HENNIKER, NEW HAMPSHIRE SCHOOL DISTRICT

Financial Statements

June 30, 2023

and

Independent Auditor's Report

HENNIKER, NEW HAMPSHIRE SCHOOL DISTRICT
FINANCIAL STATEMENTS
June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the School Board
Henniker, New Hampshire School District

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Henniker, New Hampshire School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Henniker, New Hampshire School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Henniker, New Hampshire School District, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Henniker, New Hampshire School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Henniker, New Hampshire School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Henniker, New Hampshire School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's proportionate share of the net OPEB liability, schedule of District OPEB contributions, schedule of changes in the District's total OPEB liability and related ratios, schedule of changes in the District's proportionate share of the net pension liability, and schedule of District pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Vachon Clukay & Company PC

Manchester, New Hampshire
August 19, 2024

HENNIKER, NEW HAMPSHIRE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2023

Presented herewith please find the Management Discussion & Analysis Report for the Henniker School District (HSD) for the fiscal year ending June 30, 2023 as compared to fiscal year ending June 30, 2022. Responsibility for both the accuracy of the data, and the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. This data is reported in a manner designed to fairly present the District's financial position, and the result of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an accurate understanding of the District's financial activities have been included.

The School District Administration is responsible for establishing an accounting and internal control structure designed to ensure that the physical, data, informational, intellectual, and human resource assets of the District are protected from loss, theft, and misuse, and to ensure that adequate accounting information is maintained and reported in conformity with generally accepted accounting principles (GAAP). Management also strives to ensure that these assets are put to good and effective use. The internal control structure is designed to provide reasonable assurances that these objectives are attained.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the HSD using the integrated approach as prescribed by GASB Statement 34.

This discussion and analysis is intended to serve as an introduction to HSD's financial statements. The basic financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

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 most private-sector companies.

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the District are 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 the District's near-term financial requirements.

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

The District maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances for the General Fund, Federal Projects Fund and Food Service Fund, which are considered major funds.

The District adopts an annual appropriation budget for its governmental funds. A budgetary comparison has been provided for the General Fund to demonstrate compliance with this budget.

Notes to the Basic 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.

Government-Wide Financial Analysis

Statement of Net Position

The table below provides a summary of the District's net position for the year ended June 30, 2023 compared with June 30, 2022.

	2023	2022
Capital and other assets:		
Capital assets	$ 4,197,704	$ 4,452,811
Other assets	1,484,324	1,522,411
Total assets	5,682,028	5,975,222
Deferred outflows of resources:		
Deferred outflows related to OPEB	152,711	211,839
Deferred outflows related to pension	1,320,863	1,316,390
Total deferred outflows of resources:	1,473,574	1,528,229

	2023	2022
Long-term and other liabilities:		
Long-term liabilities	9,427,936	8,240,025
Other liabilities	632,308	442,440
Total liabilities	10,060,244	8,682,465
Deferred inflows of resources:		
Deferred inflows related to OPEB	89,347	136,425
Deferred inflows related to pension	105,621	1,546,060
Total deferred inflows of resources:	194,968	1,682,485
Net position:		
Net investment in capital assets	2,120,184	2,123,933
Restricted	61,619	142,918
Unrestricted (Deficit)	(5,281,413)	(5,128,954)
Total net position	$ (3,099,610)	$ (2,862,103)

Statement of Activities

Changes in net position for fiscal year 2023 and 2022 are as follows:

	2023	2022
Program revenues:		
Charges for services	$ 191,975	$ 73,388
Operating grants and contributions	466,799	690,099
Total program revenues	658,774	763,487
General revenues:		
Property taxes	6,319,103	6,169,420
State adequacy education grant	2,053,733	1,870,290
Other state aid	44,310	
Interest and investment earnings	23,921	2,043
Miscellaneous	51,043	145,810
Total general revenues	8,492,110	8,187,563
Total revenues	9,150,884	8,951,050

	2023	2022
Program expenses:		
Instruction	5,482,407	4,878,205
Supporting services	721,974	608,330
Instructional staff services	515,119	386,306
General administration	966,074	893,700
Operation and maintenance of plant	1,015,917	957,826
Pupil transportation	350,710	346,390
Food service	301,986	232,470
Other student	16,752	13,932
Interest and fiscal charges	17,452	69,723
Total program expenses	9,388,391	8,386,882
Change in net position	(237,507)	564,168
Net position - beginning of year	(2,862,103)	(3,426,271)
Net position - ending of year	$ (3,099,610)	$ (2,862,103)

HSD ACTIVITIES

As shown in the above statement, the District experienced a decrease in net position of 8% or $237,507. This is due to the reduction in the pension liability the District has accrued.

The General Fund shows a fund balance of $982,988. This is a decrease of $146,494. The School Board set aside money in retained fund balance.

HSD must abide by GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. Under Statement 54, the District has segregated fund balance into five classifications: Nonspendable, Restricted, Committed, Assigned and Unassigned. Complete descriptions of the above-mentioned classifications may be found on page 12 of the Notes to the Basic Financial Statements. In accordance with GASB 54, the District's Capital Reserve and Expendable Trust Funds totaling $346,840 are reported as part of the General Fund.

Capital Assets

HSD considers a capital asset to be an asset whose costs exceed or equal $10,000 and has a useful life of greater than one year. Assets are depreciated using the straight-line method over the course of their useful life. Please refer to Note 3 for more detail about Capital Assets associated with Governmental activities.

Long-Term Obligations

HSD entered into two financed purchase obligations during the year for various equipment. More detailed information about the District's long-term liabilities is presented in Note 4 to the financial statements.

HENNIKER, NEW HAMPSHIRE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2023

Budgetary Highlights

Budgetary information in these financial statements has been presented for the District's General Fund (a major governmental fund). This budgetary information is included in the Required Supplementary Information section.

There was no difference between the original and final budget for the General Fund. Actual revenues on the budgetary basis exceeded the budgeted amount by $81,683. The district received unanticipated revenue from the state for NHRS employer contributions while also having more revenue than anticipated from interest and E-Rate Funding. Additionally, the district again had unanticipated shortfalls in Medicaid.

The District under expended its budget by $123,879. This was contributable in part to the ability for the District to staff budgeted positions.

Economic Factors

In 22-23 the district was able to procure items in a more timely fashion but prices continued to rise. With the inflated there was increased salary demand to keep our staff.

Contacting HSD's Financial Management

This financial report is to provide our citizens and creditors with a general overview of the Henniker School District's finances and to show accountability for the money it receives. If you have questions about this report or need to get additional information, contact SAU #24 Financial Office at 258 Western Avenue, Henniker NH 03242, telephone 603-428-3269.

EXHIBIT A
HENNIKER, NEW HAMPSHIRE SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	$ 474,414
Due from other governments	999,452
Prepaid items	10,458
Total Current Assets	1,484,324
Noncurrent Assets:	
Capital assets:	
Non-depreciable	169,493
Depreciable, net	4,028,211
Total Noncurrent Assets	4,197,704
Total Assets	5,682,028
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB liability	152,711
Deferred outflows related to net pension liability	1,320,863
Total Deferred Outflows of Resources	1,473,574
LIABILITIES	
Current Liabilities:	
Accounts payable	321,617
Accrued liabilities	38,344
Due to other governments	55,749
Unearned food service revenue	2,977
Current portion of financed purchase obligations	202,112
Current portion of lease liability	11,509
Total Current Liabilities	632,308
Noncurrent Liabilities:	
Financed purchase obligations	1,839,732
Lease liability	24,167
OPEB liability	1,236,427
Net pension liability	6,327,610
Total Noncurrent Liabilities	9,427,936
Total Liabilities	10,060,244
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB liability	89,347
Deferred inflows related to net pension liability	105,621
Total Deferred Inflows of Resources	194,968
NET POSITION	
Net investment in capital assets	2,120,184
Restricted	61,619
Unrestricted (Deficit)	(5,281,413)
Total Net Position	$ (3,099,610)

See accompanying notes to the basic financial statements

EXHIBIT B
HENNIKER, NEW HAMPSHIRE SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:				
Instruction	$ 5,482,407	$ 7,020	$ 325,946	$ (5,149,441)
Supporting services	721,974		19,642	(702,332)
Instructional staff services	515,119		25,688	(489,431)
General administration	966,074		7,104	(958,970)
Operation and maintenance of plant	1,015,917			(1,015,917)
Pupil transportation	350,710	52,687		(298,023)
Food service	301,986	132,268	88,419	(81,299)
Other student	16,752			(16,752)
Interest and fiscal charges	17,452			(17,452)
Total governmental activities	$ 9,388,391	$ 191,975	$ 466,799	(8,729,617)

General revenues:	
Property taxes	6,319,103
State adequacy aid	2,053,733
Other state aid	44,310
Interest and investment earnings	23,921
Miscellaneous	51,043
Total general revenues	8,492,110
Change in net position	(237,507)
Net Position at beginning of year	(2,862,103)
Net Position at end of year	$ (3,099,610)

See accompanying notes to the basic financial statements

EXHIBIT C

HENNIKER, NEW HAMPSHIRE SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2023

	General Fund	Federal Projects Fund	Food Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 443,960			$ 30,454	$ 474,414
Due from other governments	474,330	$ 242,033	$ 283,089		999,452
Due from other funds	346,274				346,274
Prepaid items	10,458				10,458
Total Assets	1,275,022	242,033	283,089	30,454	1,830,598
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 1,275,022	$ 242,033	$ 283,089	$ 30,454	$ 1,830,598
LIABILITIES					
Accounts payable	$ 261,841	$ 51,446	$ 8,330		$ 321,617
Accrued liabilities	28,920				28,920
Due to other governments	1,273	34,151	20,325		55,749
Due to other funds		156,346	189,928		346,274
Unearned food service revenue			2,977		2,977
Total Liabilities	292,034	241,943	221,560	$ -	755,537
DEFERRED INFLOWS OF RESOURCES					
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Restricted		90	61,529		61,619
Committed	346,840				346,840
Assigned	315,955			30,454	346,409
Unassigned	320,193				320,193
Total Fund Balances	982,988	90	61,529	30,454	1,075,061
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,275,022	$ 242,033	$ 283,089	$ 30,454	$ 1,830,598

See accompanying notes to the basic financial statements

EXHIBIT C-1

HENNIKER, NEW HAMPSHIRE SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2023

Total Fund Balances - Governmental Funds (Exhibit C)	$ 1,075,061
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,197,704
Deferred outflows of resources and deferred inflows of resources that do not require or provide the use of current financial resources are not reported within the funds.	
Deferred outflows of resources related to OPEB liability	152,711
Deferred outflows of resources related to net pension liability	1,320,863
Deferred inflows of resources related to OPEB liability	(89,347)
Deferred inflows of resources related to net pension liability	(105,621)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of:	
Financed purchase obligations	(2,041,844)
Lease liability	(35,676)
Accrued interest on long-term obligations	(9,424)
OPEB liability	(1,236,427)
Net pension liability	(6,327,610)
Net Position of Governmental Activities (Exhibit A)	$ (3,099,610)

See accompanying notes to the basic financial statements

EXHIBIT D

HENNIKER, NEW HAMPSHIRE SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2023

	General Fund	Federal Projects Fund	Food Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 6,319,103				$ 6,319,103
Intergovernmental	2,153,885	$ 322,538	$ 88,419		2,564,842
Charges for services	59,707		132,268		191,975
Interest income	23,918			$ 3	23,921
Miscellaneous	30,149	174		20,720	51,043
Total Revenues	8,586,762	322,712	220,687	20,723	9,150,884
Expenditures:					
Current operations:					
Instruction	5,205,160	270,104			5,475,264
Supporting services	701,086	19,642			720,728
Instructional staff services	507,437	25,688			533,125
General administration	958,880	7,104			965,984
Operation and maintenance of plant	772,441	174			772,615
Pupil transportation	350,710				350,710
Food service			301,986		301,986
Other student				16,752	16,752
Debt service:					
Principal	175,720				175,720
Interest and fiscal charges	61,822				61,822
Total Expenditures	8,733,256	322,712	301,986	16,752	9,374,706
Net change in fund balances	(146,494)	-	(81,299)	3,971	(223,822)
Fund Balances at beginning of year	1,129,482	90	142,828	26,483	1,298,883
Fund Balances at end of year	$ 982,988	$ 90	$ 61,529	$ 30,454	$ 1,075,061

See accompanying notes to the basic financial statements

EXHIBIT D-1

HENNIKER, NEW HAMPSHIRE SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds (Exhibit D)	$ (223,822)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. Capital outlays, depreciation and amortization expense in the current period are as follows:	
Depreciation expense	(243,189)
Amortization expense	(11,314)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Repayments in the current year are as follows:	
Financed purchase obligation principal paid	239,360
Lease liability principal paid	11,394
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds, an interest expenditure is reported when due.	1,982
Governmental funds report OPEB and pension contributions as expenditures. However, in the statement of activities, OPEB and pension expense reflects the change in the OPEB liability and net pension liability and related deferred outflows and inflows of resources, and does not require the use of current financial resources. This is the amount by which OPEB and pension expense differed from OPEB and pension contributions in the current period.	
Net changes in OPEB	(11,943)
Net changes in pension	25
Change in Net Position of Governmental Activities (Exhibit B)	$ (237,507)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Henniker, New Hampshire School District conform to accounting principles generally accepted in the United States of America for local educational units of government, except as indicated hereinafter. The following is a summary of significant accounting policies.

Financial Reporting Entity

The Henniker, New Hampshire School District (the "District") is an independent governmental entity organized under the laws of the State of New Hampshire to provide public education within the borders of the Town of Henniker, New Hampshire. The District's legislative body is the annual deliberative session followed by balloting of registered voters within the District and is governed by an elected School Board. Administrative services are provided by School Administrative Unit #24. The District has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by the Governmental Accounting Standards Board (GASB).

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. **Government-Wide Financial Statements:**

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the financial condition of the governmental activities of the District at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. **Fund Financial Statements:**

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District solely employs the use of governmental funds.

1. **Governmental Funds:**

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is reported as fund balance. The following are the District's major governmental funds:

The *General Fund* is the main operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

The *Federal Projects Fund* is used to account for all financial resources related to various state and federal grants and related expenditures.

The *Food Service Fund* is used to account for all financial resources related to the District's food service operations.

Measurement Focus

1. **Government-Wide Financial Statements:**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the Statement of Net Position.

2. **Fund Financial Statements:**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

1. **Revenues – Exchange and Non-exchange Transactions:**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 10). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest, tuition, and student fees.

Grants and entitlements received before the eligibility requirements are met are recorded as advances from grantors. On governmental financial statements, receivables that will not be collected within the available period are reported as deferred inflows of resources.

2. **Expenses/Expenditures:**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

Budgetary Data

The District's budget represents functional appropriations as authorized by annual or special District meetings. The school board may transfer funds between operating categories as they deem necessary. The District adopts its budget under State regulations, which differ somewhat from accounting principles generally accepted in the United States of America in that the focus is on the entire governmental unit rather than on the basis of fund types.

State law requires balanced budgets but permits the use of beginning fund balance to reduce the property tax rate. For the year ended June 30, 2023, the District applied $319,465 of its unassigned fund balance to reduce the tax rate.

Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of $10,000. The District does not possess any infrastructure or intangible assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land and construction in process are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Years
Buildings and improvements	10-40
Land improvements	15-20
Furniture and equipment	3-25

Lease Liabilities and Leased Assets

Lease liabilities are measured at the present value of payments expected to be made during the lease term. Leased assets are measured at the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs and are amortized on a straight-line basis over the life of the related lease.

Compensated Absences

Employees who are at least age 55, have proof of intent to retire from the District, have completed 15 or more years of teaching services in the District, and request early retirement 18 months in advance, may be eligible for an early retirement incentive.

Employees with 30 or more years of service on or before August 31st of the year of planned retirement will receive $29,000. Cash payments will decrease in $1,000 increments for each year's decrease in the number of years' service below 30 years that the teacher has with the District.

District school teachers may accumulate sick leave days at a rate of 1.5 per month, cumulative to a maximum of 135 days. Each full-time employee who has completed 10 or more years of teaching service to the District, and who gives a minimum of 1 year's advance notice of the intent to retire under New Hampshire State Retirement System shall be entitled to receive a sick leave buy back bonus. The bonus equals the retired employee's number of accumulated sick days, multiplied by 25% of the employee's per diem rate. Provision for sick leave is made in the annual budget.

For governmental fund financial statements, compensated absences are reported as liabilities and expenditures as payments come due each period upon the occurrence of employee death or retirement. The entire compensated absence liability is reported on the government-wide financial statements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net 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 (NHRS) OPEB Plan and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, NHRS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for non-registered commingled funds valued at net asset value (NAV) as a practical expedient to estimate fair value.

Pensions

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

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance Policy

The District has segregated fund balance into five classifications: Nonspendable, Restricted, Committed, Assigned, and Unassigned. These components of fund balance are defined as follows:

- *Nonspendable Fund Balance*: Amounts that are not in a spendable form or are required to be maintained intact.
- *Restricted Fund Balance*: Amounts constrained to specific purposes by their providers through constitutional provisions or by enabling legislation.
- *Committed Fund Balance*: Amounts constrained to specific purposes determined by a formal action of the District's highest level of decision making authority (the School Board). To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest-level action to remove or change the constraint.
- *Assigned Fund Balance*: Amounts the District intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The School Board expressly delegates this authority to the Superintendent, through the Business Administrator.
- *Unassigned Fund Balance*: Amounts that are available for any purpose. These amounts are reported only in the General Fund, except for any deficit fund balance of another governmental fund.

The District's policy is to return to the Town, any unassigned fund balance at fiscal year-end, to be used to offset the subsequent fiscal year's tax rate. As authorized at the 2021 annual District meeting, the School Board has the authority to retain unassigned fund balance of the General Fund in an amount, not to exceed in any fiscal year, 5% of the current fiscal year's net assessment.

In circumstances where expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts then unassigned amounts.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/ expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/ expenses to the funds that initially paid for them are not presented in the financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE 2—DEPOSITS

Deposits as of June 30, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and cash equivalents	$ 474,414

Deposits at June 30, 2023 consist of the following:

Deposits with financial institutions	$ 474,414

The District's investment policy for its governmental funds requires that deposits be made in New Hampshire based financial institutions that are participants in one of the federal depository insurance programs. The District limits its investments to money market investment accounts, certificates of deposit, and overnight repurchase agreements in accordance with New Hampshire State law (RSA 197:23-a). The District’s investment policy for governmental funds is at the discretion of the District’s Treasurer and Business Administrator. Deposits for the Student Activities Funds are at the discretion of the School Principal and Superintendent of Schools.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District’s deposits may not be returned. The District’s policy requires that all deposits be either insured or collateralized by securities.

Of the District’s deposits with financial institutions at year end, $701,971 was collateralized by securities held by the bank in the bank’s name.

NOTE 3—CAPITAL ASSETS

The following is a summary of changes in capital assets of the governmental activities:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
Capital assets not being depreciated:				
Land	$ 169,493			$ 169,493
Total capital assets not being depreciated	169,493	$ -	$ -	169,493
Other capital assets:				
Buildings and improvements	7,546,851			7,546,851
Leased machinery and equipment	59,592			59,592
Land improvements	138,289			138,289
Furniture and equipment	197,586			197,586
Total other capital assets at historical cost	7,942,318	-	-	7,942,318
Less accumulated depreciation for:				
Buildings and improvements	(3,479,303)	(228,462)		(3,707,765)
Land improvements	(35,931)	(7,600)		(43,531)
Furniture and equipment	(131,848)	(7,127)		(138,975)
Less accumulated amortization for:				
Leased machinery and equipment	(11,918)	(11,918)		(23,836)
Accumulated depreciation and amortization	(3,659,000)	(255,107)	-	(3,914,107)
Total other capital assets, net	4,283,318	(255,107)	-	4,028,211
Total capital assets, net	$ 4,452,811	$ (255,107)	$ -	$ 4,197,704

Depreciation and amortization expense was charged to governmental functions as follows:

Instruction	$ 11,918
Instructional staff services	1,610
Operation and maintenance of plant	241,579
Total	$ 255,107

NOTE 4—LONG-TERM OBLIGATIONS

The changes in the District's long-term obligations of the governmental activities for the year ended June 30, 2023 are as follows:

Type	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Financed purchase obligations	$ 2,281,204		$ (239,360)	$ 2,041,844	$ 202,112
Lease liability	47,070		(11,394)	35,676	11,509
Total	$ 2,328,274	$ -	$ (250,754)	$ 2,077,520	$ 213,621

Payments on the financed purchase obligations and lease liability are paid out of the General Fund.

Financed Purchase Obligations

Financed purchase obligations represent lease agreements entered into for the financing of asset acquisitions. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations.

Financed purchase obligations outstanding at June 30, 2023 is comprised of the following individual issues:

Energy equipment due in annual installments of $194,295, including interest at 2.99%, through May 2035	$ 1,935,168
IT infrastructure due in annual installments of $21,889, including interest at 3.12%, through August 2025	41,812
Projectors equipment due in annual installments of $155,546, including interest at 3.18%, through August 2025	49,830
Chromebooks equipment due in annual installments of $41,150, including interest at 5.50%, through August 2023	15,034
	$ 2,041,844

Debt service requirements to retire financed purchase obligations outstanding at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Totals
2024	$ 202,112	$ 62,978	$ 265,090
2025	181,510	57,470	238,980
2026	144,714	49,581	194,295
2027	149,041	45,254	194,295
2028	153,497	40,798	194,295
2029-2033	839,138	132,337	971,475
2034-2035	371,832	16,758	388,590
Totals	$ 2,041,844	$ 405,176	$ 2,447,020

Lease Liability

Lease agreements represent contracts that convey control of the right to use another entities' nonfinancial assets for a specified period of time. During 2021, the District entered into a lease agreement for the use of copiers. The lease is not renewable and the District will not acquire the copiers at the end of the lease.

The following is the sole individual lease liability outstanding at June 30, 2023:

Description of Asset	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance at June 30, 2023
Copiers	September 2021	Annual	$ 12,683	3.29%	$ 59,592	$ 35,676

The District entered into a lease agreement for copiers which commenced September 1, 2021 and will continue for a period of 5 years through August 2025. Future minimum payments under the lease agreement will be at a base amount of $12,683 each year, including interest at 3.29%.

Annual requirements to amortize the lease liability and related interest at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Totals
2024	$ 11,509	$ 1,174	$ 12,683
2025	11,888	795	12,683
2026	12,279	404	12,683
Totals	$ 35,676	$ 2,373	$ 38,049

NOTE 5—OTHER POSTEMPLOYMENT BENEFITS

Total OPEB Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and OPEB Expense

	Deferred Outflows	OPEB Liability	Deferred Inflows	OPEB Expense
Cost-Sharing Multiple Employer Plan	$ 47,577	$ 428,833		$ 19,513
Single Employer Plan	105,134	807,594	$ 89,347	87,169
Total	$ 152,711	$ 1,236,427	$ 89,347	$ 106,682

The net amount of deferred outflows of resources and deferred inflows of resources related to OPEB is reflected as an increase to unrestricted net position in the amount of $63,364.

COST-SHARING MULTIPLE EMPLOYER PLAN

Plan Description

The New Hampshire Retirement System (NHRS) administers a cost-sharing multiple-employer other postemployment benefit plan (OPEB Plan). The OPEB Plan provides a medical insurance subsidy to qualified retired members.

The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire

Retirement System at 54 Regional Drive, Concord, New Hampshire 03301 or from their website at www.nhrs.org.

The OPEB Plan is divided into four membership types. Political subdivision employees, teachers and State employees belong to Group I. Police officers and firefighters belong to Group II. The OPEB plan is closed to new entrants.

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 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. Medical subsidy rates established by RSA 100-A:52 II are dependent upon whether retirees are eligible for Medicare. Retirees not eligible for Medicare may receive a maximum medical subsidy of $375.56 for a single person plan and $751.12 for a two-person plan. Retirees eligible for Medicare may receive a maximum medical subsidy of $236.84 for a single person plan and $473.68 for a two-person plan.

Funding Policy

Per RSA 100-A:16, contribution rates are established and may be amended by the New Hampshire State legislature and are determined by the NHRS Board of Trustees based on an actuarial valuation. The District's contribution rates for the covered payroll of political subdivision employees and teachers were 0.31% and 1.54%, respectively, for the year ended June 30, 2023. Contributions to the OPEB plan for the District were $46,405 for the year ended June 30, 2023. Employees are not required to contribute to the OPEB plan.

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

At June 30, 2023, the District reported a liability of $428,833 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by a roll forward of the actuarial valuation from June 30, 2021. The District's proportion of the net OPEB liability was based on actual contributions by the District during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2022, the District's proportion was approximately 0.1135 percent, which was an increase of 0.0011 percentage points from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of $19,513. At June 30, 2023, the 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
Net difference between projected and actual earnings on OPEB plan investments	$ 1,172	
District contributions subsequent to the measurement date	46,405	
Totals	$ 47,577	$ -

The District reported $46,405 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net OPEB liability in the measurement period ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense for the measurement periods as follows:

June 30,	
2023	$ 195
2024	51
2025	(461)
2026	1,387
	$ 1,172

Actuarial Assumptions

The total OPEB liability was determined by a roll forward of the actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Wage inflation	2.75% (2.25% for Teachers)
Salary increases	5.40%, average, including inflation
Investment rate of return	6.75% per year, net of OPEB plan investment expense, including inflation for determining solvency contributions

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, 2021 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Public Equity	50%	7.60-7.90%
Private Market Equity	20%	6.60-8.85%
Private Debt	5%	7.25%
Fixed Income	25%	3.60%
Total	100%	

The discount rate used to measure the collective total OPEB liability as of June 30, 2022 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 RSA 100-A:53. 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 District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 6.75 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	1% Decrease	Current	1% Increase
Net OPEB liability	$ 465,571	$ 428,833	$ 396,837

SINGLE EMPLOYER PLAN

Plan Description

The District administers the retiree health care benefits program, a single employer defined benefits plan that is used to provide postemployment benefits other than pensions (OPEB) for all permanent full-time employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The District provides medical benefits to its eligible retirees and their spouses. The benefits are provided through fully insured plans that are sponsored by a state-wide health insurance consortium. HealthTrust Inc. is a non-profit organization with an employee benefits pool devoted exclusively to serving New

Hampshire municipal, school, and county governments. Employees are eligible for the implicit and explicit OPEB benefit at age 55 with 15 years of service. For the explicit OPEB benefit the school district subsidizes 80% of the cost of the premium for coverage elected for the retirees and covered spouse for a period of seven years from the date of retirement; benefits cease at the earlier age 65 and seven years after retirement. For the implicit OPEB benefit employees are permitted to remain in the plan until age 65. Should the period of the date of retirement and seven-year explicit benefit above lapse, the retiree will be permitted to remain in the plan but will be required to pay 100% of the premium. Retirees are required to pay 20% of the cost of the premium for the first 7 years following the date of retirement or until age 65. The valuation does not account for the cost of benefits to retirees or their spouses after age 65. Surviving beneficiaries continue to receive coverage after the death of the eligible retired employee but are required to pay 100% of the premium. The benefits, benefit levels, employee contributions and employer contributions are governed by RSA 100-A:50.

Employees Covered By Benefit Terms

As of the July 1, 2021 actuarial valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Active employees	68
	72

Total OPEB Liability

The District's total OPEB liability of $807,594 was determined by an actuarial valuation as of July 1, 2021, with a measurement date of June 30, 2023.

Actuarial Assumptions and Other Inputs for OPEB

The total OPEB liability in the July 1, 2021 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Payroll growth rate	3.00%
Discount rate	3.54%
Healthcare cost trend rates	Initial rate of 13.00%, decreasing to 7.00%, then decreasing to an ultimate rate of 4.24% by year 2090

The discount rate was based on the *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of June 30, 2022.

Mortality rates were based on the Pub-2010 Total Dataset Mortality with Scale MP-2021. The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the most recent actuarial experience study performed July 1, 2021.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022	$ 786,370
Changes for the year:	
Service cost	41,120
Interest	28,438
Benefit payments	(48,334)
Net changes	21,224
Balance at June 30, 2023	$ 807,594

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current	1% Increase
Total OPEB liability	$ 850,487	$ 807,594	$ 759,643

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current	1% Increase
Total OPEB liability	$ 732,037	$ 807,594	$ 906,748

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

For the year ended June 30, 2023, the District recognized OPEB expense of $87,169. At June 30, 2023, the 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
Differences between expected and actual experience	$ 13,800	$ 89,347
Changes of assumptions	91,334	
Totals	$ 105,134	$ 89,347

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

June 30,	
2024	$ 17,611
2025	3,988
2026	(5,812)
	$ 15,787

NOTE 6—DEFINED BENEFIT PENSION PLAN

Plan Description

The District contributes to the New Hampshire Retirement System (NHRS), a public employee retirement system that administers a single cost-sharing multiple-employer defined benefit pension plan. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature.

The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 54 Regional Drive, Concord, New Hampshire 03301 or from their website at www.nhrs.org.

Substantially all full-time state and local employees, public school teachers, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan.

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.

Benefits Provided

Benefit formulas and eligibility requirements for the pension plan are set by State law (RSA 100-A).

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

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

Years of Creditable Service as of January 1, 2012	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%

Funding Policy

Plan members are required to contribute 7.0% of their covered salary and the District is required to contribute at an actuarially determined rate. The District's pension contribution rates for the year ended June 30, 2023 were 19.48% and 13.75% of covered payroll to teachers and general employees, respectively. The District contributed 100% of the employer cost for teachers and general employees of the District.

Per RSA-100:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The District's pension contributions to the NHRS for the year ending June 30, 2023 were $620,029.

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

At June 30, 2023, the District reported a liability of $6,327,610 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by a roll forward of the actuarial valuation from June 30, 2021. The District's proportion of the net pension liability was based on actual contributions by the District during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2022, the District's proportion was approximately 0.1103 percent, which was an increase of 0.0001 percentage points from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of $620,004. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 118,758	$ 24,291
Changes of assumptions	336,578	
Net difference between projected and actual earnings on pension plan investments	239,808	
Changes in proportion and differences between District contributions and proportionate share of contributions	5,690	81,330
District contributions subsequent to the measurement date	620,029	
Totals	$ 1,320,863	$ 105,621

The net amount of deferred outflows of resources and deferred inflows of resources related to pension is reflected as an increase to unrestricted net position in the amount of $1,215,242. The District reported $620,029 as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the measurement period ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense in the measurement periods as follows:

June 30,	
2023	$ 196,944
2024	186,047
2025	(119,272)
2026	331,494
	$ 595,213

Actuarial Assumptions

The total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2021, using the following actuarial assumptions:

Inflation	2.00%
Wage Inflation	2.75% (2.25% for Teachers)
Salary increases	5.40%, 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, 2021 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Public Equity	50%	7.60-7.90%
Private Market Equity	20%	6.60-8.85%
Private Debt	5%	7.25%
Fixed Income	25%	3.60%
Total	100%	

Discount Rate

The discount rate used to measure the collective pension liability as of June 30, 2022 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 contributions are projected based on the expected payroll of current members only. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the collective pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the 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 or 1-percentage-point higher than the single discount rate:

	1% Decrease	Current	1% Increase
District's proportionate share of the net pension liability	$ 8,490,058	$ 6,327,610	$ 4,529,736

NOTE 7—INTERFUND BALANCES

The District has combined the cash resources of its governmental funds. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance. Interfund balances as of June 30, 2023 are as follows:

	Due from Federal Projects Funds	Due from Food Service Fund	Totals
Due to General Fund	$ 156,346	$ 189,928	$ 346,274

NOTE 8—RESTRICTED NET POSITION

Net position of governmental activities is restricted for specific purposes as follows at June 30, 2023:

	Governmental Activities
Food service operations	$ 61,529
Donations	90
	$ 61,619

NOTE 9—FUND BALANCE COMPONENTS

Components of fund balance for the governmental funds are comprised as follows at June 30, 2023:

Fund Balances	General Fund	Federal Projects Fund	Food Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted for:					
Food service operations			$ 61,529		$ 61,529
Donations		$ 90			90
Committed for:					
Capital reserves	$ 346,840				346,840
Assigned for:					
Student activities				$ 30,454	30,454
Fund balance retention	315,955				315,955
Unassigned	320,193				320,193
	$ 982,988	$ 90	$ 61,529	$ 30,454	$ 1,075,061

NOTE 10—PROPERTY TAXES

Property taxes levied to support the Henniker, New Hampshire School District are based on the assessed valuation of the prior April 1st for all taxable real property.

Under State statutes, the Town of Henniker, New Hampshire (an independent governmental unit) collects School District taxes and State of New Hampshire Education taxes as part of local property tax assessments. As collection agent, the Town is required to pay over to the District its share of property tax assessments through periodic payments based on cash flow requirements of the District. The Town assumes financial responsibility for all uncollected property taxes under state statutes.

For the year ended June 30, 2023, School District taxes were $5,864,946 and State of New Hampshire Education taxes were $454,157.

NOTE 11—RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2023, the District was a member of and participated in a public entity risk pool (Trust) for property and liability insurance and worker's compensation coverage. Coverage has not been significantly reduced from the prior year and settled claims have not exceeded coverage in any of the past three years.

The Trust agreements permit the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at June 30, 2023.

Property and Liability Insurance

The Trust provides certain property and liability insurance coverage to member school districts, school administrative units, and other qualified political subdivisions of New Hampshire. As a member of the Trust, the District shares in contributing to the cost of and receiving benefit from a self-insured pooled risk management program. The program includes a Self-Insured Retention Fund from which is paid up to $200,000 for each and every covered property, crime and/or liability loss that exceeds $1,000, up to an aggregate of $1,200,000. Each property loss is subject to a $1,000 deductible. All losses over the aggregate are covered by insurance policies.

Worker's Compensation

The Trust provides statutory worker's compensation coverage to member school districts, school administrative units, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability coverage up to $2,000,000. The program includes a Loss Fund from which is paid up to $500,000 for each and every covered claim.

NOTE 12—CONTINGENT LIABILITIES

Federal Grants

The District participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amounts, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Litigation

There may be various claims and suits pending against the District, which arise in the normal course of the District's activities. In the opinion of management, any potential claims against the District, which are not covered by insurance are immaterial and would not affect the financial position of the District.

NOTE 13—FUTURE COMMITMENTS

Transportation

The District entered into a long-term contract with an independent bus company to provide transportation services for a period of 5 years beginning on July 1, 2015 through June 30, 2020. During the year ended June 30, 2021, the District extended the long-term contract for an additional 5 years beginning on July 1, 2020 through June 30, 2025. For the year ended June 30, 2023, the District expended $235,845 under the terms of the agreement.

NOTE 14—CHANGE IN ACCOUNTING PRINCIPLE

GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements

During the year ended June 30, 2023, the District implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* Under GASB Statement No. 94, the District is required to record a receivable for installment payments and a deferred inflow of resources for the consideration received or to be received as part of the availability payment arrangement. Governmental fund revenue would be recognized in a systematic and rational manner over the term of the arrangement. No such arrangements have been identified by the District. Accordingly, management has determined that the effect of implementing GASB Statement No. 94 on its financial statements to be immaterial.

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements

During the year ended June 30, 2023, the District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. GASB Statement No. 96 defines a subscription-based information technology arrangement (SBITA) as a contract to use another party’s software, alone or in combination with tangible capital assets as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this Statement, governments generally recognize a right-to-use subscription asset (intangible asset) and a corresponding subscription liability for each SBITA agreement greater than one year in length. No such SBITA arrangements have been identified by the District. Accordingly, the management of the District has determined that the effect of implementing GASB Statement No. 96 on its financial statements to be immaterial.

SCHEDULE 1

HENNIKER, NEW HAMPSHIRE SCHOOL DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budgetary Basis) - General Fund

For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Favorable (Unfavorable)
Revenues:				
Taxes	$ 6,319,103	$ 6,319,103	$ 6,319,103	$ -
Intergovernmental	2,119,196	2,119,196	2,153,885	34,689
Charges for services	59,887	59,887	59,707	(180)
Interest income	500	500	23,525	23,025
Miscellaneous	6,000	6,000	30,149	24,149
Total Revenues	8,504,686	8,504,686	8,586,369	81,683
Expenditures:				
Current operations:				
Instruction	5,249,267	5,249,267	5,205,160	44,107
Supporting services	759,370	759,370	701,086	58,284
Instructional staff services	439,579	439,579	500,310	(60,731)
General administration	967,715	967,715	958,880	8,835
Operation and maintenance of plant	762,760	762,760	746,584	16,176
Pupil transportation	451,165	451,165	350,710	100,455
Debt service:				
Principal	132,472	132,472	175,720	(43,248)
Interest and fiscal charges	61,823	61,823	61,822	1
Total Expenditures	8,824,151	8,824,151	8,700,272	123,879
Net change in fund balance	(319,465)	(319,465)	(113,903)	205,562
Fund Balance at beginning of year - Budgetary Basis	750,051	750,051	750,051	-
Fund Balance at end of year - Budgetary Basis	$ 430,586	$ 430,586	$ 636,148	$ 205,562

See accompanying notes to the required supplementary information

SCHEDULE 2

HENNIKER, NEW HAMPSHIRE SCHOOL DISTRICT

Schedule of Changes in the District's Proportionate Share of the Net OPEB Liability

For the Year Ended June 30, 2023

	Cost-Sharing Multiple Employer Plan Information Only				
Measurement Period Ended	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2022	0.11348164%	$ 428,833	$ 3,381,365	12.68%	10.64%
June 30, 2021	0.11241259%	$ 450,164	$ 3,276,644	13.74%	11.06%
June 30, 2020	0.11384141%	$ 498,294	$ 3,157,713	15.78%	7.74%
June 30, 2019	0.10780536%	$ 472,631	$ 3,229,642	14.63%	7.75%
June 30, 2018	0.11002199%	$ 503,731	$ 3,189,459	15.79%	7.53%
June 30, 2017	0.14706408%	$ 672,427	$ 3,238,268	20.77%	7.91%
June 30, 2016	0.14653536%	$ 709,385	$ 3,271,812	21.68%	5.21%
June 30, 2015	*	*	*	*	*
June 30, 2014	*	*	*	*	*
June 30, 2013	*	*	*	*	*

* 10 Year schedule, historical information not available

	Significant Actuarial Assumptions				
Measurement Periods	Inflation	Salary Increases	Investment Rate of Return	Mortality Table	Mortality Scale
June 30, 2022	2.00%	5.40%	6.75%	Pub-2010	MP-2019
June 30, 2020 - 2021	2.00%	5.60%	6.75%	Pub-2010	MP-2019
June 30, 2016 - 2019	2.50%	5.60%	7.25%	RP-2014	MP-2015

SCHEDULE 3

HENNIKER, NEW HAMPSHIRE SCHOOL DISTRICT

Schedule of District OPEB Contributions

For the Year Ended June 30, 2023

	Cost-Sharing Multiple Employer Plan Information Only				
Year Ended	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2023	$ 46,405	$ (46,405)	$ -	$ 3,281,782	1.41%
June 30, 2022	$ 47,786	$ (47,786)	$ -	$ 3,381,365	1.41%
June 30, 2021	$ 54,020	$ (54,020)	$ -	$ 3,276,644	1.65%
June 30, 2020	$ 52,386	$ (52,386)	$ -	$ 3,157,713	1.66%
June 30, 2019	$ 49,078	$ (49,078)	$ -	$ 3,229,642	1.52%
June 30, 2018	$ 48,666	$ (48,666)	$ -	$ 3,189,459	1.53%
June 30, 2017	$ 87,165	$ (87,165)	$ -	$ 3,238,268	2.69%
June 30, 2016	$ 87,924	$ (87,924)	$ -	$ 3,271,812	2.69%
June 30, 2015	*	*	*	*	*
June 30, 2014	*	*	*	*	*

* 10 Year schedule, historical information not available

SCHEDULE 4

HENNIKER, NEW HAMPSHIRE SCHOOL DISTRICT

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

For the Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total OPEB Liability:										
Service cost	$ 41,120	$ 39,714	$ 48,220	$ 47,177	$ 37,139	$ 36,410	*	*	*	*
Interest	28,438	27,684	18,640	18,419	19,693	18,376	*	*	*	*
Changes of assumptions or other inputs		48,846		222,108			*	*	*	*
Differences between expected and actual experience		(165,398)		46,652	(7,068)	(4,213)	*	*	*	*
Benefit payments	(48,334)	(46,681)	(56,192)	(54,977)	(15,353)	(12,255)	*	*	*	*
Net change in total OPEB liability	21,224	(95,835)	10,668	279,379	34,411	38,318	*	*	*	*
Total OPEB Liability at beginning of year	786,370	882,205	871,537	592,158	557,747	519,429	*	*	*	*
Total OPEB Liability at end of year	$ 807,594	$ 786,370	$ 882,205	$ 871,537	$ 592,158	$ 557,747	*	*	*	*
Covered employee payroll	$ 3,318,366	$ 3,221,715	$ 2,944,933	$ 2,887,189	$ 2,978,181	$ 2,919,785	*	*	*	*
Total OPEB liability as a percentage of covered employee payroll	24.34%	24.41%	29.96%	30.19%	19.88%	19.10%	*	*	*	*
Significant Actuarial Assumptions										
Discount rate	3.54%	3.54%	2.21%	2.21%	3.58%	3.58%	*	*	*	*
Health cost trend rates:										
Initial	13.00% - 2022	13.00% - 2022	(2.70%) - 2019	(2.70%) - 2019	(0.10%) - 2017	(0.10%) - 2017	*	*	*	*
Ultimate	4.24% - 2090	4.24% - 2090	5.00% - 2030	5.00% - 2030	5.00% - 2028	5.00% - 2028	*	*	*	*
Mortality data set	Pub-2010	Pub-2010	SOA RP-2014	SOA RP-2014	RP-2000	RP-2000	*	*	*	*
Mortality improvement scale	MP-2021	MP-2021	MP-2019	MP-2019	AA	AA	*	*	*	*

Note to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75

* 10 Year schedule, historical information not available

See accompanying notes to the required supplementary information

SCHEDULE 5

HENNIKER, NEW HAMPSHIRE SCHOOL DISTRICT

Schedule of Changes in the District's Proportionate Share of the Net Pension Liability

For the Year Ended June 30, 2023

Measurement Period Ended	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2022	0.11031146%	$ 6,327,610	$ 3,381,365	187.13%	65.12%
June 30, 2021	0.11017174%	$ 4,882,723	$ 3,276,644	149.02%	72.22%
June 30, 2020	0.11099490%	$ 7,099,401	$ 3,157,713	224.83%	58.72%
June 30, 2019	0.11323755%	$ 5,448,600	$ 3,229,642	168.71%	65.59%
June 30, 2018	0.11506664%	$ 5,540,692	$ 3,189,459	173.72%	64.73%
June 30, 2017	0.11082909%	$ 5,450,567	$ 3,238,268	168.32%	62.66%
June 30, 2016	0.11119751%	$ 5,913,034	$ 3,271,812	180.73%	58.30%
June 30, 2015	0.10851226%	$ 4,298,743	$ 3,082,376	139.46%	65.47%
June 30, 2014	0.11043849%	$ 4,145,403	$ 3,033,078	136.67%	66.32%
June 30, 2013	0.10816410%	$ 4,655,150	$ 3,008,986	154.71%	59.81%

Significant Actuarial Assumptions

Measurement Periods	Inflation	Salary Increases	Investment Rate of Return	Mortality Table	Mortality Scale
June 30, 2022	2.00%	5.40%	6.75%	Pub-2010	MP-2019
June 30, 2020 - 2021	2.00%	5.60%	6.75%	Pub-2010	MP-2019
June 30, 2016 - 2019	2.50%	5.60%	7.25%	RP-2014	MP-2015
June 30, 2013 - 2015	3.00%	3.75-5.80%	7.75%	RP-2000	Scale AA

See accompanying notes to the required supplementary information

SCHEDULE 6

HENNIKER, NEW HAMPSHIRE SCHOOL DISTRICT

Schedule of District Pension Contributions

For the Year Ended June 30, 2023

Year Ended	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2023	$ 620,029	$ (620,029)	$ -	$ 3,281,782	18.89%
June 30, 2022	$ 638,720	$ (638,720)	$ -	$ 3,381,365	18.89%
June 30, 2021	$ 506,158	$ (506,158)	$ -	$ 3,276,644	15.45%
June 30, 2020	$ 488,781	$ (488,781)	$ -	$ 3,157,713	15.48%
June 30, 2019	$ 491,650	$ (491,650)	$ -	$ 3,229,642	15.22%
June 30, 2018	$ 486,207	$ (486,207)	$ -	$ 3,189,459	15.24%
June 30, 2017	$ 406,015	$ (406,015)	$ -	$ 3,238,268	12.54%
June 30, 2016	$ 410,119	$ (410,119)	$ -	$ 3,271,812	12.53%
June 30, 2015	$ 364,045	$ (364,045)	$ -	$ 3,082,376	11.81%
June 30, 2014	$ 358,288	$ (358,288)	$ -	$ 3,033,078	11.81%

See accompanying notes to the required supplementary information

NOTE 1—BUDGET TO ACTUAL RECONCILIATION

General Fund

Amounts recorded as budgetary amounts in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund (Schedule 1) are reported on the basis budgeted by the District. Those amounts differ from those reported in conformity with accounting principles generally accepted in the United States of America in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit D). General Fund budgetary revenues and other financing sources, and expenditures and other financing uses, were adjusted for encumbrances and non-budgetary revenues and expenditures as follows:

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Per Exhibit D	$ 8,586,762	$ 8,733,256
Encumbrances - June 30, 2022		(32,984)
Non-budgetary revenues and expenditures	(393)	
Per Schedule 1	$ 8,586,369	$ 8,700,272

Major Special Revenue Funds

The District adopts its budgets under regulations of the New Hampshire Departments of Education and Revenue Administration which differ from accounting principles generally accepted in the United States of America. Consequently, budgetary information is not presented for the Federal Projects Fund or Food Service Fund, as the information is neither practical nor meaningful.

NOTE 2—GENERAL FUND BUDGETARY FUND BALANCE

The components of the budgetary fund balance for the General Fund at June 30, 2023 are as follows:

Assigned for:	
Fund balance retention	$ 315,955
Unassigned	320,193
	$ 636,148