

**NEW BOSTON SCHOOL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2021**

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# PLODZIK & SANDERSON

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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of the School Board  
New Boston School District  
New Boston, New Hampshire

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the New Boston School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Summary of Opinions**

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Adverse
General Fund	Unmodified
Grants Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

### ***Basis for Adverse Opinion on Governmental Activities***

As discussed in Note 13-B to the financial statements, management has not recorded the long-term costs of retirement health care costs and obligations for other postemployment benefits in the governmental activities. Accounting principles generally accepted in the United States of America require that those costs be recorded, which would increase the assets, liabilities, decrease the net position, and increase the expenses of the governmental activities. The amount by which this departure would affect the assets, liabilities, net position, and expenses on the governmental activities has not been determined.

*New Boston School District  
Independent Auditor's Report*

***Adverse Opinion***

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Governmental Activities" paragraph, the financial statements referred to above do not present fairly the financial position of the governmental activities of the New Boston School District, as of June 30, 2021, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and aggregate remaining fund information of the New Boston School District as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the general fund and the grants fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

**Required Supplementary Information** – Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements:

- Management's Discussion and Analysis,
- Schedule of the School District's Proportionate Share of Net Pension Liability,
- Schedule of School District Contributions – Pensions,
- Schedule of the School District's Proportionate Share of Net Other Postemployment Benefits Liability,
- Schedule of School District Contributions – Other Postemployment Benefits, and
- Notes to the Required Supplementary Information

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

**Other Information** – Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the New Boston School District's basic financial statements. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

December 27, 2021

*Plodzik & Sanderson  
Professional Association*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the New Boston School District ("District"), we offer readers of the District's Financial Statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

### 1. Financial Highlights

- The assets and deferred outflow of resources of the District fell short of its liabilities and deferred inflows of resources at the close of the most recent year by \$(2,957,272) (*net position*). Of this amount, (\$4,180,952) (*unrestricted net position*), had it been positive, may have been used to meet the government's ongoing obligations to citizens and creditors. The negative unrestricted net position is attributable to the reporting of the District's proportional share of the actuarially determined retirement system's unfunded pension liability less the system's net position ("net pension liability"). Reporting the District's proportional share of the net pension liability does not impact the District's ability to meet its current obligations.
- The District's total net position changed by \$2,163 (\$2,959,435 in FY 20)
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$2,158,495, a change of \$266,865 in comparison with the prior year \$1,891,630.
- At the end of the current fiscal year, the District had \$1,637,719 remaining in unassigned fund balance. This money is available for spending at the District Town Meeting's discretion or for tax relief. In addition, \$299,000 has been assigned and retained for contingency in accordance with RSA 198:4-bII.
- Per GASB Statement Nos. 68 and 71, the District is required to record its related share of net pension liability of the New Hampshire Retirement System. The net pension liability is the District's proportionate share of the retirement system's actuarially determined unfunded pension liability less the system's net position. This amount is reported only on the government-wide financial statements and has no impact on the fund financial statements of the District. At the end of the most recent year, our net pension liability is \$7,836,085.

### 2. Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-wide Financial Statements.

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the items reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event

giving rise to the change occurs, *regardless of the time of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

The governmental activities of the District include administration, instruction, support services, operations and maintenance, transportation, and non-instructional services.

**Fund Financial Statements.** A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

**Governmental Funds.** *Governmental Funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The District maintains five individual governmental funds. Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund which is considered to be a major fund. The Grants fund is also a major fund. Data from the other three funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its general, food service, and grants funds. A budgetary comparison statement has been provided for the major general and grants fund to demonstrate compliance with this budget.

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

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* that is required to be disclosed by accounting principles generally accepted in the United States of America which includes this management discussion and analysis, the Schedule of School District's Proportioned share of Net Pension Liability, Schedule of School District Contributions – Pensions, Schedule of the District's Proportionate Share of the Net Other Postemployment Benefits Liability, Schedule of the District Contributions – Other Postemployment Benefits. Other supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. This includes the combining and individual fund schedules.

### 3. Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the District, assets and deferred outflows of resources fell short of the liabilities and deferred inflows of resources by \$2,957,272 at the close of the most recent fiscal year.

The largest portion of the District's net position \$1,212,718 reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment and furnishings), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

#### New Boston School District's Condensed Statement of Net Position

	Summary of Net Position Governmental Activities		
	2021	2020	% Change 2020-2021
Current and Other Assets	\$ 2,543,888	\$ 2,230,333	14.06%
Capital Assets	1,228,303	782,312	57.01%
Total Assets	3,772,191	3,012,645	25.21%
Deferred Outflows of Resources	2,205,959	1,056,171	108.86%
Long-Term Liabilities Outstanding	8,454,052	6,489,133	30.28%
Other Liabilities	374,844	325,794	15.06%
Total Liabilities	8,828,896	6,814,927	29.55%
Deferred Inflows of Resources	106,526	213,324	-50.06%
Net Investment in Capital Assets	1,212,718	751,812	61.31%
Restricted Net Position	10,962	108	10050.00%
Unrestricted Net Position	(4,180,952)	(3,711,355)	12.65%
Total Net Position	<u>\$ (2,957,272)</u>	<u>\$ (2,959,435)</u>	<u>-0.07%</u>

Summary of Changes in Net Position  
Governmental Activities

	2021 Amount	2020 Amount	\$ Difference	% Difference
<b>Revenues:</b>				
<b>Program Revenue:</b>				
Charges for Services	\$ 10,064	\$ 94,987	\$ (84,923)	-843.83%
Operating Grants and Contributions	733,762	289,069	444,693	60.60%
<b>General Revenue:</b>				
School District Assessment	10,621,468	10,912,518	(291,050)	-2.74%
Unrestricted Grants	5,304,153	4,355,660	948,493	17.88%
Miscellaneous & Interest	66,442	49,012	17,430	26.23%
<b>Total Revenues</b>	<b>16,735,889</b>	<b>15,701,246</b>	<b>1,034,643</b>	<b>6.18%</b>
<b>Expenses:</b>				
Instruction	\$ 13,144,511	\$ 12,295,563	\$ 848,948	6.46%
Support Services:				
Student	771,027	696,735	74,292	9.64%
Instructional Staff	251,696	266,893	(15,197)	-6.04%
General Administration	61,818	29,535	32,283	52.22%
Executive Administration	502,269	523,851	(21,582)	-4.30%
School Administration	560,981	482,807	78,174	13.94%
Operation and Maintenance of Plant	687,887	477,730	210,157	30.55%
Student Transportation	629,750	743,886	(114,136)	-18.12%
Noninstructional Services	123,787	146,159	(22,372)	-18.07%
<b>Total Expenses</b>	<b>16,733,726</b>	<b>15,663,159</b>	<b>1,070,567</b>	<b>6.40%</b>
Change in Net Position	2,163	38,087	(35,924)	-1660.84%
Net Position, beginning	(2,959,435)	(2,997,522)	38,087	-1.29%
Net Position, ending	<b>\$ (2,957,272)</b>	<b>\$ (2,959,435)</b>	<b>\$ 2,163</b>	<b>-0.07%</b>



**Governmental Activities.** As noted above, governmental activities net position changed by \$2,163. Key elements of this change are as follows:

Governmental Activities:

Total net change in governmental funds fund balance:	
General Fund	\$ 116,181
Grants Fund	-
Other Governmental Funds	<u>150,684</u>
	266,865
Depreciation expense, net of capital asset additions	445,991
Change in capital lease obligations	14,915
Change in accrued interest payable	561
Change in compensated absences	8,000
Change in net pension liability, net of deferred resources	(707,551)
Change in net OPEB liability, net of deferred resources	<u>(26,618)</u>
Total net change	<u>\$ 2,163</u>

**4. Financial Analysis of the Government's Funds**

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,158,495, which is a change of \$266,865 (\$1,891,630 on FY20) in comparison with the prior year. Key elements of this change are as follows:

Governmental Funds:

General Fund	\$ 2,103,711
Grants Fund	-
Other Governmental Funds:	
Capital Project Fund	-
Food Service Fund	10,962
Student Activity Funds	<u>43,822</u>
Total	<u>\$ 2,158,495</u>

## 5. General Fund Budgetary Highlights

The general fund is what most people think of as “the budget” since it is the fiscal point of the First Session of Annual Meeting (Deliberative) and largely supported by locally raised taxes. The general fund ended the fiscal year with an unassigned fund balance of \$1,637,719 of which \$1,338,719 will be returned to the taxpayers in 2021-2022 and \$299,000 will be retained in accordance with RSA 198:4-bII.

### COMMENTS ON GENERAL FUND BUDGET COMPARISONS (SEE EXHIBIT D-1)

- General fund actual revenues totaling \$16,108,005 exceeded budgeted revenues by \$120,287 (.8%)
  - **Local sources** totaling \$71,146 exceeded budget by \$59,646 due to a combination of over collection of tuition revenue and under estimation of local revenue sources.
  - **State sources** totaling \$5,397,788 exceeded budget by \$45,032 this amount is attributed to state adequacy aid revenues being slightly higher than expected.
  - **Federal sources** totaling \$17,603 exceeded budget by \$15,603 due to greater than expected Medicaid reimbursements.
- General fund expenditures totaling \$15,237,707 were less than appropriation totaling \$16,448,238 by \$1,250,531.
  - **Instruction** totaling \$12,277,595 was below budget by \$771,450 primarily due to under expenditures in tuition charges to the Goffstown School District, as well as lower salary and benefits costs at New Boston Central School due to the COVID-19 pandemic. In addition, the use of grant funds such as SPSRF (Supplemental Public School Response Fund) allowed the District to expend grant funds versus funds from the general fund budget.
  - **Student Transportation** totaling \$629,750 was lower than the budget of \$888,783 by \$259,033. This was a result of savings from COVID-19 which resulted in fewer bus routes due to driver shortages, as well as hybrid learning for both in district and out of district SPED transportation.
  - **Support Services- Student** totaling \$642,490 was lower than the budget amount of \$803,730 with a variance of \$161,240. This variance is largely attributed to NBCS in hybrid learning for the majority of the year, and challenges filling paraprofessional vacancies

## 6. Capital Asset and Debt Administration

**Capital Assets.** The District’s investment in capital assets for its governmental activities as of June 30, 2021, amounted to \$1,228,303 (net of accumulated depreciation). This investment in capital assets includes land, buildings and building improvements, machinery and equipment, and furnishings. The total change in the District’s investment in total capital assets for the current year was \$445,991 as evidenced below:

Capital Assets at Year End  
Governmental Activities

	June 30, 2021	June 30, 2020	% Change 2020-2021
Land	\$ 6,770	\$ 6,770	0.00%
Construction in Progress	-	137,454	100.00%
Buildings & Building Improvements	4,255,772	3,603,045	18.12%
Machinery, Equipment & Furnishings	129,342	107,478	20.34%
Less: Accumulated Depreciation	<u>(3,163,581)</u>	<u>(3,072,435)</u>	2.97%
Total	<u>\$1,228,303</u>	<u>\$ 782,312</u>	<u>57.01%</u>

Capital Asset Additions:

Building and Improvements Additions:

Central School Energy Upgrades	\$ 620,324
Storage Shed	<u>32,403</u>
	<u>652,727</u>

Equipment Additions:

Streaming Video System	10,750
Walk Behind Scrubber	<u>11,114</u>
	<u>21,864</u>

Capital Asset Disposals:

Reclassify Energy Project from CIP	<u>(137,454)</u>
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Depreciation Expense

(91,146)

Total change in capital assets

\$ 445,991

Additional information on the District's capital assets can be found in the notes to the financial statements at Note 5.

**Long-Term Debt**

The table below illustrates the long-term debt of the District as of June 30, 2021. The compensated balances were calculated on vacation days and retirement stipend days for all eligible employees for compensation at retirement. In accordance with GASB 68, the calculated value of the unfunded state retirement to the District for FY 2021 is noted, Note 10.

Long-Term Debt Outstanding at Year End  
Governmental Activities

	June 30, 2021	June 30, 2020	% Change 2020-2021
Compensated Absences	\$ 90,000	\$ 98,000	8.89%
Capital Lease	15,585	30,500	95.70%
Pension Related Liability	7,836,085	5,884,774	-24.90%
Net Other postemployment benefits liability	512,382	475,859	-7.13%
Total	<u>\$ 8,454,052</u>	<u>\$ 6,489,133</u>	<u>-23.24%</u>

**Future Budgetary Implications**

Significant activities or events, which will have an impact on future district finances, include:

- Estimating revenues and expenditures for the Grants Fund remains challenging. In FY 21 for example, the District budgeted \$98,105, yet received and expended \$528,381 in mostly federal grants. The District anticipates additional funding from ESSER II and ESSER III grant funds through FY 24-25.
- The financial impact of COVID -19 remains a challenge in terms of expenses and revenues. The budget for fiscal year 2021-22 does not include expenses for PPE or other COVID-19 related expenses. State adequacy grants are based on student attendance, free and reduced meal counts and a variety of other factors that are directly impacted by the pandemic.
- The State shifting cost responsibilities to local governments may have an impact on taxation calculation.
- The unassigned Fund Balance established in this audit is intended to be returned at tax rate setting in November.
- Future budgets will continue to be developed based on actual expenditures in prior years, in particular reviewing salary and benefits. Additionally, a more accurate approach to revenues is be implemented focusing on funding derived from tuitions and other local sources.

**7. Request for Information**

This financial report is designed to provide a general overview of the District’s financing for all those with an interest in the District’s finances. Questions, concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, C/O SAU#19, 11 School Street, Goffstown, New Hampshire 03045.

***BASIC FINANCIAL STATEMENTS***

*EXHIBIT A*  
**NEW BOSTON SCHOOL DISTRICT**  
*Statement of Net Position*  
**June 30, 2021**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,963,800
Other receivables	80
Intergovernmental receivable	567,505
Inventory	5,920
Prepaid items	6,583
Capital assets, not being depreciated	6,770
Capital assets, net of accumulated depreciation	1,221,533
Total assets	3,772,191
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Amounts related to pensions	2,141,706
Amounts related to other postemployment benefits	64,253
Total deferred outflows of resources	2,205,959
<b>LIABILITIES</b>	
Accounts payable	82,749
Accrued salaries and benefits	15,675
Intergovernmental payable	243,434
Contracts payable	32,403
Accrued interest payable	583
Noncurrent obligations:	
Due within one year	15,585
Due in more than one year	8,438,467
Total liabilities	8,828,896
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - grants	11,132
Amounts related to pensions	93,909
Amounts related to other postemployment benefits	1,485
Total deferred inflows of resources	106,526
<b>NET POSITION</b>	
Net investment in capital assets	1,212,718
Restricted	10,962
Unrestricted	(4,180,952)
Total net position	\$ (2,957,272)

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT B**  
**NEW BOSTON SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2021**

	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	\$ 13,144,511	\$ 9,570	\$ 418,070	\$(12,716,871)
Support services:				
Student	771,027	-	50,620	(720,407)
Instructional staff	251,696	-	1,778	(249,918)
General administration	61,818	-	23,707	(38,111)
Executive administration	502,269	-	-	(502,269)
School administration	560,981	-	12,286	(548,695)
Operation and maintenance of plant	687,887	-	133,158	(554,729)
Student transportation	629,750	-	-	(629,750)
Noninstructional services	123,787	494	94,143	(29,150)
Total governmental activities	<u>\$ 16,733,726</u>	<u>\$ 10,064</u>	<u>\$ 733,762</u>	<u>(15,989,900)</u>
General revenues and contributions:				
School district assessment				10,621,468
Grants and contributions not restricted to specific programs				5,304,153
Interest				7,082
Miscellaneous				59,360
Total general revenues and contributions				<u>15,992,063</u>
Change in net position				2,163
Net position, beginning				<u>(2,959,435)</u>
Net position, ending				<u>\$ (2,957,272)</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT C-1**  
**NEW BOSTON SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2021**

	General	Grants	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,884,315	\$ -	\$ 79,485	\$ 1,963,800
Receivables:				
Accounts	80	-	-	80
Intergovernmental	485,070	59,970	22,465	567,505
Interfund receivables	48,688	-	-	48,688
Inventory	5,920	-	-	5,920
Prepaid items	6,583	-	-	6,583
Total assets	<u>\$ 2,430,656</u>	<u>\$ 59,970</u>	<u>\$ 101,950</u>	<u>\$ 2,592,576</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 69,316	\$ -	\$ 13,433	\$ 82,749
Accrued salaries and benefits	15,525	150	-	15,675
Intergovernmental payable	242,104	-	1,330	243,434
Contracts payable	-	-	32,403	32,403
Interfund payable	-	48,688	-	48,688
Total liabilities	<u>326,945</u>	<u>48,838</u>	<u>47,166</u>	<u>422,949</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - grants	-	11,132	-	11,132
<b>FUND BALANCES</b>				
Nonspendable	12,503	-	-	12,503
Restricted	-	-	10,962	10,962
Committed	429,953	-	-	429,953
Assigned	322,536	-	43,822	366,358
Unassigned	1,338,719	-	-	1,338,719
Total fund balances	<u>2,103,711</u>	<u>-</u>	<u>54,784</u>	<u>2,158,495</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,430,656</u>	<u>\$ 59,970</u>	<u>\$ 101,950</u>	<u>\$ 2,592,576</u>

The Notes to the Basic Financial Statements are an integral part of this statement.



**EXHIBIT C-2**  
**NEW BOSTON SCHOOL DISTRICT**  
**Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position**  
**June 30, 2021**

Total fund balances of governmental funds (Exhibit C-1)		\$ 2,158,495
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 4,391,884	
Less accumulated depreciation	<u>(3,163,581)</u>	1,228,303
Pension and other postemployment benefits (OPEB) related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources related to pensions	\$ 2,141,706	
Deferred inflows of resources related to pensions	(93,909)	
Deferred outflows of resources related to OPEB	64,253	
Deferred inflows of resources related to OPEB	<u>(1,485)</u>	2,110,565
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (48,688)	
Payables	<u>48,688</u>	-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(583)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Capital lease	\$ 15,585	
Compensated absences	90,000	
Net pension liability	7,836,085	
Other postemployment benefits	<u>512,382</u>	(8,454,052)
Net position of governmental activities (Exhibit A)		<u><u>\$ (2,957,272)</u></u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT C-3**  
**NEW BOSTON SCHOOL DISTRICT**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2021**

	General	Grants	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
School district assessment	\$10,621,468	\$ -	\$ -	\$10,621,468
Other local	71,194	-	5,312	76,506
State	5,397,788	10,396	2,370	5,410,554
Federal	17,603	517,985	91,773	627,361
Total revenues	<u>16,108,053</u>	<u>528,381</u>	<u>99,455</u>	<u>16,735,889</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	12,275,359	306,832	2,442	12,584,633
Support services:				
Student	665,380	50,620	-	716,000
Instructional staff	216,340	1,778	-	218,118
General administration	38,111	23,707	-	61,818
Executive administration	502,269	-	-	502,269
School administration	488,233	12,286	-	500,519
Operation and maintenance of plant	481,628	133,158	-	614,786
Student transportation	629,750	-	-	629,750
Noninstructional services	-	-	123,787	123,787
Facilities acquisition and construction	-	-	517,344	517,344
Total expenditures	<u>15,297,070</u>	<u>528,381</u>	<u>643,573</u>	<u>16,469,024</u>
Excess (deficiency) of revenues over (under) expenditures	<u>810,983</u>	<u>-</u>	<u>(544,118)</u>	<u>266,865</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	694,802	694,802
Transfers out	(694,802)	-	-	(694,802)
Total other financing sources (uses)	<u>(694,802)</u>	<u>-</u>	<u>694,802</u>	<u>-</u>
Net change in fund balances	116,181	-	150,684	266,865
Fund balances (deficit), beginning	1,987,530	-	(95,900)	1,891,630
Fund balances, ending	<u>\$ 2,103,711</u>	<u>\$ -</u>	<u>\$ 54,784</u>	<u>\$ 2,158,495</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

*EXHIBIT C-4*  
**NEW BOSTON SCHOOL DISTRICT**  
*Reconciliation of the Statement of Revenues, Expenditures, and*  
*Changes in Fund Balances - Governmental Funds to the Statement of Activities*  
*For the Fiscal Year Ended June 30, 2021*

Net change in fund balances of total governmental funds (Exhibit C-3)		\$ 266,865
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:		
Capitalized capital outlay	\$ 537,137	
Depreciation expense	<u>(91,146)</u>	445,991
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (694,802)	
Transfers out	<u>694,802</u>	-
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal repayment of capital lease		14,915
Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ 561	
Decrease in compensated absences payable	8,000	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	(707,551)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>(26,618)</u>	<u>(725,608)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,163</u>

**EXHIBIT D-1**  
**NEW BOSTON SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
School district assessment	\$ 10,621,468	\$ 10,621,462	\$ 10,621,468	\$ 6
Other local	11,500	11,500	71,146	59,646
State	5,352,756	5,352,756	5,397,788	45,032
Federal	2,000	2,000	17,603	15,603
Total revenues	<u>15,987,724</u>	<u>15,987,718</u>	<u>16,108,005</u>	<u>120,287</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	13,076,044	13,049,045	12,277,595	771,450
Support services:				
Student	776,731	803,730	642,490	161,240
Instructional staff	235,171	235,171	216,340	18,831
General administration	35,615	35,615	38,111	(2,496)
Executive administration	511,261	511,261	502,269	8,992
School administration	493,232	493,232	488,233	4,999
Operation and maintenance of plant	471,397	471,397	442,919	28,478
Student transportation	888,783	888,783	629,750	259,033
Facilities acquisition and construction	4	4	-	4
Total expenditures	<u>16,488,238</u>	<u>16,488,238</u>	<u>15,237,707</u>	<u>1,250,531</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(500,514)</u>	<u>(500,520)</u>	<u>870,298</u>	<u>1,370,818</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(650,000)</u>	<u>(649,994)</u>	<u>(690,004)</u>	<u>(40,010)</u>
Net change in fund balance	<u>\$ (1,150,514)</u>	<u>\$ (1,150,514)</u>	180,294	<u>\$ 1,330,808</u>
Decrease in nonspendable fund balance			271	
Decrease in committed fund balance			50,000	
Increase in assigned (non-encumbrance) fund balance			(299,000)	
Unassigned fund balance, beginning			<u>1,407,154</u>	
Unassigned fund balance, ending			<u>\$ 1,338,719</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT D-2**  
**NEW BOSTON SCHOOL DISTRICT**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual (GAAP Basis)*  
**Grants Fund**  
**For the Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
State	\$ -	\$ 10,396	\$ 10,396	\$ -
Federal	98,105	517,985	517,985	-
Total revenues	<u>98,105</u>	<u>528,381</u>	<u>528,381</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	98,105	306,832	306,832	-
Support services:				
Student	-	50,620	50,620	-
Instructional staff	-	1,778	1,778	-
General administration	-	23,707	23,707	-
School administration	-	12,286	12,286	-
Operation and maintenance of plant	-	133,158	133,158	-
Total expenditures	<u>98,105</u>	<u>528,381</u>	<u>528,381</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

**NEW BOSTON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2021**

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**NEW BOSTON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the New Boston School District, in New Boston, New Hampshire (the School District), have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

**1-A Reporting Entity**

The New Boston School District is a municipal corporation governed by an elected 5-member School Board. In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The School District has no component units to include in its reporting entity.

The following is a summary of the more significant accounting policies:

**1-B Government-wide and Fund Financial Statements**

**Government-wide Financial Statements** – The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government. Generally, the effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported through assessments and intergovernmental revenues.

The *Statement of Net Position* presents the financial position of the School District at year-end. This Statement includes all of the School District’s non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and (2) grants and contributions that are restricted to meeting the operational requirements of a particular function. Assessments and other items not meeting the definition of program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenue rather than program revenue.

**Fund Financial Statements** – Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds, and are presented in the other governmental column of the fund financial statements.

In the governmental fund financial statements, expenditures are reported by character: current, support services, debt services, facilities acquisition, and construction or noninstructional. Current expenditures are subclassified by function and are for items such as salaries, grants, supplies, and services. Capital outlay includes expenditures for equipment, real property, or infrastructure.

**Other Financing Sources (Uses)** – These additions to and reductions from resources in governmental fund financial statements normally result from transfers from/to other funds. Transfers are reported when incurred as “transfers in” by the receiving fund and as “transfers out” by the disbursing fund.

**1-C Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Measurement Focus and Basis of Accounting** – The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the 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.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement based grants, which use a period of one year. District assessments,



**NEW BOSTON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
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intergovernmental revenue, and other local sources associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**Financial Statement Presentation** – A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to report financial position and the results of operations, to demonstrate legal compliance, and to aid financial management by segregating transactions related to certain government functions or activities.

The School District reports the following major governmental funds:

**General Fund** – is the School District’s primary operating fund. The general fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources include district assessments, state and federal grants, and other local sources. The primary expenditures are for instruction, support services, and facilities acquisition and construction. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, guidance the expendable trust funds are consolidated in the general fund.

**Grants Fund** – accounts for the resources received from various federal, state, and local agencies. The resources are restricted to accomplishing the various objectives of the grantor agencies.

**Nonmajor Funds** – The School District also reports three nonmajor governmental funds.

**1-D Cash and Cash Equivalents**

The School District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits, and savings accounts. A cash pool is maintained that is available for use by all funds. Each fund’s portion of this pool is reflected on the combined financial statements under the caption “cash and cash equivalents.”

New Hampshire statutes require that the School District treasurer have custody of all money belonging to the School District and pay out the same only upon orders of the School Board. The treasurer shall deposit all such monies in participation units in the public deposit investment pool established pursuant to NH RSA 383:22 or in solvent banks in the State. Funds may be deposited in banks outside the State if such banks pledge and deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations or obligations of the State of New Hampshire in value at least equal to the amount of the deposit in each case.

**1-E Receivables**

Receivables in the government-wide and governmental fund financial statements represent amounts due to the School District at June 30, recorded as revenue, which will be collected in the future and consist primarily of accounts and intergovernmental receivables.

**1-F Inventory**

Inventories are valued at cost (first-in, first-out) which approximates market. The School District’s inventories include various items consisting of fuel, and commodities. USDA commodities received from the Federal government are recorded at the value established by the Federal government using the average cost method. Inventorial items are recorded as expenditures when consumed at the schools (the consumption method). The nonspendable fund balance at the governmental fund level is a part of the amount of inventories at year-end to indicate the portion of the governmental fund balance that is nonspendable.

**1-G Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and expensed as the items are used.

**NEW BOSTON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2021**

**1-H Capital Assets**

Capital assets are reported in the governmental activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation, if received on or before June 15, 2015. Donated capital assets received after June 15, 2015, are recorded at acquisition value. The School District has established a threshold of \$5,000 or more and an estimated useful life in excess of one year for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The accounting and reporting treatment applied to capital assets associated with a fund are determined by the fund's measurement focus. General capital assets are assets of the School District as a whole. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the government-wide Statement of Net Position.

In the government-wide financial statements, the cost of property sold or retired, together with the related accumulated depreciation, is removed and any resulting gain or loss is included in income.

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

<b>Capital Asset Class:</b>	<u>Years</u>
Buildings and building improvements	20 - 40
Machinery, equipment, and furnishings	10

**1-I Interfund Activities**

Interfund activities are reported as follows:

**Interfund Receivables and Payables** – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

**Interfund Transfers** – Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making the transfers and other financing sources in the funds receiving the transfers. In the government-wide financial statements, all interfund transfers between individual governmental funds have been eliminated.

**1-J Accounts Payable**

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of June 30, 2021.

**1-K Deferred Outflows/Inflows of Resources**

*Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) until then.

*Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

**1-L Long-term Obligations**

In the government-wide financial statements, other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position.

**NEW BOSTON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**JUNE 30, 2021**

***1-M Compensated Absences***

General leave for the School District includes retirement stipend pay. General leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon retirement or termination, employees are paid full value for any accrued general leave earned as set forth by the School District's personnel policy.

Vested or accumulated general leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated general leave that are not expected to be liquidated with expendable financial resources are maintained separately and represent a reconciling item between the governmental fund and government-wide presentations.

***1-N Defined Benefit Pension Plan***

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* requires participating employers to recognize their proportionate share of collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, and schedules have been prepared to provide employers with their calculated proportionate share of these amounts. The collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions from employers are recognized when legally due, based on statutory requirements.

The schedules prepared by New Hampshire Retirement System, and audited by the plan's independent auditors, require management to make a number of estimates and assumptions related to the reported amounts. Due to the inherent nature and uncertainty of these estimates, actual results could differ, and the differences may be material.

***1-O Postemployment Benefits Other Than Pensions (OPEB)***

The School District maintains two separate other postemployment benefit plans, as follows:

***New Hampshire Retirement System Plan*** – For the purposes of measuring the total other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Hampshire Retirement System OPEB Plan (the plan) and additions to/deductions from the plan's fiduciary net position has been determined on the same basis as they are reported by the New Hampshire Retirement System. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

***Single Employer Plan*** – The School District maintains a single employer plan, but has not obtained an actuarial report calculating the other postemployment benefit liability, deferred outflows of resources, and deferred inflows of resources in accordance with Government Accounting Standards Board Statement No. 75.

***1-P Net Position/Fund Balances***

Government-wide statements – Equity is classified as net position and displayed in three components:

**Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of the capital lease attributable to the acquisition, construction, or improvement of those assets.

**Restricted Net Position** – Results when constraints placed on net position use are either externally imposed by a third party (statutory, bond covenant, or granting agency) or are imposed by law through constitutional provisions or enabling legislation. The School District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future period.

**Unrestricted Net Position** – Consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

**NEW BOSTON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2021**

**Fund Balance Classifications** – GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make sure the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

**Nonspendable** – Amounts that cannot be spent because they are either (a) not in spendable form; or (b) are legally or contractually required to be maintained intact.

**Restricted** – Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the legislative body (School District Meeting). These amounts cannot be used for any other purpose unless the legislative body removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**Assigned** – Amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the School Board or through the Board delegating this responsibility to the Superintendent or Business Administrator through the budgetary process.

**Unassigned** – The portion of fund balance that has not been restricted, committed, or assigned for a specific purpose.

When multiple net position/fund balance classifications are available for use, it is the School District's policy to utilize the most restricted balances first, then the next most restricted balance as needed. When components of unrestricted fund balance are used, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

In accordance with RSA 198:4-bII, *Contingency Fund*, the School District voted to retain general fund unassigned fund balance of \$299,000 which is 2.5% of the net district assessment, to be used for emergency expenditures, or to use as a revenue source to reduce the tax rate.

### ***1-Q Use of Estimates***

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include assessing the recoverability of inventory, the useful lives of capital assets, net pension liability, other postemployment benefit liability, and deferred outflows and inflows of resources related to both pension and other postemployment benefits among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

### ***1-R Material Change in Classification***

The accompanying financial statements reflect a change in classification from the prior year. Specifically, capital project fund did not qualify as a major fund for the current fiscal year. As such it was reclassified to the nonmajor governmental funds.

## ***NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY***

### ***2-A Budgetary Information***

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the School District's operations. At its annual meeting, the School District adopts a budget for the current year for the general and grants funds, as well as the nonmajor food service fund. However, the School Board has voted and accepted the federal grants awarded to the District through the year, so these amounts are reported as a final budget for the grants fund, which is also reported as a major fund. Except as reconciled below, the budget was adopted on a basis consistent with United States generally accepted accounting principles.

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Management may transfer appropriations between operating categories as deemed necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered.

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures, and are therefore, reported as part of the assigned fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2021, \$1,100,514 of the beginning general fund unassigned fund balance was applied for this purpose. Additionally, \$50,000 was appropriated to fund the School District's capital reserve funds.

**2-B Budgetary Reconciliation to GAAP Basis**

While the School District reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual is presented for each major governmental fund which had a budget. There are no differences between the budgetary basis and GAAP basis of accounting for the major grants fund. Differences between the budgetary basis and GAAP basis of accounting for the general fund are as follows:

Revenues:	
Per Exhibit D-1 (budgetary basis)	\$16,108,005
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
Interest earnings related to the blended expendable trust funds	48
Per Exhibit C-3 (GAAP Basis)	<u>\$16,108,053</u>
Expenditures and other financing uses:	
Per Exhibit D-1 (budgetary basis)	\$15,927,711
Adjustments:	
Basis difference:	
Encumbrances, beginning	82,899
Encumbrances, ending	(23,536)
GASB Statement No. 54:	
To remove transfer from the general fund to the blended expendable trust fund	(50,000)
To record transfer from the blended expendable trust fund to the capital project fund	54,798
Per Exhibit C-3 (GAAP basis)	<u>\$15,991,872</u>

**DETAILED NOTES ON ALL FUNDS**

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The School District's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held by the School District's agent in the School District's name. The FDIC currently insures the first \$250,000 of the School District's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by collateral. As of year-end, the carrying amount of the School District's deposits was \$1,963,800 and the bank balances totaled \$2,091,084.

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**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2021, consisted of accounts and intergovernmental amounts arising from grants, school lunch program, restricted grants, and expendable trust funds held by the Town of New Boston Trustees of Trust Funds for the School District. Receivables are recorded on the School District's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021, consisted of the following:

	Balance, beginning	Additions	Retirements	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 6,770	\$ -	\$ -	\$ 6,770
Construction in progress	137,454	-	(137,454)	-
Total capital assets not being depreciated	<u>144,224</u>	<u>-</u>	<u>(137,454)</u>	<u>6,770</u>
Being depreciated:				
Buildings and building improvements	3,603,045	652,727	-	4,255,772
Machinery, equipment, and furnishings	107,478	21,864	-	129,342
Total capital assets being depreciated	<u>3,710,523</u>	<u>674,591</u>	<u>-</u>	<u>4,385,114</u>
Total capital assets	<u>3,854,747</u>	<u>674,591</u>	<u>(137,454)</u>	<u>4,391,884</u>
Less accumulated depreciation:				
Buildings and building improvements	(3,046,063)	(78,767)	-	(3,124,830)
Machinery, equipment, and furnishings	(26,372)	(12,379)	-	(38,751)
Total accumulated depreciation	<u>(3,072,435)</u>	<u>(91,146)</u>	<u>-</u>	<u>(3,163,581)</u>
Net book value, capital assets being depreciated	<u>638,088</u>	<u>583,445</u>	<u>-</u>	<u>1,221,533</u>
Net book value, all capital assets	<u>\$ 782,312</u>	<u>\$ 583,445</u>	<u>\$ (137,454)</u>	<u>\$ 1,228,303</u>

Depreciation expense was charged to functions of the School District based on their usage of the related assets. The amounts allocated to each function are as follows:

Instruction	\$ 39,077
Support services:	
Operation and maintenance of plant	52,069
Total depreciation expense	<u>\$ 91,146</u>

**NOTE 6 – INTERFUND BALANCES AND TRANSFERS**

Interfund receivable and payable balances consisting of overdrafts in pooled cash and budgetary transfers at June 30, 2021, are as follows:

Receivable Fund	Payable Fund	Amount
General	Grants	<u>\$ 48,688</u>

Interfund transfers during the year ended June 30, 2021 are as follows:

Transfers out:	Transfers In
General fund	Nonmajor Funds
	<u>\$ 694,802</u>

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Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (2) use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 7 – INTERGOVERNMENTAL PAYABLES**

Amounts due to other governments of \$243,434 at June 30, 2021, consist of the following:

	General Fund	Nonmajor Funds	Total
Balance due to the New Hampshire Retirement System	\$ 137,324	\$ -	\$ 137,324
Balance due to the Nashua School District	21,782	-	21,782
Balance due to the Goffstown School District	82,998	1,330	84,328
Total intergovernmental payables due	\$ 242,104	\$ 1,330	\$ 243,434

**NOTE 8 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

Deferred outflows of resources at June 30, 2021, consist of amounts related to pensions totaling \$2,141,706 and amounts related to OPEB totaling \$64,253. For further discussion on these amounts, see Notes 11 and 13, respectively.

Deferred inflows of resources at June 30, 2021, consist of the following:

	Governmental Activities	Grants Fund
Grant revenue collected in advance of eligible expenditures being made	\$ 11,132	\$ 11,132
Amounts related to pensions, see Note 11	93,909	-
Amounts related to OPEB, see Note 13	1,485	-
Total deferred inflows of resources	\$ 106,526	\$ 11,132

**NOTE 9 – LEASE OBLIGATIONS**

**Capital Lease** – The School District has entered into a capital lease agreement under which the related equipment will become the property of the School District when all the terms of the lease agreement are met.

	Standard Interest Rate	Present Value of Remaining Payments as of June 30, 2021
Capital lease obligations:		
Computers	4.49%	\$ 15,585

The annual requirements to amortize the capital lease payable as of June 30, 2021, including interest payments, are as follows:

Fiscal Year Ending June 30, 2022	Governmental Activities
	\$ 16,285
Less: interest	700
Present value of remaining payments	\$ 15,585

Amortization of lease equipment under capital assets is included with depreciation expense.

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**Operating Leases** – The School District subleases the property known as the White Building to the Town of New Boston Recreation Department. The School District and the Recreation Department recognize that the Recreation Department has previously utilized the premises from time to time over the years, on an informal basis, and had contributed financially to the maintenance and improvement of the premises. The parties agree that \$20,000 represents a fair estimate of the net amount that the Recreation Department has paid over that time, considering that the premises were and will continue to be used without charge by the Recreation Department.

**NOTE 10 – LONG-TERM LIABILITIES**

Changes in the School District’s long-term liabilities consisted of the following for the year ended June 30, 2021:

	Balance			Balance		
	July 1, 2020	Additions	Reductions	June 30, 2021	Due Within One Year	Due In More Than One Year
Capital lease	\$ 30,500	\$ -	\$ (14,915)	\$ 15,585	\$ 15,585	\$ -
Compensated absences	98,000	-	(8,000)	90,000	-	90,000
Pension related liability	5,884,774	1,951,311	-	7,836,085	-	7,836,085
Net other postemployment benefits	475,859	36,523	-	512,382	-	512,382
Total long-term liabilities	<u>\$ 6,489,133</u>	<u>\$ 1,987,834</u>	<u>\$ (22,915)</u>	<u>\$ 8,454,052</u>	<u>\$ 15,585</u>	<u>\$ 8,438,467</u>

**NOTE 11 – DEFINED BENEFIT PENSION PLAN**

**Plan Description** – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system that administers one cost-sharing multiple-employer defined benefit pension plan (Pension Plan), a component unit of the State of New Hampshire, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* – an amendment of GASB Statement No. 25. The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan. The System issues a publicly available financial report that may be obtained by writing the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301.

**Benefits Provided** – Benefit formulas and eligibility requirements for the Pension Plan are set by state law (RSA 100-A). The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II.

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 benefit multiplier depending on vesting status as of 1/1/12. The maximum retirement allowance for Group II members vested by 1/1/12 (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 1/1/12 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:

Years of Creditable Service as of 1/1/12	Minimum Age	Minimum Service	Benefit Multiplier
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%

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



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**Contributions** – The System is financed by contributions from both the employees and the School District. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees are required to contribute 7% of earnable compensation. For fiscal year 2021, the School District contributed 15.99% for teachers and 10.88% for other employees. The contribution requirement for the fiscal year 2021 was \$540,317, which was paid in full.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions** – At June 30, 2021, the School District reported a liability of \$7,836,085 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The School District’s proportion of the net pension liability was based on a projection of the School District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2020, the School District’s proportion was 0.12% which was the same as its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized pension expense of \$1,247,871. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 129,963	\$ 9,772
Net difference between projected and actual investment earnings on pension plan investments	484,670	-
Changes in assumptions	775,144	-
Differences between expected and actual experience	211,612	84,137
Contributions subsequent to the measurement date	540,317	-
Total	\$2,141,706	\$ 93,909

The \$540,317 reported as deferred outflows of resources related to pensions results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Fiscal Year Ending June 30,
	2021 \$ 337,129
	2022 413,855
	2023 391,547
	2024 364,949
	2025 -
	Thereafter -
	Totals \$1,507,480

**Actuarial Assumptions** – The collective total pension liability was determined by an actuarial performed as of June 30, 2019, rolled forward to June 30, 2020, using the following assumptions:

Inflation:	2.0% per year
Wage inflation:	2.75% per year (2.25% for Teachers)
Salary increases:	5.6% average, including inflation
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, 2019, valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

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**Long-term Rates of Return** – The long-term expected rate of return on pension plan investment 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 rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2020:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return 2020
Large Cap Equities	22.50%	3.71%
Small/Mid Cap Equities	7.50%	4.15%
Total domestic equities	30.00%	
Int'l Equities (unhedged)	13.00%	3.96%
Emerging Int'l Equities	7.00%	6.20%
Total international equity	20.00%	
Core Bonds	9.00%	0.42%
Global Multi-Sector Fixed Income	10.00%	1.66%
Absolute Return Fixed Income	6.00%	0.92%
Total fixed income	25.00%	
Private equity	10.00%	7.71%
Private debt	5.00%	4.81%
Total alternative investments	15.00%	
Real estate	10.00%	2.95%
Total	100.00%	

**Discount Rate** – The discount rate used to measure the collective total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that 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 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 investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

**Sensitivity of the School District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following table presents the School District’s proportionate share of the net pension liability calculated using the discount rate of 6.75% as well as what the School District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2020	\$10,144,540	\$ 7,836,085	\$ 5,949,771

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan’s fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit Pension Plan financial report.

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**NOTE 12 – SUPPLEMENTAL RETIREMENT PLANS**

All employees employed by the School District are eligible to participate in a defined contribution pension plan administered by TSA. Participation can begin immediately upon employment. The School District has no requirement or obligation under State Statutes to contribute to this plan, however the School District has adopted the Supplemental Retirement Plan 457 and 403(b) for its employees. The School Board has the authority to establish and amend the benefit provisions and contribution requirements of the plan. The School District contributes varying percentages (based on position) of each employee's salary and all amounts contributed are vested immediately. Also, employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021, were \$67,688 from the School District's employees.

**NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**13-A New Hampshire Retirement System (NHRS)**

**Plan Description** – The New Hampshire Retirement System (NHRS or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2019 Comprehensive Annual Financial Report, which can be found on the system's website at [www.nhrs.org](http://www.nhrs.org).

**Benefits Provided** – Benefit amounts and eligibility requirements for the OPEB Plan are set by State law (RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b), and members are designated in statute by type. The four membership types are Group II, Police Officers and Firefighters; Group I, Teachers; Group I, Political Subdivision Employees; and Group I, State Employees. The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

Group I benefits are based on creditable service, age, and retirement date. Group II benefits are based on hire date, age, and creditable service. The OPEB plan is closed to new entrants.

Maximum medical subsidy rates paid during fiscal year 2019 were as follows:

For qualified retirees not eligible for Medicare, the amounts were \$375.56 for a single-person plan and \$751.12 for a two-person plan.

For those qualified retirees eligible for Medicare, the amounts were \$236.84 for a single-person plan and \$473.68 for a two-person plan.

**Contributions** – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2020, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2021, the School District contributed 1.81% for teachers and 0.29% for other employees. The contribution requirement for the fiscal year 2021 was \$54,393, which was paid in full.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – At June 30, 2021, the School District reported a liability of \$512,382 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The School District's proportion of the net OPEB liability was based on a projection of the School District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2020, the School District's proportion was 0.12% which was an increase of 0.01% from its proportion measured as of June 30, 2019.

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For the year ended June 30, 2021, the School District recognized OPEB expense of \$81,009. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 4,649	\$ -
Net difference between projected and actual investment earnings on OPEB plan investments	1,917	-
Changes in assumptions	3,294	-
Differences between expected and actual experience	-	1,485
Contributions subsequent to the measurement date	54,393	-
Total	\$ 64,253	\$ 1,485

The \$54,393 reported as deferred outflows of resources related to OPEB results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2021	\$ 6,604
2022	568
2023	677
2024	526
2025	-
Thereafter	-
Totals	\$ 8,375

**Actuarial Assumptions** – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2019, and a measurement date of June 30, 2020. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Price inflation:	2.0% per year
Wage inflation:	2.75% per year (2.25% for Teachers)
Salary increases:	5.6% average, including inflation
Investment rate of return:	6.75% net of OPEB plan investment expense, including inflation
Health care trend rate:	Not applicable, given that the benefits are fixed stipends

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

**Long-term Rates of Return** – The long-term expected rate of return on OPEB plan investment 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 rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

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Following is a table presenting target allocations and long-term rates of return for 2020:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return 2020
Large Cap Equities	22.50%	3.71%
Small/Mid Cap Equities	7.50%	4.15%
Total domestic equities	30.00%	
Int'l Equities (unhedged)	13.00%	3.96%
Emerging Int'l Equities	7.00%	6.20%
Total international equity	20.00%	
Core Bonds	9.00%	0.42%
Global Multi-Sector Fixed Income	10.00%	1.66%
Absolute Return Fixed Income	6.00%	0.92%
Total fixed income	25.00%	
Private equity	10.00%	7.71%
Private debt	5.00%	4.81%
Total alternative investments	15.00%	
Real estate	10.00%	2.95%
Total	100.00%	

**Discount Rate** – The discount rate used to measure the total OPEB liability as of June 30, 2020, was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

**Sensitivity of the School District’s Proportionate Share of the OPEB Liability to Changes in the Discount Rate** – The following table presents the School District’s proportionate share of the OPEB liability calculated using the discount rate of 6.75% as well as what the School District’s proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2020	\$ 556,394	\$ 512,382	\$ 474,172

**Sensitivity of the School District’s Proportionate Share of the OPEB Liability to Changes in the Healthcare Cost Trend Rate** – GASB No. 75 requires the sensitivity of the Net OPEB liability to the healthcare cost trend assumption. Since the medical subsidy benefits are a fixed stipend, there is no sensitivity to the change in the healthcare cost trend assumption.

**OPEB Plan Fiduciary Net Position** – Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit OPEB Plan financial report.

**13-B Retiree Health Benefit Program**

The School District provides postemployment benefit options for health care to eligible retirees, terminated employees, and their dependents in accordance with the provisions of various employment contracts. The benefit levels, employee contributions, and employer contributions are governed by the School District’s contractual agreements. Expenses for the cost of providing health insurance for currently enrolled retirees are recognized in the general fund of the funds financial statements as payments are made.

**NEW BOSTON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2021**

The Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in 2015. GASB Statement No. 75 requires State and local government employers to recognize the net OPEB liability and the OPEB expense on their financial statements, along with the related deferred outflows and inflows of resources. The School District has not fully implemented GASB Statement No. 75 at June 30, 2021, or contracted with an actuarial firm to assist in evaluating the impact of this standard on the School District. The amounts that should be recorded as the net OPEB liability and the OPEB expense is unknown.

**NOTE 14 – ENCUMBRANCES**

Encumbrances outstanding at June 30, 2021, are as follows:

Current:	
Instruction:	
Regular programs	\$ 5,785
Support services:	
Student	4,000
Operation and maintenance of plant	13,751
Total support services	<u>17,751</u>
Total encumbrances	<u>\$ 23,536</u>

**NOTE 15 – GOVERNMENTAL ACTIVITIES NET POSITION**

Net position reported on the government-wide Statement of Net Position at June 30, 2021, include the following:

	<u>Governmental Activities</u>
Net investment in capital assets:	
Net book value of all capital assets	\$ 1,228,303
Less:	
Capital lease payable	<u>(15,585)</u>
Total net investment in capital assets	<u>1,212,718</u>
Restricted net position:	
Food service	<u>10,962</u>
Unrestricted	<u>(4,180,952)</u>
Total net position	<u>\$ (2,957,272)</u>

**NOTE 16 – GOVERNMENTAL FUND BALANCES**

Governmental fund balances at June 30, 2021, consist of the following:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Nonspendable:</b>			
Inventory	\$ 5,920	\$ -	\$ 5,920
Prepaid items	6,583	-	6,583
Total nonspendable fund balance	<u>12,503</u>	<u>-</u>	<u>12,503</u>
<b>Restricted:</b>			
Food service	<u>-</u>	<u>10,962</u>	<u>10,962</u>
<b>Committed:</b>			
Expendable trust	<u>429,953</u>	<u>-</u>	<u>429,953</u>

*(Continued)*

**NEW BOSTON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2021**

*Governmental fund balances continued:*

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assigned:</b>			
Encumbrances	23,536	-	23,536
Retained (RSA 198:4-bII)	299,000	-	299,000
Student activities	-	43,822	43,822
Total assigned fund balance	<u>322,536</u>	<u>43,822</u>	<u>366,358</u>
<b>Unassigned</b>	<u>1,338,719</u>	-	<u>1,338,719</u>
Total governmental fund balances	<u>\$ 2,103,711</u>	<u>\$ 54,784</u>	<u>\$ 2,158,495</u>

**NOTE 17 – RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2021, the School District was a member of the New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from July 1, 2020, to June 30, 2021 by Primex<sup>3</sup>, which retained \$2,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex<sup>3</sup> to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In fiscal year 2020-21 the School District paid \$15,393 and \$17,666, respectively, to Primex for workers' compensation and property/liability. At this time, Primex<sup>3</sup> foresees no likelihood of any additional assessment for this or any prior year.

The School District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 18 – CAFETERIA BENEFIT PLAN**

Effective July 1, 2020, the School District implemented a cafeteria benefit plan pursuant to Section 125 of the IRS code. Under this plan, eligible employees may direct a contribution, made by the School District, into any combination of the following benefit categories:

1. Premium Conversion Account.
2. General Purpose Health Flexible Spending Account; or
3. Dependent Care Assistance Plan Account.

In addition to directing the School District's contribution to the above categories, eligible employees may elect to contribute pre-tax dollars to these categories. Under no circumstances may an employee direct more than \$5,000 annually into the Dependent Care Assistance Plan Account, and \$2,750 into the General Purpose Health Flexible Spending Account. This cap applies to both School District contributions and employee pre-tax contributions. There are no limits on contributions to the Premium Conversion Account.

All regular full-time and part-time employees employed on a regular and continuous basis, including certain contractual employees, are eligible to participate in this plan. Temporary and casual employees are not eligible. The plan year adopted by the School District begins on July 1 and ends on June 30. To obtain reimbursement of expenses incurred within a plan year within the spending accounts (items 2 and 3 above), employees must submit claims within ninety days of the end of the plan year or separation of service from the School District, whichever occurs first. Funds unclaimed after ninety days of the close of the plan year are then remitted to the School District.

***NEW BOSTON SCHOOL DISTRICT***  
***NOTES TO THE BASIC FINANCIAL STATEMENTS***  
***AS OF AND FOR THE FISCAL YEAR ENDED***

***JUNE 30, 2021***

***NOTE 19 – CONTINGENT LIABILITIES***

The School District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement from the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the School District believes such disallowances, if any, will be immaterial.

***NOTE 20 – COVID-19***

As a result of the spread of COVID-19, Coronavirus, economic uncertainties continue. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES Act) in response to the economic downfall caused by the COVID-19 pandemic. This Act provided funding through the Coronavirus Relief Fund (CRF) as well as the Education Stabilization Fund (ESF). On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) was signed into law, which provided additional funding for the ESF programs.

The CRF requires that the payment from these funds be used to cover expenses that: are necessary expenditures incurred due to the public health emergency with respect to COVID-19; were not accounted for the most recently approved budget as of March 27, 2020; and were incurred during the period that begins March 1, 2020, and ends on December 31, 2021. The School District was awarded a portion of this Federal funding totaling \$243,721 in the fall of 2020, through the Supplemental Public School Response Fund (SPSRF).

The ESSR provided funds to the School District through the Elementary and Secondary School Emergency Relief Fund (ESSER). The objective of ESSER is to provide local education agencies with emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the nation. This funding was awarded to the School District under the ESSER I and II grants, with the School District expending \$24,579 of this funding in the fiscal year 2021 and must be used for activities to prevent, prepare, and respond to the coronavirus.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

***NOTE 21 – SUBSEQUENT EVENTS***

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through December 27, 2021, the date the June 30, 2021, financial statements were available to be issued, and noted no events occurred that require recognition or disclosure.



***REQUIRED SUPPLEMENTARY INFORMATION***

**EXHIBIT E**  
**NEW BOSTON SCHOOL DISTRICT**  
*Schedule of the School District's Proportionate Share of Net Pension Liability*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended June 30, 2021*  
**Unaudited**

Fiscal year-end	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
School District's:								
Proportion of the net pension liability	0.11%	0.11%	0.11%	0.11%	0.12%	0.12%	0.12%	0.12%
Proportionate share of the net pension liability	\$ 4,884,809	\$ 4,346,989	\$ 4,460,720	\$ 6,135,640	\$ 5,688,235	\$ 5,906,670	\$ 5,884,774	\$ 7,836,085
Covered payroll (as of the measurement date)	\$ 3,177,109	\$ 3,246,600	\$ 3,360,879	\$ 3,360,879	\$ 3,437,822	\$ 3,528,618	\$ 3,650,361	\$ 3,650,361
Proportionate share of the net pension liability as a percentage of its covered payroll	153.75%	133.89%	132.72%	182.56%	165.46%	167.39%	161.21%	214.67%
Plan fiduciary net position as a percentage of the total pension liability	66.32%	59.81%	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%

**EXHIBIT F**  
**NEW BOSTON SCHOOL DISTRICT**  
*Schedule of School District Contributions - Pensions*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended June 30, 2021*  
*Unaudited*

Fiscal year-end	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Contractually required contribution	\$ 282,223	\$ 375,711	\$ 377,763	\$ 413,165	\$ 423,719	\$ 518,462	\$ 532,238	\$ 540,317
Contributions in relation to the contractually required contributions	282,223	375,711	377,763	413,165	423,719	518,462	532,238	540,317
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll (as of the fiscal year)	\$3,177,109	\$3,246,600	\$3,360,879	\$3,360,879	\$3,437,822	\$3,528,618	\$3,650,361	\$3,608,821
Contributions as a percentage of covered payroll	8.88%	11.57%	11.24%	12.29%	12.33%	14.69%	14.58%	14.97%



**EXHIBIT G**  
**NEW BOSTON SCHOOL DISTRICT**  
*Schedule of the School District's Proportionate Share of the Net Other Postemployment Benefits Liability*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended June 30, 2021*  
*Unaudited*

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
School District's proportion of the net OPEB liability	0.14%	0.14%	0.11%	0.11%	0.12%
School District's proportionate share of the net OPEB liability (asset)	\$ 656,439	\$ 633,755	\$ 498,017	\$ 475,859	\$ 512,382
School District's covered payroll (as of the measurement date)	\$3,360,879	\$3,437,822	\$3,528,618	\$3,650,361	\$3,650,361
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	19.53%	18.43%	14.11%	13.04%	14.04%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%

The Note to the Required Supplementary Information – Other Postemployment Benefits Liability is an integral part of this schedule.

**EXHIBIT H**  
**NEW BOSTON SCHOOL DISTRICT**  
*Schedule of School District Contributions - Other Postemployment Benefits*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended June 30, 2021*  
**Unaudited**

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Contractually required contribution	\$ 78,791	\$ 82,152	\$ 48,114	\$ 49,534	\$ 54,393
Contributions in relation to the contractually required contribution	78,791	82,152	48,114	49,534	54,393
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll (as of the fiscal year)	\$3,360,879	\$3,437,822	\$3,528,618	\$3,650,361	\$3,608,821
Contributions as a percentage of covered payroll	2.34%	2.39%	1.36%	1.36%	1.51%

The Note to the Required Supplementary Information – Other Postemployment Benefits Liability is an integral part of this schedule.

**NEW BOSTON SCHOOL DISTRICT**  
**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**OTHER POSTEMPLOYMENT BENEFITS LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2021**

***Schedule of the School District’s Proportionate Share of Net Other Postemployment Benefits Liability and Schedule of School District Contributions – Other Postemployment Benefits***

As required by GASB Statement No. 75, Exhibits G and H represent the actuarial determined costs associated with the School District’s other postemployment benefits at June 30, 2021. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

The following assumptions were changed in the current year:

- Reduced the assumed rate of investment return from 7.25% to 6.75%
- Reduced the wage inflation from 3.25% to 2.75% (2.25% for teachers)
- Reduced price inflation from 2.5% to 2.0%
- Updated economic assumptions, including merit and longevity salary increases, disability rates, retirement rates, and mortality tables (specifically the new public pension plan mortality tables).

**Methods and Assumptions:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	Not applicable under statutory funding
Asset Valuation Method	5-year smooth market: 20% corridor
Price Inflation	2.0% per year
Wage Inflation	2.75% per year
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	2.45% per year
Investment Rate of Return	6.75% per year, net of OPEB plan investment expense, including inflation for determining solvency contributions
Funding Discount Rate	3.25% per year
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	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.
Health Care Trend Rates	Not applicable, given that benefits are fixed stipends.
Aging Factors	Not applicable, given that the benefits are fixed stipends.

***COMBINING AND INDIVIDUAL FUND SCHEDULES***



**SCHEDULE 1**  
**NEW BOSTON SCHOOL DISTRICT**  
**Major General Fund**  
*Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)*  
*For the Fiscal Year Ended June 30, 2021*

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 10,621,462	\$ 10,621,468	\$ 6
Other local sources:			
Tuition	8,000	9,570	1,570
Investment earnings	2,000	7,034	5,034
Miscellaneous	1,500	54,542	53,042
Total from other local sources	11,500	71,146	59,646
State sources:			
Adequacy aid (grant)	3,946,050	3,952,447	6,397
Adequacy aid (tax)	1,351,706	1,351,706	-
Catastrophic aid	55,000	93,635	38,635
Total from state sources	5,352,756	5,397,788	45,032
Federal sources:			
Medicaid	2,000	17,603	15,603
Total revenues	15,987,718	\$ 16,108,005	\$ 120,287
Use of fund balance to reduce school district assessment	1,100,514		
Use of fund balance - appropriated	50,000		
Total revenues and use of fund balance	\$ 17,138,232		

**SCHEDULE 2**  
**NEW BOSTON SCHOOL DISTRICT**  
**Major General Fund**  
*Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)*  
**For the Fiscal Year Ended June 30, 2021**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
Instruction:					
Regular programs	\$ 3,549	\$ 10,848,005	\$ 10,411,751	\$ 5,785	\$ 434,018
Special programs	-	2,140,503	1,795,429	-	345,074
Other programs	-	60,537	68,179	-	(7,642)
Total instruction	<u>3,549</u>	<u>13,049,045</u>	<u>12,275,359</u>	<u>5,785</u>	<u>771,450</u>
Support services:					
Student	26,890	803,730	665,380	4,000	161,240
Instructional staff	-	235,171	216,340	-	18,831
General administration	-	35,615	38,111	-	(2,496)
Executive administration	-	511,261	502,269	-	8,992
School administration	-	493,232	488,233	-	4,999
Operation and maintenance of plant	52,460	471,397	481,628	13,751	28,478
Student transportation	-	888,783	629,750	-	259,033
Total support services	<u>79,350</u>	<u>3,439,189</u>	<u>3,021,711</u>	<u>17,751</u>	<u>479,077</u>
Facilities acquisition and construction	-	4	-	-	4
Other financing uses:					
Transfers out	-	649,994	690,004	-	(40,010)
Total appropriations, expenditures, other financing uses, and encumbrances	<u>\$ 82,899</u>	<u>\$ 17,138,232</u>	<u>\$ 15,987,074</u>	<u>\$ 23,536</u>	<u>\$1,210,521</u>

**SCHEDULE 3**  
**NEW BOSTON SCHOOL DISTRICT**  
**Major General Fund**  
*Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)*  
*For the Fiscal Year Ended June 30, 2021*

Unassigned fund balance, beginning		\$1,407,154
Changes:		
Unassigned fund balance used to reduce school district assessment		(1,100,514)
Unassigned fund balance appropriated for use in 2020-2021		(50,000)
2020-2021 Budget summary:		
Revenue surplus (Schedule 1)	\$ 120,287	
Unexpended balance of appropriations (Schedule 2)	1,210,521	
2020-2021 Budget surplus	<u>1,330,808</u>	
Decrease in nonspendable fund balance		271
Decrease in committed fund balance		50,000
Increase in assigned (non-encumbrance) fund balance		<u>(299,000)</u>
Unassigned fund balance, ending		<u>\$1,338,719</u>

**SCHEDULE 4**  
**NEW BOSTON SCHOOL DISTRICT**  
*Nonmajor Governmental Funds*  
**Combining Balance Sheet**  
**June 30, 2021**

	Special Revenue Funds			Total
	Food Service	Student Activity	Capital Project	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,260	\$ 43,822	\$ 32,403	\$ 79,485
Intergovernmental receivable	22,465	-	-	22,465
Total assets	<u>\$ 25,725</u>	<u>\$ 43,822</u>	<u>\$ 32,403</u>	<u>\$ 101,950</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 13,433	\$ -	\$ -	\$ 13,433
Intergovernmental payable	1,330	-	-	1,330
Contracts payable	-	-	32,403	32,403
Total liabilities	<u>14,763</u>	<u>-</u>	<u>32,403</u>	<u>47,166</u>
<b>FUND BALANCES</b>				
Restricted	10,962	-	-	10,962
Assigned	-	43,822	-	43,822
Total fund balances	<u>10,962</u>	<u>43,822</u>	<u>-</u>	<u>54,784</u>
Total liabilities and fund balances	<u>\$ 25,725</u>	<u>\$ 43,822</u>	<u>\$ 32,403</u>	<u>\$ 101,950</u>

**SCHEDULE 5**  
**NEW BOSTON SCHOOL DISTRICT**  
*Nonmajor Governmental Funds*  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2021**

	Special Revenue Funds			Total
	Food Service	Student Activity	Capital Project	
<b>REVENUES</b>				
Other local	\$ 494	\$ 4,818	\$ -	\$ 5,312
State	2,370	-	-	2,370
Federal	91,773	-	-	91,773
Total revenues	<u>94,637</u>	<u>4,818</u>	<u>-</u>	<u>99,455</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	-	2,442	-	2,442
Noninstructional services	123,787	-	-	123,787
Facilities acquisition and construction	-	-	517,344	517,344
Total expenditures	<u>123,787</u>	<u>2,442</u>	<u>517,344</u>	<u>643,573</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,150)</u>	<u>2,376</u>	<u>(517,344)</u>	<u>(544,118)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>40,004</u>	<u>-</u>	<u>654,798</u>	<u>694,802</u>
Net change in fund balances	10,854	2,376	137,454	150,684
Fund balances (deficit), beginning	108	41,446	(137,454)	(95,900)
Fund balances, ending	<u>\$ 10,962</u>	<u>\$ 43,822</u>	<u>\$ -</u>	<u>\$ 54,784</u>