

**COUNTY OF COÖS, NEW HAMPSHIRE**

**Annual Financial Statements**

**For the Year Ended December 31, 2014**

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## INDEPENDENT AUDITORS' REPORT

### Additional Offices:

Andover, MA  
Greenfield, MA  
Manchester, NH  
Ellsworth, ME

To the Board of Commissioners  
County of Coös, New Hampshire

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Coös, New Hampshire, as of and for the year ended December 31, 2014, and related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the County of Coös, New Hampshire, as of December 31, 2014, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the information appearing on pages 32 through 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

*Melanson Heath*

October 6, 2015

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the County of Coös, New Hampshire (the County), we offer readers this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2014.

### **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 required 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 Position presents information on all assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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., uncollected taxes and earned but unused vacation and sick leave).

The governmental activities include general government, public safety, corrections, human services, cooperative extension, economic development, highways and streets, sanitation, conservation, school districts, West Stewartstown nursing home, and Berlin 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. All of the funds can be divided into two categories: governmental funds and fiduciary 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 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. The governmental fund financial statements provide separate information for the General Fund and Unincorporated Places Fund, which are considered to be major funds.

An annual appropriated budget is adopted for all County funds. Budgetary comparison statements have been provided in order to demonstrate compliance with these budgets.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

**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 contains certain required supplementary information which is required to be disclosed by 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 \$8,057,201 (i.e., net position), a change of \$(166,074) in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$7,926,486, a change of \$109,094 in comparison to the prior year.
- At the end of the current fiscal year, the fund balance for the general fund was \$6,066,244, a change of \$53,133 in comparison to the prior year.

- Total long-term debt (i.e., notes payable) at the close of the current fiscal year was \$90,000, a change of \$(296,578) 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.

#### **NET POSITION**

	Governmental Activities	
	<u>2014</u>	<u>2013</u>
Current assets	\$ 9,978,524	\$ 10,144,022
Noncurrent assets	<u>4,095,033</u>	<u>3,886,329</u>
Total assets	14,073,557	14,030,351
Current liabilities	3,504,476	3,821,210
Noncurrent liabilities	<u>2,511,880</u>	<u>1,985,866</u>
Total liabilities	6,016,356	5,807,076
Net position:		
Net investment in capital assets	4,005,033	3,499,721
Restricted	1,860,242	1,804,281
Unrestricted	<u>2,191,926</u>	<u>2,919,273</u>
Total net position	<u>\$ 8,057,201</u>	<u>\$ 8,223,275</u>

#### **CHANGE IN NET POSITION**

	Governmental Activities	
	<u>2014</u>	<u>2013</u>
Revenues:		
Program revenues:		
Charges for services	\$ 12,975,205	\$ 12,651,831
Operating grants and contributions	2,456,934	2,936,652
General revenues:		
County taxes, net	13,515,776	13,060,321
Property taxes	329,245	134,395
Licenses and permits	33,680	29,037

(continued)

(continued)

**CHANGE IN NET POSITION**

	Governmental Activities	
	<u>2014</u>	<u>2013</u>
Penalties, interest, and other taxes	345,978	290,690
Grants and contributions not restricted to specific programs	18,427	18,260
Payment in lieu of taxes	871,484	860,561
Investment income	4,122	3,402
Miscellaneous	<u>240,466</u>	<u>455,016</u>
Total revenues	30,791,317	30,440,165
Expenses:		
General government	1,316,515	1,202,006
Public safety	991,685	901,479
Corrections	2,243,136	2,075,976
Human services	5,926,872	5,854,412
Cooperative extension	209,434	234,746
Economic development	43,491	126,586
Highways and streets	5,000	5,000
Health and welfare	1,267	-
Sanitation	25,910	25,570
Conservation	75,000	70,000
School districts	56,160	49,223
West Stewartstown nursing home	10,166,593	9,087,247
Berlin nursing home	9,878,060	9,785,748
Interest	<u>18,268</u>	<u>15,470</u>
Total expenses	<u>30,957,391</u>	<u>29,433,463</u>
Change in net position	(166,074)	1,006,702
Net position - beginning of year	<u>8,223,275</u>	<u>7,216,573</u>
Net position - end of year	<u>\$ 8,057,201</u>	<u>\$ 8,223,275</u>



As noted earlier, net position 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 position was \$8,057,201, a change of \$(166,074) from the prior year.

The largest portion of net position, \$4,005,033, reflects our investment in capital assets (e.g., land, land improvements, buildings and improvements, and equipment and vehicles), 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 position, \$1,860,242, represents resources that are subject to external restrictions on how they may be used.

**Governmental activities.** Governmental activities for the year resulted in a change in net position of \$(166,074). Key elements of this change are as follows:

**Operating Results:**

General fund	\$ 53,133
Unincorporated places fund	(38,212)
Nonmajor governmental funds	<u>4,173</u>
Subtotal operating results	19,094
Purchase of capital assets, net	729,602
Depreciation expense in excess of principal debt service	(134,290)
Change in compensated absence liability	(148,812)
Change in net OPEB obligation	<u>(631,668)</u>
Total	<u><u>\$ (166,074)</u></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 \$7,926,486, a change of \$109,094 in comparison to the prior year. Key elements of this change are as follows:

General fund revenues in excess of expenditures	\$ 53,133
Unincorporated places fund revenues and other financing sources in excess of expenditures	51,788
Nonmajor governmental funds revenues in excess of expenditures	<u>4,173</u>
Total	<u>\$ 109,094</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 \$516,742, while total fund balance was \$6,066,244. 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>12/31/14</u>	<u>12/31/13</u>	<u>Change</u>	<u>Percentage of Total Budgeted Expenditures</u>
Unassigned fund balance	\$ 516,742	\$ 1,276	\$ 515,466	1.6%
Total fund balance	\$ 6,066,244	\$ 6,013,111	\$ 53,133	18.6%

The total fund balance of all funds changed by \$109,094 during the current fiscal year. Key factors related to this change are as follows:

Revenues in excess of budget:	
General fund	\$ 2,023,667
Grants fund	(1,469,449)
Recycling center fund	<u>67,255</u>
Subtotal revenues in excess of budget	621,473
Expenditures less than appropriations:	
General fund	2,399,213
Grants fund	1,469,729
Transfer station fund	1,669
Recycling center fund	<u>4,944</u>
Subtotal expenditures less than appropriations	3,875,555
Unincorporated places budgetary results	192,331
Use of fund balance as a funding source:	
General fund	(4,392,722)
Recycling center fund	(69,000)
Unincorporated places fund	(139,901)
Other timing differences	<u>21,358</u>
Total all funds	<u>\$ 109,094</u>

## **E. BUDGETARY HIGHLIGHTS**

There were no changes to the original budget during 2014.

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

**Capital assets.** Total investment in capital assets for governmental activities at year-end amounted to \$4,095,033 (net of accumulated depreciation), a change of \$208,704 from the prior year. This investment in capital assets includes land, land improvements, buildings and improvements, and equipment and vehicles.

Additional 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 long-term debt outstanding was \$90,000, all of which 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 County of Coös, New Hampshire'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:

County of Coös, New Hampshire  
P.O. Box 10  
West Stewartstown, New Hampshire 03597

COUNTY OF COÖS, NEW HAMPSHIRE  
STATEMENT OF NET POSITION  
DECEMBER 31, 2014

	Governmental Activities
<b>ASSETS</b>	
Current:	
Cash and short-term investments	\$ 8,012,086
Receivables:	
Property taxes	233,073
Accounts	774,215
Intergovernmental	631,150
Prepaid expenses	196,385
Inventory	<u>131,615</u>
Total current assets	9,978,524
Noncurrent:	
Capital Assets:	
Land	97,519
Capital assets, net of accumulated depreciation	<u>3,997,514</u>
Total noncurrent assets	<u>4,095,033</u>
<b>TOTAL ASSETS</b>	14,073,557
<b>LIABILITIES</b>	
Current:	
Accounts payable	1,609,432
Accrued payroll and related liabilities	381,683
Other liabilities	60,923
Current portion of noncurrent liabilities:	
Notes payable	9,000
Compensated absences	<u>1,443,438</u>
Total current liabilities	3,504,476
Noncurrent:	
Notes payable	81,000
Compensated absences	1,799,212
Net OPEB obligation	<u>631,668</u>
Total noncurrent liabilities	<u>2,511,880</u>
<b>TOTAL LIABILITIES</b>	6,016,356
<b>NET POSITION</b>	
Net investment in capital assets	4,005,033
Restricted	1,860,242
Unrestricted	<u>2,191,926</u>
<b>TOTAL NET POSITION</b>	<u>\$ 8,057,201</u>

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

COUNTY OF COÖS, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2014

		Program Revenues		Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
General government	\$ 1,316,515	\$ 253,608	\$ 53,286	\$ (1,009,621)
Public safety	991,685	335,192	43,152	(613,341)
Corrections	2,243,136	16,006	-	(2,227,130)
Human services	5,926,872	-	2,360,082	(3,566,790)
Cooperative extension	209,434	-	-	(209,434)
Economic development	43,491	-	414	(43,077)
Highways and streets	5,000	-	-	(5,000)
Health and welfare	1,267	-	-	(1,267)
Sanitation	25,910	-	-	(25,910)
Conservation	75,000	-	-	(75,000)
School districts	56,160	-	-	(56,160)
West Stewartstown nursing home	10,166,593	5,550,953	-	(4,615,640)
Berlin nursing home	9,878,060	6,819,446	-	(3,058,614)
Interest	18,268	-	-	(18,268)
Total Governmental Activities	\$ 30,957,391	\$ 12,975,205	\$ 2,456,934	(15,525,252)
<b>General Revenues:</b>				
				13,515,776
County taxes, net				329,245
Property taxes				33,680
Licenses and permits				345,978
Penalties, interest, and other taxes				18,427
Grants and contributions not restricted to specific programs				871,484
Payment in lieu of taxes				4,122
Investment income				240,466
Miscellaneous				
Total general revenues				15,359,178
Change in Net Position				(166,074)
<b>Net Position:</b>				
Beginning of year				8,223,275
End of year				\$ 8,057,201

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

COUNTY OF COÖS, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2014

	General Fund	Unincorporated Places Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and short-term investments	\$ 7,895,884	\$ 89,836	\$ 26,366	\$ 8,012,086
Receivables:				
Property taxes	-	233,073	-	233,073
Accounts	764,941	7,585	1,689	774,215
Intergovernmental	631,101	-	49	631,150
Due from other funds	-	1,347,747	169,421	1,517,168
Prepaid expenses	196,385	-	-	196,385
Inventory	131,615	-	-	131,615
<b>TOTAL ASSETS</b>	<b>\$ 9,619,926</b>	<b>\$ 1,678,241</b>	<b>\$ 197,525</b>	<b>\$ 11,495,692</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 1,609,432	\$ -	\$ -	\$ 1,609,432
Accrued payroll and related liabilities	381,683	-	-	381,683
Other liabilities	45,399	15,524	-	60,923
Due to other funds	1,517,168	-	-	1,517,168
<b>TOTAL LIABILITIES</b>	<b>3,553,682</b>	<b>15,524</b>	<b>-</b>	<b>3,569,206</b>
Fund Balances:				
Nonspendable	328,000	-	-	328,000
Restricted	317,692	1,662,717	197,525	2,177,934
Committed	894,807	-	-	894,807
Assigned	4,009,003	-	-	4,009,003
Unassigned	516,742	-	-	516,742
<b>TOTAL FUND BALANCES</b>	<b>6,066,244</b>	<b>1,662,717</b>	<b>197,525</b>	<b>7,926,486</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 9,619,926</b>	<b>\$ 1,678,241</b>	<b>\$ 197,525</b>	<b>\$ 11,495,692</b>

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

COUNTY OF COÖS, NEW HAMPSHIRE

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

DECEMBER 31, 2014

<b>Total governmental fund balances</b>	\$ 7,926,486
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,095,033
• Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Notes payable	(90,000)
Compensated absences	(3,242,650)
Net OPEB obligation	<u>(631,668)</u>
<b>Net position of governmental activities</b>	<b>\$ <u>8,057,201</u></b>

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

COUNTY OF COÖS, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2014

	General Fund	Unincorporated Places Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
County taxes	\$ 14,339,958	\$ -	\$ -	\$ 14,339,958
Property taxes	-	329,245	-	329,245
Licenses and permits	-	33,680	-	33,680
Penalties, interest, and other taxes	-	345,978	-	345,978
West Stewartstown nursing home	5,550,953	-	-	5,550,953
Berlin nursing home	6,819,446	-	-	6,819,446
Charges for services	554,105	-	50,701	604,806
Intergovernmental	2,443,353	31,594	414	2,475,361
Payment in lieu of taxes	259,824	611,660	-	871,484
Investment income	3,835	224	63	4,122
Miscellaneous	209,915	3	67,191	277,109
Total Revenues	30,181,389	1,352,384	118,369	31,652,142
<b>Expenditures:</b>				
Current:				
General government	1,068,123	213,769	-	1,281,892
Public safety	810,861	55,951	114,062	980,874
Corrections	2,156,850	-	-	2,156,850
Human services	5,926,872	-	-	5,926,872
Cooperative extension	206,249	-	-	206,249
Economic development	-	43,357	134	43,491
Highways and streets	-	5,000	-	5,000
Health and welfare	-	1,267	-	1,267
Sanitation	-	25,910	-	25,910
Conservation	-	75,000	-	75,000
County taxes	-	824,182	-	824,182
School districts	-	56,160	-	56,160
West Stewartstown nursing home	9,354,249	-	-	9,354,249
Berlin nursing home	9,762,202	-	-	9,762,202
Capital outlay	438,004	90,000	-	528,004
Debt service:				
Principal	386,578	-	-	386,578
Interest	18,268	-	-	18,268
Total Expenditures	30,128,256	1,390,596	114,196	31,633,048
Excess (deficiency) of revenues over expenditures	53,133	(38,212)	4,173	19,094
<b>Other Financing Sources (Uses):</b>				
Proceeds of notes	-	90,000	-	90,000
Total Other Financing Sources (Uses)	-	90,000	-	90,000
Excess (deficiency) of revenues and other sources over expenditures and other uses	53,133	51,788	4,173	109,094
Fund Equity, at Beginning of Year	6,013,111	1,610,929	193,352	7,817,392
Fund Equity, at End of Year	\$ 6,066,244	\$ 1,662,717	\$ 197,525	\$ 7,926,486

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



COUNTY OF COÖS, NEW HAMPSHIRE

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

FOR THE YEAR ENDED DECEMBER 31, 2014

<b>Net changes in fund balances - Total governmental funds</b>	<b>\$ 109,094</b>
<ul style="list-style-type: none"> <li>Governmental funds report capital asset purchases 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:</li> </ul>	
Capital purchases	766,245
Disposal of capital assets	(36,643)
Depreciation	(520,868)
<ul style="list-style-type: none"> <li>The issuance of long-term debt (e.g., notes payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:</li> </ul>	
Proceeds of notes payable	(90,000)
Repayments of notes payable	386,578
<ul style="list-style-type: none"> <li>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</li> </ul>	
Compensated absences	(148,812)
Net OPEB obligation	<u>(631,668)</u>
<b>Change in net position of governmental activities</b>	<b>\$ <u>(166,074)</u></b>

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

COUNTY OF COÖS, NEW HAMPSHIRE  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2014

	Agency Funds
<b><u>ASSETS</u></b>	
Cash and short-term investments	\$ <u>188,274</u>
Total Assets	\$ <u><u>188,274</u></u>
 <b><u>LIABILITIES</u></b>	
Due to others	\$ <u>188,274</u>
Total Liabilities	\$ <u><u>188,274</u></u>

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

# COUNTY OF COÖS, NEW HAMPSHIRE

## Notes to Financial Statements

### 1. **Summary of Significant Accounting Policies**

The accounting policies of the County of Coös, 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 2014, it was determined that no entities met the required GASB 14 (as amended) 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 Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

##### Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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. For this purpose, the County considers all property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 *Unincorporated Places Fund* accounts for the various unincorporated places within the County. Under New Hampshire RSA 28:7-b, the County Commissioners are designated as the governing body for any unincorporated places in the County.

The *Agency Fund* is used to account for money held by the County on behalf of others (e.g., inmate funds, patient funds, and Unincorporated Place of Livermore in Grafton County).

*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 and fiduciary 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 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, land improvements, buildings and improvements, and equipment and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years, except for the nursing homes, where assets are capitalized at \$500 or more with useful life in excess of two 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>
Land improvements	8 - 10
Building and improvements	5 - 40
Equipment and vehicles	3 - 15

#### *H. Compensated Absences*

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and 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 Position.

#### *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 position".

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

#### *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.

## **2. Stewardship, Compliance, and Accountability**

### *A. Budgetary Information*

The County Commissioners submit, in the previous December, an annual budget to the County Delegation in accordance with the New Hampshire Revised Statutes Annotated. In March, the County Delegation adopts an annual budget for the current calendar year. Supplemental budgets are required for unexpected modifications to the estimated revenues and appropriations. Budgets are prepared on the modified accrual basis of

accounting. Unencumbered non-special appropriations lapse at year end. Capital projects funds are carried forward each year until the project is completed or when the bond issue proceeds are totally expended.

The Unincorporated Places budget is submitted by the County Commissioners to the County Delegation for approval. Approved budgets are then reported to the State of New Hampshire on the statement of appropriation forms in order to establish the current property tax rate.

**B. Budgetary Basis**

The final appropriations appearing on the "Budget and Actual" pages of the required supplemental information represent the final amended budgets after all transfers and supplemental appropriations.

**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, II states, "The amount of collected funds on deposit in any one bank shall not at any time exceed the sum of its paid-up capital and surplus." The County's deposit policy states that safety of principal is the primary investment objective and that each investment transaction shall seek to first ensure that losses are avoided.

As of December 31, 2014, none of the County's bank balance was exposed to custodial credit risk as uninsured or uncollateralized.

**4. Taxes Receivable**

The Unincorporated Places Tax Collector bills property taxes annually in November. Property tax revenues are recognized in the year for which taxes have been levied. Property taxes are typically due by December 1<sup>st</sup> or 30 days from the date of issue. Delinquent accounts are charged 12% interest. In the next year, a lien is recorded on delinquent property taxes at the Coös County Registry of Deeds. The County purchases all the delinquent accounts by paying the delinquent balance, recording costs, and accrued interest. The accounts that are lienied by the County will be reclassified from property taxes receivable to unredeemed tax liens receivable. After this date, delinquent accounts will be charged interest at a rate of 18%. The County taxes assessed to the Unincorporated Places are eliminated on the government-wide financial statements. At December 31, 2014, taxes receivable consist of 2014 property taxes.



**5. Accounts Receivable**

This balance primarily represents amounts owed to the County for nursing home residents' daily room charges during 2014.

**6. Intergovernmental Receivables**

This balance primarily represents amounts due from the State of New Hampshire for MQIP supplemental payments.

**7. Interfund Fund Receivables/Payables**

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is an analysis of the December 31, 2014 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ -	\$ 1,517,168
Unincorporated Places Fund	1,347,747	-
Nonmajor Governmental Funds:		
Recycling Center Fund	109,486	-
Transfer Station Fund	59,935	-
Total	\$ <u>1,517,168</u>	\$ <u>1,517,168</u>

**8. Capital Assets**

Capital asset activity for the year ended December 31, 2014 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, being depreciated:				
Land improvements	\$ 378	\$ 90	\$ (4)	\$ 464
Buildings and improvements	6,874	306	(102)	7,078
Equipment and vehicles	<u>2,026</u>	<u>370</u>	<u>(144)</u>	<u>2,252</u>
Total capital assets, being depreciated	9,278	766	(250)	9,794
Less accumulated depreciation for:				
Land improvements	(324)	(18)	4	(338)
Buildings and improvements	(3,951)	(264)	83	(4,132)
Equipment and vehicles	<u>(1,214)</u>	<u>(239)</u>	<u>126</u>	<u>(1,327)</u>
Total accumulated depreciation	<u>(5,489)</u>	<u>(521)</u>	<u>213</u>	<u>(5,797)</u>
Total capital assets, being depreciated, net	3,789	245	(37)	3,997
Capital assets, not being depreciated:				
Land	<u>98</u>	<u>-</u>	<u>-</u>	<u>98</u>
Total capital assets, not being depreciated	<u>98</u>	<u>-</u>	<u>-</u>	<u>98</u>
Governmental activities capital assets, net	<u>\$ 3,887</u>	<u>\$ 245</u>	<u>\$ (37)</u>	<u>\$ 4,095</u>

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

<b>Governmental Activities:</b>	
General government	\$ 15
Public safety	65
Corrections	30
Cooperative extension	4
Nursing homes	<u>407</u>
Total depreciation expense - governmental activities	<u>\$ 521</u>

## 9. Accounts Payable

Accounts payable represents 2014 expenditures paid after December 31, 2014.

## 10. Anticipation Notes Payable

The following summarizes anticipation notes payable activity during 2014:

	<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>
Tax anticipation	\$ 10,000,000	02/19/14	0.99%	\$ -	\$ 5,500,000	\$ (5,500,000)	\$ -

## 11. Long-Term Debt

### A. Notes Payable

The County has entered into agreements to provide funds for the construction of major capital facilities and land improvements. During 2014, the County paid the 2007 West Stewartstown note payable in full. At December 31, 2014, notes payable outstanding were as follows:

<u>Governmental Activities:</u>	<u>Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 12/31/14</u>
Wentworth Location Rip Rap Project	09/30/24	2.41%	\$ 90,000
Total Governmental Activities			\$ 90,000

### B. Future Debt Service

The annual payments to retire notes payable as of December 31, 2014 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 9,000	\$ 3,169	\$ 12,169
2016	9,000	1,952	10,952
2017	9,000	1,735	10,735
2018	9,000	1,518	10,518
2019	9,000	1,301	10,301
2020 - 2024	45,000	3,254	48,254
Total	\$ 90,000	\$ 12,929	\$ 102,929

The unincorporated places fund has been designated as the source that will repay the long-term debt outstanding as of December 31, 2014.

### C. Changes in General Long-Term Liabilities

During the year ended December 31, 2014, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 1/1/14	Additions	Reductions	Total Balance 12/31/14	Less Current Portion	Equals Long-Term Portion 12/31/14
<u>Governmental Activities</u>						
Notes payable	\$ 387	\$ 90	\$ (387)	\$ 90	\$ (9)	\$ 81
Compensated absences	3,094	149	-	3,243	(1,443)	1,800
Net OPEB obligation	-	957	(325)	632	-	632
Totals	<u>\$ 3,481</u>	<u>\$ 1,196</u>	<u>\$ (712)</u>	<u>\$ 3,965</u>	<u>\$ (1,452)</u>	<u>\$ 2,513</u>

## 12. Restricted Net Position

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

## 13. Fund Balances

The following is a summary of fund balances at December 31, 2014:

	General Fund	Unincorporated Places Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid expenses	\$ 196,385	\$ -	\$ -	\$ 196,385
Inventory	131,615	-	-	131,615
Total Nonspendable	328,000	-	-	328,000
Restricted:				
Decommission fund	253,398	-	-	253,398
Deeds surcharge account	20,594	-	-	20,594
Agrimark equity investment	43,700	-	-	43,700
Unincorporated places	-	1,662,717	-	1,662,717
Recycling center	-	-	137,590	137,590
Transfer station	-	-	59,935	59,935
Total Restricted	317,692	1,662,717	197,525	2,177,934
Committed:				
Sick pay reserve	337,343	-	-	337,343
Tax relief reserve	306,500	-	-	306,500
Facility reserve	172,547	-	-	172,547

(continued)

(continued)

	General Fund	Unincorporated Places Fund	Nonmajor Governmental Funds	Total Governmental Funds
Vehicle reserve	75,017	-	-	75,017
Deeds book restoration reserve	2,700	-	-	2,700
Patient unclaimed funds (RSA 151-A:15)	400	-	-	400
Security deposits - electronic monitoring	300	-	-	300
Total Committed	894,807	-	-	894,807
Assigned:				
Encumbrances	22,000	-	-	22,000
Water system upgrade	340,000	-	-	340,000
Use of fund balance for subsequent year budget	3,647,003	-	-	3,647,003
Total Assigned	4,009,003	-	-	4,009,003
Unassigned:				
Remaining fund balance	516,742	-	-	516,742
Total Unassigned	516,742	-	-	516,742
Total Fund Balances	\$ 6,066,244	\$ 1,662,717	\$ 197,525	\$ 7,926,486

#### 14. **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.

#### 15. **Post-Employment Healthcare 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), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the

recognition of an actuarially required contribution as an expense on the Statement of Activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Position over time.

*A. Plan Description*

In addition to providing the pension benefits described, the County provides post-employment healthcare benefits for retired employees through the County's plan. As of January 1, 2014, the actuarial valuation date, 56 retirees and 270 active employees met the eligibility requirements. The plan does not issue a separate financial report.

*B. Benefits Provided*

The County provides medical insurance to retirees and their covered dependents. All active employees who retire from the County and meet the eligibility criteria will receive these benefits.

*C. Funding Policy*

Retirees contribute up to 100% of the cost of the health plan based upon retirees' hire date and years of service at retirement. Medical coverage continues to the spouse after the death of the retiree provided the spouse makes the required contributions. The County contributes the remainder of the health plan costs on a pay-as-you-go basis.

*D. Annual OPEB Costs and Net OPEB Obligation*

The County's 2014 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 December 31, 2014, the amount actually contributed to the plan, and the change in the County's net OPEB obligation based on an actuarial valuation as of January 1, 2014.

Annual Required Contribution (ARC)	\$ 956,693
Interest on net OPEB obligation	-
Adjustment to ARC	-
Annual OPEB cost	956,693
Contributions made	<u>(325,025)</u>
Increase in net OPEB obligation	631,668
Net OPEB obligation - beginning of year	<u>-</u>
Net OPEB obligation - end of year	<u>\$ 631,668</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:

<u>Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 956,693	34%	\$ 631,668

The County's net OPEB obligation as of December 31, 2014 is recorded as "Net OPEB obligation" in the Statement of Net Position.

*E. Funded Status and Funding Progress*

The funded status of the plan as of January 1, 2014, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 14,194,464
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 14,194,464</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0%</u>
Covered payroll (active plan members)	<u>\$ 10,208,222</u>
UAAL as a percentage of covered payroll	<u>139%</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual

results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the Notes to the Financial Statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*F. Actuarial Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the plan as understood by the County and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the County and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2014 actuarial valuation, the projected unit credit cost method was used. The actuarial value of assets was not determined, as the County has not advance funded its obligation. The actuarial assumptions included a 4% investment rate of return and an initial annual health-care cost trend rate of 8%, which decreases to a 5% long-term rate for all healthcare benefits after ten years. The amortization costs for the initial UAAL is a level dollar amount over 30 years, on an open amortization period for pay-as-you-go. This has been calculated at a rate of 4.0% for pay-as-you-go.

**16. 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 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**

Covered sheriff and correctional 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 and correctional plan members is 25.30% of covered payroll. The rate for all other employees is 10.77% of covered payroll. The County's contributions to NHRS for the years ended December 31, 2014, 2013, and 2012 were \$951,427, \$824,240, and \$713,965, respectively, equal to the required contributions for each year.

The payroll for employees covered by the System for the year ended December 31, 2014 was \$7,389,086. Contribution requirements for the year ended December 31, 2014 were as follows:

County contributions	\$ 951,427
Employees' contributions	<u>565,909</u>
Total	<u>\$ 1,517,336</u>

**17. 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.

**18. Implementation of New GASB Standards**

The GASB has issued Statement 68, *Accounting and Financial Reporting for Pensions*, which is required to be implemented in 2015. Management's current assessment is that this pronouncement will have a significant impact on the County's basic financial statements by recognizing as a liability and expense, the County's applicable portion of the New Hampshire Retirement Systems' actuarially accrued liability.

COUNTY OF COÖS, NEW HAMPSHIRE

BUDGETED COUNTY FUNDS

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

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>		
<b>Revenues:</b>				
<b>General Fund:</b>				
County taxes	\$ 14,339,928	\$ 14,339,928	\$ 14,339,958	\$ 30
West Stewartstown nursing home	5,362,700	5,362,700	5,550,953	188,253
Berlin nursing home	6,467,069	6,467,069	6,819,446	352,377
Charges for services	514,325	514,325	554,105	39,780
Intergovernmental	1,221,750	1,221,750	2,443,353	1,221,603
Payment in lieu of taxes	225,000	225,000	259,824	34,824
Investment income	1,950	1,950	3,835	1,885
Miscellaneous	25,000	25,000	209,915	184,915
Total General Fund	28,157,722	28,157,722	30,181,389	2,023,667
<b>Other Funds:</b>				
Grants	1,469,863	1,469,863	414	(1,469,449)
Transfer station	26,000	26,000	26,000	-
Recycling center	24,700	24,700	91,955	67,255
Total Revenues	29,678,285	29,678,285	30,299,758	621,473
<b>Expenditures:</b>				
<b>General Fund:</b>				
General government	1,070,600	1,070,600	1,068,123	2,477
Public safety	934,700	934,700	810,861	123,839
Corrections	2,279,150	2,279,150	2,178,850	100,300
Human services	6,578,900	6,578,900	5,926,872	652,028
Cooperative extension	228,510	228,510	206,249	22,261
West Stewartstown nursing home	9,861,800	9,861,800	9,354,249	507,551
Berlin nursing home	10,486,459	10,486,459	9,762,202	724,257
Capital outlay	692,650	692,650	438,004	254,646
Debt service:				
Principal	386,700	386,700	386,578	122
Interest	30,000	30,000	18,268	11,732
Total General Fund	32,549,469	32,549,469	30,150,256	2,399,213
<b>Other Funds:</b>				
Grants	1,469,863	1,469,863	134	1,469,729
Transfer station	26,975	26,975	25,306	1,669
Recycling center	93,700	93,700	88,756	4,944
Total Expenditures	34,140,007	34,140,007	30,264,452	3,875,555
Excess (deficiency) of revenues over expenditures before other financing sources	(4,461,722)	(4,461,722)	35,306	4,497,028
<b>Other Financing Sources:</b>				
Use of fund balance - reduce taxes	4,127,722	4,127,722	4,127,722	-
Use of fund balance - 53rd payroll	265,000	265,000	265,000	-
Use of fund balance - recycling center	69,000	69,000	69,000	-
Total Other Financing Sources	4,461,722	4,461,722	4,461,722	-
Excess of revenues and other financing sources over expenditures	\$ -	\$ -	\$ 4,497,028	\$ 4,497,028

See Independent Auditors' Report.

COUNTY OF COÖS, NEW HAMPSHIRE

UNINCORPORATED PLACES

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

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original Budget	Prior Year Reserves	Final Budget		
<b>Revenues:</b>					
Property taxes	\$ 329,887	\$ -	\$ 329,887	\$ 329,887	\$ -
Licenses and permits	23,200	-	23,200	33,680	10,480
Penalties, interest, and other taxes	269,768	-	269,768	345,978	76,210
Intergovernmental	15,996	-	15,996	31,594	15,598
Payment in lieu of taxes	616,322	-	616,322	611,660	(4,662)
Investment income	-	-	-	224	224
Miscellaneous	<u>3</u>	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
Total Revenues	1,255,176	-	1,255,176	1,353,026	97,850
<b>Expenditures:</b>					
General government	290,670	-	290,670	213,769	76,901
Public safety	78,640	-	78,640	55,951	22,689
Economic development	-	43,357	43,357	43,357	-
Highways and streets	8,000	-	8,000	5,000	3,000
Health and welfare	-	-	-	1,267	(1,267)
Sanitation	28,450	-	28,450	25,910	2,540
Conservation	75,000	-	75,000	75,000	-
County taxes	824,182	-	824,182	824,182	-
School districts	36,278	-	36,278	56,160	(19,882)
Capital outlay	90,000	-	90,000	90,000	-
Debt service:					
Principal	10,000	-	10,000	-	10,000
Interest	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total Expenditures	1,441,720	43,357	1,485,077	1,390,596	94,481
Excess (deficiency) of revenues over expenditures before other financing sources	(186,544)	(43,357)	(229,901)	(37,570)	192,331
<b>Other Financing Sources:</b>					
Use of fund balance - reduce taxes	96,544	-	96,544	96,544	-
Use of fund balance - prior year reserves	-	43,357	43,357	43,357	-
Proceeds of notes	<u>90,000</u>	<u>-</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Total Other Financing Sources	186,544	43,357	229,901	229,901	-
Excess of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,331</u>	<u>\$ 192,331</u>

See Independent Auditors' Report.

## COUNTY OF COÖS, NEW HAMPSHIRE

### Notes to Required Supplementary Information

#### Budget/GAAP Reconciliation

The budgetary data for the general fund, grants fund, transfer station fund, recycling center fund, and unincorporated places fund is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations are presented in accordance with budgetary accounting principles to provide a meaningful comparison to 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>Budgeted County Funds*</u>	<u>Revenues</u>	<u>Expenditures</u>
Revenues/Expenditures - (GAAP Basis)	\$ 30,299,758	\$ 30,242,452
Add end-of-year appropriation carry forwards from expenditures	-	22,000
Budgetary Basis	<u>\$ 30,299,758</u>	<u>\$ 30,264,452</u>

\*General fund and nonmajor governmental funds.

<u>Unincorporated Places</u>	<u>Revenues</u>	<u>Expenditures</u>
Revenues/Expenditures - (GAAP Basis)	\$ 1,352,384	\$ 1,390,596
Adjust tax revenue to accrual basis	642	-
Budgetary Basis	<u>\$ 1,353,026</u>	<u>\$ 1,390,596</u>

See Independent Auditors' Report.

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

**December 31, 2014**

**(Unaudited)**

**Other Post-Employment Benefits**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent- age of Covered Payroll [(b-a)/c]
1/1/2014	\$ -	\$ 14,194,464	\$ 14,194,464	0%	\$ 10,208,222	139%

See Independent Auditors' Report.