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ATTORNEY GENERAL
DEPARTMENT OF JUSTICE

33 CAPITOL STREET
CONCORD, NEW HAMPSHIRE 03301-6397

GORDON J. MACDONALD
ATTORNEY GENERAL



JANE E. YOUNG
DEPUTY ATTORNEY GENERAL

May 20, 2019

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Authorize the Department of Justice (DOJ) to amend an existing subgrant with the Sullivan County Department of Corrections (Vendor #177482-B007, Purchase Order Number 1061742), from the Federal Victim of Crime Act Grant (VOCA), approved by the Governor and Executive Council on May 16, 2018, item #69, by increasing the total price limitation by \$4,672 from \$317,574 to \$322,246 effective upon Governor and Executive Council approval through June 30, 2020. 100% Federal Funds.

Funding for this request is available as follows:

02-20-20-201510-5021	Current	Subgrant	Amended
Victims of Crime Act Grant	Subgrant	Increase	Subgrant
072-500574, Grants Federal	<u>FY 2019</u>	<u>FY 2019</u>	<u>FY 2019</u>
	\$317,574	\$4,672	\$322,246

EXPLANATION

VOCA was enacted by Congress in 1984 and it established the Crime Victims Fund. Fines paid by offenders of federal crimes are deposited into this Fund. Money from the Fund is then distributed to states for the benefit of victims of crime. In 2000, Congress placed a limit on the distribution of funds. Recently, the limit on the distribution of funds has been increasing. In FY 2013 the total limit was \$730 million, while in FY 2017 the total limit exceeded \$2 billion. Thus, all states, including New Hampshire, have received substantial increases in VOCA funds. DOJ is the receiving agency for VOCA funds in New Hampshire.

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
May 20, 2019
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DOJ subgrants these funds to agencies providing direct services to victims of crime. VOCA requires the funds be distributed to agencies providing services in the fields of sexual assault, domestic abuse and crimes against children. For many years, DOJ has directed VOCA funds to certain core service providers.


This significant increase in VOCA funds presents an important opportunity for New Hampshire and for the many dedicated organizations and individuals who work with victims of crime. Following a careful analysis, DOJ has determined that a portion of the increased VOCA funds should be allocated to existing core service providers. The distribution of the VOCA funds was based on a formula to ensure fairness, equality and, most importantly, sustainability to the current subgrantees. DOJ is also engaged in a Victims' Needs Assessment. The balance of the increase in VOCA funds will be distributed based on the results of this Needs Assessment.

The Sullivan County Department of Corrections was one such organization whose grant was increased. The additional funds will be utilized to continue coordination efforts of the Automated Victim Notification System for the nine county jails.

In the event that federal funds become no longer available, general funds will not be requested to support this program.

Please let me know if you have any questions concerning this request. Your consideration is greatly appreciated.

Respectfully submitted,



Gordon J. MacDonald
Attorney General

#2394991

STATE OF NEW HAMPSHIRE
DEPARTMENT OF JUSTICE AND
SULLIVAN COUNTY DEPARTMENT OF CORRECTIONS
FIRST CONTRACT AMENDMENT

This amendment ("Amendment") is by and between the Department of Justice and the NH Sullivan County Department of Corrections ("Subrecipient").

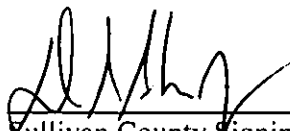
WHEREAS, pursuant to an Agreement ("Contract"), approved by the Governor and Council on May 16, 2018, item #69 the Subrecipient agreed to coordinate an automated Victim Notification System upon the terms and conditions specified in the contract, and in consideration of reimbursement by the Department of Justice of certain sums specified therein;

WHEREAS, pursuant to the provisions of paragraph 20 of the Contract, the Contract may be amended, waived or discharged by written instrument executed by the parties thereto;

WHEREAS, the Subrecipient and the Department of Justice have agreed to amend the Contract in certain aspects;

NOW THEREFORE, in consideration of the foregoing, and the covenants and conditions contained in the Contract, and set forth herein, the parties hereto do hereby agree as follows:

1. Amendment and Modification of Contract
 - a. Paragraph 1.8; Grant Limitation: Increase by \$4,672 from \$317,574 to \$322,246.
 - b. Delete Exhibit B Paragraph 3a. in its entirety and replace therein as follows:
The Subrecipient shall be awarded an amount not to exceed \$322,246 of the total Grant Limitation from 7/1/18 to 6/30/20, with approved expenditure reports. This shall be contingent on continued federal funding and program performance.
2. Effective Date of Amendment
 - a. This Amendment shall take effect upon approval of the Governor and Executive Council.
3. Continuance of Agreement
 - a. Except as specifically amended and modified by the terms and conditions of this Amendment, the Contract and the obligations of the parties hereunder, shall remain in full force and effect with the terms and conditions set forth herein. IN WITNESS WHEREOF, the parties set their hand as of the day and year first above written.



 Sullivan County Signing Authority
 David A. Berry Jr

 Printed Name
 Superintendent

 Title

5/6/19

 Date

Notary Public or Justice of the Peace Acknowledgement:

State of New Hampshire County of SULLIVAN On May 16, 2019, before the undersigned officer, personally appeared the person identified as the Subrecipient, or satisfactorily proven to be the person whose name is associated with the Subrecipient and acknowledged that s/he executed this document in the capacity indicated.

Sharon J. Callan Sharon J. Callan - S.C. Comm's Office Admin. Asst.
Signature of Notary Public or Justice of the Peace Name and Title of Notary Public or Justice of the Peace

Kathleen Carr 5-16-19
Kathleen B. Carr Date
Director of Administration

Approved by the Attorney General (Form, Substance and Execution)

Deanne Marten 5/21/19
Attorney Date

CERTIFICATE OF VOTE/AUTHORITY

I, **George Hebert** of the **County of Sullivan, NH**, do hereby certify that:

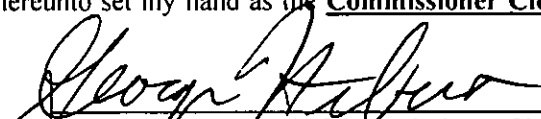
1. I am the duly elected **Commissioner Clerk** of the (Corporation:) **County of Sullivan, NH**;
2. I maintain and have custody of and am familiar with the seal and minute books of the Corporation;
3. I am duly authorized to issue certificates with respect to the contents of such books and to affix such seal to such certificates;
4. The following are true, accurate and complete copies of the resolutions duly adopted by the Corporation at a meeting of the **Commissioners** held in accordance with New Hampshire State laws on **Monday, May 6th, 2019**;

RESOLVED: That this Corporation may enter into any and all agreements and contracts, amendments, renewals, revisions or modifications thereto, with the NH Department of Justice.

RESOLVED: That the **County Department of Corrections Superintendent** is hereby authorized on behalf of this corporation to enter into said agreements and contracts with the NH Department of Justice, for the *VOCA Victim Information & Notification Everyday* (VINE) Program Grant Amendment to increase funding by \$4,672 from the amount of \$317,574 to \$322,246, and to execute any and all documents, agreements, contracts, and other instruments, and any amendments, revisions, or modifications thereto, as he may deem necessary, desirable or appropriate. **David A. Berry Jr.** is the duly appointed **County Department of Corrections Superintendent** of the Corporation.

5. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of **May 6th, 2019**.

IN WITNESS WHEREOF, I have hereunto set my hand as the **Commissioner Clerk** of the **County of Sullivan, NH** this **6th** day of **May 6, 2019**.




 George Hebert, Board of Commissioner Clerk

STATE OF **NH**
COUNTY OF SULLIVAN

(SEAL OF COUNTY OF SULLIVAN, NH)

NOTARY:

The undersigned hereby certifies that the foregoing *Certificate of Vote* is the instrument described therein, that the signatures and seal of Sullivan County on this Certificate of Vote are genuine.



 Justice of the Peace/Notary Public

My commission expires: October 1, 2019





CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex³) is organized under the New Hampshire Revised Statutes Annotated, Chapter 5-B, Pooled Risk Management Programs. In accordance with those statutes, its Trust Agreement and bylaws, Primex³ is authorized to provide pooled risk management programs established for the benefit of political subdivisions in the State of New Hampshire.

Each member of Primex³ is entitled to the categories of coverage set forth below. In addition, Primex³ may extend the same coverage to non-members. However, any coverage extended to a non-member is subject to all of the terms, conditions, exclusions, amendments, rules, policies and procedures that are applicable to the members of Primex³, including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex³ Board of Trustees. The Additional Covered Party's per occurrence limit shall be deemed included in the Member's per occurrence limit, and therefore shall reduce the Member's limit of liability as set forth by the Coverage Documents and Declarations. The limit shown may have been reduced by claims paid on behalf of the member. General Liability coverage is limited to Coverage A (Personal Injury Liability) and Coverage B (Property Damage Liability) only, Coverage's C (Public Officials Errors and Omissions), D (Unfair Employment Practices), E (Employee Benefit Liability) and F (Educator's Legal Liability Claims-Made Coverage) are excluded from this provision of coverage.

The below named entity is a member in good standing of the New Hampshire Public Risk Management Exchange. The coverage provided may, however, be revised at any time by the actions of Primex³. As of the date this certificate is issued, the information set out below accurately reflects the categories of coverage established for the current coverage year.

This Certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend, or alter the coverage afforded by the coverage categories listed below.

Participating Member: Sullivan County 14 Main Street Newport, NH 03773	Member Number: 606	Company Affording Coverage: NH Public Risk Management Exchange - Primex ³ Bow Brook Place 46 Donovan Street Concord, NH 03301-2624
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Type of Coverage		Effective Date (mm/dd/yyyy)	Expiration Date (mm/dd/yyyy)	Limits - NH Statutory Limits May Apply	
<input checked="" type="checkbox"/>	General Liability (Occurrence Form) Professional Liability (describe) <input type="checkbox"/> Claims Made <input type="checkbox"/> Occurrence	7/1/2018	7/1/2019	Each Occurrence	\$ 1,000,000
				General Aggregate	\$ 2,000,000
				Fire Damage (Any one fire)	
				Med Exp (Any one person)	
	Automobile Liability Deductible Comp and Coll: \$1,000 <input type="checkbox"/> Any auto			Combined Single Limit (Each Accident)	
				Aggregate	
	Workers' Compensation & Employers' Liability			Statutory	
				Each Accident	
				Disease - Each Employee	
				Disease - Policy Limit	
	Property (Special Risk Includes Fire and Theft)			Blanket Limit, Replacement Cost (unless otherwise stated)	

Description: In regards to Grant Agreement, the certificate holder is named as Additional Covered Party, but only to the extent liability is based on the negligence or wrongful acts of the member, its employees, agents, officials or volunteers. This coverage does not extend to others. Any liability resulting from the negligence or wrongful acts of the Additional Covered Party, or their employees, agents, contractors, members, officers, directors or affiliates is not covered. The Participating Member will advise of cancellation no less than 15 days prior to cancellation.

CERTIFICATE HOLDER:	<input checked="" type="checkbox"/>	Additional Covered Party		Loss Payee	Primex³ - NH Public Risk Management Exchange
					By: <i>Mary Beth Purcell</i>
New Hampshire Department of Justice 33 Capitol St Concord, NH 03301					Date: 5/2/2019 mpurcell@nhprimex.org
					Please direct inquires to: Primex³ Risk Management Services 603-225-2841 phone 603-228-3833 fax



CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex³) is organized under the New Hampshire Revised Statutes Annotated, Chapter 5-B, Pooled Risk Management Programs. In accordance with those statutes, its Trust Agreement and bylaws, Primex³ is authorized to provide pooled risk management programs established for the benefit of political subdivisions in the State of New Hampshire.

Each member of Primex³ is entitled to the categories of coverage set forth below. In addition, Primex³ may extend the same coverage to non-members. However, any coverage extended to a non-member is subject to all of the terms, conditions, exclusions, amendments, rules, policies and procedures that are applicable to the members of Primex³, including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex³ Board of Trustees. The Additional Covered Party's per occurrence limit shall be deemed included in the Member's per occurrence limit, and therefore shall reduce the Member's limit of liability as set forth by the Coverage Documents and Declarations. The limit shown may have been reduced by claims paid on behalf of the member. General Liability coverage is limited to Coverage A (Personal Injury Liability) and Coverage B (Property Damage Liability) only. Coverage's C (Public Officials Errors and Omissions), D (Unfair Employment Practices), E (Employee Benefit Liability) and F (Educator's Legal Liability Claims-Made Coverage) are excluded from this provision of coverage.

The below named entity is a member in good standing of the New Hampshire Public Risk Management Exchange. The coverage provided may, however, be revised at any time by the actions of Primex³. As of the date this certificate is issued, the information set out below accurately reflects the categories of coverage established for the current coverage year.

This Certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend, or alter the coverage afforded by the coverage categories listed below.

Participating Member: Sullivan County 14 Main Street Newport, NH 03773	Member Number: 606	Company Affording Coverage: NH Public Risk Management Exchange - Primex ³ Bow Brook Place 46 Donovan Street Concord, NH 03301-2624
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Type of Coverage	Effective Date (mm/dd/yyyy)	Expiration Date (mm/dd/yyyy)	Limits - NH Statutory Limits May Apply, if Not	
<input type="checkbox"/> General Liability (Occurrence Form) <input type="checkbox"/> Professional Liability (describe) <input type="checkbox"/> Claims Made <input type="checkbox"/> Occurrence			<input type="checkbox"/> Each Occurrence	
			<input type="checkbox"/> General Aggregate	
			<input type="checkbox"/> Fire Damage (Any one fire)	
			<input type="checkbox"/> Med Exp (Any one person)	
<input type="checkbox"/> Automobile Liability Deductible Comp and Coll: <input type="checkbox"/> Any auto			<input type="checkbox"/> Combined Single Limit (Each Accident)	
<input checked="" type="checkbox"/> Workers' Compensation & Employers' Liability	7/1/2018	7/1/2019	<input checked="" type="checkbox"/> Statutory	
			<input type="checkbox"/> Each Accident	\$2,000,000
			<input type="checkbox"/> Disease - Each Employee	\$2,000,000
			<input type="checkbox"/> Disease - Policy Limit	
<input type="checkbox"/> Property (Special Risk includes Fire and Theft)			<input type="checkbox"/> Blanket Limit, Replacement Cost (unless otherwise stated)	

Description: Proof of Primex Member coverage only.

CERTIFICATE HOLDER:	Additional Covered Party	Loss Payee	Primex³ - NH Public Risk Management Exchange
			By: <i>Mary Beth Purcell</i>
New Hampshire Department of Justice 33 Capitol St Concord, NH 03301			Date: 5/2/2019 mpurcell@nhprimex.org
			Please direct Inquires to: Primex³ Claims/Coverage Services 603-225-2841 phone 603-228-3833 fax

MAY 04 '18 PM 1:03 DAS

LA Sean

**ATTORNEY GENERAL
DEPARTMENT OF JUSTICE**

33 CAPITOL STREET
CONCORD, NEW HAMPSHIRE 03301-6397

GORDON J. MACDONALD
ATTORNEY GENERAL

ANN M. RICE
DEPUTY ATTORNEY GENERAL



May 1, 2018

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301-6397

Your Excellency and Members of the Council:

REQUESTED ACTION

Authorize the Department of Justice to enter into subgrants with the programs listed below in the amount of \$3,652,611 from the Federal Victims of Crime Act Grant (VOCA) for the purpose of supporting programs that provide direct services to victims of crime effective upon Governor and Executive Council approval through June 30, 2020. 100% Federal Funds.

Funding is available as follows: 02-20-20-201510-5021, Victim of Crime Act Grant, 072, Grants Federal (Job# 20VOC17A).

<u>Account</u>	<u>Subgrantee</u>	<u>Vendor #</u>	<u>FY2018 Amount</u>
500576	NH Department of Corrections	177896-B001	\$65,536
500577	University of New Hampshire	177867-B046	\$595,941
500574	Belknap County Attorney's Office	177360-B004	\$90,000
500574	Grafton County Attorney's Office	177397-B005	\$35,137
500574	<u>Sullivan County Department of Corrections</u>	177482-B007	\$317,574
500575	CASA of New Hampshire	156690-B001	\$238,000
500575	Mary Hitchcock Memorial Hospital	177160-B002	\$160,441
500575	Child Advocacy Center of Rockingham County Inc.	158817-B001	\$100,385
500575	The Front Door Agency	156244-B001	\$393,942
500575	Granite State Children's Alliance	172495-B001	\$455,655
500575	NH Legal Assistance	154648-B001	\$600,000
500575	NH Coalition Against Domestic & Sexual Violence	155510-B001	\$600,000
Total Subgrants:			<u>\$3,652,611</u>

EXPLANATION

In Federal Fiscal Year 2015, Congress increased the amount of funding to be made available to the states from the Crime Victims Fund to support programs that provide direct services to victims of crime. The corresponding increase for New Hampshire allowed the Department to increase subgrants to direct service providers that have been the core, stable, accessible organizations that victims have historically relied upon. The increase also allowed the Department to release a \$5 million discretionary grant Request For Proposals (RFP) to help meet additional victim needs.

The RFP was posted on the state-wide purchasing website, the Department's website, and in two newspapers. An e-mail notification of the RFP went out to several hundred victim service provider contacts. In response to the RFP, 16 grant applications were received. A scoring committee rated the applications and made a recommendation to fund 15 organizations, for a total of \$4,131,459 as outlined in the attached RFP summary.

This authorization request covers the 12 organizations that have completed contracts. The three remaining subgrantees have contracts pending. In the event that federal funds become unavailable, general funds will not be requested to support these programs.

Please let me know if you have any questions concerning this request. Thank you for your consideration.

Respectfully submitted,


Gordon J. MacDonald
Attorney General

Bid/Application Summary for VOCA Discretionary RFP

2018 VOCA Applications	Description of Victim Services	Requested Funding
NH Department of Corrections	Increase Victim Offender Dialogue employee hours.	\$65,536
University of New Hampshire	Bringing uSafeUS, a mobile sexual assault response platform, to all NH Post-Secondary Institutions.	\$595,941
Belknap County Attorney's Office	Adding a Victim Witness Advocate to County Attorneys Office.	\$90,000
Grafton County Attorney	To make full time Circuit Court Victim Advocate.	\$35,137
Sullivan County Department of Corrections	Contract for VINE Project - Automated Victim Notification in nine County Jails.	\$317,574
CASA of New Hampshire	Increase Attorney hours and add permanency specialist and program managers.	\$238,000
Catholic Charities of New Hampshire	Specialized Legal Services for immigrant and refugee victims of crime.	\$293,079
Mary Hitchcock Memorial Hospital	Intake Coordinator at CIAD Child Advocacy Center at Dartmouth.	\$160,441
Child Advocacy Ctr. -Rockingham County	Add Family Support Specialist Position to the Rockingham Child Advocacy Center.	\$100,385
Front Door Agency	Transitional Housing program for homeless victims of crime.	\$393,942
Granite State Children's Alliance	Building Capacity and improving victim services.	\$455,655
NH Legal Assistance	Domestic Violence Advocacy Project add paralegal and 1.75 FTE Attorneys to Berlin and Claremont areas.	\$600,000
NH Coalition Against Domestic/Sexual Violence	Enhancing Statewide Trauma Informed Advocacy through 13 member crisis center agencies.	\$600,000
Portsmouth Police Department	Turn Part time Victim/Witness Advocate to full time (Contract Pending).	\$72,043
Strafford Family Justice Center	Client Care Coordinator Program (Contract Pending).	\$113,726
Never Again Foundation	Arizona based organization, unclear strategies to aid NH victims.	\$0

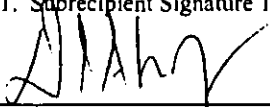
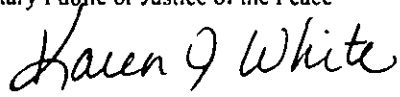

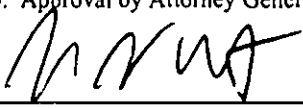
\$4,131,459

GRANT AGREEMENT

The State of New Hampshire and the Subrecipient hereby
Mutually agree as follows:

GENERAL PROVISIONS

1. Identification and Definitions.

1.1. State Agency Name New Hampshire Department of Justice		1.2. State Agency Address 33 Capitol Street, Concord, NH 03301	
1.3. Subrecipient Name NH Sullivan County Department of Corrections		1.4. Subrecipient Address 103 County Farm Road, Claremont, NH 03743	
1.5 Subrecipient Phone # (603) 542-8717	1.6. Account Number 02-20-20-201510-5021-072-500574	1.7. Completion Date 06/30/2020	1.8. Grant Limitation \$ 317,574.00
1.9. Grant Officer for State Agency Kathleen B. Carr		1.10. State Agency Telephone Number (603) 271-3658	
"By signing this form we certify that we have complied with any public meeting requirement for acceptance of this grant, including if applicable RSA 31:95-b."			
1.11. Subrecipient Signature 1 		1.12. Name & Title of Subrecipient Signor 1 David A. Perry Jr. Superintendent	
Subrecipient Signature 2 <i>If Applicable</i>		Name & Title of Subrecipient Signor 2 <i>If Applicable</i>	
1.13. Acknowledgment: State of New Hampshire, County of Sullivan on 4/6/18 , before the undersigned officer, personally appeared the person identified in block 1.12., known to me (or satisfactorily proven) to be the person whose name is signed in block 1.11., and acknowledged that he/she executed this document in the capacity indicated in block 1.12.			
1.13.1. Signature of Notary Public or Justice of the Peace (Seal) 			
1.13.2. Name & Title of Notary Public or Justice of the Peace			
1.14. State Agency Signature(s) Kathleen Carr		1.15. Name & Title of State Agency Signor(s) Kathleen Carr, Director of Admin	
1.16. Approval by Attorney General (Form, Substance and Execution) (if G & C approval required) By:  Assistant Attorney General, On: 4/27/18			
1.17. Approval by Governor and Council (if applicable) By: _____ On: ____/____/____			

2. SCOPE OF WORK: In exchange for grant funds provided by the State of New Hampshire, acting through the Agency identified in block 1.1 (hereinafter referred to as "the State"), the Subrecipient identified in block 1.3 (hereinafter referred to as "the Subrecipient"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT A (the scope of work being hereinafter referred to as "the Project").

3. **AREA COVERED.** Except as otherwise specifically provided for herein, the Subrecipient shall perform the Project in, and with respect to, the State of New Hampshire.
4. **EFFECTIVE DATE: COMPLETION OF PROJECT.**
- 4.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire if required (block 1.17), or upon signature by the State Agency as shown in block 1.14 ("the effective date").
- 4.2. Except as otherwise specifically provided herein, the Project, including all reports required by this Agreement, shall be completed in ITS entirety prior to the date in block 1.7 (hereinafter referred to as "the Completion Date").
5. **GRANT AMOUNT: LIMITATION ON AMOUNT: VOUCHERS: PAYMENT.**
- 5.1. The Grant Amount is identified and more particularly described in EXHIBIT B, attached hereto.
- 5.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT B.
- 5.3. In accordance with the provisions set forth in EXHIBIT B, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 5.5 of these general provisions, the State shall pay the Subrecipient the Grant Amount. The State shall withhold from the amount otherwise payable to the Subrecipient under this subparagraph 5.3 those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.
- 5.4. The payment by the State of the Grant amount shall be the only, and the complete payment to the Subrecipient for all expenses, of whatever nature, incurred by the Subrecipient in the performance hereof, and shall be the only, and the complete, compensation to the Subrecipient for the Project. The State shall have no liabilities to the Subrecipient other than the Grant Amount.
- 5.5. Notwithstanding anything in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made, hereunder exceed the Grant limitation set forth in block 1.8 of these general provisions.
6. **COMPLIANCE BY SUBRECIPIENT WITH LAWS AND REGULATIONS.** In connection with the performance of the Project, the Subrecipient shall comply with all statutes, laws regulations, and orders of federal, state, county, or municipal authorities which shall impose any obligations or duty upon the Subrecipient, including the acquisition of any and all necessary permits.
7. **RECORDS and ACCOUNTS.**
- 7.1. Between the Effective Date and the date three (3) years after the Completion Date the Subrecipient shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.
- 7.2. Between the Effective Date and the date three (3) years after the Completion Date, at any time during the Subrecipient's normal business hours, and as often as the State shall demand, the Subrecipient shall make available to the State all records pertaining to matters covered by this Agreement. The Subrecipient shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Subrecipient" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Subrecipient in block 1.3 of these provisions.
8. **PERSONNEL.**
- 8.1. The Subrecipient shall, at its own expense, provide all personnel necessary to perform the Project. The Subrecipient warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.
- 8.2. The Subrecipient shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.
- 8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.
9. **DATA: RETENTION OF DATA: ACCESS.**
- 9.1. As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, paper, and documents, all whether finished or unfinished.
- 9.2. Between the Effective Date and the Completion Date the Subrecipient shall grant to the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.
- 9.3. No data shall be subject to copyright in the United States or any other country by anyone other than the State.
- 9.4. On and after the Effective Date all data, and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason, whichever shall first occur.
- 9.5. The State, and anyone it shall designate, shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, all data.
10. **CONDITIONAL NATURE OR AGREEMENT.** Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Subrecipient notice of such termination.
11. **EVENT OF DEFAULT: REMEDIES.**
- 11.1. Any one or more of the following acts or omissions of the Subrecipient shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):
- 11.1.1 Failure to perform the Project satisfactorily or on schedule; or
- 11.1.2 Failure to submit any report required hereunder; or
- 11.1.3 Failure to maintain, or permit access to, the records required hereunder; or
- 11.1.4 Failure to perform any of the other covenants and conditions of this Agreement.
- 11.2. Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
- 11.2.1 Give the Subrecipient a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Subrecipient notice of termination; and
- 11.2.2 Give the Subrecipient a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the Grant Amount which would otherwise accrue to the Subrecipient during the period from the date of such notice until such time as the State determines that the Subrecipient has cured the Event of Default shall never be paid to the Subrecipient; and
- 11.2.3 Set off against any other obligation the State may owe to the Subrecipient any damages the State suffers by reason of any Event of Default; and
- 11.2.4 Treat the agreement as breached and pursue any of its remedies at law or in equity, or both.
12. **TERMINATION.**
- 12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Subrecipient shall deliver to the Grant Officer, not later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination.
- 12.2. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall entitle the Subrecipient to receive that portion of the Grant amount earned to and including the date of termination.
- 12.3. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Subrecipient from any and all liability for damages sustained or incurred by the State as a result of the Subrecipient's breach of its obligations hereunder.
- 12.4. Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice default has been given to the Subrecipient hereunder, the Subrecipient, may terminate this Agreement without cause upon thirty (30) days written notice.
13. **CONFLICT OF INTEREST.** No officer, member of employee of the Subrecipient, and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her

- personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.
14. **SUBRECIPIENT'S RELATION TO THE STATE.** In the performance of this Agreement the Subrecipient, its employees, and any subcontractor or subgrantee of the Subrecipient are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Subrecipient nor any of its officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, workmen's compensation or emoluments provided by the State to its employees.
 15. **ASSIGNMENT AND SUBCONTRACTS.** The Subrecipient shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Project Work shall be subcontracted or subgranted by the Subrecipient other than as set forth in Exhibit A without the prior written consent of the State.
 16. **INDEMNIFICATION.** The Subrecipient shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Subrecipient or subcontractor, or subgrantee or other agent of the Subrecipient. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.
 17. **INSURANCE AND BOND.**
 - 17.1 The Subrecipient shall, at its own expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:
 - 17.1.1 Statutory workmen's compensation and employees liability insurance for all employees engaged in the performance of the Project, and
 - 17.1.2 Comprehensive public liability insurance against all claims of bodily injuries, death or property damage, in amounts not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury or death any one incident, and \$500,000 for property damage in any one incident; and
 - 17.2. The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Each policy shall contain a clause prohibiting cancellation or modification of the policy earlier than ten (10) days after written notice thereof has been received by the State.
 18. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure of waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Subrecipient.
 19. **NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses first above given.
 20. **AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Council of the State of New Hampshire, if required or by the signing State Agency.
 21. **CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assignees. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intent of the parties hereto.
 22. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.
 23. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings relating hereto.
 24. **SPECIAL PROVISIONS.** The additional provisions set forth in Exhibit C hereto are incorporated as part of this agreement.

EXHIBIT A

-SCOPE OF SERVICES-

1. Sullivan County Department of Corrections as Subrecipient shall receive a grant from the New Hampshire Department of Justice (DOJ) for expenses incurred for services provided to victims of crime in compliance with the terms, conditions, specifications, and scope of work as outlined in the Subrecipient's application under state solicitation 2018VOCA1.
2. The Subrecipient shall be reimbursed by the DOJ based on budgeted expenditures described in Exhibit B. The Subrecipient shall submit incurred expenses for reimbursement on the state approved expenditure reporting form as provided. Expenditure reports shall be submitted on a quarterly basis, within fifteen (15) days following the end of the current quarterly activities. Expenditure reports submitted later than thirty (30) days following the end of the quarter will be considered late and out of compliance. *For example, with an award that begins on January 1, the first quarterly report is due on April 15th or 15 days after the close of the first quarter ending on March 31.*
3. Subrecipient is required to maintain supporting documentation for all grant expenses both state funds and match if provided and to produce those documents upon request of this office or any other state or federal audit authority. Grant project supporting documentation should be maintained for at least 5 years after the close of the project.
4. Subrecipient shall be required to submit an annual application to the DOJ for review and compliance.
5. Subrecipient shall be subject to periodic desk audits and program reviews by DOJ. Such desk audits and program reviews shall be scheduled with Subrecipient and every attempt shall be made by Subrecipient to accommodate the schedule.
6. All correspondence and submittals shall be directed to:
NH Department of Justice
Grants Management Unit
33 Capitol Street
Concord, NH 03301
603-271-1261 or Tanya.Pitman@doj.nh.gov.

EXHIBIT B

-SCHEDULE/TERMS OF PAYMENT-

1. The Subrecipient shall receive reimbursement in exchange for approved expenditure reports as described in EXHIBIT A.
2. The Subrecipient shall be reimbursed within thirty (30) days following the DOJ's approval of expenditures. Said payment shall be made to the Subrecipient's account receivables address per the Financial System of the State of New Hampshire.
3. The State's obligation to compensate the Subrecipient under this Agreement shall not exceed the price limitation set forth in form P-37 section 1.8.

3a. The Subrecipient shall be awarded an amount not to exceed \$317,574 of the total Grant Limitation from 7/1/2018 through 6/30/2020, with approved expenditure reports. This shall be contingent on continued federal funding and program performance.

EXHIBIT C

-SPECIAL PROVISIONS-

1. Subrecipients shall also be compliant at all times with the terms, conditions and specifications detailed in the VOCA Federal Grant Program Rule and Special Conditions as Appendix 1 which is subject to annual review.

Special Provisions to the State of New Hampshire Grant Agreement

VOCA Funding

1. Compliance by Subrecipient with Laws and Regulations, expressly including the following:

a. Adherence to the following requirements of:

i. Victims of Crime Act (VOCA) 34 U.S. Code Sections 20104, 20105, 20106, 20107, 20108, 20109, 20110, and 20111) and the Program Rule implemented in the Federal Register Vol. 81, No.131, July 8, 2016 28 CFR Part 94.

<https://www.federalregister.gov/documents/2016/07/08/2016-16085/victims-of-crime-act-victim-assistance-program>

ii. Nondiscrimination requirements Title VI of the Civil Rights Act of 1964, as amended;

iii. Section 504 of the Rehabilitation Act of 1973, as amended;

iv. Subtitle A, Title II of the Americans With Disabilities Act (ADA) (1990);

v. Title IX of the Education Amendments of 1972;

vi. The Age Discrimination Act of 1975;

vii. Department of Justice Non-Discrimination Regulations (28 CFR Part 42, Subparts C, D, E, and G; 28 CFR Parts 35, 38, 39 and 54);

specifically including any applicable requirements regarding written notice to program beneficiaries and prospective program beneficiaries. Part 38 of 28 C.F.R., a DOJ regulation, was amended effective May 4, 2016. Among other things, 28 C.F.R. Part 38 includes rules that prohibit specific forms of discrimination on the basis of religion, a religious belief, a refusal to hold a religious belief, or refusal to attend or participate in a religious practice. Part 38 also sets out rules and requirements that pertain to subrecipient organizations that engage in or conduct explicitly religious activities, as well as rules and requirements that pertain to subrecipients that are faith-based or religious organizations. The recipient, and any subrecipient at any tier, must comply with all applicable requirements of 28 C.F.R. Part 54, which relates to nondiscrimination on the basis of sex in certain "education programs."

viii. 2 CFR Part 200.300(a) Adherence to the financial and administrative requirements as set forth in the effective edition of the Office of Justice Programs "Financial Guide". A copy of these guidelines is available at http://ojp.gov/financialguide/DOJ/pdfs/2015_DOJ_FinancialGuide.pdf

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- b. Pursuant to Executive Order 13513, "Federal Leadership On Reducing Text Messaging While Driving" 74 Fed. Reg. 51225, the Subrecipient agrees to enforce policies banning employees from text messaging while driving any vehicle during the course of performing work funded by this grant, and to establish workplace safety policies and conduct education, awareness, and other outreach to decrease crashes caused by distracted drivers.
- c. The Hatch Act restricts the political activity of individuals principally employed by state or local executive agencies that work in connection with programs financed in whole or part by federal loans or grants. The Hatch Act prohibits a grant-funded person from becoming a candidate for public office in a partisan election. For further information please refer to U.S.C. Title 5 Sections 1501-1508 and Title 5 of the Code of Federal Regulations part 151.

2. Reports and Certifications Required:

- a. Subrecipient will be required to file **quarterly performance reports** on the performance metrics identified by OVC, and in the manner required by OVC.
- b. Subrecipient will be required to file **quarterly expenditure reports** and to provide back-up documentation upon request.
- c. NH Department of Justice will conduct regular **desk reviews** and **biennial on-site monitoring visits** with all Subrecipients.

3. The Subrecipient agrees to complete and keep on file, as appropriate, the Immigration and Naturalization Service Employment Eligibility Form (I-9). This form is to be used by the Subrecipient to verify that persons employed by the Subrecipient are eligible to work in the United States.

4. Restrictions on "lobbying"

In general, as a matter of federal law, federal funds awarded by OJP may not be used by the subrecipient at any tier, either directly or indirectly, to support or oppose the enactment, repeal, modification, or adoption of any law, regulation, or policy, at any level of government. See 18 U.S.C. 1913. (There may be exceptions if an applicable federal statute specifically authorizes certain activities that otherwise would be barred by law.)

The Subrecipient assures that no federal VOCA funds or match funds have been paid or will be paid, by or on behalf of the Subrecipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of congress in connection with the making of any Federal grant, the entering into of any cooperative agreement, and the extension, continuation,

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renewal, amendment, or modification of any Federal grant or cooperative agreement. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the Subrecipient shall complete and submit Standard Form - LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

5. The Subrecipient understands that grants are funded for the grant award period noted on the grant award document. No guarantee is given or implied of subsequent funding in future years.
6. The Subrecipient assures that information will be collected and maintained, where such information is voluntarily furnished by claimants on crime victim applications, by race, national origin, sex, age, and disability. This information will be submitted to the New Hampshire Department of Justice, Grants Management Unit.
7. All materials publicizing or resulting from award activities shall contain an acknowledgment of the awarding agency assistance. An acknowledgment of support shall be made through use of the following or comparable footnote: "This project was supported by Award No. 2017-VA-GX-0044 awarded by the Office for Victims of Crime, Office of Justice Programs and administered through the New Hampshire Department of Justice."
8. Any publications (written, visual or sound), whether published through Federal grant funds or matching funds, shall contain the following statements: "This project was supported by (2017-VA-GX-0044) awarded by the Office for Victims of Crime, Office of Justice Programs, U.S. Department of Justice. Points of view in this document are those of the author and do not necessarily represent the official position or policies of the U.S. Department of Justice."
9. The Subrecipient agency agrees that, should they employ a former member of the NH Department of Justice (NHDOJ), that employee or their relative shall not perform work on or be billed to any federal or state subgrant or monetary award that the employee directly managed or supervised while at the NHDOJ for the life of the subgrant without the express approval of the NH DOJ.
10. Any renovations to a building over 50 years old must be approved by the State Historical Preservation Officer and by the federal VOCA Office before any work commences. These approvals must be coordinated by the NH Department of Justice, Grants Unit.
11. The Subrecipient must utilize volunteers to assist in providing VOCA allowable victim

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services unless extenuating circumstances justify the exclusion of volunteers, and a volunteer waiver is obtained from the NH Department of Justice.

12. The Subrecipient agrees that all services will be provided at no charge to victims unless a program income waiver is obtained from the NH Department of Justice. If permission to generate program income is granted, the Subrecipient agrees that there must be a sliding scale that starts at zero, and that all program income will be totally expended on grant allowable activities by the end of the funding cycle.
13. The Subrecipient agrees to assist victims in applying for Victims Compensation benefits. Such assistance includes: identifying eligible victims; making reasonable efforts to notify eligible victims of the availability of compensation; making reasonable efforts to explain the program to victims; offering to assist victims with the application process when it is reasonable to do so.
14. The Subrecipient understands that VOCA *non-allowable* personnel activities include: general administration, prevention, active investigation and prosecution of criminal activities, research and studies, lobbying, capital expenses, compensation for victims of crime and fundraising.
15. The Subrecipient agency must promptly refer to the DOJ OIG any credible evidence that a principal, employee, agent, contractor, Subrecipient, subcontractor, or other person has either 1) submitted a false claim for grant funds under the False Claims Act; or 2) committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving grant funds. This condition also applies to any subrecipients. Potential fraud, waste, abuse, or misconduct should be reported to the OIG by –
Mail:

Office of the Inspector General
U.S. Department of Justice Investigations Division
950 Pennsylvania Avenue, N.W. Room 4706
Washington, DC 20530

E-mail: oig.hotline@usdoj.gov or hotline fax: (202) 616-9881
additional information is available from the DOJ OIG website at www.usdoj.gov/oig.
16. Restrictions and certifications regarding non-disclosure agreements and related matters no Subrecipient under this award, or entity that receives a procurement contract or subcontract

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with any funds under this award, may require any employee or contractor to sign an internal confidentiality agreement or statement that prohibits or otherwise restricts, or purports to prohibit or restrict, the reporting (in accordance with law) of waste, fraud, or abuse to an investigative or law enforcement representative of a federal department or agency authorized to receive such information. The foregoing is not intended, and shall not be understood by the agency making this award, to contravene requirements applicable to Standard Form 312 (which relates to classified information), Form 4414 (which relates to sensitive compartmented information), or any other form issued by a federal department or agency governing the nondisclosure of classified information.

- a. In accepting this award, the recipient—
 - i. represents that it neither requires nor has required internal confidentiality agreements or statements from employees or contractors that currently prohibit or otherwise currently restrict (or purport to prohibit or restrict) employees or contractors from reporting waste, fraud, or abuse as described above; and
 - ii. certifies that, if it learns or is notified that it is or has been requiring its employees or contractors to execute agreements or statements that prohibit or otherwise restrict (or purport to prohibit or restrict), reporting of waste, fraud, or abuse as described above, it will immediately stop any further obligations of award funds, will provide prompt written notification to the federal agency making this award, and will resume (or permit resumption of) such obligations only if expressly authorized to do so by that agency.
- b. If the recipient does or is authorized under this award to make subawards ("subgrants"), procurement contracts, or both--
 - i. it represents that— it has determined that no other entity that the recipient's application proposes may or will receive award funds (whether through a subaward ("subgrant"), procurement contract, or subcontract under a procurement contract) either requires or has required internal confidentiality agreements or statements from employees or contractors that currently prohibit or otherwise currently restrict (or purport to prohibit or restrict) employees or contractors from reporting waste, fraud, or abuse as described above; and
 - ii. it has made appropriate inquiry, or otherwise has an adequate factual basis, to support this representation; and
 - iii. it certifies that, if it learns or is notified that any subrecipient, contractor, or subcontractor entity that receives funds under this

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award is or has been requiring its employees or contractors to execute agreements or statements that prohibit or otherwise restrict (or purport to prohibit or restrict), reporting of waste, fraud, or abuse as described above, it will immediately stop any further obligations of award funds to or by that entity, will provide prompt written notification to the federal agency making this award, and will resume (or permit resumption of) such obligations only if expressly authorized to do so by that agency.

17. The Subrecipient agency understands and agrees that it cannot use any federal funds, either directly or indirectly, in support of any contract or subaward to either the Association of Community Organizations for Reform Now (ACORN) or its subsidiaries, without the express prior written approval of the NH Department of Justice and the Office of Justice Programs.
18. The Subrecipient assures that federal funds received for this grant program will not be used to supplant existing funds otherwise available for this victim assistance program.
19. Equipment purchased with VOCA funds shall be listed by the Subrecipient on the agency inventory. The inventory must include the item description, serial number, cost, percentage of federal VOCA funds, and location. The Subrecipient agrees that the title to any equipment purchased with VOCA funds will revert back to the New Hampshire Department of Justice, Grants Management Unit, when it is no longer being used for the VOCA program purposes for which it was acquired.
20. The Subrecipient agrees that if a financial audit of the agency is performed, whether it be an audit under 2 CFR or not, the Subrecipient agrees to provide a copy of the audit and any associated management letters to the New Hampshire Department of Justice, Grants Management Unit.
21. The Subrecipient assures that in the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination within the three years prior to the receipt of the federal financial assistance and after a due process hearing against the Subrecipient on the grounds of race, color, religion, national origin, sex, age, or disability, a copy of the finding will be submitted to the New Hampshire Department of Justice, Grants Management Unit and to the U.S. Department of Justice, Office for Civil Rights, Office of Justice Programs, 810 7th Street, NW, Washington, D.C. 20531. For additional information regarding your obligations under civil rights please reference the state website at <http://www.doj.nh.gov/grants-management/civil-rights.htm> and understand if you are awarded

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funding from this office, civil rights compliance will be monitored by this office, and the Office for Civil Rights, Office of Justice Programs, U.S. Department of Justice.

22. The Subrecipient must certify that Limited English Proficiency persons have meaningful access to any services provided by this program. National origin discrimination includes discrimination on the basis of limited English proficiency (LEP). Meaningful access may entail providing language assistance services, including oral and written translation when necessary. The U.S. Department of Justice has issued guidance for grantees to help them comply with these requirements. The guidance document can be accessed on the Internet at www.lep.gov.
23. The subgrantee, if a non-profit organization, agrees to make its financial statements available online (either on the subgrantee's website, or the NH Department of Justice's, or another publicly available website). Organizations that have Federal 501 (c) 3 tax status are considered in compliance with this requirement, with no further action needed, to the extent that such organization files IRS Form 990 or similar tax document (e.g., 990-EZ), as several sources already provide searchable online databases of such financial statements.
24. The subgrantee, if a non-profit organization, must certify their non-profit status by submitting a statement to NH Department of Justice: 1) affirmatively asserting that the recipient is a non-profit organization and 2) indicating that the subgrantee has on file and available upon audit one of the following:
- A copy of the organization's 501 (c) 3 designation letter, or:
 - A letter from the State of NH stating that the subgrantee is a non-profit organization operating within the state, or:
 - A copy of the sub-grantee's state certificate of incorporation that substantiates its non-profit status
- Subgrantees that are local non-profit affiliates of state or national non-profits should also have a statement by the parent organization that the subgrantee is a local non-profit affiliate.
25. Requirements pertaining to prohibited conduct related to trafficking in persons (including reporting requirements and OJP authority to terminate award). The recipient, and any subrecipient ("subgrantee") at any tier, must comply with all applicable requirements (including requirements to report allegations) pertaining to prohibited conduct related to the trafficking of persons, whether on the part of recipients, subrecipients ("subgrantees"), or individuals defined (for purposes of this condition) as "employees" of the recipient or of any subrecipient. The details of the recipient's obligations related to prohibited conduct related to trafficking in persons are posted on the OJP web site at

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<http://ojp.gov/funding/Explore/ProhibitedConduct-Trafficking.htm> (Award condition: Prohibited conduct by recipients and subrecipients related to trafficking in persons (including reporting requirements and OJP authority to terminate award)), and are incorporated by reference here.

26. Compliance with applicable rules regarding approval, planning, and reporting of conferences, meetings, trainings, and other events. The subgrantee at any tier, must comply with all applicable laws, regulations, policies, and official DOJ guidance (including specific cost limits, prior approval and reporting requirements, where applicable) governing the use of federal funds for expenses related to conferences (as that term is defined by DOJ), including the provision of food and/or beverages at such conferences, and costs of attendance at such conferences. Information on the pertinent DOJ definition of conferences and the rules applicable to this award appears in the DOJ Grants Financial Guide (currently, as section 3.10 of "Postaward Requirements" in the "2015 DOJ Grants Financial Guide").
27. Requirement for data on performance and effectiveness under the award
the recipient must collect and maintain data that measure the performance and effectiveness of activities under this award. The data must be provided to OJP in the manner (including within the timeframes) specified by OJP in the program solicitation or other applicable written guidance. Data collection supports compliance with the Government Performance and Results Act (GPRA) and the GPRA Modernization Act of 2010, and other applicable laws.
28. OJP Training Guiding Principles
Any training or training materials that the subgrantee at any tier -- develops or delivers with OJP award funds must adhere to the OJP Training Guiding Principles for Grantees and Subgrantees, available at <http://ojp.gov/funding/ojptrainingguidingprinciples.htm>.
29. Compliance with general appropriations-law restrictions on the use of federal funds (FY 2016) The subgrantee at any tier, must comply with all applicable restrictions on the use of federal funds set out in federal appropriations statutes. Pertinent restrictions, including from various "general provisions" in the Consolidated Appropriations Act, 2016, are set out at: <http://ojp.gov/funding/Explore/FY2016-AppropriationsLawRestrictions.htm> and are incorporated by reference here. Should a question arise as to whether a particular use of federal funds by a recipient (or a subrecipient) would or might fall within the scope of an appropriations-law restriction, the recipient is to contact their grant manager for guidance, and may not proceed without the express prior written approval of the grant manager and OJP.

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30. Subgrantees will authorize representatives of the Office for Victims of Crime and/or the Office of the Chief Financial Officer access to and the right to examine all records, books, paper or documents related to the VOCA grant.
31. Applicability of Part 200 Uniform Requirements- The Uniform Administrative Requirements, Cost Principles, and Audit Requirements in 2 C.F.R. Part 200, as adopted and supplemented by DOJ in 2 C.F.R. Part 2800 (together, the "Part 200 Uniform Requirements") apply to this FY 2017 award from OJP.

The Part 200 Uniform Requirements were first adopted by DOJ on December 26, 2014. If this FY 2017 award supplements funds previously awarded by OJP under the same award number (e.g., funds awarded during or before December 2014), the Part 200 Uniform Requirements apply with respect to all funds under that award number (regardless of the award date, and regardless of whether derived from the initial award or a supplemental award) that are obligated on or after the acceptance date of this FY 2017 award.

For more information and resources on the Part 200 Uniform Requirements as they relate to OJP awards and subawards ("subgrants"), see the OJP website at <https://ojp.gov/funding/Part200UniformRequirements.htm>.

In the event that an award-related question arises from documents or other materials prepared or distributed by OJP that may appear to conflict with, or differ in some way from, the provisions of the Part 200 Uniform Requirements, the recipient is to contact OJP promptly for clarification.

32. Compliance with 41 U.S.C. 4712 (including prohibitions on reprisal; notice to employees)
The subrecipient at any tier must comply with, and is subject to, all applicable provisions of 41 U.S.C. 4712, including all applicable provisions that prohibit, under specified circumstances, discrimination against an employee as reprisal for the employee's disclosure of information related to gross mismanagement of a federal grant, a gross waste of federal funds, an abuse of authority relating to a federal grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal grant. **The subrecipient also must inform its employees, in writing** (and in the predominant native language of the workforce), of employee rights and remedies under 41 U.S.C. 4712. Should a question arise as to the applicability of the provisions of 41 U.S.C. 4712 to this award, the recipient is to contact the DOJ awarding agency (OJP or OVW, as appropriate) for guidance.

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33. The subrecipient authorizes Office for Victims of Crime (OVC) and/or the Office of the Chief Financial Officer (OCFO), and its representatives, access to and the right to examine all records, books, paper or documents related to the VOCA grant.
34. Demographic Data - Subrecipients assure they will collect and maintain information on race, sex, national origin, age, and disability of victims receiving assistance, where such information is voluntarily furnished by the victim.
35. Requirements of the award; remedies for non-compliance or for materially false statements:
The conditions of this award are material requirements of the award. Compliance with any certifications or assurances submitted by or on behalf of the recipient that relates to conduct during the period of performance also is a material requirement of this award.
Failure to comply with any one or more of these award requirements -- whether a condition set out in these special provisions, a condition incorporated by reference below, or a certification or assurance related to conduct during the award period --may result in the Office of Justice Programs ("OJP") taking appropriate action with respect to the recipient and the award. Among other things, the OJP may withhold award funds, disallow costs, or suspend or terminate the award. The Department of Justice ("DOJ"), including OJP, also may take other legal action as appropriate.
Any materially false, fictitious, or fraudulent statement to the federal government related to this award (or concealment or omission of a material fact) may be the subject of criminal prosecution (including under 18 U.S.C. 1001 and/or 1621, and/or 42 U.S.C. 3795a), and also may lead to imposition of civil penalties and administrative remedies for false claims or otherwise (including under 31 U.S.C. 3729-3730 and 3801-3812).
Should any provision of a requirement of this award be held to be invalid or unenforceable by its terms, that provision shall first be applied with a limited construction so as to give it the maximum effect permitted by law. Should it be held, instead, that the provision is utterly invalid or -unenforceable, such provision shall be deemed severable from this award.
36. Certification regarding debarment, suspension ineligibility, and voluntary exclusion
A person may be debarred or suspended for any of the causes listed in 28 CFR §67.305 and §67.405. A person who is debarred or suspended shall be excluded from Federal financial and non-financial assistance and benefits under Federal programs and activities. Debarment or suspension of a participant in a program by one Federal agency shall have government wide effect. For purposes of this certification, "prospective lower tier participant" shall refer to the subgrantee.

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Date 4/6/18

Instructions for Certification:

- a) By signing and submitting this proposal, the prospective lower tier participant is providing the certification as set out.
- b) The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
- c) The prospective lower tier participant shall provide immediate written notice to the person to whom this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- d) The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549.
- e) The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
- f) The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- g) A participant in a covered transaction may rely upon a certification of a prospective participant in lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may check the Nonprocurement List.
- h) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- i) Except for transactions authorized under paragraph 5 of these instructions, if a participant in a

Subrecipient Initials DB

Date 4/11/18

covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntary excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Subrecipient Initials DB
Date 4/6/18

DEPARTMENT OF
JUSTICE STATE OF NEW
HAMPSHIRE



CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY
AND VOLUNTARY EXCLUSION
LOWER TIER COVERED
TRANSACTIONS

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 28 CFR §67.510, Participants' responsibilities. The intent of this Order was to ensure that no subgrantee of federal funds had been restricted from conducting business with the federal government due to any of the causes listed in 28 CFR §67.305 and 28 CFR §67.405.

By signing this document, you are certifying that neither your agency, nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any transaction by any Federal department or agency.

If you are unable to sign this certification, you must attach an explanation to this certification.

David A. Berry, Jr. Superintendent.
Name and Title of Head of Agency

[Signature] 4/6/18
Signature Date

Sullivan County Department of Corrections Claremont, NH 03743
Name and Address of Agency

Subrecipient Initials DB

Date 4/6/18

37. Certification Regarding EEOP Required:

If required, within 30 days from the date of the award, the Subrecipient will submit for approval, an acceptable Equal Employment Opportunity Plan (EEOP) as required by 28 CFR 42.301 et seq. or a Certification Form to both the NH DOJ and the Office of Civil Rights, Office of Justice Programs, US DOJ at 810 7th Street, NW, Washington, DC 20531. Failure to submit an approved EEOP or Certification is a violation of the Program Guidelines and Conditions and may result in suspension or termination of funding, until such time as the Subrecipient is in compliance. Additional information on EEOP requirements may be found here: http://ojp.gov/about/ocr/faq_eeop.htm

The form and instructions can be found at: <http://ojp.gov/about/ocr/pdfs/cert.pdf>

38. Specific post-award approval required to use a noncompetitive approach in any procurement contract that would exceed \$150,000. The Subrecipient at any tier, must comply with all applicable requirements to obtain specific advance approval to use a noncompetitive approach in any procurement contract that would exceed the Simplified Acquisition Threshold (currently, \$150,000). This condition applies to agreements that -- for purposes of federal grants administrative requirements -- OJP considers a procurement "contract" (and therefore does not consider a subaward).

The details of the requirement for advance approval to use a noncompetitive approach in a procurement contract under an OJP award are posted on the OJP web site at <http://ojp.gov/funding/Explore/NoncompetitiveProcurement.htm> (Award condition: Specific post-award approval required to use a noncompetitive approach in a procurement contract (if contract would exceed \$150,000)), and are incorporated by reference here.

I have read and understand all 38 special provisions contained in this document:

David A Berry Jr. Superintendent

Name and Title of Authorized Representative

[Signature]

Signature,

4/6/18

Date

Sullivan County Department of Corrections Claremont, NH 03743

Name and Address of Agency

Name and Address of Agency

Subrecipient Initials DB

Date 4/6/18

CERTIFICATE OF VOTE/AUTHORITY

I, **George Hebert** of the **County of Sullivan, NH**, do hereby certify that:

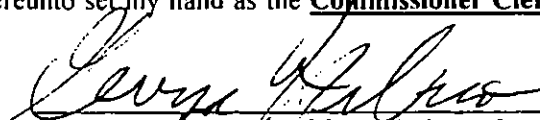
1. I am the duly elected **Commissioner Clerk** of the (Corporation:) **County of Sullivan, NH**;
2. I maintain and have custody of and am familiar with the seal and minute books of the Corporation;
3. I am duly authorized to issue certificates with respect to the contents of such books and to affix such seal to such certificates;
4. The following are true, accurate and complete copies of the resolutions duly adopted by the Corporation at a meeting of the **Commissioners** held in accordance with New Hampshire State laws on **Friday, April 6th, 2018**;

RESOLVED: That this Corporation may enter into any and all agreements and contracts, amendments, renewals, revisions or modifications thereto, with the NH Department of Justice.

RESOLVED: That the **County Department of Corrections Superintendent** is hereby authorized on behalf of this corporation to enter into said agreements and contracts with the NH Department of Justice, for the *VOCA Victim Information & Notification Everyday* (VINE) Program Grant Agreement in the amount of \$317,574, and to execute any and all documents, agreements, contracts, and other instruments, and any amendments, revisions, or modifications thereto, as he may deem necessary, desirable or appropriate. **David A. Berry Jr.** is the duly appointed **County Department of Corrections Superintendent** of the Corporation.

5. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of **April 6th, 2018**.

IN WITNESS WHEREOF, I have hereunto set my hand as the **Commissioner Clerk** of the **County of Sullivan, NH** this **6th** day of **April 2018**.

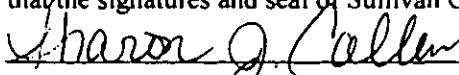

George Hebert, Board of Commissioner Clerk

STATE OF **NH**
COUNTY OF SULLIVAN

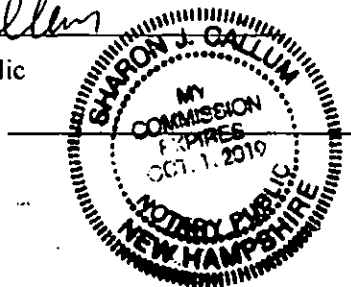
(SEAL OF COUNTY OF SULLIVAN, NH)

NOTARY:

The undersigned hereby certifies that the foregoing *Certificate of Vote* is the instrument described therein, that the signatures and seal of Sullivan County on this Certificate of Vote are genuine.


Justice of the Peace/Notary Public

My commission expires:



(Notary Seal)



CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex³) is organized under the New Hampshire Revised Statutes Annotated, Chapter 5-B, Pooled Risk Management Programs. In accordance with those statutes, its Trust Agreement and bylaws, Primex³ is authorized to provide pooled risk management programs established for the benefit of political subdivisions in the State of New Hampshire.

Each member of Primex³ is entitled to the categories of coverage set forth below. In addition, Primex³ may extend the same coverage to non-members. However, any coverage extended to a non-member is subject to all of the terms, conditions, exclusions, amendments, rules, policies and procedures that are applicable to the members of Primex³, including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex³ Board of Trustees. The Additional Covered Party's per occurrence limit shall be deemed included in the Member's per occurrence limit, and therefore shall reduce the Member's limit of liability as set forth by the Coverage Documents and Declarations. The limit shown may have been reduced by claims paid on behalf of the member. General Liability coverage is limited to Coverage A (Personal Injury Liability) and Coverage B (Property Damage Liability) only. Coverage's C (Public Officials Errors and Omissions), D (Unfair Employment Practices), E (Employee Benefit Liability) and F (Educator's Legal Liability Claims-Made Coverage) are excluded from this provision of coverage.

The below named entity is a member in good standing of the New Hampshire Public Risk Management Exchange. The coverage provided may, however, be revised at any time by the actions of Primex³. As of the date this certificate is issued, the information set out below accurately reflects the categories of coverage established for the current coverage year.

This Certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend, or alter the coverage afforded by the coverage categories listed below.

Participating Member: Sullivan County 14 Main Street Newport, NH 03773	Member Number: 606	Company Affording Coverage: NH Public Risk Management Exchange - Primex ³ Bow Brook Place 46 Donovan Street Concord, NH 03301-2624
--	------------------------------	--

	Type of Coverage	Effective Date (mm/dd/yyyy)	Expiration Date (mm/dd/yyyy)	Limits - NH Statutory Limits May Apply	
<input checked="" type="checkbox"/>	General Liability (Occurrence Form) Professional Liability (describe) <input type="checkbox"/> Claims Made <input type="checkbox"/> Occurrence	7/1/2017	7/1/2018	Each Occurrence	\$ 1,000,000
				General Aggregate	\$ 2,000,000
				Fire Damage (Any one fire)	
				Med Exp (Any one person)	
	Automobile Liability Deductible Comp and Coll: \$1,000 <input type="checkbox"/> Any auto			Combined Single Limit (Each Accident)	
				Aggregate	
	Workers' Compensation & Employers' Liability			Statutory	
				Each Accident	
				Disease - Each Employee	
				Disease - Policy Limit	
	Property (Special Risk Includes Fire and Theft)			Blanket Limit, Replacement Cost (unless otherwise stated)	

Description: In regards to Grant Agreement, the certificate holder is named as Additional Covered Party, but only to the extent liability is based on the negligence or wrongful acts of the member, its employees, agents, officials or volunteers. This coverage does not extend to others. Any liability resulting from the negligence or wrongful acts of the Additional Covered Party, or their employees, agents, contractors, members, officers, directors or affiliates is not covered. The Participating Member will advise of cancellation no less than 15 days prior to cancellation.

CERTIFICATE HOLDER:	<input checked="" type="checkbox"/>	Additional Covered Party		Loss Payee	Primex ³ - NH Public Risk Management Exchange
New Hampshire Department of Justice 33 Capitol St Concord, NH 03301					By: <i>Tammy Downer</i>
					Date: 4/4/2018 ldenver@nhprimex.org
					Please direct inquires to: Primex ³ Risk Management Services 603-225-2841 phone 603-228-3833 fax



CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex³) is organized under the New Hampshire Revised Statutes Annotated, Chapter 5-B, Pooled Risk Management Programs. In accordance with those statutes, its Trust Agreement and bylaws, Primex³ is authorized to provide pooled risk management programs established for the benefit of political subdivisions in the State of New Hampshire.

Each member of Primex³ is entitled to the categories of coverage set forth below. In addition, Primex³ may extend the same coverage to non-members. However, any coverage extended to a non-member is subject to all of the terms, conditions, exclusions, amendments, rules, policies and procedures that are applicable to the members of Primex³, including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex³ Board of Trustees. The Additional Covered Party's per occurrence limit shall be deemed included in the Member's per occurrence limit, and therefore shall reduce the Member's limit of liability as set forth by the Coverage Documents and Declarations. The limit shown may have been reduced by claims paid on behalf of the member. General Liability coverage is limited to Coverage A (Personal Injury Liability) and Coverage B (Property Damage Liability) only. Coverage's C (Public Officials Errors and Omissions), D (Unfair Employment Practices), E (Employee Benefit Liability) and F (Educator's Legal Liability Claims-Made Coverage) are excluded from this provision of coverage.

The below named entity is a member in good standing of the New Hampshire Public Risk Management Exchange. The coverage provided may, however, be revised at any time by the actions of Primex³. As of the date this certificate is issued, the information set out below accurately reflects the categories of coverage established for the current coverage year.

This Certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend, or alter the coverage afforded by the coverage categories listed below.

Participating Member: Sullivan County 14 Main Street Newport, NH 03773	Member Number: 606	Company Affording Coverage: NH Public Risk Management Exchange - Primex ³ Bow Brook Place 46 Donovan Street Concord, NH 03301-2624
--	------------------------------	--

Type of Coverage	Effective Date (mm/dd/yyyy)	Expiration Date (mm/dd/yyyy)	Limits - NH Statutory Limits May Apply, if Not
<input type="checkbox"/> General Liability (Occurrence Form) <input type="checkbox"/> Professional Liability (describe) <input type="checkbox"/> Claims Made <input type="checkbox"/> Occurrence			Each Occurrence General Aggregate Fire Damage (Any one fire) Med Exp (Any one person)
<input type="checkbox"/> Automobile Liability Deductible Comp and Coll: <input type="checkbox"/> Any auto			Combined Single Limit (Each Accident) Aggregate
<input checked="" type="checkbox"/> Workers' Compensation & Employers' Liability	7/1/2017	7/1/2018	<input checked="" type="checkbox"/> Statutory Each Accident \$2,000,000 Disease - Each Employee \$2,000,000 Disease - Policy Limit
<input type="checkbox"/> Property (Special Risk includes Fire and Theft)			Blanket Limit, Replacement Cost (unless otherwise stated)

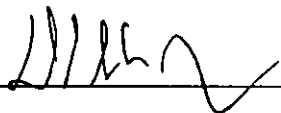
Description: Proof of Primex Member coverage only.

CERTIFICATE HOLDER:	Additional Covered Party	Loss Payee	Primex³ - NH Public Risk Management Exchange
			By: Tammy Downer
			Date: 4/4/2018 tdenver@nhprimex.org
			Please direct inquires to: Primex ³ Claims/Coverage Services 603-225-2841 phone 603-228-3833 fax
New Hampshire Department of Justice 33 Capitol St Concord, NH 03301			

EEOP Reporting

I, David A. Berry Jr. [responsible official], certify that
David A. Berry Jr. [recipient] has completed the EEO reporting tool certification
form at: https://ojp.gov/about/ocr/faq_eeop.htm on 4-6-18 [Date]

I further certify that: David A. Berry Jr. [recipient] will
comply with applicable federal civil rights laws that prohibit discrimination in employment and in the
delivery of services.

Signature: 

Date: 4-6-18

Non-supplanting Certification

Supplanting defined

Federal funds must be used to supplement existing funds for program activities and must not replace those funds that have been appropriated for the same purpose. Supplanting shall be the subject of application review, as well as pre-award review, post-award monitoring, and audit. If there is a potential presence of supplanting, the applicant or grantee will be required to supply documentation demonstrating that the reduction in non-Federal resources occurred for reasons other than the receipt or expected receipt of Federal funds. For certain programs, a written certification may be requested by the awarding agency or recipient agency stating that Federal funds will not be used to supplant State or local funds. See the OJP Financial Guide (Part II, Chapter 3). <http://www.ojp.usdoj.gov/financialguide/part2/part2chap3.htm>.

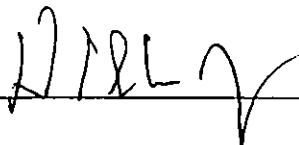
Supplanting and job retention

A grantee may use federal funds to retain jobs that, without the use of the federal money, would be lost. If the grantee is planning on using federal funds to retain jobs, it must be able to substantiate that, without the funds, the jobs would be lost. Substantiation can be, but is not limited to, one of the following forms: an official memorandum, official minutes of a county or municipal board meeting or any documentation, that is usual and customarily produced when making determinations about employment. The documentation must describe the terminated positions and that the termination is because of lack of the availability of State or local funds.

The David A. Berry Jr (Applicant) certifies that any funds awarded through grant number 5021-072-300574 shall be used to supplement existing funds for program activities and will not replace (supplant) nonfederal funds that have been appropriated for the purposes and goals of the grant.

The David A. Berry Jr (Applicant) understands that supplanting violations may result in a range of penalties, including but not limited to suspension of future funds under this program, suspension or debarment from federal grants, recoupment of monies provided under this grant, and civil and/or criminal penalties.

Printed Name and Title: David A. Berry Jr. Superintendent.

Signature:  Date: 4-6-18

SULLIVAN COUNTY, NEW HAMPSHIRE

Annual Financial Statements

For the Year Ended June 30, 2017

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Sullivan County, New Hampshire

Additional Offices:

Nashua, NH
Andover, MA
Greenfield, MA
Ellsworth, ME

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Sullivan County, New Hampshire, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Sullivan County, New Hampshire's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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, the major fund, and the aggregate remaining fund information of Sullivan County, New Hampshire, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for all budgeted funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the OPEB and Pension schedules 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 10, 2017

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, 2017.

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, liabilities, and deferred outflows/inflows, with the difference 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., earned but unused vacation and earned time 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 and proprietary 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.

Proprietary funds. Proprietary fund reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The proprietary fund category includes internal service funds.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Specifically, internal service funds are used to account for the County's self-insured employee dental program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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 and deferred outflows exceeded liabilities and deferred inflows by \$7,574,133 (i.e., net position), a change of \$(926,886) in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$12,096,015, a change of \$(501,116) in comparison to the prior year.
- At the end of the current fiscal year, the fund balance for the General Fund was \$11,984,242, a change of \$(545,166) 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>NET POSITION</u>	
	Governmental <u>Activities</u>	
	<u>2017</u>	<u>2016</u>
Current assets	\$ 13,976,893	\$ 13,790,216
Capital assets	<u>15,074,199</u>	<u>15,304,041</u>
Total assets	29,051,092	29,094,257
Deferred outflows	4,927,851	1,475,535
Current liabilities	2,976,039	2,299,005
Noncurrent liabilities	<u>23,201,988</u>	<u>19,130,844</u>
Total liabilities	26,178,027	21,429,849
Deferred inflows	226,783	638,924
Net position:		
Net investment in capital assets	10,691,589	10,069,840
Restricted	1,971,529	1,900,741
Unrestricted	<u>(5,088,985)</u>	<u>(3,469,562)</u>
Total net position	<u>\$ 7,574,133</u>	<u>\$ 8,501,019</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 \$7,574,133, a change of \$(926,886) from the prior year.

The largest portion of net position, \$10,789,389, 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 position, \$1,971,529, represents resources that are subject to external restrictions on how they may be used.

CHANGE IN NET POSITION

	Governmental Activities	
	<u>2017</u>	<u>2016</u>
Revenues:		
Program revenues:		
Charges for services	\$ 15,327,505	\$ 15,227,788
Operating grants and contributions	510,720	642,479
Capital grants and contributions - Biomass	-	15,000
General revenues:		
County taxes	12,944,962	12,944,962
Investment income	44,444	34,307
Miscellaneous	522,415	603,798
Total revenues	<u>29,398,980</u>	<u>29,468,334</u>
Expenses:		
General government	3,882,622	3,584,574
Public safety	900,536	793,887
Corrections	4,733,423	4,315,745
Human services	5,775,470	5,730,496
Cooperatve extension	460,396	407,190
Nursing home	14,422,079	13,095,282
Interest	151,340	177,615
Total expenses	<u>30,325,866</u>	<u>28,104,789</u>
Change in net position	(926,886)	1,363,545
Net position - beginning of year	<u>8,501,019</u>	<u>7,137,474</u>
Net position - end of year	<u>\$ 7,574,133</u>	<u>\$ 8,501,019</u>

Governmental activities. Governmental activities for the year resulted in a change in net position of \$(926,886). Key elements of this change are as follows:

Governmental funds operating results	\$ (491,116)
Internal service fund operations	(29,426)
Purchase of capital assets	791,589
Depreciation expense in excess of principal debt service	(147,424)
Changes in long-term liabilities:	
Accrued interest on bonds payable	15,617
Compensated absences	(6,439)
Net OPEB obligation	(69,942)
Net pension liability and related items	(967,330)
Loss on disposal of assets	<u>(22,415)</u>
Total	<u>\$ (926,886)</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 \$12,096,015, a change of \$(501,116) in comparison to the prior year. Key elements of this change are as follows:

General Fund operating results	\$ (487,868)
Nonmajor Governmental Funds operating results	(3,248)
Transfer to Internal Service Fund	<u>(10,000)</u>
Total	<u>\$ (501,116)</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 \$5,907,799, while total fund balance was \$11,984,242. 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>6/30/17</u>	<u>6/30/16</u>	<u>Change</u>	<u>Percentage of Total Budgeted Expenditures</u>
Unassigned fund balance	\$ 5,907,799	\$ 5,895,139	\$ 12,660	18.5%
Total fund balance	\$ 11,984,242	\$ 12,529,408	\$ (545,166)	37.5%

The total fund balance of all governmental funds changed by \$(501,116) during the current fiscal year. Key factors in this change are as follows:

Revenues in excess of budget	\$ 756,166
Expenditures less than appropriations	2,020,856
Current year encumbrances	94,860
Use of fund balance - reduce taxes	(2,501,576)
Use of fund balance - capital projects	(422,000)
Use of fund balance - prior year reserves	(439,422)
Transfer to internal service fund	(10,000)
Total	\$ (501,116)

Included in the General Fund is the County's Delegation voted reserve fund with the following balance:

	<u>6/30/17</u>	<u>6/30/16</u>	<u>Change</u>
Capital reserve	\$ 1,608,460	\$ 930,535	\$ 677,925

E. BUDGETARY HIGHLIGHTS

Differences between the original and the final amended budget resulted in an overall increase in appropriations of \$439,422. This change relates to a use of voted reserves (fund balance) for various purposes.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental activities at year-end amounted to \$15,074,199 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment and furnishings, vehicles, and construction in progress.

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 bonded debt outstanding was \$4,284,810, which relates to the corrections facility upgrade and the biomass project, which is 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 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

SULLIVAN COUNTY, NEW HAMPSHIRE

STATEMENT OF NET POSITION

JUNE 30, 2017

	Governmental <u>Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current:	
Cash and short-term investments	\$ 10,766,006
Restricted cash	1,368,752
Accounts receivable, net of allowances	1,586,919
Prepaid expenses	197,743
Inventory	<u>57,473</u>
Total current assets	13,976,893
Noncurrent:	
Capital Assets:	
Land	403,430
Construction in progress	77,100
Capital assets, net of accumulated depreciation	<u>14,593,669</u>
Total noncurrent assets	<u>15,074,199</u>
TOTAL ASSETS	29,051,092
Deferred Outflows of Resources - Pension Related	<u>4,927,851</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	33,978,943
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Current:	
Accounts payable	1,527,438
Accrued liabilities	241,588
Other liabilities	209,664
Incurred but not reported claims liability	19,989
Current portion of noncurrent liabilities:	
Bonds payable	855,810
Compensated absences	<u>121,550</u>
Total current liabilities	2,976,039
Noncurrent:	
Bonds payable, net of current portion	3,526,800
Compensated absences	258,552
Net OPEB obligation	1,457,230
Net pension liability	<u>17,959,406</u>
Total noncurrent liabilities	<u>23,201,988</u>
TOTAL LIABILITIES	26,178,027
Deferred Inflows of Resources - Pension Related	<u>226,783</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	26,404,810
NET POSITION	
Net investment in capital assets	10,691,589
Restricted	1,971,529
Unrestricted	<u>(5,088,985)</u>
TOTAL NET POSITION	\$ 7,574,133

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

SULLIVAN COUNTY, NEW HAMPSHIRE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>and Changes in Net Position</u>
					<u>)</u> <u>Governmental Activities</u>
Governmental Activities:					
General government	\$ 3,882,622	\$ 359,949	\$ 129,758	\$ -	\$ (3,392,915)
Public safety	900,536	186,050	91,787	-	(622,699)
Corrections	4,733,423	67,776	38,961	-	(4,626,686)
Human services	5,775,470	-	250,214	-	(5,525,256)
Cooperative extension	460,396	-	-	-	(460,396)
Nursing home	14,422,079	14,713,730	-	-	291,651
Interest	151,340	-	-	-	(151,340)
Total Governmental Activities	\$ 30,325,866	\$ 15,327,505	\$ 510,720	\$ -	(14,487,641)
General Revenues:					
					12,944,962
County taxes					
Grants and contributions not restricted to specific programs					48,934
Investment income					44,444
Miscellaneous					522,415
Total general revenues					13,560,755
					Change in Net Position (926,886)
Net Position:					
					Beginning of year 8,501,019
					End of year \$ 7,574,133

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

SULLIVAN COUNTY, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2017

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and short-term investments	\$ 10,674,346	\$ 91,660	\$ 10,766,006
Restricted cash	1,368,752	-	1,368,752
Accounts receivable, net of allowances	1,535,766	51,153	1,586,919
Due from other funds	12,218	-	12,218
Prepaid expenses	197,743	-	197,743
Inventory	<u>57,473</u>	<u>-</u>	<u>57,473</u>
TOTAL ASSETS	<u>\$ 13,846,298</u>	<u>\$ 142,813</u>	<u>\$ 13,989,111</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,516,719	\$ 10,719	\$ 1,527,438
Accrued liabilities	155,994	-	155,994
Other liabilities	<u>189,343</u>	<u>20,321</u>	<u>209,664</u>
TOTAL LIABILITIES	1,862,056	31,040	1,893,096
Fund Balances:			
Nonspendable	255,216	-	255,216
Restricted	1,809,051	162,478	1,971,529
Committed	1,608,460	-	1,608,460
Assigned	2,403,716	-	2,403,716
Unassigned	<u>5,907,799</u>	<u>(50,705)</u>	<u>5,857,094</u>
TOTAL FUND BALANCES	<u>11,984,242</u>	<u>111,773</u>	<u>12,096,015</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 13,846,298</u>	<u>\$ 142,813</u>	<u>\$ 13,989,111</u>

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

SULLIVAN COUNTY, NEW HAMPSHIRE

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

JUNE 30, 2017

Total governmental fund balances	\$ 12,096,015
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	15,074,199
• Deferred outflows of resources from net pension liability.	4,927,851
• Internal service funds are used by management to account for its self-insured dental insurance program. The assets and liabilities of the internal service funds are included as governmental activities in the Statement of Net Position.	(32,207)
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(85,594)
• Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable and related premium	(4,382,610)
Compensated absences	(380,102)
Net OPEB obligation	(1,457,230)
Net pension liability	(17,959,406)
• Deferred inflows of resources from net pension liability.	<u>(226,783)</u>
Net position of governmental activities	<u>\$ 7,574,133</u>

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

SULLIVAN COUNTY, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
County taxes	\$ 12,944,962	\$ -	\$ 12,944,962
Nursing home	14,713,730	-	14,713,730
Charges for services	613,775	-	613,775
Intergovernmental	153,203	357,517	510,720
Investment income	44,444	-	44,444
Miscellaneous	478,319	23,983	502,302
Total Revenues	<u>28,948,433</u>	<u>381,500</u>	<u>29,329,933</u>
Expenditures:			
Current:			
General government	3,492,368	-	3,492,368
Public safety	982,821	15	982,836
Corrections	4,084,160	40,327	4,124,487
Human services	5,417,730	344,406	5,762,136
Cooperative extension	450,105	-	450,105
Nursing home	13,506,703	-	13,506,703
Capital outlay	516,467	-	516,467
Debt service:			
Principal	818,991	-	818,991
Interest	166,956	-	166,956
Total Expenditures	<u>29,436,301</u>	<u>384,748</u>	<u>29,821,049</u>
Excess (deficiency) of revenues over expenditures	(487,868)	(3,248)	(491,116)
Other Financing Sources (Uses):			
Transfers:			
To internal service fund	(10,000)	-	(10,000)
-To grant funds	(20,298)	20,298	-
Close grant funds	(27,000)	27,000	-
Total Other Financing Sources (Uses)	<u>(57,298)</u>	<u>47,298</u>	<u>(10,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(545,166)	44,050	(501,116)
Fund Equity, at Beginning of Year	<u>12,529,408</u>	<u>67,723</u>	<u>12,597,131</u>
Fund Equity, at End of Year	<u>\$ 11,984,242</u>	<u>\$ 111,773</u>	<u>\$ 12,096,015</u>

The accompanying notes are an integral part of these 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, 2017

Net changes in fund balances - Total governmental funds	\$ (501,116)
<ul style="list-style-type: none"> • Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: 	
Capital outlay	791,589
Loss on disposal of assets	(22,415)
Depreciation	(999,015)
<ul style="list-style-type: none"> • The issuance of long-term debt 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: 	
Repayments of bonds payable	818,991
Amortization of bond premium	32,600
<ul style="list-style-type: none"> • In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. 	
	15,617
<ul style="list-style-type: none"> • 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: 	
Compensated absences	(6,439)
Net OPEB obligation	(69,942)
GASB 68 net pension liability changes:	
Net pension liability	(4,831,786)
Deferred outflows of resources	3,452,316
Deferred inflows of resources	412,140
<ul style="list-style-type: none"> • Internal service funds are used by management to account for its self-insured dental insurance program. The net activity of internal service funds is reported as a governmental activity. 	
	<u>(19,426)</u>
Change in net position of governmental activities	\$ <u>(926,886)</u>

The accompanying notes are an integral part of these 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, 2017

	Budgeted Amounts			Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original Budget	From Prior Years' Budgets	Transfers			
Revenues:						
General Fund:						
County taxes	\$ 12,944,962	\$ -	\$ -	\$ 12,944,962	\$ 12,944,962	\$ -
Nursing home	14,180,737	-	-	14,180,737	14,713,730	532,993
Charges for services	624,502	-	-	624,502	613,775	(10,727)
Intergovernmental	160,465	-	-	160,465	153,203	(7,262)
Investment income	25,000	-	-	25,000	44,444	19,444
Miscellaneous	310,955	-	-	310,955	478,319	167,364
Other Funds:						
Grants	327,146	-	-	327,146	381,500	54,354
Total Revenues	28,573,767	-	-	28,573,767	29,329,933	756,166
Expenditures:						
General Fund:						
Current:						
General government	3,657,173	15,761	20,769	3,693,703	3,499,858	193,845
Public safety	1,080,812	-	-	1,080,812	982,821	107,991
Corrections	4,844,216	2,673	(15,000)	4,831,889	4,165,130	666,759
Human services	5,370,116	31,250	16,500	5,417,866	5,417,730	136
Cooperative extension	458,285	8,830	-	467,115	450,105	17,010
Nursing home	13,960,324	109,471	-	14,069,795	13,506,703	563,092
Capital outlay	783,026	271,437	(22,269)	1,032,194	522,867	509,327
Debt service:						
Principal	818,991	-	-	818,991	818,991	-
Interest	166,956	-	-	166,956	166,956	-
Other Funds:						
Grants	347,444	-	-	347,444	384,748	(37,304)
Total Expenditures	31,497,343	439,422	-	31,936,765	29,915,909	2,020,856
Excess (deficiency) of revenues over expenditures before other financing sources	(2,923,576)	(439,422)	-	(3,362,998)	(585,976)	2,777,022
Other Financing Sources:						
Use of fund balance - reduce taxes	2,501,576	-	-	2,501,576	2,501,576	-
Use of fund balance - capital projects	422,000	-	-	422,000	422,000	-
Use of fund balance - prior year reserves	-	439,422	-	439,422	439,422	-
Total Other Financing Sources	2,923,576	439,422	-	3,362,998	3,362,998	-
Excess of revenues and other financing sources over expenditures	\$ -	\$ -	\$ -	\$ -	\$ 2,777,022	\$ 2,777,022

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

SULLIVAN COUNTY, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2017

	Internal Service Fund
LIABILITIES	
Current:	
Due to other funds	\$ 12,218
Incurred but not reported claims liability	<u>19,989</u>
Total current liabilities	<u>32,207</u>
TOTAL LIABILITIES	32,207
NET POSITION	
Unrestricted	<u>(32,207)</u>
TOTAL NET POSITION	<u>\$ (32,207)</u>

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

SULLIVAN COUNTY, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED JUNE 30, 2017

	Internal Service Fund
Operating Revenues:	
Employee and employer contributions	\$ 113,707
Total Operating Revenues	113,707
Operating Expenses:	
Claims	122,690
Administrative fees	<u>20,443</u>
Total Operating Expenses	<u>143,133</u>
Operating Loss	(29,426)
Transfers:	
Transfers in	<u>10,000</u>
Change in Net Position	(19,426)
Net Position at Beginning of Year	<u>(12,781)</u>
Net Position at End of Year	\$ <u><u>(32,207)</u></u>

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

SULLIVAN COUNTY, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017

	Internal Service Fund
<u>Cash Flows From Operating Activities:</u>	
Receipts from interfund services provided	\$ 113,707
Payments of benefits and expenses	<u>(140,379)</u>
Net Cash Used For Operating Activities	(26,672)
<u>Cash Flows From Noncapital Financing Activities:</u>	
Transfers in	10,000
Increase in due from other funds	<u>12,218</u>
Net Cash Provided By Noncapital Financing Activities	22,218
Net Change in Cash and Short-Term Investments	(4,454)
Cash and Short-Term Investments, Beginning of Year	<u>4,454</u>
Cash and Short-Term Investments, End of Year	<u><u>\$ -</u></u>
Reconciliation of Operating Loss to Net Cash Used For Operating Activities:	
Operating loss	\$ (29,426)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Incurred but not reported claims liability	<u>2,754</u>
Net Cash Used By Operating Activities	<u><u>\$ (26,672)</u></u>

The accompanying notes are an integral part of these 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 2017, 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 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 and proprietary 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*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. 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 fund:

- 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 proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The *Self-Insured Employee Dental Program* is reported as an internal service fund in the accompanying financial statements.

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.

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

E. 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 "due to/from other funds".

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 \$500 for assets acquired for use in the Nursing Home, and \$5,000 for all other assets, 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 acquisition 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 and earned time pay benefits. All vested vacation and earned time 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/deferred outflows and current liabilities/deferred inflows. The County reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and, therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation 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/deferred outflows and liabilities/deferred inflows. Net investment in capital assets consist of capital assets, net of accumulated deprecia-

tion, 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. Fund Balance Policy

There is no rule or law in New Hampshire that governs the level of fund balance for counties. However, by looking at other guidelines that exist and by comparing the County to other counties in the state and in other states, the County arrived at a policy that fits the County's needs and standards:

- 1) The NH Department of Revenue Administration recommends that municipalities maintain a fund balance that represents between 5% and 10% of its total annual appropriations, including municipal, school, and county obligations.
- 2) The Government Finance Officer Association recommends as a best practice that "general-purpose governments, regardless of size, maintain unrestricted fund balance in their General Fund of no less than two months of regular General Fund operating revenues or regular General Fund operating expenditures. Furthermore, a government's particular situation often may require a level of unrestricted fund balance in the General Fund significantly in excess of this recommended minimum level. In any case, such measures should be applied within the context of long-term forecasting, thereby avoiding the risk of placing too much emphasis upon the level of unrestricted fund balance in the General Fund at any one time". Two months of operating revenues for the County is approximately \$5 million, including all operations. Operations funded by the General Fund are approximately \$2,600,000, which is approximately 15% of Budgeted General Fund appropriations.

Through this fund balance policy, the County will endeavor to achieve and maintain an unassigned fund balance that is between 8% and 16% of its annual general fund budgeted appropriations, which represents one to two months of operations. In conjunction with this goal, the County will also endeavor to fund its long-term capital improvements plan, as well as annually assign fund balance specifically to address any unanticipated shortfalls in budgeted revenues for Sullivan County Health Care. The recommended amount to be assigned for Sullivan County Health Care is also 8% to 16% of the nursing home fund budget (one to two months of operations, between \$1-2 million).

L. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. **Stewardship, Compliance and Accountability**

A. Budgetary Information

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

- Prior to May 1st, 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 1st.
- 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 and line item transfers.

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 the adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>All Budgeted Funds</u>	<u>Revenues and and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP Basis)	\$ 29,329,933	\$ 29,821,049
To record current year appropriation carryforwards	-	94,860
Budgetary Basis	<u>\$ 29,329,933</u>	<u>\$ 29,915,909</u>

D. Deficit Fund Equity

The following funds had deficit balances as of June 30, 2017:

<u>Fund Number</u>	<u>Fund Name</u>	<u>Deficit</u>
605	NH State RSAT for DOC	\$ (481)
609	DOJRSAT	(1,345)
745	Drug task force	(4,174)
927	RPHN website development	(244)
932	NH Juvenile court diversion program	(18,090)
935	RPHN COC	(15,771)
936	RPHN SUD & CHIP	(6,429)
937	CDBG Earle Bourden Centre	(253)
979	SCFBSATI	(3,270)
982	RPHNS - Immunization	(648)
	Total	<u>\$ (50,705)</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, II states, "the amount 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 does not have a deposit policy for custodial credit risk.

As of June 30, 2017, \$1,546,626 of the County's bank balance of \$12,785,061 was exposed to custodial credit risk as uninsured or uncollateralized.

4. Restricted Cash

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. As of June 30, 2017, cash is restricted for the following:

Capital reserve fund	\$	940,210
Registry of Deeds accounts		199,922
Nursing Home resident funds		93,574
Health reimbursement account		68,469
Inmate funds		34,534
Conservation District		17,390
Sheriff accounts		3,570
Nursing Home trust funds		<u>11,083</u>
Total	\$	<u>1,368,752</u>

5. Allowance for Doubtful Accounts and Contractual Allowances

The allowance for doubtful accounts for Nursing Home receivables has been estimated at approximately \$94,000 at June 30, 2017. Nursing Home receivables are also reported net of contractual allowances.

6. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Governmental Activities:					
Capital assets, being depreciated:					
Buildings and improvements	\$ 26,747	\$ 331	\$ -	\$ 419	\$ 27,497
Equipment and furnishings	4,117	244	-	16	4,377
Vehicles	519	191	(112)	-	598
Total capital assets, being depreciated	31,383	766	(112)	435	32,472
Less accumulated depreciation for:					
Buildings and improvements	(12,795)	(823)	-	-	(13,618)
Equipment and furnishings	(3,714)	(115)	-	-	(3,829)
Vehicles	(460)	(61)	90	-	(431)
Total accumulated depreciation	(16,969)	(999)	90	-	(17,878)
Total capital assets, being depreciated, net	14,414	(233)	(22)	435	14,594
Capital assets, not being depreciated:					
Land	403	-	-	-	403
Construction in progress	487	25	-	(435)	77
Total capital assets, not being depreciated	890	25	-	(435)	480
Governmental activities capital assets, net	\$ 15,304	\$ (208)	\$ (22)	\$ -	\$ 15,074

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

Governmental Activities:	
General government	\$ 204
Public safety	5
Corrections	276
Nursing home	514
Total depreciation expense - governmental activities	\$ 999

7. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net position by the County that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pension, in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions, are more fully discussed in Note 12.

8. 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:

	Serial Maturities <u>Through</u>	Interest Rate(s) %	Amount Outstanding as of <u>6/30/17</u>
Governmental Activities:			
Corrections facility upgrades	01/15/20	2.62%	\$ 1,965,000
Biomass project	08/22/28	2.50%	<u>2,319,810</u>
Total Governmental Activities			<u>\$ 4,284,810</u>

B. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding and notes payable as of June 30, 2017 are as follows:

<u>Bonds Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 823,210	\$ 136,538	\$ 959,748
2019	827,358	106,190	933,548
2020	831,666	75,681	907,347
2021	181,039	45,109	226,148
2022	185,649	40,498	226,147
2023 - 2027	1,000,012	130,725	1,130,737
2028 - 2029	<u>435,876</u>	<u>16,418</u>	<u>452,294</u>
Total	<u>\$ 4,284,810</u>	<u>\$ 551,159</u>	<u>\$ 4,835,969</u>

The General Fund has been designated as the source that will repay the long-term debt outstanding as of June 30, 2017.

C. Changes in General Long-Term Liabilities

During the year ended June 30, 2017, the following changes occurred in long-term liabilities (in thousands):

	Total Balance <u>7/1/16</u>	<u>Additions</u>	<u>Reductions</u>	Total Balance <u>6/30/17</u>	Less Current Portion	Equals Long-Term Portion <u>6/30/17</u>
<u>Governmental Activities</u>						
Bonds payable	\$ 5,104	\$ -	\$ (819)	\$ 4,285	\$ (823)	\$ 3,462
Bond premium	131	-	(33)	98	(33)	65
Subtotal	5,235	-	(852)	4,383	(856)	3,527
Compensated absences	374	7	-	381	(122)	259
Net OPEB obligation	1,387	113	(43)	1,457	-	1,457
Net pension liability	13,127	4,832	-	17,959	-	17,959
Totals	<u>\$ 20,123</u>	<u>\$ 4,952</u>	<u>\$ (895)</u>	<u>\$ 24,180</u>	<u>\$ (978)</u>	<u>\$ 23,202</u>

9. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net position by the County that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension will be recognized in pension expense in future years and is more fully described in Note 12.

10. Governmental Funds – Fund Balances

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The County has implemented GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at June 30, 2017:

Nonspendable - Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance classification includes general fund reserves for prepaid expenditures and nonmajor governmental fund reserves for the principal portion of permanent trust funds.

Restricted - Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes general fund encumbrances funded by bond issuances, various special revenue funds, and the income portion of permanent trust funds.

Committed - Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision-making authority. This fund balance classification includes general fund encumbrances for non-lapsing special article appropriations approved at Delegation meetings and capital reserve funds.

Assigned - Represents amounts that are constrained by the County's intent to use these resources for a specific purpose. This fund balance classification includes general fund encumbrances that have been established by various County departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period, and surplus set aside to be used in the subsequent year's budget.

Unassigned - Represents amounts that are available to be spent in future periods and deficit funds.

The following is a summary of fund balances at June 30, 2017:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Prepaid expenses	\$ 197,743	\$ -	\$ 197,743
Inventory	<u>57,473</u>	<u>-</u>	<u>57,473</u>
Total Nonspendable	255,216	-	255,216
Restricted:			
Nursing home trust fund	10,935	-	10,935
SCHC reserve fund (RSA 24:13, IV)	1,500,000	-	1,500,000
Inmate health reserve fund (RSA 35:1-c)	70,000	-	70,000
Deeds surcharge account	159,647	-	159,647
Employee HRA carryover	68,469	-	68,469
Unexpended grant funds	<u>-</u>	<u>162,478</u>	<u>162,478</u>
Total Restricted	1,809,051	162,478	1,971,529
Committed:			
Capital reserve fund	<u>1,608,460</u>	<u>-</u>	<u>1,608,460</u>
Total Committed	1,608,460	-	1,608,460
Assigned:			
Use of fund balance in subsequent year budget:			
To reduce taxes	1,300,000	-	1,300,000
Capital expenses	259,600	-	259,600
County attorney extradition fund	15,000	-	15,000
Sheriff forfeiture	1,142	-	1,142
Encumbrances	94,260	-	94,260
Designated for future projects	<u>733,714</u>	<u>-</u>	<u>733,714</u>
Total Assigned	2,403,716	-	2,403,716
Unassigned:			
Grant funds in deficit	-	(50,705)	(50,705)
Remaining fund balance	<u>5,907,799</u>	<u>-</u>	<u>5,907,799</u>
Total Unassigned	5,907,799	(50,705)	5,857,094
Total Fund Balances	\$ <u>11,984,242</u>	\$ <u>111,773</u>	\$ <u>12,096,015</u>

11. Other Post-Employment Benefits – OPEB (GASB 45)

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 Position over time.

A. Plan Description

The County provides post-employment healthcare benefits for retired employees through the County's plan. The benefits, benefit levels, employee contributions and employer contributions are governed by RSA 100-A:50. As of July 1, 2016, the actuarial valuation date, 29 retirees and 218 active employees met the eligibility requirements. The plan does not issue a separate financial report.

B. Benefits Provided

The County provides medical benefits to its eligible 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

Eligible retirees and their spouses contribute 100% of premium rates for the medical plan selected. 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 fiscal year 2017 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, 2017, 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, 2016.

Annual Required Contribution (ARC)	\$ 138,148
Interest on net OPEB obligation	55,492
Adjustment to ARC	<u>(80,236)</u>
Annual OPEB cost	113,404
Contributions made	<u>(43,462)</u>
Increase in net OPEB obligation	69,942
Net OPEB obligation - beginning of year	<u>1,387,288</u>
Net OPEB obligation - end of year	<u>\$ 1,457,230</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>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2017	\$ 113,404	38%	\$ 1,457,230
2016	\$ 117,604	26%	\$ 1,387,288
2015	\$ 111,473	24%	\$ 1,311,930

E. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2016, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 1,308,347
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,308,347</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0%</u>
Covered payroll (active plan members)	<u>\$ Not available</u>
UAAL as a percentage of covered payroll	<u>N/A</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 OPEB 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, 2016 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 %, which decreases to a 5% long-term rate for all healthcare benefits after 5 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% pay-as-you-go.

12. New Hampshire Retirement System

The County follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS).

A. Plan Description

Full-time employees participate in the State of New Hampshire Retirement System, a cost-sharing, multiple-employer defined benefit contributory pension plan and trust established in 1967 by RSA 100-A:2 and qualified as a tax-exempt organization under Section 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death, and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State of New Hampshire are eligible and required to participate in the system. Full-time employees of political subdivisions, including counties, municipalities, and school districts are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to Group I. Police officers and firefighters belong to Group II. All assets are held in a single trust and are available to each group. Additional information is disclosed in the NHRS' annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507.

B. Benefits Provided

Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is $1/60$ or 1.667% of average final compensation (AFC), multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at $1/66$ or 1.515% of AFC multiplied by years of creditable service.

Group II members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have a nonvested status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age by $1/4$ of 1% or age 60.

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earned compensation and/or service.

C. Contributions

Plan members are required to contribute a percentage of their gross earnings to the pension plan, for which the contribution rates are 7% for employees and 11.55% for sheriff's deputies and correctional officers. The County makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, and range from 11.17% to 29.16% of covered compensation. The County's contribution to

NHRS for the year ended June 30, 2017 was \$1,185,827, which was equal to its annual required contribution.

D. Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the NHRS and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

E. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the County reported a liability of \$17,959,406 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the County's proportion was .33137776 percent.

At June 30, 2016, the County's proportion was .33773547 percent, which was an increase of .00635771% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$2,064,802. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Inflows of Resources</u>
Net difference between expected and actual experience	\$ 49,909	\$ 226,783
Changes of assumptions	2,210,232	-
Net difference between projected and actual investment earnings	1,123,633	-
Changes in proportion and differences between contributions and proportionate share of contributions	358,250	-
Contributions subsequent to the measurement date (fiscal year 2017)	<u>1,185,827</u>	<u>-</u>
Total	<u>\$ 4,927,851</u>	<u>\$ 226,783</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2017	\$ 703,347
2018	703,347
2019	1,128,197
2020	934,851
2021	<u>45,499</u>
Total	<u>\$ 3,515,241</u>

F. Actuarial Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent per year
Salary increases	5.6 percent average, including inflation
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Employee generational mortality table for males and females, adjusted for mortality improvements using Scale MP-2015, based on the last experience study.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation Percentage</u>	<u>Weighted Average Average Long- Term Expected Real Rate of Return</u>
Large Cap Equities	22.50 %	4.25%
Small/Mid Cap Equities	<u>7.50</u>	4.50%
Total domestic equities	30.00	
Int'l Equities (unhedged)	13.00	4.75%
Emerging Int'l Equities	<u>7.00</u>	6.25%
Total international equities	20.00	
Core Bonds	5.00	0.64%
Short Duration	2.00	-0.25%
Global Multi-Sector Fixed Income	11.00	1.71%
Absolute Return Fixed Income	<u>7.00</u>	1.08%
Total fixed income	25.00	
Private Equity	5.00	6.25%
Private Debt	5.00	4.75%
Opportunistic	<u>5.00</u>	3.68%
Total alternative investments	15.00	
Real Estate	<u>10.00</u>	3.25%
Total	<u>100.00 %</u>	

G. Discount Rate

The discount rate used to measure the total pension liability was 7.25%. This is a decrease of .50% from the previous valuation and has contributed to the significant deferred outflow of resources balance for changes of assumptions. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the pension plan's actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

<u>Fiscal Year Ended</u>	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
June 30, 2017	\$ 23,076,613	\$ 17,959,406	\$ 13,715,493

I. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NHRS financial report.

13. Self-Insurance

In fiscal year 2017, the County became self-insured against claims for dental coverage. The County contracts with Northeast Delta Dental (the Carrier) to provide dental services as agreed to in the certificate and rider(s). As part of the agreement, the Carrier processes and pays claims on a monthly basis on behalf of the County. The County reimburses the Carrier for total claims incurred and paid by the Carrier. Under the terms of its insurance coverage, the County is liable for claims up to \$1,000 per individual. The claims liability represents an estimate of claims incurred but unpaid at year-end, based on past historical costs and claims paid subsequent to year-end.

Changes in the aggregate liability for claims for the year ended June 30, 2017 are as follows:

	<u>Dental Coverage</u>
Claims liability, beginning of year	\$ 17,235
Claims incurred/recognized	105,454
Claims paid	<u>(102,700)</u>
Claims liability, end of year	<u>\$ 19,989</u>

14. 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.

15. 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.

16. Implementation of New GASB Standard

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, replacing requirements of Statements No. 45 and 57, effective for the County beginning with its year ending June 30, 2018. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/ expenditures. In addition, the Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specific criteria and for employers whose employees are provided with defined contribution OPEB.

SULLIVAN COUNTY, NEW HAMPSHIRE

SCHEDULE OF OPEB FUNDING PROGRESS (GASB 45)

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2017

(Unaudited)

Other Post-Employment Benefits

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)
7/1/2010	\$ -	\$ 2,501,694	\$ 2,501,694	0%	\$ 8,273,545	30%
7/1/2012	\$ -	\$ 3,153,546	\$ 3,153,546	0%	\$ 9,133,477	35%
7/1/2014	\$ -	\$ 1,147,776	\$ 1,147,776	0%	\$ 8,624,967	13%
7/1/2016	\$ -	\$ 1,308,347	\$ 1,308,347	0%	Not available	N/A

See Independent Auditors' Report.

SULLIVAN COUNTY, NEW HAMPSHIRE
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (GASB 68)
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017
(Unaudited)

New Hampshire Retirement System

<u>Fiscal Year</u>	<u>Proportion of the Net Pension Liability</u>	<u>Measurement Date</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2015	0.32106796%	June 30, 2014	\$ 12,051,561	\$ 8,297,704	145.24%	66.32%
June 30, 2016	0.33137776%	June 30, 2015	\$ 13,127,620	\$ 8,868,629	148.02%	65.47%
June 30, 2017	0.33773547%	June 30, 2016	\$ 17,959,406	\$ 9,248,936	194.18%	58.30%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report.

SULLIVAN COUNTY, NEW HAMPSHIRE
SCHEDULE OF PENSION CONTRIBUTIONS (GASB 68)
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017
(Unaudited)

New Hampshire Retirement System

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2015	\$ 1,205,010	\$ (1,205,010)	\$ -	\$ 8,868,629	13.59%
June 30, 2016	\$ 1,209,360	\$ (1,209,360)	\$ -	\$ 9,248,936	13.08%
June 30, 2017	\$ 1,185,827	\$ (1,185,827)	\$ -	\$ 9,700,723	12.22%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report.