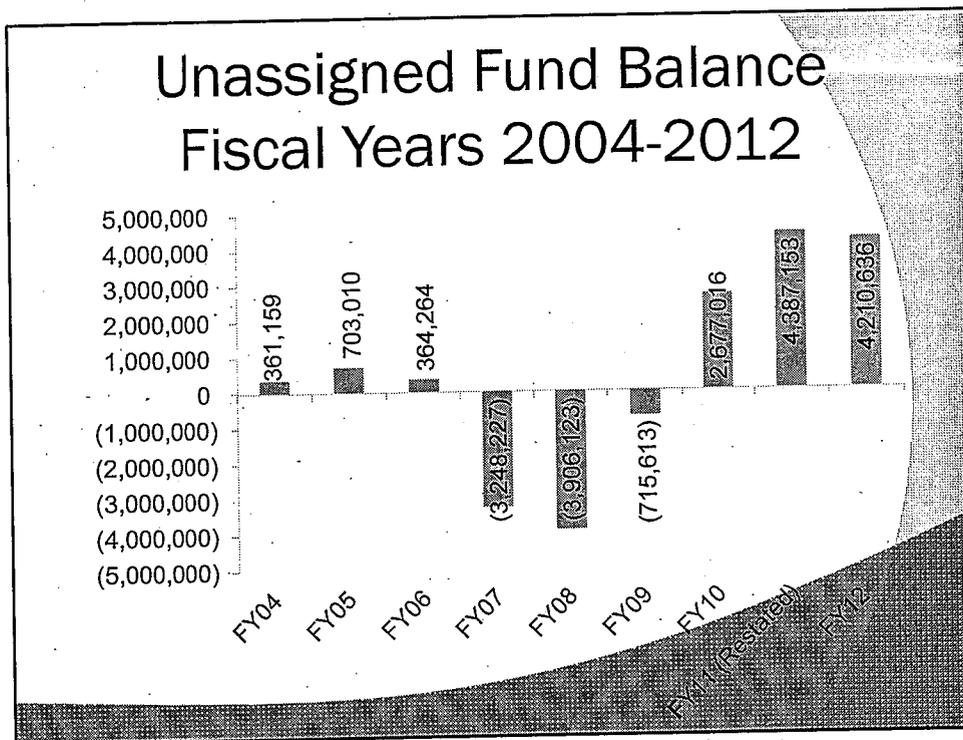
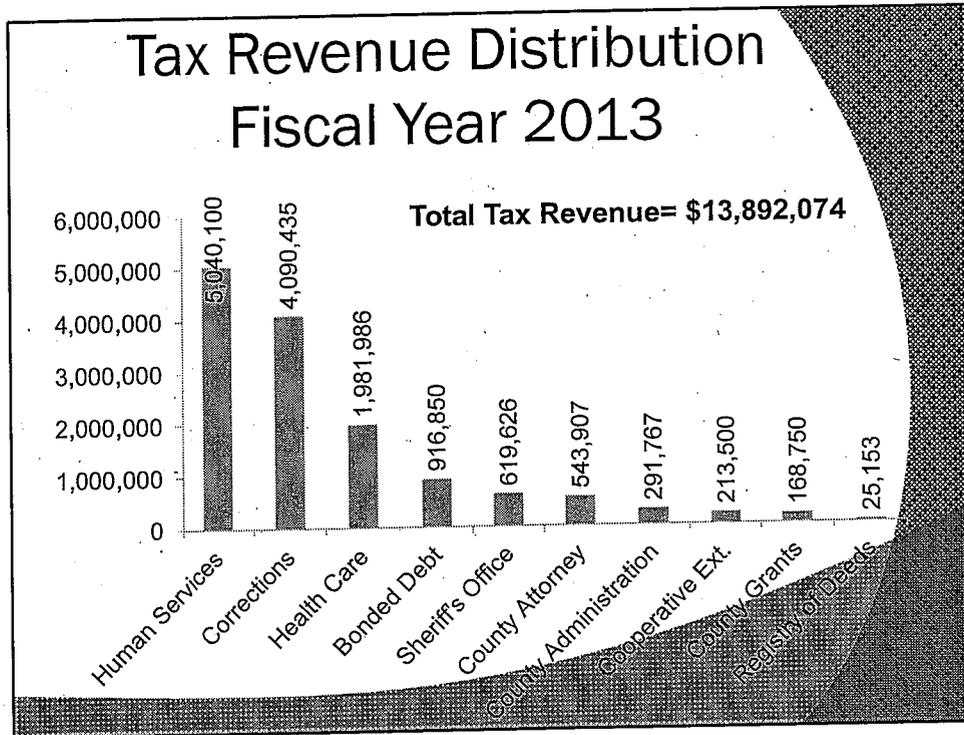
- County Administrator provides draft budget to Commissioners
- Commissioners review/modify and issue Commissioners proposed budget
- Public Hearing on Commissioners budget
- Executive Finance Committee reviews proposal and makes recommendation to full delegation.
- Delegation approves final budget

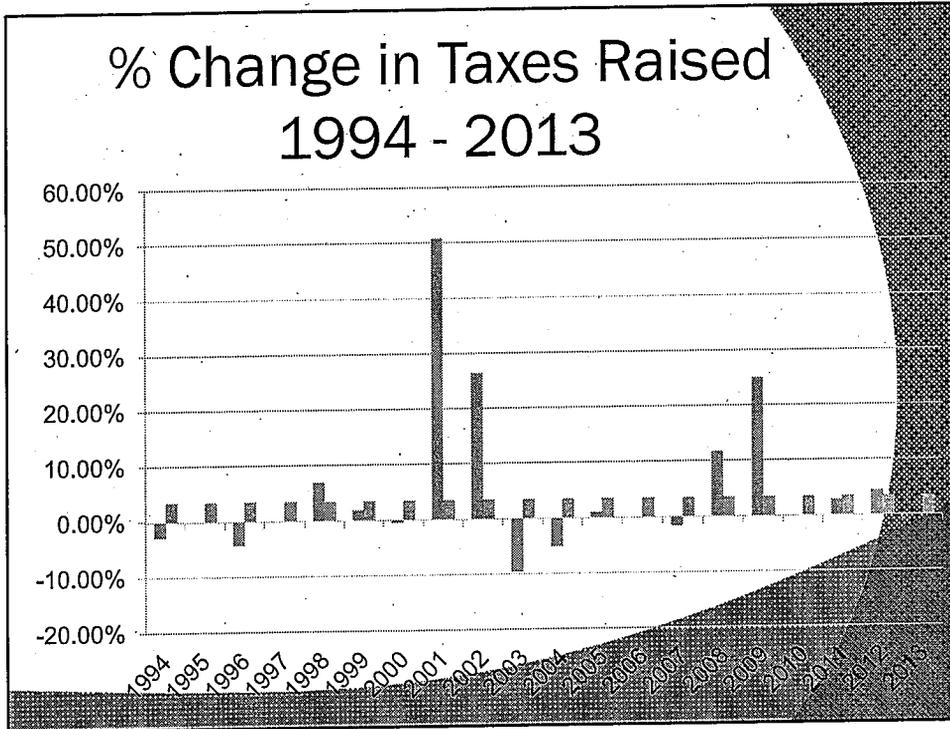
## Sullivan County, NH

### Fiscal Year 2013 Budget

**\$ 32,504,849**







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[WWW.SULLIVANCOUNTYNH.GOV](http://WWW.SULLIVANCOUNTYNH.GOV)

## Project Overview

### Sullivan County, NH Unity Complex

#### Biomass District Energy Project



Wood Education and Resource Center

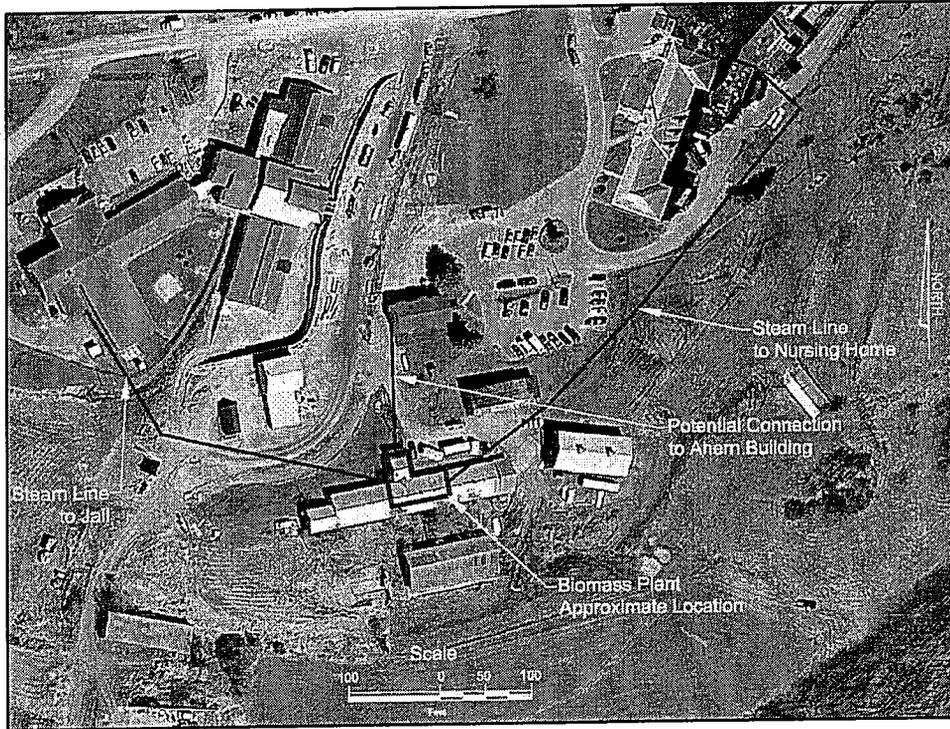
## Why utilize biomass at Sullivan County's Unity Complex?

- **Social and Environmental Benefits**
  - Reduce reliance on foreign fossil fuel (125,000 gal diesel fuel/yr)
  - Net reduction of carbon emissions (1,200 tonnes/yr)
  - Markets for low-use wood, efficient use of wood resource
  - Educational and economic development opportunities
- **Economic Benefits**
  - Energy dollars stay local (\$80,000/yr)
  - Energy savings to owner (\$290,000/yr)
    - \$55,000 positive cash flow in first year of operations
    - Hedge against fluctuations in fossil fuel markets

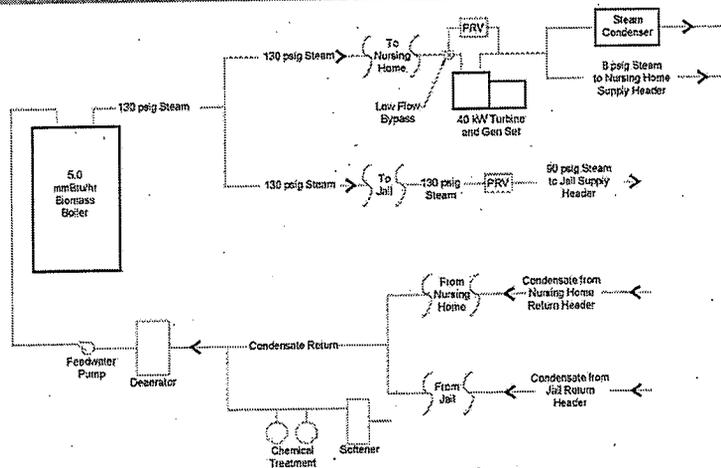


Wood Education and Resource Center

E12



## Process Schematic



## Emission Comparison

### Boiler Emission Factor Comparison (Lbs/mmBtu)

Boilers	CO <sub>2</sub>	PM	NO <sub>x</sub>	SO <sub>x</sub>	CO
Existing Fuel Oil Boilers	159	0.0143	0.1429	0.1882	0.0357
Proposed Biomass Boiler	Net 0	0.1700	0.100 - 0.200	0.0020	0.08 - 0.113

Note: 1- Emission factors and ranges from are from EPA AP 42 for oil boilers and actual emission tests for wood chip boilers.  
2- Biomass is considered carbon neutral and generates carbon credits that can potentially be sold on voluntary markets.

### Avoided Annual Emissions from Electricity Generation

Annual Generation (MWh)	Emission Avoidance Rate (Tons CO <sub>2</sub> e/MWh)	Annual CO <sub>2</sub> e Avoided (Tons)
137.3	0.744	102.2

Note: From [www.eia.gov](http://www.eia.gov) for power plants in Region 1 (New Hampshire)



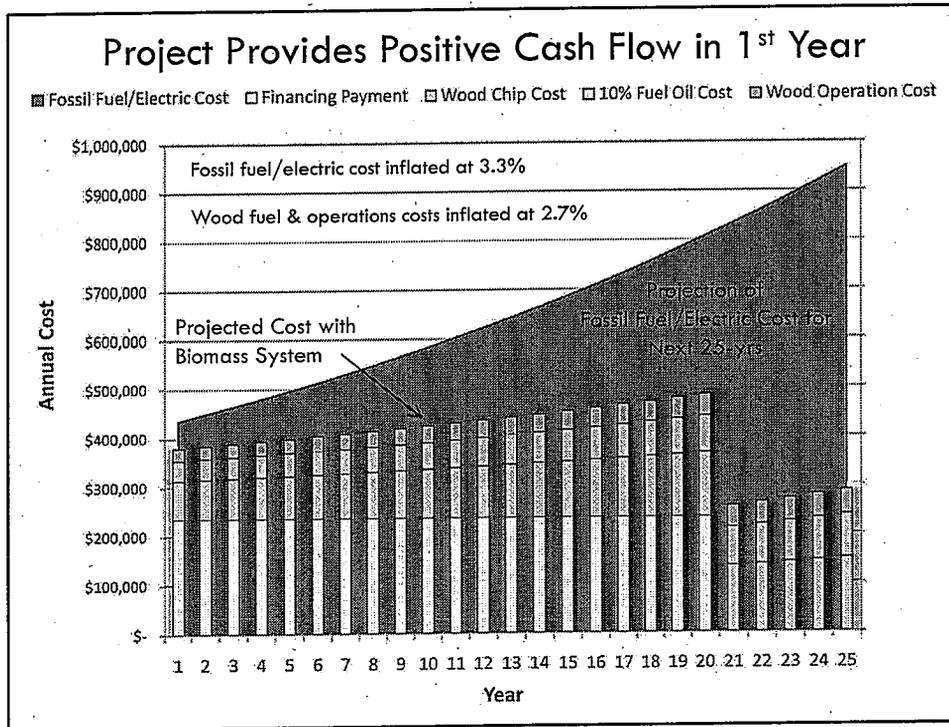
Wood Education and Resource Center

## Similar Biomass Projects at Hospitals

- Rockingham County Complex
  - Location: Brentwood, New Hampshire
  - 226 Bed Nursing Home
  
- Weeks Medical Center
  - Location: Lancaster, New Hampshire
  - 25 Bed Critical Care Facility
  
- North Country Hospital
  - Location: Newport, Vermont
  - 25 Bed Critical Care Facility
  
- Elk Regional Health Center
  - Location: St Mary's, Pennsylvania
  - 218 Bed General Medical and Surgical Hospital



Wood Education and Resource Center



## Grants Received

- North Country RC&D Grant
  - \$75,000 awarded
- US Forest Service – Forest Products Laboratory
  - \$250,000 awarded
- NH Public Utilities Commission – Commercial & Industrial Thermal or Electric Renewable Energy Project Grant
  - \$300,000 awarded



Wood Education and Resource Center

## Financing Strategy

- \$3.2 million line of credit open through December 31, 2013 (Interest rate = .98%)
- USDA Community Facilities Loan obligated at 3.375% for permanent financing
- Preparing bid documents for offering financing to private lending institutions



Wood Education and Resource Center