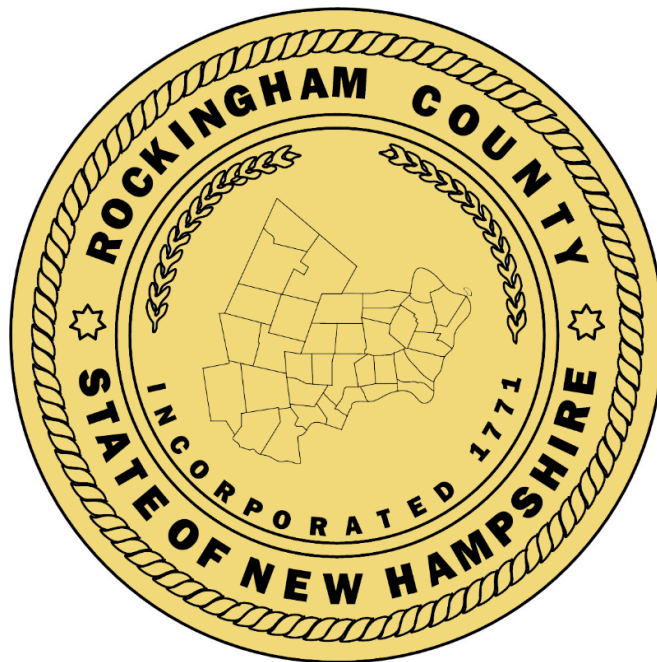


COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022



COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

TABLE OF CONTENTS

FINANCIAL SECTION

Independent Auditors' Report	1-3
---	-----

Management's Discussion and Analysis	4-11
---	------

Financial Statements

Government-Wide Financial Statements

Statement of Net Position	12-13
Statements of Activities	14

Fund Financial Statements

Balance Sheet – Governmental Funds	15
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	17
Statement of Revenues, Expenditures, and Changes in Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Revenues and Other Sources, and Expenditures and Other Uses – Budget and Actual - General Fund.....	19
Statement of Net Position – Proprietary Funds.....	20
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	21
Statement of Cash Flows – Proprietary Funds.....	22
Statement of Fiduciary Net Position – Fiduciary Funds.....	23
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	24

Notes to Financial Statements	25-61
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COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

TABLE OF CONTENTS (CONTINUED)

REQUIRED SUPPLEMENTARY INFORMATION

Pension

Schedule of Proportionate Share of the Net Pension Liability	62
Schedule of Pension Contributions	63

OPEB:

Schedules of Proportionate Share of the Net OPEB Liability and Contributions	64
Schedule of Changes in the Total OPEB Liability	65

SUPPLEMENTARY INFORMATION

Combining Balance Sheet – Nonmajor Governmental Funds	66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	67
Combining Statement of Net Position – Proprietary Funds	68
Combining Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	69
Combining Statement of Cash Flows – Proprietary Funds	70
Combining Statement of Fiduciary Net Position – Fiduciary Funds	71
Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds	72



INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
County of Rockingham, New Hampshire

Report on the audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of County of Rockingham, New Hampshire (the County), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of County of Rockingham, New Hampshire, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and certain pension and OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information appearing on pages 66 through 72 are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2024 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Marcum LLP

Andover, MA
April 10, 2024

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

The County of Rockingham, New Hampshire's (the County) financial management offers readers of these financial statements this narrative, overview, and analysis of the financial activities of the County for the fiscal year ended June 30, 2022. This discussion and analysis is designed for readers focusing on the significant financial issues and activities of the County and to identify any significant change in financial position. Readers are encouraged to review the information presented here in conjunction with additional information furnished in the County's financial statements, which follow this narrative.

Financial Highlights – Government-Wide

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$39,072,070 (net position).
- The County's total net position reflects an increase of \$7,504,009, which is primarily a result of expenses coming in significantly less than anticipated.
- The County's general obligation bonds increased by approximately \$21,644,000.
- Loans payable (formerly capital lease) liabilities decreased by approximately \$145,000.
- The liability for compensated absences (including both funded and unfunded) decreased by approximately \$41,000.
- The net OPEB liability for retiree health benefits decreased by approximately \$272,000. The decrease in the OPEB liability is partially due to the approximately \$47,000 increase in the OPEB liability for the County's health plan, but is more so a result from the approximately \$319,000 decrease in the proportionate share of net OPEB liability related to the New Hampshire Retirement System.
- The net pension liability related to the New Hampshire Retirement System decreased by approximately \$15,370,000. The decrease in the net pension liability is due to several factors, two of them being the changes in actuarial assumptions and the fund's overall market performance in the past year.

Financial Highlights – Fund Statements

- As of the close of the year, the County reported combined ending fund balances of \$63,748,883 which was an increase of \$28,989,653 in comparison to the fiscal period ended June 30, 2021. The increase was primarily due to General Fund expenses coming in \$11,046,635 under budget and approximately \$24.7 million of unexpended bond and bond premium proceeds.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$19,159,014, or 20.8% of total fiscal year 2023 General Fund (budgeted) appropriations, which is a decrease compared to the prior year figure of 23.8%. The goal of the County has been to maintain reserves equivalent to three months of budgeted appropriations.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

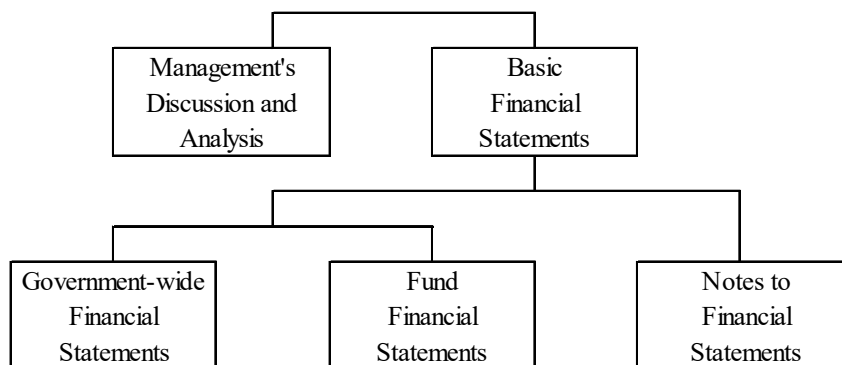
- The County retains an Aa1 bond rating for its long-term borrowing and maintained its MIG-1 rating on its short-term borrowing. The consistent level of bond rating is a clear indication of the sound financial condition of the County.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: (1) Government-Wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to Financial Statements. The basic financial statements present two different views of the County through the use of Government-Wide Financial Statements and Fund Financial Statements. In addition to the basic financial statements, this report contains required and other supplementary information that will enhance the reader's understanding of the financial condition of the County.

- The statements presented on pages 12 through 14 are the Government-Wide Financial Statements. They provide both short-term and long-term information about the County's financial status.
- The next statements are the Fund Financial Statements. These statements focus on the individual activities of the County. They provide more detail than the Government-wide Financial Statements. There are four parts to the Fund Financial Statements: (1) the governmental fund statements, (2) the budgetary comparison statement, (3) the proprietary fund statements, and (4) the fiduciary fund statements.
- The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. Following the notes is required and other supplementary information that further explains and supports the information in the financial statements.

Required Components of Annual Financial Report



COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Analysis of Net Position

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

Net Position

	Governmental Activities	
	June 30, 2021	June 30, 2022
Assets		
Current and other assets	\$ 118,657,874	\$ 156,411,712
Capital assets	<u>35,600,245</u>	<u>33,626,511</u>
Total Assets	<u>154,258,119</u>	<u>190,038,223</u>
Deferred Outflows of Resources	<u>11,979,676</u>	<u>8,652,015</u>
Liabilities		
Other liabilities	70,842,110	80,301,171
Long-term liabilities	<u>59,774,019</u>	<u>67,344,058</u>
Total Liabilities	<u>130,616,129</u>	<u>147,645,229</u>
Deferred Inflows of Resources	<u>4,053,605</u>	<u>11,972,939</u>
Net Position		
Net investment in capital assets	27,715,125	25,632,820
Restricted	1,784,249	1,846,514
Unrestricted	<u>2,068,687</u>	<u>11,592,736</u>
Total Net Position	<u>\$ 31,568,061</u>	<u>\$ 39,072,070</u>

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Change in Net Position

	Governmental Activities	
	For the year ended June 30, 2021	For the year ended June 30, 2022
Revenues		
Program revenues:		
Charges for services:		
Long-term care services	\$ 22,281,790	\$ 20,671,968
Corrections	108,441	125,422
Administration and other	5,858,571	5,487,110
Sheriff's office	908,794	1,211,914
Total Charges for Services	29,157,596	27,496,414
Operating grants and contributions	3,442,476	10,025,090
General revenues:		
Taxes	49,457,963	49,791,743
Investment income	113,878	139,294
Miscellaneous	923,599	743,593
Total Revenues	<u>83,095,512</u>	<u>88,196,134</u>
Expenses		
Long-term care services	27,857,839	27,549,686
Categorical assistance	19,565,145	19,622,534
Corrections	11,685,357	9,859,050
Administration and other	11,831,930	14,441,368
Sheriff's office	6,561,414	5,872,719
County attorney	3,737,350	3,346,768
Total Expenses	<u>81,239,035</u>	<u>80,692,125</u>
Change in Net Position	1,856,477	7,504,009
Net Position, Beginning of Year	<u>29,711,584</u>	<u>31,568,061</u>
Net Position, End of Year	<u>\$ 31,568,061</u>	<u>\$ 39,072,070</u>

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

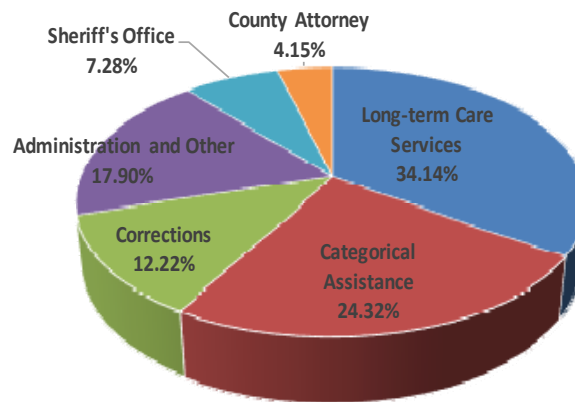
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Governmental Activities

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

**Expenses by Function - Governmental Activities
For the Fiscal Year Ended June 30, 2022**



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

Total and Net Cost of Services

Function / Program	June 30, 2021			June 30, 2022		
	Total Cost of Services	Revenues	Net Cost of Services	Total Cost of Services	Revenues	Net Cost of Services
Long-term Care Services	\$ 27,857,839	\$ 24,546,428	\$ 3,311,411	\$ 27,549,686	\$ 24,767,859 *	\$ 2,781,827
Categorical Assistance	19,565,145	--	19,565,145	19,622,534	--	19,622,534
Corrections	11,685,357	174,802	11,510,555	9,859,050	125,422	9,733,628
Administration and Other	11,831,930	6,339,542	5,492,388	14,441,368	11,209,130	3,232,238
Sheriff's Office	6,561,414	1,490,049	5,071,365	5,872,719	1,370,205	4,502,514
County Attorney	3,737,350	49,251	3,688,099	3,346,768	48,888	3,297,880
	<u>\$ 81,239,035</u>	<u>\$ 32,600,072</u>	<u>\$ 48,638,963</u>	<u>\$ 80,692,125</u>	<u>\$ 37,521,504</u>	<u>\$ 43,170,621</u>

* This amount reflects the budgetary net cost; actual net cost of services (a portion of which is reflected in Administration and Other), including Engineering and Maintenance, Information Technology, Human Resources, and Finance functions.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

MANAGEMENT’S DISCUSSION AND ANALYSIS

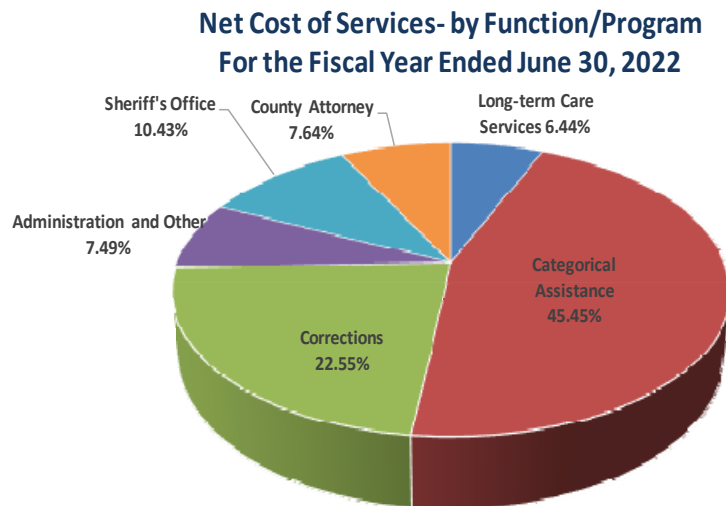
JUNE 30, 2022

Comparative Net Cost of Services

Function / Program	6/30/2021	6/30/2022	Change in Net Cost of Services
Function / Program	Net Cost of Services	Net Cost of Services	Change in Net Cost of Services
Long-term Care Services	\$ 3,311,411	\$ 2,781,827	\$ (529,584)
Categorical Assistance	19,565,145	19,622,534	57,389
Corrections	11,510,555	9,733,628	(1,776,927)
Administration and Other	5,492,388	3,232,238	(2,260,150)
Sheriff's Office	5,071,365	4,502,514	(568,851)
County Attorney	3,688,099	3,297,880	(390,219)
	<u>\$ 48,638,963</u>	<u>\$ 43,170,621</u>	<u>\$ (5,468,342)</u>

Note: For presentation purposes, debt interest costs are included in the “Administration and Other” function/program.

The following chart is a graphical presentation of the components of the 2022 Net Cost of Services. The primary source of funding for net costs is property tax revenues.



COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

County Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County's financing requirements. Specifically, unassigned fund balance can be a useful measure of the County's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the County. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund appropriations. At June 30, 2022, unassigned fund balance represents 21.9% of total General Fund (budgeted) fiscal year 2022 appropriations, while total fund balance represents 38.8% of that same amount.

Capital Assets and Long-Term Debt

Capital Assets

At June 30, 2022, the County reported approximately \$33.6 million in capital assets, net of depreciation, which includes construction in progress of approximately \$1.4 million. These assets include construction in progress, land, buildings and improvements, machinery, equipment and furnishings, and vehicles.

Long-Term Debt

At June 30, 2022, the County had approximately \$67.3 million in outstanding long-term debt, comprised of \$31.1 million in general obligation bonds, \$2.6 million in compensated absences, \$3.7 million in net OPEB liability, \$29.9 million in net pension liability, and approximately \$63,000 in loans payable (formerly known as capital leases).

Additional information on capital assets and long-term debt can be found in the Notes to Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- Property taxes accounted for 57% of expected resources for the fiscal year ended June 30, 2022, and also account for 54% of revenues in the fiscal year 2023 budget. Other sources of funding, notably assigned fund balance, comprised a significantly similar portion of the 2022 budget in comparison to fiscal year 2021.
- Categorical Assistance expenses continue to be the largest net County expenditure, followed by Corrections, and comprise 23% of fiscal year 2022 budgeted appropriations. The amount that the County is liable for is set by the State of New Hampshire annually, and is outside of the control of County management.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

- The COVID-19 epidemic has negatively impacted the County in many ways, notably with staffing shortages and reduced Nursing Home revenues. Various federal assistance and award programs (e.g., the Families First Coronavirus Response Act, or “FFCRA”, and the CARES Act) have helped reduce 2022 revenue shortfalls.

The County was awarded, as part of the American Rescue Plan Act (“ARPA”), just over \$60 million in State and Local Fiscal Recovery Funds (“SLFRF”). One-half of the allocation was received in May 2021 and the other half was received in June 2022. These funds will be utilized for a multitude of ARPA projects in accordance with parameters established by the United States Treasury in its Final Rule. All transactions for ARPA/SLFRF projects will be recorded in the County’s Contingent Grants Fund, a special revenue fund that is separately presented in Governmental Funds. Slightly over \$1.8 million of SLFRF funds were spent in fiscal year 2022.

The County also received funding from the federal government to start the Rockingham County Emergency Rental Assistance Program (“RC ERAP”) with monies from both ERA1 and ERA2 programs. The RC ERAP first started issuing rental assistance payments in June of 2021, and expended over \$3.6 million for the fiscal year ending June 30, 2022. Several hundred Rockingham County households received much needed rental assistance, and the RC ERAP continued operating through most of fiscal year 2023. SLFRF and ERAP expenditures comprised approximately 78 percent of fiscal year 2022 total expenses for the Contingent Grants Fund.

- Effective July 1, 2020, the County instituted a new special revenue fund, Contingent Grants. This new fund records the fully contingent portion of grants and Federal awards, and assists in providing more efficient accounting of the multitude of Federal and State grants and awards that have been made available in response to the COVID-19 epidemic.

Requests for Information

This financial report is intended to provide the users with a general overview of the County of Rockingham, New Hampshire’s finances at June 30, 2022. Questions about this report can be directed to the Finance Office at 119 North Road, Brentwood, New Hampshire, 03833. Additional information about the County of Rockingham, New Hampshire can be found at www.rockinghamcountynh.org.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

STATEMENT OF NET POSITION

JUNE 30 2022

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and short-term investments	\$ 149,011,474
Restricted cash	1,390,549
Investments	78,588
Receivables:	
Accounts, net	819,005
Due from other governments, net	3,386,337
Due from external parties	358,176
Prepaid items	647,416
Inventory	<u>720,167</u>
Total Current Assets	<u>156,411,712</u>
Noncurrent Assets	
Capital Assets:	
Land	578,857
Construction in progress	1,427,629
Other capital assets, net of accumulated depreciation	<u>31,620,025</u>
Total Noncurrent Assets	<u>33,626,511</u>
Total Assets	<u>190,038,223</u>
Deferred Outflows of Resources	
Pension related	8,143,137
OPEB related	<u>508,878</u>
Total Deferred Outflows of Resources	<u>8,652,015</u>

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2022

	<u>Governmental Activities</u>
Liabilities	
Current Liabilities	
Accounts payable	1,984,408
Accrued payroll and related liabilities	1,175,139
Due to other governments	3,835,245
Due to external parties	6,156,219
Incurred but not reported claims liability	689,124
Accrued interest payable	406,596
Unearned revenue	66,054,440
Current portion of noncurrent liabilities:	
Bonds and loans payable	2,569,010
Compensated absences liability	361,269
Total Current Liabilities	<u>83,231,450</u>
Noncurrent Liabilities	
Bonds and loans payable, net of current portion	28,568,481
Compensated absences liability, net of current portion	2,249,624
Net pension liability	29,853,593
Net OPEB liability	3,742,081
Total Noncurrent Liabilities	<u>64,413,779</u>
Total Liabilities	<u>147,645,229</u>
Deferred Inflows of Resources	
Pension related	11,606,720
OPEB related	366,219
Total Deferred Inflows of Resources	<u>11,972,939</u>
Net Position	
Net investment in capital assets	25,632,820
Restricted for:	
Long-term care (RSA 24:13)	458,376
LCHIP surcharges (RSA 478:17-g)	704,260
Special revenue funds	652,687
Permanent funds	31,191
Unrestricted	11,592,736
Total Net Position	<u>\$ 39,072,070</u>

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

		Program Revenues		Net (Expenses)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenues and Change in Net Position
Governmental Activities				
Long-term Care Services:				
Nursing home	\$ 25,657,329	\$ 19,306,092	\$ 4,095,891	\$ (2,255,346)
Assisted living	1,892,357	1,365,876	--	(526,481)
Categorical assistance	19,622,534	--	--	(19,622,534)
Corrections	9,859,050	125,422	--	(9,733,628)
Administration and Other:				
Maintenance	4,517,157	62,168	--	(4,454,989)
Deeds	1,090,459	5,414,639	--	4,324,180
Finance	1,110,981	--	--	(1,110,981)
General government	4,517,526	--	5,722,020	1,204,494
Human resources	743,226	--	--	(743,226)
Information technology	697,971	10,303	--	(687,668)
Statutory organizations	504,973	--	--	(504,973)
Non-county specials	250,500	--	--	(250,500)
Commissioners	206,246	--	--	(206,246)
Delegation	99,038	--	--	(99,038)
Medical examiner	74,053	--	--	(74,053)
Treasurer	12,236	--	--	(12,236)
Interest	617,002	--	--	(617,002)
Sheriff's office	5,872,719	1,211,914	158,291	(4,502,514)
County attorney	3,346,768	--	48,888	(3,297,880)
Total Governmental Activities	\$ 80,692,125	\$ 27,496,414	\$ 10,025,090	(43,170,621)
General Revenues				
				49,791,743
				139,294
				743,593
				50,674,630
				Change in Net Position
				7,504,009
				Net Position
				Beginning of Year
				31,568,061
				End of Year
				\$ 39,072,070

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2022

	General Fund	Capital Projects Fund	Contingent Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and short-term investments	\$ 103,185,843	\$ 29,237,068	\$ --	\$ 28,578	\$ 132,451,489
Restricted cash	1,162,636	--	--	227,913	1,390,549
Investments	--	--	--	78,588	78,588
Receivables:					
Accounts, net	737,372	--	7,503	50	744,925
Due from other governments, net	2,896,361	--	480,453	--	3,376,814
Due from other funds	3,475,638	--	65,473,308	684,507	69,633,453
Due from custodial funds	358,176	--	--	--	358,176
Prepaid items	505,754	--	--	250	506,004
Inventory	720,167	--	--	--	720,167
Total Assets	<u>\$ 113,041,947</u>	<u>\$ 29,237,068</u>	<u>\$ 65,961,264</u>	<u>\$ 1,019,886</u>	<u>\$ 209,260,165</u>
Liabilities					
Accounts payable	\$ 1,740,235	\$ 10,040	\$ 183,958	\$ 2,932	\$ 1,937,165
Accrued payroll and related liabilities	1,148,069	--	5,466	--	1,153,535
Due to other governments	3,835,251	--	--	--	3,835,251
Due to other funds	66,157,859	166,337	--	50,476	66,374,672
Due to custodial funds	6,156,219	--	--	--	6,156,219
Unearned revenue	--	--	65,771,840	282,600	66,054,440
Total Liabilities	<u>79,037,633</u>	<u>176,377</u>	<u>65,961,264</u>	<u>336,008</u>	<u>145,511,282</u>
Fund Balances					
Nonspendable:					
Prepaid items	505,754	--	--	--	505,754
Inventory	720,167	--	--	--	720,167
Nonexpendable permanent funds	--	--	--	31,191	31,191
Total Nonspendable	<u>1,225,921</u>	<u>--</u>	<u>--</u>	<u>31,191</u>	<u>1,257,112</u>
Restricted:					
Long-term care (RSA 24:13)	458,376	--	--	--	458,376
LCHIP surcharges (RSA 478:17-g)	704,260	--	--	--	704,260
Capital projects	--	29,060,691	--	--	29,060,691
Special revenue funds	--	--	--	652,687	652,687
Total Restricted	<u>1,162,636</u>	<u>29,060,691</u>	<u>--</u>	<u>652,687</u>	<u>30,876,014</u>
Assigned:					
Subsequent year budget	11,609,378	--	--	--	11,609,378
Encumbrances	847,365	--	--	--	847,365
Total Assigned	<u>12,456,743</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>12,456,743</u>
Unassigned	<u>19,159,014</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>19,159,014</u>
Total Fund Balances	<u>34,004,314</u>	<u>29,060,691</u>	<u>--</u>	<u>683,878</u>	<u>63,748,883</u>
Total Liabilities and Fund Balances	<u>\$ 113,041,947</u>	<u>\$ 29,237,068</u>	<u>\$ 65,961,264</u>	<u>\$ 1,019,886</u>	<u>\$ 209,260,165</u>

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

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

JUNE 30, 2022

<i>Total Governmental Fund Balances</i>	\$ 63,748,883
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	33,626,511
Internal service funds are used by management to account for certain activities. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	11,995,744
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(406,596)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:	
Bonds and loans payable	(31,137,491)
Compensated absences liability (unfunded)	(1,838,388)
Net pension liability and related deferred outflows/inflows of resources	(33,317,176)
Net OPEB liability and related deferred outflows/inflows of resources	<u>(3,599,417)</u>
<i>Net Position of Governmental Activities</i>	<u>\$ 39,072,070</u>

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Capital Projects Fund	Contingent Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 49,791,743	\$ --	\$ --	\$ --	\$ 49,791,743
Charges for services	27,252,476	--	--	243,938	27,496,414
Intergovernmental	3,127,646	--	6,897,444	--	10,025,090
Investment income (loss)	105,156	15,371	--	(2,390)	118,137
Miscellaneous	643,695	--	--	--	643,695
Total Revenues	<u>80,920,716</u>	<u>15,371</u>	<u>6,897,444</u>	<u>241,548</u>	<u>88,075,079</u>
Expenditures					
Long-term Care Services:					
Nursing home	22,485,583	--	2,919,951	--	25,405,534
Assisted living	1,842,044	--	--	--	1,842,044
Categorical assistance	19,622,534	--	--	--	19,622,534
Corrections	10,637,243	--	--	53,168	10,690,411
Administration and Other:					
Maintenance	4,227,654	--	--	--	4,227,654
Deeds	1,163,439	--	--	--	1,163,439
Finance	1,189,540	--	--	--	1,189,540
General government	602,400	--	3,915,126	--	4,517,526
Human resources	766,484	--	--	--	766,484
Information technology	687,271	--	--	--	687,271
Grants	--	--	--	--	--
Statutory organizations	504,973	--	--	--	504,973
Non-county specials	250,500	--	--	--	250,500
Commissioners	210,946	--	--	--	210,946
Delegation	109,347	--	--	--	109,347
Medical examiner	74,053	--	--	--	74,053
Treasurer	12,236	--	--	--	12,236
Sheriff's office	6,354,160	--	62,367	23,307	6,439,834
County attorney	3,671,829	--	--	--	3,671,829
Capital outlay	84,221	798,728	--	--	882,949
Debt service:					
Principal	1,500,000	--	--	--	1,500,000
Interest	316,322	--	--	--	316,322
Total Expenditures	<u>76,312,779</u>	<u>798,728</u>	<u>6,897,444</u>	<u>76,475</u>	<u>84,085,426</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,607,937</u>	<u>(783,357)</u>	<u>--</u>	<u>165,073</u>	<u>3,989,653</u>
Other Financing Sources (Uses)					
Issuance of bonds	--	23,143,800	--	--	23,143,800
Premium on bonds issued	--	1,856,200	--	--	1,856,200
Proceeds of capital lease	--	--	--	--	--
Transfers:					
Deeds and other	103,588	--	--	(103,588)	--
Capital projects	(506,825)	506,825	--	--	--
Total Other Financing Sources (Uses)	<u>(403,237)</u>	<u>25,506,825</u>	<u>--</u>	<u>(103,588)</u>	<u>25,000,000</u>
Change in Fund Balances	4,204,700	24,723,468	--	61,485	28,989,653
Fund Balances, at Beginning of Year	29,799,614	4,337,223	--	622,393	34,759,230
Fund Balances, at End of Year	<u>\$ 34,004,314</u>	<u>\$ 29,060,691</u>	<u>\$ --</u>	<u>\$ 683,878</u>	<u>\$ 63,748,883</u>

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

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

FOR THE YEAR ENDED JUNE 30, 2022

<i>Net Changes in Fund Balances - Total Governmental Funds</i>	\$ 28,989,653
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital asset purchases	1,241,029
Depreciation	(3,214,033)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the amount of the proceeds received sale or disposal of capital assets, reduced by the actual net value of the disposed assets.	(730)
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:	
Issuance of bonds	(23,143,800)
Premium on bond issuance	(1,856,200)
Repayments of bonds	1,500,000
Amortization of bond premium	102,834
Repayments of notes payable	144,794
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(300,674)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Compensated absences - change in unfunded liability	(54,151)
Change in net pension liability and related deferred outflows and inflows	4,066,077
Change in net OPEB liability and related deferred outflows and inflows	323,117
Internal service funds are used by management to account for certain activities. The net activity of internal service funds is reported with governmental activities.	(293,907)
<i>Change in Net Position - Governmental Activities</i>	<u>\$ 7,504,009</u>

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

STATEMENT OF REVENUES AND OTHER SOURCES, AND EXPENDITURES AND OTHER USES – BUDGET AND ACTUAL – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	From Prior Years' Budget	Approved Transfers	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance	\$ 6,419,409	\$ 290,281	\$ --	\$ 6,709,690	\$ --	\$ (6,709,690)
Revenues (Inflows)						
Taxes	49,791,743	--	--	49,791,743	49,791,743	--
Charges for services:						
Long-term Care Services:						
Nursing home	22,434,632	--	--	22,434,632	19,300,982	(3,133,650)
Assisted living	1,570,600	--	--	1,570,600	1,365,876	(204,724)
Corrections	61,002	--	--	61,002	32,550	(28,452)
Administration and Other:						
Deeds	4,622,992	--	--	4,622,992	5,279,683	656,691
Information technology	10,000	--	--	10,000	10,303	303
Maintenance	173,600	--	--	173,600	62,168	(111,432)
Sheriff	1,339,120	--	--	1,339,120	1,200,914	(138,206)
Intergovernmental	700,500	--	--	700,500	3,127,646	2,427,146
Investment income	100,000	--	--	100,000	105,156	5,156
Miscellaneous	406,505	--	--	406,505	643,695	237,190
Transfers from other funds	7,001	--	--	7,001	103,588	96,587
Amounts Available for Appropriation	<u>87,637,104</u>	<u>290,281</u>	<u>--</u>	<u>87,927,385</u>	<u>81,024,304</u>	<u>(6,903,081)</u>
Charges to Appropriations (Outflows)						
Long-term Care Services:						
Nursing home	28,676,286	48,567	25,000	28,749,853	22,495,715	6,254,138
Assisted living	1,940,273	--	--	1,940,273	1,842,044	98,229
Categorical assistance	20,120,405	--	--	20,120,405	19,622,534	497,871
Corrections	12,377,928	25,000	--	12,402,928	10,637,243	1,765,685
Administration and Other:						
Maintenance	4,632,404	129,648	33,381	4,795,433	4,278,668	516,765
Deeds	1,334,289	--	--	1,334,289	1,163,439	170,850
Finance	1,331,473	46,052	--	1,377,525	1,189,540	187,985
General government	763,092	--	15,000	778,092	602,400	175,692
Human resources	891,436	13,449	--	904,885	766,484	138,401
Information technology	748,660	3,992	16,000	768,652	687,271	81,381
Grants	25,000	--	(15,000)	10,000	--	10,000
Statutory organizations	504,973	--	--	504,973	504,973	--
Non-county specials	250,500	--	--	250,500	250,500	--
Commissioners	231,991	--	--	231,991	210,946	21,045
Delegation	327,923	--	(49,381)	278,542	109,347	169,195
Medical examiner	89,004	--	--	89,004	74,053	14,951
Treasurer	19,037	--	--	19,037	12,236	6,801
Sheriff's office	6,977,826	23,573	--	7,001,399	6,354,160	647,239
County attorney	4,053,282	--	--	4,053,282	3,671,829	381,453
Capital outlay	500,000	--	(406,825)	93,175	84,221	8,954
Debt service:						
Principal	1,500,000	--	--	1,500,000	1,500,000	--
Interest	316,322	--	--	316,322	316,322	--
Transfers to other funds	25,000	--	381,825	406,825	506,825	(100,000)
Total Charges to Appropriations	<u>87,637,104</u>	<u>290,281</u>	<u>--</u>	<u>87,927,385</u>	<u>76,880,750</u>	<u>11,046,635</u>
Ending Budgetary Fund Balance	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 4,143,554</u>	<u>\$ 4,143,554</u>

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

STATEMENT OF NET POSITION PROPRIETARY FUNDS

JUNE 30, 2022

	Internal Service Funds
Assets	
Current Assets	
Cash and short-term investments	\$ 16,559,985
Receivables:	
Accounts	74,081
Due from other governments	9,523
Due from other funds	706,775
Prepaid items	141,412
Total Current Assets	<u>17,491,776</u>
Total Assets	<u>17,491,776</u>
Liabilities	
Current Liabilities	
Accounts payable	47,243
Accrued payroll	21,604
Due to other funds	3,965,556
Incurred but not reported claims liability	689,124
Current portion of noncurrent liabilities:	
Compensated absences liability	361,269
Total Current Liabilities	5,084,796
Noncurrent Liabilities	
Compensated absences liability, net of current portion	411,236
Total Noncurrent Liabilities	<u>411,236</u>
Total Liabilities	5,496,032
Net Position	
Unrestricted	11,995,744
Total Net Position	<u>\$ 11,995,744</u>

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Internal Service Funds
Operating Revenues	
Employee and employer contributions	\$ 8,967,321
Total Operating Revenues	8,967,321
Operating Expenses	
Employee benefits	9,135,067
Total Operating Expenses	9,135,067
Operating Income (Loss)	(167,746)
Nonoperating Revenues (Expenses)	
Investment income	18,944
Miscellaneous expenses	(145,105)
Total Nonoperating Revenues (Expenses), Net	(126,161)
Change in Net Position	(293,907)
Net Position, at Beginning of Year	12,289,651
Net Position, at End of Year	\$ 11,995,744

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Internal Service Funds
Cash Flows from Operating Activities	
Receipts from users	\$ 9,243,579
Payments to providers	(9,545,638)
Payments to employees	--
Other receipts (payments)	(145,105)
	(447,164)
Net Cash Used for Operating Activities	(447,164)
Cash Flows from Noncapital Financing Activities	
Net change in due to/from other funds	2,193,709
	2,193,709
Net Cash Provided by Noncapital Financing Activities	2,193,709
Cash Flows from Investing Activities	
Investment income	18,944
	18,944
Net Cash Provided by Investing Activities	18,944
Net Change in Cash and Short-Term Investments	1,765,489
Cash and Short-Term Investments, at Beginning of Year	14,794,496
Cash and Short-Term Investments, at End of Year	\$ 16,559,985
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating loss	\$ (167,746)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Nonoperating expenses	(145,105)
Changes in assets and liabilities:	
Accounts receivable	181,959
Due from other governments	99,721
Prepaid items	(45,635)
Accounts payable	(38,796)
Accrued payroll	(858)
Due to other governments	--
Incurred but not reported claims liability	(230,411)
Compensated absences liability	(94,871)
Revenues collected in advance	(5,422)
	(447,164)
Net Cash Used for Operating Activities	\$ (447,164)

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

JUNE 30, 2022

	<u>Custodial Funds</u>
Assets	
Cash and short-term investments	\$ 645,381
Accounts receivable	2,935
Due from primary government	<u>6,156,219</u>
Total Assets	<u>6,804,535</u>
Liabilities	
Accounts payable	7,437
Due to primary government	358,176
Due to State of New Hampshire	<u>6,156,219</u>
Total Liabilities	<u>6,521,832</u>
Net Position	
Restricted for individuals and other governments	<u>282,703</u>
Total Net Position	<u><u>\$ 282,703</u></u>

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Custodial Funds</u>
Additions	
Taxes collected for State of New Hampshire	\$ 66,828,363
Funds collected for residents, inmates, and others	<u>1,265,949</u>
Total Additions	<u>68,094,312</u>
Deductions	
Payments of fees to State of New Hampshire	66,828,363
Other payments on behalf of residents, inmates, and others	<u>1,196,304</u>
Total Deductions	<u>68,024,667</u>
Change in Net Position	69,645
Restricted Net Position	
Beginning of Year	<u>213,058</u>
End of Year	<u><u>\$ 282,703</u></u>

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Rockingham, New Hampshire (the County) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles applicable to the County, and the County's conformity with such principles, are described below. These disclosures are an integral part of the County's financial statements.

REPORTING ENTITY

The County of Rockingham, New Hampshire is a body corporate governed by a Commissioner form of government and provides County services as authorized by state statutes. As required by GAAP, specifically GASB Statement No. 14 (as amended) of the GASB, *The Financial Reporting Entity*, these financial statements are required to present the County of Rockingham, New Hampshire and its "component units" (if any). A primary government is defined by the GASB as any state government or general-purpose local government. Additionally, a primary government may also consist of a special-purpose government (such as a school district) that meets all of the following criteria: (a) it has a separately elected governing body, (b) it is legally separate, and (c) it is fiscally independent of other governments.

A component unit is defined by the GASB as a legally separate organization for which the primary government is "financially accountable". The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if an organization is "fiscally dependent" on the primary government. Fiscal independency is defined by the GASB as the ability to complete certain essential fiscal events without substantive approval by a primary government, (a) determine its budget without another government having the authority to approve and modify that budget, (b) levy taxes or set rates or charges without approval by another government, and (c) issue bonded debt without approval by another government. For the current year, there were no potential component units identified upon which the application of these criteria applied.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as well as the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period and available to pay current liabilities. Generally, all other revenue items are considered to be measurable and available only when cash is received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, compensated absences, claims and judgments, and pension and OPEB costs are recorded as expenditures only when payment is due.

The County reports the following major governmental funds:

- The *General Fund* is used to account for the resources traditionally associated with County operations, which are not required legally to be accounted for in another fund. The General Fund is the overall operating fund of the County.
- The *Capital Projects Fund* is used to account for the acquisition or construction of capital assets.
- The *Contingent Grants Fund* accounts for the County's state and federal grant programs.

Nonmajor governmental funds account for special revenue and permanent fund activity.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties or to other departments or agencies primarily within the County. The self-insured risk management programs are operated by the County and are accounted for as proprietary (internal service) funds in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Fund Financial Statements (Continued)

The County reports the following fiduciary funds:

- *Registry of Deeds Tax Fund* accounts for taxes and fees collected by the County's Registry of Deeds on behalf of the State of New Hampshire.
- *Inmate Fund* is used to account for funds held by the County for individuals incarcerated at the County's corrections facility.
- *Nursing Home Residents Fund* accounts for funds held by the County for individuals living in the long-term care facility.
- *Assisted Living Security Deposits* are held by the County for individuals living in the assisted living facility.

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 capital project, special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds. Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts.

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

INVESTMENTS

The County Treasurer is authorized by state statutes to invest excess funds, with the approval of the Commissioners, in the following:

- Obligations of the United States Government,
- Savings bank deposits of banks incorporated under the laws of the State of New Hampshire,
- Certificates of deposits of banks incorporated under the laws of the State of New Hampshire or in national banks located within the States of New Hampshire or Massachusetts, or,

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS (CONTINUED)

- “Participation units” of the New Hampshire Public Deposit Investment Pool established under RSA 383:22.

The receiver of such public funds to be deposited or to be invested in securities shall “prior to acceptance of such funds” provide a collateralization option for such funds in an amount at least equal to the amount to be deposited or invested in securities.

The County was in compliance with these applicable deposit and investment state laws and regulations for the year.

INTERFUND RECEIVABLES AND PAYABLES

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as “due from/to other funds” (i.e., the current portion of interfund loans)

INVENTORY

Inventory is valued at cost using the first-in/first-out (FIFO) method. Significant inventory balances on hand in governmental funds at year-end are reported as assets of the respective fund, with an offsetting nonspendable fund balance.

CAPITAL ASSETS

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

All long-term care fixed assets, including those of the Nursing Home, are valued at historical cost. As of November 2001, other County assets were valued at estimated cost and subsequent additions are recorded at actual cost. Donated assets are recorded at the estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS (CONTINUED)

The infrastructure assets owned and maintained by the County include utility tunnels, drainage systems, water and sewer systems, and dams and are included in the cost of the building and improvements the infrastructure is most identified with. Condition assessments are performed regularly, and the results are used to budget annually the amount necessary to maintain and preserve the infrastructure.

The County has a sizable amount of capital asset projects in process at June 30, 2022 totaling \$1,427,629, 62% of which is comprised of the County Complex and jail facility improvements and security upgrades. The projects in process are included in the reporting of \$33,626,511 net capital assets in the related statements. Once a project is completed, it is reported in the asset category (see Note 7).

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

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

COMPENSATED ABSENCES

Certain County employees are entitled to compensated absences based, in part, on their length of employment. In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a liability of the fund that will pay for it.

The funded portion of the compensated absences liability is reported in the Compensated Absences Fund. Any liability for which no funding is currently available is reported in the government-wide Statement of Net Position long-term liabilities.

The calculation of compensated absences can include vacation, sick time, earned time, and holiday pay that are attributable to past service in which it is probable that the County will compensate the employee through paid time off or cash payment. The calculation also includes the incremental cost of any item associated with compensation payments such as the employer share of Social Security, Medicare, and retirement.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities.

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. For governmental funds, unassigned fund balance represents the amount that may be available for budgeting future operations. The General Fund is the only fund that reports a positive unassigned fund balance. The County has set and historically exceeded a financial management goal of attaining an unassigned fund balance of at least three months of budgeted appropriations.

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 consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through 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.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of basic financial statements in conformity with GAAP 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 revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates used.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

Governmental revenues and expenditures are controlled by a formal integrated budgetary system which is substantially consistent with both GAAP and applicable State finance-related laws and regulations which govern the County's operations. The County budget is formally acted upon at the County Convention. During the year, appropriations may be transferred between line items, but total expenditures may not exceed the total approved budget (with the exception of emergency items, which require approval by the New Hampshire Department of Revenue Administration under RSA 32). At year-end, all unencumbered annual appropriations lapse. Other appropriations, which have a longer than annual authority, may carry over at year-end if the governing body intends to continue or complete the special purpose for which the funds were established. State legislation also requires balanced budgets. For the fiscal year ended June 30, 2022, \$6,419,409 of beginning General Fund unassigned fund balance was budgeted for use in reducing taxes, with none actually being utilized.

ENCUMBRANCES

Encumbrance accounting is utilized in the governmental funds to account for commitments relating to unperformed contracts for goods and services. Encumbrances outstanding at year-end are reported as assigned fund balance and do not constitute expenditures or liabilities of the governmental fund, but are carried forward to supplement appropriations of the succeeding year.

BUDGETARY BASIS

The General Fund final appropriation appearing on the "Budget and Actual" page of the fund financial statements represents the final amended budget after all transfers and supplemental appropriations, and use of prior year fund balance reserves.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

BUDGET/GAAP RECONCILIATION

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

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

<u>General Fund</u>	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Revenues/Expenditures (GAAP Basis)	\$ 80,920,716	\$ 76,312,779
Other financing sources/uses (GAAP Basis)	<u>103,588</u>	<u>506,825</u>
Subtotal (GAAP Basis)	81,024,304	76,819,604
Adjustment for inventory budgeted on the cash basis	<u>--</u>	<u>61,146</u>
Budgetary Basis	<u>\$ 81,024,304</u>	<u>\$ 76,880,750</u>

DEFICIT NET POSITION

The Compensated Absences Internal Service Fund reflects a deficit net position of \$(232,188) as of June 30, 2022. It is anticipated that this deficit will be eliminated through future transfers from other funds.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 3 - DEPOSITS AND INVESTMENTS

State statutes (RSA 29:1 II) place certain limitations on the nature of deposits and investments available to the County. Deposits may be made in the New Hampshire Deposit Investment Pool (NHPDIP), established pursuant to RSA 383:22, or in New Hampshire banks or banks outside the State if such banks pledge and deliver to a third-party custodial bank with various collateralized security.

DEPOSITS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's deposit policy for custodial credit risk is that all deposits with banks are to be fully insured and collateralized. As of June 30, 2022, the County's bank balance was fully insured and collateralized.

INVESTMENTS

Credit Risk

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

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

Investment Type	Fair Value	Minimum Legal Rating	Exempt From Disclosure
Mutual funds	<u>\$ 78,588</u>	N/A	<u>\$ 78,588</u>

Custodial Credit Risk

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

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

The County had a custodial credit risk exposure at June 30, 2022 of \$78,588 because the related securities were uninsured, unregistered, and held by the County's brokerage firm, which is also the counterparty to these securities. The County manages this custodial credit risk with SIPC and excess SIPC.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the County's investment in a single issuer. The County places no limit on the amount that may be invested in any one issuer. The County does not have formal investment policies related to concentration of credit risk exposure. At June 30, 2022, no investments in any one issuer represented 5% or more of total investments.

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The County does not have a policy for foreign currency risk. At June 30, 2022, none of the County's investments were exposed to foreign currency risk.

Fair Value

The County categorizes its fair value measurements within the fair value hierarchy established by GASB No. 72, *Fair Value Measurement and Application* (GASB 72). The hierarchy is based on the valuation inputs used to measure the fair value of an asset or a liability. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County's investments at June 30, 2022 were categorized as Level 1.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 4 - RESTRICTED CASH

Restricted cash represents cash and short-term investments where use is limited by legal requirements. Within governmental funds at June 30, 2022, the General Fund restricted cash amount of \$1,162,636 was comprised of a \$458,376 non-lapsing reserve account to fund long-term care services (established in accordance with RSA 24:13) and \$704,260 for an account that is segregated for LCHIP surcharges (in accordance with RSA 478:17-g). These surcharges are collected by the Registry of Deeds, remitted to the State, and are used to fund the State of New Hampshire's Land and Community Heritage Investment Program ("LCHIP"), which was established with RSA 227-M.

The \$227,913 restricted cash that is part of Nonmajor Governmental Funds is comprised of amounts from the Nursing Home Special Account and Deeds Equipment funds, both of which are special revenue funds. The cash for each of these funds is restricted, as it can only be disbursed for expenditures as appropriated by the County Convention for long-term care services and the Registry of Deeds, respectively.

NOTE 5 - DUE FROM OTHER GOVERNMENTS, NET

Due from other governments at June 30, 2022 consisted primarily of amounts due from the State of New Hampshire for Nursing Home receivables.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6 - INTERFUND ACCOUNTS

RECEIVABLES/PAYABLES

Although self-balancing funds are maintained, most transactions flow through the General Fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The composition of interfund balances as of June 30, 2022 was as follows:

Fund	Due From Other Funds	Due to Other Funds
General Fund	\$ 3,833,814	\$ 72,314,078
Capital Projects Fund	--	166,337
Contingent Grants Fund	65,473,308	--
Special Revenue Funds:		
Opioid Settlement	282,600	--
Drug Task Force	--	3,286
Expendable Trust	--	28,043
Nursing Home Special Account	--	1,593
Assisted Living Donations	9,541	--
Inmate Commissary	376,529	--
Inmate Chapel	15,411	--
Deeds Equipment	426	--
Permanent Fund	--	17,554
Internal Service Funds:		
Health	186,218	1,627,719
Dental	189,765	217,153
Workers' Compensation	99,644	539,551
Compensated Absences	231,148	1,581,133
Custodial Funds:		
Registry of Deeds	6,156,219	--
Inmates	--	350,676
Nursing Home Residents	--	7,500
	<u>\$ 76,854,623</u>	<u>\$ 76,854,623</u>

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6 - INTERFUND ACCOUNTS (CONTINUED)

TRANSFERS

The County reports interfund transfers between various funds. Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various expenditure purposes. Annually, the County budgets for a transfer to the Capital Projects Fund from the General Fund to fund future capital projects. The sum of all transfers presented in the following table agrees with the sum of interfund transfers presented in the governmental fund financial statements.

Fund	Transfers In	Transfers Out
General Fund	\$ 103,588	\$ 506,825
Capital Projects Fund	506,825	--
Special Revenue Funds:		
Nursing Home Special Account	--	3,588
Deeds Equipment	--	100,000
	<u>\$ 610,413</u>	<u>\$ 610,413</u>

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Buildings and improvements	\$ 72,946	\$ 12	\$ (4)	\$ 72,954
Machinery, equipment, and furnishings	14,477	932	(52)	15,357
Vehicles	1,874	--	--	1,874
Total capital assets, being depreciated	89,297	944	(56)	90,185
Less accumulated depreciation for:				
Buildings and improvements	(43,945)	(2,289)	40	(46,194)
Machinery, equipment, and furnishings	(9,966)	(735)	16	(10,685)
Vehicles	(1,496)	(190)	--	(1,686)
Total accumulated depreciation	(55,407)	(3,214)	56	(58,565)
Total capital assets, being depreciated, net	33,890	(2,270)	--	31,620
Capital assets, not being depreciated:				
Land	579	--	--	579
Construction in progress	1,132	296	--	1,428
Total capital assets, not being depreciated	1,711	296	--	2,007
Capital assets, net	\$ 35,601	\$ (1,974)	\$ --	\$ 33,627

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

Long-term Care Services:	
Nursing home	\$ 1,556
Assisted living	150
Corrections	699
Administration and Other:	
Maintenance	454
Deeds	9
Human resources	22
Information technology	26
Commissioners	2
Sheriff's office	296
Total depreciation expense	\$ 3,214

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - 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 and OPEB, in accordance with GASB Statements No. 68 and 75, are more fully discussed in the corresponding pension and OPEB notes.

NOTE 9 - DUE TO OTHER GOVERNMENTS

Due to other governments at June 30, 2022 consisted primarily of amounts due to the State of New Hampshire Department of Health and Human Services.

NOTE 10 - UNEARNED REVENUE

Unearned revenue in the Contingent Grants Fund represents funds received by the County from the American Rescue Plan Act (ARPA). These funds will be used for COVID-19 related expenditures or negative economic impacts of COVID-19 over the next several years.

NOTE 11 - LONG-TERM LIABILITIES

CHANGES IN LONG-TERM LIABILITIES

During the year ended June 30, 2022, the following changes occurred in governmental activities long-term liabilities (in thousands):

	Total Balance Beginning	Additions	Reductions	Total Balance Ending	Less Current Portion	Equals Long-Term Portion Ending
Bonds payable:						
Public offerings	\$ 1,620	\$ --	\$ (800)	\$ 820	\$ (820)	\$ --
Direct placements	5,335	23,144	(700)	27,779	(1,497)	26,282
Loans payable (direct borrowings)	208	--	(145)	63	(63)	--
Unamortized bond premium	722	1,856	(103)	2,475	(189)	2,286
Subtotal	7,885	25,000	(1,748)	31,137	(2,569)	28,568
Other:						
Compensated absences liability	2,652	--	(41)	2,611	(361)	2,250
Net pension liability	45,223	--	(15,369)	29,854	--	29,854
Net OPEB liability	4,014	--	(272)	3,742	--	3,742
	<u>\$ 59,774</u>	<u>\$ 25,000</u>	<u>\$ (17,430)</u>	<u>\$ 67,344</u>	<u>\$ (2,930)</u>	<u>\$ 64,414</u>

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 - LONG-TERM LIABILITIES (CONTINUED)

GENERAL OBLIGATION BONDS AND LOANS

The County issues general obligation debt instruments (including direct placements) and direct borrowings to provide funds for the acquisition and construction of major capital equipment, infrastructure, and other facilities. General obligation debt instruments are direct government obligations and, consequently, are a pledge of the full faith and credit of the County. General obligation debt instruments and direct borrowings outstanding at June 30, 2022 were as follows:

	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/22
<u>General Obligation Bonds</u>			
Public offerings:			
General Obligation Municipal Purpose Loan of 2013 Bonds	5/15/2023	3.00%	\$ 820,000
Direct placements:			
General Obligation Bonds 01/10/2018	8/15/2028	5.10%	1,560,000
General Obligation Bonds 01/09/2019	2/15/2029	4.1 - 5.1%	3,075,200
General Obligation Bonds 02/10/2022	2/15/2051	2.36%	<u>23,143,800</u>
Total direct placements			<u>27,779,000</u>
Total general obligation bonds			28,599,000
<u>Loans Payable</u>			
Direct Borrowings:			
Equipment Purchase	3/31/2023	2.15%	<u>62,888</u>
Total general obligation bonds and loans payable			<u>\$ 28,661,888</u>

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 - LONG-TERM LIABILITIES (CONTINUED)

FUTURE DEBT SERVICE

The annual payments to retire all general obligation bonds and loans outstanding as of June 30, 2022 were as follows:

Fiscal Year	Bonds - Public Offerings		Bonds - Direct Placements		Loans Payable - Direct Borrowing	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 820,000	\$ 24,600	\$ 1,496,700	\$ 1,064,650	\$ 62,888	\$ 1,351
2024	--	--	1,496,450	976,913	--	--
2025	--	--	1,499,800	900,594	--	--
2026	--	--	1,496,600	824,104	--	--
2027	--	--	1,496,900	747,778	--	--
2028-2032	--	--	5,128,250	2,842,491	--	--
2033-2037	--	--	3,994,200	1,807,713	--	--
2038-2042	--	--	3,993,200	1,187,466	--	--
2043-2047	--	--	3,989,500	713,446	--	--
2048-2051	--	--	3,187,400	206,986	--	--
	<u>\$ 820,000</u>	<u>\$ 24,600</u>	<u>\$ 27,779,000</u>	<u>\$ 11,272,141</u>	<u>\$ 62,888</u>	<u>\$ 1,351</u>

The General Fund has been designated as the source that will repay the general obligation bonds and direct borrowings outstanding as of June 30, 2022.

NOTE 12 - DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent the acquisition of net position by the County that is 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 and OPEB will be recognized as expense in future years and are more fully discussed in the corresponding pension and OPEB notes.

NOTE 13 - 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, *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.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13 - GOVERNMENTAL FUNDS – FUND BALANCES (CONTINUED)

The following types of fund balances are reported at June 30, 2022:

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.

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.

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.

ASSIGNED

Represents amounts that are constrained by the County's intent to use these resources for a specific purpose. These funds, include encumbrances, which have been assigned for specific goods and services ordered but not yet received.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13 - GOVERNMENTAL FUNDS – FUND BALANCES (CONTINUED)

UNASSIGNED

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

The following is a summary of the County’s fund balances at June 30, 2022:

	General Fund	Capital Projects Fund	Contingent Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid items	\$ 505,754	\$ --	\$ --	\$ --	\$ 505,754
Inventory	720,167	--	--	--	720,167
Nonexpendable permanent funds	<u>--</u>	<u>--</u>	<u>--</u>	<u>31,191</u>	<u>31,191</u>
Total Nonspendable	<u>1,225,921</u>	<u>--</u>	<u>--</u>	<u>31,191</u>	<u>1,257,112</u>
Restricted:					
Long-term care (RSA 24:13)	458,376	--	--	--	458,376
LCHIP surcharges (RSA 478:17-g)	704,260	--	--	--	704,260
Capital projects	--	29,060,691	--	--	29,060,691
Special revenue funds	<u>--</u>	<u>--</u>	<u>--</u>	<u>652,687</u>	<u>652,687</u>
Total Restricted	<u>1,162,636</u>	<u>29,060,691</u>	<u>--</u>	<u>652,687</u>	<u>30,876,014</u>
Assigned:					
Subsequent year budget	11,609,378	--	--	--	11,609,378
Encumbrances	<u>847,365</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>847,365</u>
Total Assigned	<u>12,456,743</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>12,456,743</u>
Unassigned	<u>19,159,014</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>19,159,014</u>
Total Fund Balances	<u>\$ 34,004,314</u>	<u>\$ 29,060,691</u>	<u>\$ --</u>	<u>\$ 683,878</u>	<u>\$ 63,748,883</u>

NOTE 14 - 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).

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 14 - NEW HAMPSHIRE RETIREMENT SYSTEM (CONTINUED)

PLAN DESCRIPTION

Full-time employees participate in the New Hampshire Retirement System (NHRS), 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 Sections 401(a) and 501(a) of the Internal Revenue Code. The plan provides 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.

BENEFITS PROVIDED

Group I benefits are provided based on creditable service and average final salary for the highest of either three or five years, depending on when service commenced.

Group II benefits are provided based on age, years of creditable service, and a benefit multiplier depending on vesting status as of January 1, 2012. The maximum retirement allowance for Group II members vested by January 1, 2012 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by January 1, 2012, the benefit is calculated the same way, but the multiplier used in the calculation will change depending on age and years of creditable service, as follows:

<u>Years of creditable service as of January 1, 2012</u>	<u>Minimum Age</u>	<u>Minimum Service</u>	<u>Benefit Multiplier</u>
At least 8 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 14 - NEW HAMPSHIRE RETIREMENT SYSTEM (CONTINUED)

CONTRIBUTIONS

Plan members are required to contribute a percentage of their gross earnings to the pension plan, which the contribution rates are 7% for employees and 11.55% for police and 11.80% for fire. The County makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, and range from 13.75% to 30.67% of covered compensation. The County's contribution to NHRS for the fiscal year ended June 30, 2022 was \$3,048,240, which was equal to its contractually required contribution.

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 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.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2022, the County reported a liability of \$29,853,593 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. 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 the most recent measurement date June 30, 2021, the County's proportion was 0.67360418%, which was a decrease of 0.03343587% from its previous year proportion.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 14 - NEW HAMPSHIRE RETIREMENT SYSTEM (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

For the year ended June 30, 2022, the County recognized pension expense of \$123,058. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 835,944	\$ 312,546
Net difference between projected and actual earnings on investments	--	8,349,366
Changes of assumptions	3,118,039	--
Changes in proportion and differences between contributions and proportionate share of contributions	--	2,944,808
Contributions subsequent to the measurement date	4,189,154	--
	\$ 8,143,137	\$ 11,606,720

Deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as a decrease in expense as follows:

Year Ending June 30,	Amount
2023	\$ (1,967,618)
2024	(1,294,900)
2025	(1,362,713)
2026	(3,027,506)
	\$ (7,652,737)

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 14 - NEW HAMPSHIRE RETIREMENT SYSTEM (CONTINUED)

ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.0% per year
Salary increases	5.60% average, including inflation
Wage inflation	2.75% per year (2.25% for Teachers)
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using scale MP-2019.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

TARGET ALLOCATION

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 geometric real rates of return for each major class are summarized in the table on the following page:

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 14 - NEW HAMPSHIRE RETIREMENT SYSTEM (CONTINUED)

TARGET ALLOCATIONS (CONTINUED)

Asset Class	Target Allocation Percentage		Expected Real Rate of Return
Large Cap Equities	22.50	%	6.46%
Small/Mid Cap Equities	7.50		1.14%
Total domestic equities	30.00		
Int'l Equities (unhedged)	14.00		5.53%
Emerging Int'l Equities	6.00		2.37%
Total international equities	20.00		
Core US Fixed Income	25.00		3.60%
Total fixed income	25.00		
Private Equity	10.00		8.85%
Private Debt	5.00		7.25%
Total alternative investments	15.00		
Real Estate	10.00		6.60%
	100.00	%	

DISCOUNT RATE

The discount rate used to measure the total pension liability was 6.75%. 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.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 14 - NEW HAMPSHIRE RETIREMENT SYSTEM (CONTINUED)

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 current discount rate, 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 or one percentage-point higher than the current rate:

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
\$ 42,694,054	\$ 29,853,593	\$ 19,142,553

PENSION PLAN FIDUCIARY NET POSITION

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

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS – OPEB (GASB 75)

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 establishes standards for recognizing and measuring assets, liabilities, deferred outflows/inflows of resources, and expenditures related to other post-employment benefits (OPEB) liabilities and identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

COUNTY OPEB PLAN

The following disclosures for the County’s OPEB Plan are based on a measurement date of June 30, 2022.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS – OPEB (GASB 75) (CONTINUED)

COUNTY OPEB PLAN (CONTINUED)

Plan Description

The County indirectly provides post-employment healthcare for retired employees through an implicit rate covered by current employees. Retirees of the County who participate in the single-employer plan pay 100% of the healthcare premiums to participate in the County’s healthcare program. Since they are included in the same pool as active employees, the insurance rates are implicitly higher for current employees, due to the age of consideration. This increased rate is an implicit subsidy the County pays for the retirees.

The County’s OPEB plan is not administered through a trust that meets the criteria in paragraph 4 of GASB 75. The OPEB plan does not issue a publicly available financial report.

Benefits Provided

The County provides health care benefits for retirees and their dependents. Benefits are provided through the County, and the full cost of benefits is paid by retirees.

Membership Data

As of June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	32
Active employees	<u>311</u>
Total participants covered by OPEB plan	<u><u>343</u></u>

Funding Policy

The County’s funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS – OPEB (GASB 75) (CONTINUED)

COUNTY OPEB PLAN (CONTINUED)

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021, rolled forward to the measurement date using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Discount rate	3.54%, net of investment expenses, including inflation
Healthcare cost trend rates	7.50%, decreasing to 0.6% per year to the ultimate trend rate of 4.00% utilizing the Society of Actuaries Getzen Medical Trend Model. The ultimate medical trend rate is reached in 2075.
Retirees' share of benefit related costs	100%
Participation rate	40%
Pre-Retirement Mortality	PubG-2010 headcount-weighted Employee General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.
Post-Retirement Mortality	<u>Healthy Retirees</u> : 101% of PubG-2010 headcount-weighted Retiree General Mortality Tables for males and 109% of PubG-2010 headcount-weighted Retiree General Mortality Tables for females, projected with fully generational mortality improvement using scale MP-2019. <u>Surviving Spouses</u> : PubG-2010 Contingent Survivor General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019. <u>Disabled Retirees</u> : PubG-2010 Disabled General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.

The discount rate was based on the index provided by Bond Buyer 20-Bond General Obligation Index based on the 20-year AA municipal bond rate as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from the County will be in accordance with the plan's funding policy. Based on these assumptions, the OPEB plan's fiduciary net position is projected to be insufficient to make all projected benefit payments of current members. Therefore, the 3.54% municipal bond rate was applied to all periods to determine the total OPEB liability.

Total OPEB Liability

The County's total OPEB liability of \$1,620,402 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS – OPEB (GASB 75) (CONTINUED)

COUNTY OPEB PLAN (CONTINUED)

Changes in the Total OPEB Liability

The following summarizes the changes to the total OPEB liability for the past fiscal year:

Beginning of year balance	\$ 1,572,933
Service cost	91,853
Interest	34,826
Benefit payments	(104,908)
Differences between expected and actual experience	220,725
Changes of assumptions	<u>(195,027)</u>
End of year balance	<u>\$ 1,620,402</u>

Changes of assumptions reflect a change in the discount rate from 3.54% to 2.21%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	Current Discount	
1% Decrease	Rate	1% Increase
\$ 1,777,614	\$ 1,620,402	\$ 1,483,748

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	Current	
1% Decrease	Healthcare Cost	1% Increase
Trend Rate	Trend Rate	Trend Rate
\$ 1,454,545	\$ 1,620,402	\$ 1,815,509

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS – OPEB (GASB 75) (CONTINUED)

COUNTY OPEB PLAN (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the County recognized OPEB expense of \$85,000. At June 30, 2022, the County reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 79,873	\$ 179,163
Difference between expected and actual experience	178,441	159,089
	\$ 258,314	\$ 338,252

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in expense as follows:

Year Ending June 30,	Amount
2023	\$ (41,637)
2024	(40,214)
2025	(4,949)
2026	5,779
2027	1,083
	\$ (79,938)

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS – OPEB (GASB 75) (CONTINUED)

NEW HAMPSHIRE RETIREMENT SYSTEM MEDICAL SUBSIDY PLAN

Plan Description

In addition to the County's OPEB plan discussed above, the County participates in the New Hampshire Retirement System's (NHRS) Medical Subsidy. The NHRS administers a cost-sharing, multiple-employer other post-employment benefit plan for retiree health insurance subsidies. Benefit amounts and eligibility requirements are set by state law, and members are designated by type. The four membership types are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees, and Group I State Employees. Collectively they are referred to as the OPEB Plan.

NHRS issues publicly available financial reports that can be obtained in writing to them at 54 Regional Drive, Concord, New Hampshire 03301-8507 or from their website at <http://www.nhrs.org>.

Benefits Provided

The OPEB Plan provides a medical insurance subsidy to qualified retired members. The Medical Subsidy is a payment made by NHRS to the former employer or their insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certifiably dependent children with a disability who are living in the household and being cared for by the retiree. Under specific conditions, the qualified beneficiaries of members who die while in service may also be eligible for the Medical Subsidy. The eligibility requirements for receiving OPEB Plan benefits differ for Group I and Group II members. The OPEB plan is closed to new entrants. The monthly Medical Subsidy rates are:

1 Person - \$375.56
2 Person - \$751.12
1 Person Medicare Supplement - \$236.84
2 Person Medicare Supplement - \$473.68

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS – OPEB (GASB 75) (CONTINUED)

NEW HAMPSHIRE RETIREMENT SYSTEM MEDICAL SUBSIDY PLAN (CONTINUED)

Contributions

Pursuant to RSA 100-A:16, III, and the biennial actuarial valuation, funding for the Medical Subsidy payment is via the employer contributions rates set forth by NHRS. Employer contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the NHRS actuary using the entry age normal funding method and are expressed as a percentage of gross payroll. The County contributed 0.31% of gross payroll for Group I employees, 1.54% of gross payroll for Group I teachers, and 3.21% of gross payroll for Group II fire and police department members. Employees are not required to contribute. The State Legislature has the authority to establish, amend, and discontinue the contribution requirements of the Medical Subsidy plan.

Actuarial Assumptions and Other Inputs

Actuarial assumptions are the same in the New Hampshire Retirement System footnote.

Net OPEB Liability, Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

The County's proportionate share of the net OPEB liability for the NHRS Medical Subsidy (net OPEB liability) as of the measurement date of June 30, 2021 was \$2,121,679 representing 0.52981455%.

For the year ended June 30, 2022, the County recognized an OPEB expense related to the NHRS Medical Subsidy of \$(52,645). At June 30, 2022, the County reported related deferred outflows and inflows of resources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ --	\$ 443
Net difference between projected and actual investment earnings	--	26,503
Change in proportion	--	1,021
Contributions subsequent to the measurement date	250,564	--
	<u>\$ 250,564</u>	<u>\$ 27,967</u>

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS – OPEB (GASB 75) (CONTINUED)

NEW HAMPSHIRE RETIREMENT SYSTEM MEDICAL SUBSIDY PLAN (CONTINUED)

Net OPEB Liability, Expense, and Deferred Outflows and Inflows of Resources Related to OPEB (Continued)

The amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the fiscal year ending June 30, 2023.

Other amounts reported as deferred outflows and inflows of resources will be recognized as decreases in expense as follows:

Year Ending June 30,	Amount
2023	\$ (7,526)
2024	(5,569)
2025	(6,242)
2026	<u>(8,630)</u>
	<u>\$ (27,967)</u>

Sensitivity of the Net NHRS Medical Subsidy OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

1% Decrease	Current Discount Rate	1% Increase
\$ 2,306,432	\$ 2,121,679	\$ 1,960,932

Health Care Cost Trend Rate

Health care cost trend rates are not applicable given that the benefits are fixed stipends.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS – OPEB (GASB 75) (CONTINUED)

CONSOLIDATION OF TOTAL/NET OPEB LIABILITIES AND RELATED DEFERRED OUTFLOWS AND INFLOWS

The following consolidates the County’s total OPEB liability and related deferred outflows/inflows, and the County’s proportionate share of the NHRS Medical Subsidy net OPEB liability and related deferred outflows/inflows at June 30, 2022:

	Total/Net OPEB Liability	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources	Total OPEB Expense
County OPEB Plan	\$ 1,620,402	\$ 258,314	\$ 338,252	\$ 85,000
NHRS Medical Subsidy Plan	2,121,679	250,564	27,967	(52,645)
	<u>\$ 3,742,081</u>	<u>\$ 508,878</u>	<u>\$ 366,219</u>	<u>\$ 32,355</u>

NOTE 16 - SELF-INSURANCE

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

HEALTH INSURANCE

The County contracts with an insurance carrier for excess liability coverage and an insurance consultant for claims processing. Under the terms of its health insurance coverage for nonunion employees (and those of three unions, Sheriff’s Supervisors, Correctional Officers, and Long-term Care), the County is liable for all medical claims up to \$150,000 for a covered individual. Claims exceeding this amount are the responsibility of the stop loss (or reinsurance) carrier, which funds these specific claims in advance to the County, which then pays the claims to the providers. 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.

DENTAL INSURANCE

The County does not contract with an insurance carrier for excess liability coverage. Under the terms of its dental insurance coverage, the County is liable for all dental claims up to an annual maximum of \$1,500 per covered individual on the “low” plan and \$2,000 per covered individual on the “high” plan. Any claim amounts exceeding the \$1,500 or \$2,000 maximum are the responsibility of the covered plan participants. The claims liability represents an estimate of claims incurred but unpaid at year-end, based on past historical costs and claims paid subsequent to year-end.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 16 - SELF-INSURANCE (CONTINUED)

WORKERS' COMPENSATION

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

Changes in the aggregate liability for claims for the year ended June 30, 2022 were as follows:

	Health	Dental	Workers' Compensation	Total
Claims liability, beginning of year	\$ 239,994	\$ 14,360	\$ 665,181	\$ 919,535
Claims incurred/recognized	7,560,769	410,775	483,770	8,455,314
Claims paid	<u>(7,614,519)</u>	<u>(411,972)</u>	<u>(659,234)</u>	<u>(8,685,725)</u>
Claims liability, end of year	<u>\$ 186,244</u>	<u>\$ 13,163</u>	<u>\$ 489,717</u>	<u>\$ 689,124</u>

NOTE 17 - LEASES

LESSEE

The County has entered into various rental agreements as a lessee for facility usage and office equipment with maturities ranging from fiscal years 2024 to 2027. Management has determined that the effect of implementing GASB 87 related to these leases is immaterial to its financial statements.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 18 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The County is a member of a public entity risk pool for all general liability risks, property liability risks, and for the protection of assets. The County has established risk management fund types in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, to account for and finance its uninsured risks of loss for health, dental, unemployment, and workers' compensation. Settled claims, if any, have not exceeded the County's coverage in any of the past five years.

NOTE 19 - CHANGE IN ACCOUNTING PRINCIPLE

During fiscal year 2022, the County adopted GASB Statement No. 87, *Leases*. This standard established new reporting and disclosure requirements, including the recording of various operating leases in the financial statements. The County disclosed the impact of the lease standard in Note 17.

NOTE 20 - COMMITMENTS AND CONTINGENCIES

OUTSTANDING LEGAL MATTERS

On an ongoing basis, there are typically pending legal matters in which the County is involved. The County follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed or determinable in amount. It is County management's opinion that the County is not liable in these suits, and the County intends to contest the cases. The County's management is also of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

GRANTS

Amounts received are subject to later year's review and adjustments by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. At June 30, 2022, the County believes that disallowed expenditures, if any, based on subsequent review will not have a material effect on any individual funds or the overall financial position of the County.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 20 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

ENCUMBRANCES

At year-end, the County's General Fund had \$847,365, in encumbrances that will be honored in the next fiscal year.

NOTE 21 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 10, 2024, which is the date the financial statements were available to be issued.

NOTE 22 - NEW PRONOUNCEMENTS

The GASB has issued GASB Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and GASB No. 96, *Subscription-Based Information Technology Arrangements*, effective for the County beginning with its fiscal year ending June 30, 2023. These statements establish new reporting and disclosure requirements related to these arrangements in the financial statements. Management has not yet evaluated the impact of implementing these GASB pronouncements.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
(Unaudited)**

New Hampshire Retirement System

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2022	June 30, 2021	0.67360418%	\$ 29,853,593	\$ 21,107,272	141.44%	72.22%
June 30, 2021	June 30, 2020	0.70704005%	\$ 45,223,350	\$ 21,415,652	211.17%	58.72%
June 30, 2020	June 30, 2019	0.73825637%	\$ 35,522,347	\$ 21,626,333	164.26%	65.59%
June 30, 2019	June 30, 2018	0.74780112%	\$ 36,008,138	\$ 21,084,060	170.78%	64.73%
December 31, 2017	June 30, 2017	0.81614093%	\$ 40,137,752	\$ 21,432,783	187.27%	62.66%
December 31, 2016	June 30, 2016	0.89542291%	\$ 47,614,967	\$ 23,192,721	205.30%	58.30%
December 31, 2015	June 30, 2015	0.86913382%	\$ 34,430,972	\$ 22,090,187	155.87%	65.47%

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

See notes to financial statements for summary of significant actuarial method and assumptions.

See independent auditors' report.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS**

(Unaudited)

New Hampshire Retirement System

Fiscal Year	Measurement Date	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2022	June 30, 2021	\$ 3,048,240	\$ 3,048,240	\$ --	\$ 22,840,399	13.35%
June 30, 2021	June 30, 2020	\$ 3,094,715	\$ 3,094,715	\$ --	\$ 21,107,272	14.66%
June 30, 2020	June 30, 2019	\$ 3,141,190	\$ 3,141,190	\$ --	\$ 21,415,652	14.67%
June 30, 2019	June 30, 2018	\$ 4,775,242	\$ 4,775,242	\$ --	\$ 32,060,012 *	14.89%
December 31, 2017	June 30, 2017	\$ 3,077,529	\$ 3,077,529	\$ --	\$ 21,241,160	14.49%
December 31, 2016	June 30, 2016	\$ 3,019,682	\$ 3,019,682	\$ --	\$ 21,767,665	13.87%
December 31, 2015	June 30, 2015	\$ 3,036,667	\$ 3,036,667	\$ --	\$ 22,431,661	13.54%

*Includes 18 months of covered payroll as a result of the County transitioning to a June 30 fiscal year.

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

See notes to financial statements for summary of significant actuarial method and assumptions.

See independent auditors' report.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
(Unaudited)

Schedule of Proportionate Share

New Hampshire Retirement System Medical Subsidy

Fiscal Year	Measurement Date	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll as of the Measurement Date	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total OPEB Liability
June 30, 2022	June 30, 2021	0.52981455%	\$ 2,121,679	\$ 21,107,272	10.05%	11.06%
June 30, 2021	June 30, 2020	0.55767684%	\$ 2,441,002	\$ 21,415,652	11.40%	7.74%
June 30, 2020	June 30, 2019	0.61933629%	\$ 2,715,239	\$ 21,626,333	12.56%	7.75%
June 30, 2019	June 30, 2018	0.63992980%	\$ 2,929,891	\$ 21,084,060	13.90%	7.53%

Schedule of Contributions

New Hampshire Retirement System Medical Subsidy

Fiscal Year	Measurement Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll as of the Fiscal Year	Contributions as a Percentage of Covered Payroll
June 30, 2022	June 30, 2021	\$ 250,564	\$ 250,564	\$ --	\$ 22,840,399	1.10%
June 30, 2021	June 30, 2020	\$ 254,603	\$ 254,603	\$ --	\$ 21,107,272	1.21%
June 30, 2020	June 30, 2019	\$ 258,864	\$ 258,864	\$ --	\$ 21,415,652	1.21%
June 30, 2019	June 30, 2018	\$ 422,258	\$ 422,258	\$ --	\$ 32,060,012 *	1.32%

*Includes 18 months of covered payroll as a result of the County transitioning to a June 30 fiscal year.

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See notes to financial statements for summary of significant actuarial method and assumptions.

See independent auditors' report.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY**

(Unaudited)

County of Rockingham, New Hampshire OPEB Plan				
	2022	2021	2020	2019
Total OPEB liability - beginning	\$ 1,572,933	\$ 1,545,128	\$ 1,740,535	\$ 1,692,476
Changes:				
Service cost	91,853	87,678	90,994	132,705
Interest	34,826	34,854	62,454	89,883
Benefit payments	(104,908)	(111,438)	(94,272)	(166,513)
Difference between actual and expected experience	220,725	--	(415,941)	--
Changes of assumptions	<u>(195,027)</u>	<u>16,711</u>	<u>161,358</u>	<u>(8,016)</u>
Net change in total OPEB liability	<u>47,469</u>	<u>27,805</u>	<u>(195,407)</u>	<u>48,059</u>
Total OPEB liability - ending	\$ <u>1,620,402</u>	\$ <u>1,572,933</u>	\$ <u>1,545,128</u>	\$ <u>1,740,535</u>
Covered employee payroll	\$ <u>19,271,200</u>	\$ <u>17,614,961</u>	\$ <u>19,880,290</u>	\$ <u>26,993,333</u> *
Total OPEB liability as a percentage of covered employee payroll	8.41%	8.93%	7.77%	6.45%

*Includes 18 months of covered payroll as a result of the County transitioning to a June 30 fiscal year.

There are no assets accumulated in a trust that meet the criteria in paragraph 4 of Statement 75 to pay OPEB related benefits.

Does not include New Hampshire Retirement System Medical Subsidy.

See independent auditors' report.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

**SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds										Total Governmental Funds
	Opioid Settlement	Drug Task Force	Expendable Trust	Nursing Home Special Account	Assisted Living Donations	Inmate Commissary	Inmate Chapel	Deeds Equipment	WF Sturtevant Memorial	Permanent Fund	
Assets											
Cash and short-term investments	\$ --	\$ 23,358	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 5,220	\$ --	\$ 28,578
Restricted cash	--	--	--	102,299	--	--	--	125,614	--	--	227,913
Investments	--	--	29,843	--	--	--	--	--	--	48,745	78,588
Accounts receivable, net	--	--	--	50	--	--	--	--	--	--	50
Due from other funds	282,600	--	--	--	9,541	376,529	15,411	426	--	--	684,507
Prepaid items	--	250	--	--	--	--	--	--	--	--	250
Total Assets	<u>\$ 282,600</u>	<u>\$ 23,608</u>	<u>\$ 29,843</u>	<u>\$ 102,349</u>	<u>\$ 9,541</u>	<u>\$ 376,529</u>	<u>\$ 15,411</u>	<u>\$ 126,040</u>	<u>\$ 5,220</u>	<u>\$ 48,745</u>	<u>\$ 1,019,886</u>
Liabilities											
Accounts payable	\$ --	\$ 80	\$ --	\$ --	\$ --	\$ 2,852	\$ --	\$ --	\$ --	\$ --	\$ 2,932
Due to other funds	--	3,286	28,043	1,593	--	--	--	--	--	17,554	50,476
Unearned revenue	282,600	--	--	--	--	--	--	--	--	--	282,600
Total Liabilities	282,600	3,366	28,043	1,593	--	2,852	--	--	--	17,554	336,008
Fund Balances											
Nonspendable	--	--	--	--	--	--	--	--	--	31,191	31,191
Restricted	--	20,242	1,800	100,756	9,541	373,677	15,411	126,040	5,220	--	652,687
Total Fund Balances	--	20,242	1,800	100,756	9,541	373,677	15,411	126,040	5,220	31,191	683,878
Total Liabilities and Fund Balances	<u>\$ 282,600</u>	<u>\$ 23,608</u>	<u>\$ 29,843</u>	<u>\$ 102,349</u>	<u>\$ 9,541</u>	<u>\$ 376,529</u>	<u>\$ 15,411</u>	<u>\$ 126,040</u>	<u>\$ 5,220</u>	<u>\$ 48,745</u>	<u>\$ 1,019,886</u>

See independent auditors' report.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

**SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds										Total Nonmajor Governmental Funds
	Opioid Settlement	Drug Task Force	Expendable Trust	Nursing Home Special Account	Assisted Living Donations	Inmate Commissary	Inmate Chapel	Deeds Equipment	WF Sturtevant Memorial	Permanent Fund	
Revenues											
Charges for services:											
Deeds	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 134,956	\$ --	\$ --	\$ 134,956
Sheriff's office	--	11,000	--	--	--	--	--	--	--	--	11,000
Corrections	--	--	--	--	--	92,371	501	--	--	--	92,872
Nursing home	--	--	--	5,110	--	--	--	--	--	--	5,110
Investment income (loss)	--	11	(1,221)	93	--	493	20	157	--	(1,943)	(2,390)
Total Revenues	<u>--</u>	<u>11,011</u>	<u>(1,221)</u>	<u>5,203</u>	<u>--</u>	<u>92,864</u>	<u>521</u>	<u>135,113</u>	<u>--</u>	<u>(1,943)</u>	<u>241,548</u>
Expenditures											
Current:											
Corrections	--	--	--	--	--	53,168	--	--	--	--	53,168
Sheriff's office	--	23,307	--	--	--	--	--	--	--	--	23,307
Total Expenditures	<u>--</u>	<u>23,307</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>53,168</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>76,475</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>--</u>	<u>(12,296)</u>	<u>(1,221)</u>	<u>5,203</u>	<u>--</u>	<u>39,696</u>	<u>521</u>	<u>135,113</u>	<u>--</u>	<u>(1,943)</u>	<u>165,073</u>
Other Financing Sources (Uses)											
Transfers out	--	--	--	(3,588)	--	--	--	(100,000)	--	--	(103,588)
Change in Fund Balances	<u>--</u>	<u>(12,296)</u>	<u>(1,221)</u>	<u>1,615</u>	<u>--</u>	<u>39,696</u>	<u>521</u>	<u>35,113</u>	<u>--</u>	<u>(1,943)</u>	<u>61,485</u>
Fund Balances, at Beginning of Year	<u>--</u>	<u>32,538</u>	<u>3,021</u>	<u>99,141</u>	<u>9,541</u>	<u>333,981</u>	<u>14,890</u>	<u>90,927</u>	<u>5,220</u>	<u>33,134</u>	<u>622,393</u>
Fund Balances, at End of Year	<u>\$ --</u>	<u>\$ 20,242</u>	<u>\$ 1,800</u>	<u>\$ 100,756</u>	<u>\$ 9,541</u>	<u>\$ 373,677</u>	<u>\$ 15,411</u>	<u>\$ 126,040</u>	<u>\$ 5,220</u>	<u>\$ 31,191</u>	<u>\$ 683,878</u>

See independent auditors' report.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF NET POSITION PROPRIETARY FUNDS

JUNE 30, 2022

	Health Fund	Dental Fund	Workers' Compensation Fund	Compensated Absences Fund	Total Internal Service Funds
Assets					
Current Assets:					
Cash and short-term investments	\$ 10,879,621	\$ 363,869	\$ 3,425,114	\$ 1,891,381	\$ 16,559,985
Receivables:					
Accounts	66,587	--	7,494	--	74,081
Due from other governments	9,523	--	--	--	9,523
Due from other funds	186,218	189,765	99,644	231,148	706,775
Prepaid items	6,313	45,650	68,924	20,525	141,412
Total Current Assets	<u>11,148,262</u>	<u>599,284</u>	<u>3,601,176</u>	<u>2,143,054</u>	<u>17,491,776</u>
Total Assets	<u>11,148,262</u>	<u>599,284</u>	<u>3,601,176</u>	<u>2,143,054</u>	<u>17,491,776</u>
Liabilities					
Current Liabilities:					
Accounts payable	28,830	2,058	16,355	--	47,243
Accrued payroll	--	--	--	21,604	21,604
Due to other funds	1,627,719	217,153	539,551	1,581,133	3,965,556
Incurred but not reported claims liability	186,244	13,163	489,717	--	689,124
Current portion of noncurrent liabilities:					
Compensated absences liability	--	--	--	361,269	361,269
Total Current Liabilities	1,842,793	232,374	1,045,623	1,964,006	5,084,796
Noncurrent Liabilities:					
Compensated absences liability, net of current portion	--	--	--	411,236	411,236
Total Liabilities	1,842,793	232,374	1,045,623	2,375,242	5,496,032
Net Position					
Unrestricted	9,305,469	366,910	2,555,553	(232,188)	11,995,744
Total Net Position	<u>\$ 9,305,469</u>	<u>\$ 366,910</u>	<u>\$ 2,555,553</u>	<u>\$ (232,188)</u>	<u>\$ 11,995,744</u>

See independent auditors' report.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Health Fund	Dental Fund	Workers' Compensation Fund	Compensated Absences Fund	Total Internal Service Funds
Operating Revenues					
Employee and employer contributions	\$ 7,560,313	\$ 530,179	\$ 316,718	\$ 560,111	\$ 8,967,321
Total Operating Revenues	7,560,313	530,179	316,718	560,111	8,967,321
Operating Expenses					
Employee benefits	7,560,769	410,775	483,770	679,753	9,135,067
Total Operating Expenses	7,560,769	410,775	483,770	679,753	9,135,067
Operating Income (Loss)	(456)	119,404	(167,052)	(119,642)	(167,746)
Nonoperating Revenues (Expenses)					
Investment income	12,678	428	3,703	2,135	18,944
Miscellaneous expenses	(117,455)	--	(27,650)	--	(145,105)
Total Nonoperating Revenues (Expenses), Net	(104,777)	428	(23,947)	2,135	(126,161)
Change in Net Position	(105,233)	119,832	(190,999)	(117,507)	(293,907)
Net Position, at Beginning of Year	9,410,702	247,078	2,746,552	(114,681)	12,289,651
Net Position, at End of Year	\$ 9,305,469	\$ 366,910	\$ 2,555,553	\$ (232,188)	\$ 11,995,744

See independent auditors' report.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

SUPPLEMENTARY INFORMATION COMBINING STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Health Fund	Dental Fund	Workers' Compensation Fund	Compensated Absences Fund	Total Internal Service Funds
Cash Flows From Operating Activities					
Receipts from users	\$ 7,715,247	\$ 525,229	\$ 442,992	\$ 560,111	\$ 9,243,579
Payments to providers	(7,628,251)	(429,080)	(692,079)	(796,228)	(9,545,638)
Other	(117,455)	--	(27,650)	--	(145,105)
Net Cash Provided by (Used For) Operating Activities	<u>(30,459)</u>	<u>96,149</u>	<u>(276,737)</u>	<u>(236,117)</u>	<u>(447,164)</u>
Cash Flows from Noncapital Financing Activities					
Net change in due to/from other funds	<u>923,614</u>	<u>11,274</u>	<u>462,592</u>	<u>796,229</u>	<u>2,193,709</u>
Net Cash Provided by Noncapital Financing Activities	923,614	11,274	462,592	796,229	2,193,709
Cash Flows from Investing Activities					
Investment income	<u>12,678</u>	<u>428</u>	<u>3,703</u>	<u>2,135</u>	<u>18,944</u>
Net Cash Provided by Investing Activities	<u>12,678</u>	<u>428</u>	<u>3,703</u>	<u>2,135</u>	<u>18,944</u>
Net Change in Cash and Short-Term Investments	905,833	107,851	189,558	562,247	1,765,489
Cash and Short-Term Investments, Beginning of Year	<u>9,973,788</u>	<u>256,018</u>	<u>3,235,556</u>	<u>1,329,134</u>	<u>14,794,496</u>
Cash and Short-Term Investments, End of Year	<u>\$ 10,879,621</u>	<u>\$ 363,869</u>	<u>\$ 3,425,114</u>	<u>\$ 1,891,381</u>	<u>\$ 16,559,985</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities					
Operating income (loss)	(456)	119,404	(167,052)	(119,642)	(167,746)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Nonoperating expenses	(117,455)	--	(27,650)	--	(145,105)
Changes in assets and liabilities:					
Accounts receivable	164,124	--	17,835	--	181,959
Due from other governments	(8,718)	--	108,439	--	99,721
Prepaid expenses	(13)	3,850	(28,947)	(20,525)	(45,635)
Accounts payable	(13,719)	(20,958)	(3,040)	(1,079)	(38,796)
Accrued payroll	--	--	(858)	--	(858)
Incurred but not reported claims liability	(53,750)	(1,197)	(175,464)	--	(230,411)
Compensated absences liability	--	--	--	(94,871)	(94,871)
Revenues collected in advance	(472)	(4,950)	--	--	(5,422)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (30,459)</u>	<u>\$ 96,149</u>	<u>\$ (276,737)</u>	<u>\$ (236,117)</u>	<u>\$ (447,164)</u>

See independent auditors' report.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

**SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

JUNE 30, 2022

	Registry of Deeds Tax Fund	Inmate Fund	Nursing Home Residents Fund	Assisted Living Security Deposits	Total Custodial Funds
Assets					
Cash and short-term investments	\$ --	\$ 360,729	\$ 204,303	\$ 80,349	\$ 645,381
Accounts receivable	--	1,997	938	--	2,935
Due from primary government	<u>6,156,219</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>6,156,219</u>
Total Assets	<u>6,156,219</u>	<u>362,726</u>	<u>205,241</u>	<u>80,349</u>	<u>6,804,535</u>
Liabilities					
Accounts payable	--	--	--	7,437	7,437
Due to primary government	--	350,676	7,500	--	358,176
Due to State of New Hampshire	<u>6,156,219</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>6,156,219</u>
Total Liabilities	<u>6,156,219</u>	<u>350,676</u>	<u>7,500</u>	<u>7,437</u>	<u>6,521,832</u>
Net Position					
Restricted for individuals and other governments	<u>\$ --</u>	<u>\$ 12,050</u>	<u>\$ 197,741</u>	<u>\$ 72,912</u>	<u>\$ 282,703</u>

See independent auditors' report.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

**SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

FOR THE YEAR ENDED JUNE 30, 2022

	Registry of Deeds Tax Fund	Inmate Fund	Nursing Home Residents Fund	Assisted Living Security Deposits	Total Custodial Funds
Additions					
Taxes collected for State of New Hampshire	\$ 66,828,363	\$ --	\$ --	\$ --	\$ 66,828,363
Funds collected for resident, inmates, and others	<u>--</u>	<u>330,933</u>	<u>902,792</u>	<u>32,224</u>	<u>1,265,949</u>
Total Additions	<u>66,828,363</u>	<u>330,933</u>	<u>902,792</u>	<u>32,224</u>	<u>68,094,312</u>
Deductions					
Payments of fees to State of New Hampshire	66,828,363	--	--	--	66,828,363
Other payments on behalf of residents, inmates, and others	<u>--</u>	<u>345,109</u>	<u>836,507</u>	<u>14,688</u>	<u>1,196,304</u>
Total Deductions	<u>66,828,363</u>	<u>345,109</u>	<u>836,507</u>	<u>14,688</u>	<u>68,024,667</u>
Change in Net Position	--	(14,176)	66,285	17,536	69,645
Restricted Net Position					
Beginning of Year	<u>--</u>	<u>26,226</u>	<u>131,456</u>	<u>55,376</u>	<u>213,058</u>
End of Year	<u>\$ --</u>	<u>\$ 12,050</u>	<u>\$ 197,741</u>	<u>\$ 72,912</u>	<u>\$ 282,703</u>

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

See notes to financial statements for summary of significant actuarial method and assumptions.

See independent auditors' report.