SCHOOL ADMINISTRATIVE UNIT #24

Financial Statements

June 30, 2021

and

Independent Auditor's Report

SCHOOL ADMINISTRATIVE UNIT #24
FINANCIAL STATEMENTS
June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the SAU Board
School Administrative Unit #24

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School Administrative Unit #24 (the "SAU"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the SAU'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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of School Administrative Unit #24, as of June 30, 2021, 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.

Other Matters

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 SAU's proportionate share of the net OPEB liability, schedule of SAU OPEB contributions, schedule of changes in the SAU's total OPEB liability and related ratios, schedule of changes in the SAU's proportionate share of the net pension liability, and schedule of SAU pension contributions, on pages i-iv and 26-33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Vachon Clukay & Company PC

Manchester, New Hampshire
March 23, 2022

SCHOOL ADMINISTRATIVE UNIT #24
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2021 AND JUNE 30, 2020

Presented herewith, please find the Management Discussion & Analysis Report for the School Administrative Unit #24 for the fiscal year ending June 30, 2021. The responsibility for accuracy of the data, the completeness and fairness of this documentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material aspects. This report and its content have been designed to fairly present the SAU's financial position, including the result of operations of all the funds of the SAU. All the disclosures necessary to enable and to assist the reader in acquiring an accurate understanding of the SAU's financial activities have been included.

The SAU is responsible for establishing accounting and internal control structures designed to ensure that the physical, data, informational, intellectual, and human resource assets of the SAU 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.

<u>Overview of the Financial Statements</u>

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

This discussion and analysis is intended to serve as an introduction to the SAU'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 SAU's finances, in a manner similar to most private-sector companies.

The statement of net position presents information on all of the SAU'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 SAU is improving or deteriorating.

The statement of activities presents information showing how the SAU's net position changed during the most recent fiscal year. All of the current year's revenue and expenditures 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 the control over resources that have been segregated for specific activities or objectives. The SAU uses fund accounting to ensure and to demonstrate compliance with finance-related legal requirements. All the funds of the SAU are included in one category: 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 expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating the SAU's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, our 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 SAU maintains two 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 and Federal Projects Fund which are considered major funds.

The SAU 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.

Budgetary information for the Federal Projects Fund has not been presented as it is neither practical nor meaningful.

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

Net position of the SAU as of June 30, 2021 and 2020 are as follows:

	Governmental Activities 2021	Governmental Activities 2020
Current Assets	$ 407,562	$ 297,946
Depreciable capital assets, net	645	4,513
Total Assets	408,207	302,459
Deferred Outflows of Resources	1,076,057	497,502

Long-term and other liabilities:		
Long-term liabilities	3,205,550	2,143,871
Other Liabilities	161,040	78,806
Total Liabilities	3,366,590	2,222,677
Deferred Inflows of Resources	63,064	107,165
Net Position:		
Net investment in capital assets	645	4,513
Restricted	1,010	795
Unassigned	(1,947,045)	(1,535,189)
Total Net Position	$ (1,945,390)	$ (1,529,881)

Statement of Activities

Changes in net position for fiscal year 2021 and 2020 are as follows:

	2021	2020
Program revenues:		
Charges for services	$ 31,747	$ 29,906
Operating grants and contributions	480,677	791,997
Total program revenues	512,424	821,903
General revenues:		
Member assessments	1,354,167	1,273,837
Interest and investment earnings	211	2,173
Miscellaneous revenues	37,904	30,106
Total general revenues	1,392,282	1,306,116
Total revenues	1,904,706	2,128,019
Expenses:		
Instruction	424,162	643,997
Instructional staff services	157,742	199,728
General administration	977,572	880,456
Business	671,855	620,484
Operation and maintenance of plant	88,884	92,303
Total expenses	2,320,215	2,436,968
Change in net position	(415,509)	(308,949)
Net position, beginning of year	(1,529,881)	(1,220,932)
Net position, end of year	$ (1,945,390)	$ (1,529,881)

SAU Activities

As shown in the above statement the SAU experienced a decrease of $415,509 in its financial position. This decrease partially reflects the OPEB and pension liabilities the district has accrued.

Capital Assets

School Administrative Unit #24 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. See Note 4 in the Basic Financial Statements for a summary of all capital asset activity.

Economic Factors

In the 20-21 fiscal year the SAU undergoes a large staff turnover where new staff was brought in at Superintendent, Assistant Superintendent, Business Manager, Director of Student Services and Accountant. During FY22 budget development the choice was made to move fiscal management of Federal Grants into the school district budgets to promote transparency and to add a Director of Technology to respond to the pandemics impact on technology in education.

Contacting SAU's Financial Management

This financial report is intended to provide our citizens and creditors with a general overview of School Administrative Unit #24'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
SCHOOL ADMINISTRATIVE UNIT #24
Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Current Assets:	
Due from other governments	$ 407,562
Total Current Assets	407,562
Noncurrent Assets:	
Capital assets:	
Depreciable capital assets, net	645
Total Noncurrent Assets	645
Total Assets	408,207
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	29,811
Deferred outflows related to pension	1,046,246
Total Deferred Outflows of Resources	1,076,057
LIABILITIES	
Current Liabilities:	
Cash overdraft	114,540
Accounts payable	7,293
Accrued liabilities	33,676
Due to other governments	5,531
Total Current Liabilities	161,040
Noncurrent Liabilities:	
OPEB liability	237,726
Net pension liability	2,967,824
Total Noncurrent Liabilities	3,205,550
Total Liabilities	3,366,590
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	1,282
Deferred inflows related to pension	61,782
Total Deferred Inflows of Resources	63,064
NET POSITION	
Net investment in capital assets	645
Restricted	1,010
Unrestricted (deficit)	(1,947,045)
Total Net Position	$ (1,945,390)

See accompanying notes to the basic financial statements

EXHIBIT B
SCHOOL ADMINISTRATIVE UNIT #24
Statement of Activities
For the Year Ended June 30, 2021

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	$ 424,162		$ 343,026	$ (81,136)
Instructional staff services	157,742	$ 31,747	126,564	569
General administration	977,572		11,087	(966,485)
Business	671,855			(671,855)
Operation and maintenance of plant	88,884			(88,884)
Total governmental activities	$ 2,320,215	$ 31,747	$ 480,677	(1,807,791)
General revenues:				
Member assessments				1,354,167
Interest income				211
Miscellaneous				37,904
Total general revenues				1,392,282
Change in net position				(415,509)
Net Position at beginning of year				(1,529,881)
Net Position at end of year				$ (1,945,390)

See accompanying notes to the basic financial statements

EXHIBIT C
SCHOOL ADMINISTRATIVE UNIT #24
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Federal Projects Fund	Nonmajor Governmental Fund	Total Governmental Funds
Assets:				
Due from other governments	$ 43,008	$ 364,554		$ 407,562
Due from other funds	337,487		$ 25,176	362,663
Total Assets	380,495	364,554	25,176	770,225
Deferred Outflows of Resources:				
Total Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 380,495	$ 364,554	$ 25,176	$ 770,225
Liabilities:				
Cash overdraft	$ 114,540			$ 114,540
Accounts payable	7,293			7,293
Accrued liabilities	33,676			33,676
Due to other governments	4,650	$ 881		5,531
Due to other funds		362,663		362,663
Total Liabilities	160,159	363,544	$ -	523,703
Deferred Inflows of Resources:				
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted		1,010		1,010
Assigned	18,111		25,176	43,287
Unassigned	202,225			202,225
Total Fund Balances	220,336	1,010	25,176	246,522
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 380,495	$ 364,554	$ 25,176	$ 770,225

See accompanying notes to the basic financial statements

EXHIBIT C-1

SCHOOL ADMINISTRATIVE UNIT #24

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position

June 30, 2021

Total Fund Balances - Governmental Funds (Exhibit C)	$ 246,522
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.	645
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	29,811
Deferred outflows of resources related to pension	1,046,246
Deferred inflows of resources related to OPEB	(1,282)
Deferred inflows of resources related to pension	(61,782)
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:	
OPEB liability	(237,726)
Net pension liability	(2,967,824)
Net Position of Governmental Activities (Exhibit A)	$ (1,945,390)

See accompanying notes to the basic financial statements

EXHIBIT D

SCHOOL ADMINISTRATIVE UNIT #24

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2021

	General Fund	Federal Projects Fund	Nonmajor Governmental Fund	Total Governmental Funds
Revenues:				
Member assessments	$ 1,354,167			$ 1,354,167
Intergovernmental		$ 480,677		480,677
Charges for services			$ 31,747	31,747
Interest income	211			211
Miscellaneous	37,354	550		37,904
Total Revenues	1,391,732	481,227	31,747	1,904,706
Expenditures:				
Current operations:				
Instruction		343,361		343,361
Instructional staff services		126,564	30,636	157,200
General administration	752,470	11,087		763,557
Business	524,322			524,322
Operation and maintenance of plant	91,884			91,884
Total Expenditures	1,368,676	481,012	30,636	1,880,324
Net change in fund balances	23,056	215	1,111	24,382
Fund Balances at beginning of year	197,280	795	24,065	222,140
Fund Balances at end of year	$ 220,336	$ 1,010	$ 25,176	$ 246,522

See accompanying notes to the basic financial statements

EXHIBIT D-1

SCHOOL ADMINISTRATIVE UNIT #24

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, 2021

Net Change in Fund Balances - Governmental Funds (Exhibit D)	$ 24,382
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, activities the cost of those assets is allocated over their estimated useful lives as depreciation expense as follows:	
Depreciation expense	(3,868)
Governmental funds report operating leases with scheduled rent increases as expenditures when payments are made. However, in the statement of activities, the rental payments must be recognized on a straight-line basis over the life of the operating lease. This is the amount by which scheduled rent payments differed from the straight-line basis in the current period.	3,000
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	(45,521)
Net changes in pension	(393,502)
Change in Net Position of Governmental Activities (Exhibit B)	$ (415,509)

SCHOOL ADMINISTRATIVE UNIT #24
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the School Administrative Unit #24 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 School Administrative Unit #24 (SAU) is an independent governmental entity organized under the laws of the State of New Hampshire to provide administrative services to Weare, Henniker, Stoddard, and John Stark Regional School Districts. The SAU's legislative body consists of School Board members from the member Districts. The SAU 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 SAU'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 SAU 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 SAU at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the SAU'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 are required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the SAU. 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 SAU.

2. **Fund Financial Statements:**

During the year, the SAU segregates transactions related to certain SAU 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 SAU 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.

Fund Accounting

The SAU 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 SAU 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 SAU's major governmental funds:

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

The *Federal Projects Fund* accounts for the financial resources related to various state and federal grants and the related expenditures.

Measurement Focus

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

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflow of resources, liabilities, and deferred inflows of resources associated with the operation of the SAU 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, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally 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 SAU, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the SAU receives value without directly giving equal value in return, include grants, entitlements and donations. 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 SAU must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the SAU 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: interest and grants.

Grants and entitlements received before the eligibility requirements are met are recorded as advances from grantors. On governmental fund 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 SAU's budget represents functional appropriations as authorized by annual SAU Board meetings. The SAU’s board may transfer funds between operating categories as they deem necessary. The SAU 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 allows the use of beginning fund balance to reduce the member assessments. For the year ended June 30, 2021, the SAU applied $50,000 of its unassigned fund balance to reduce member assessments.

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 SAU maintains a capitalization threshold of $10,000. The SAU 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 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:

Asset Type	Years
Accounting software and equipment	3-5

Compensated Absences

SAU employees may accumulate sick leave days at a rate of 15 days per year, cumulative to a maximum of 90 days. The Board will buy back up to 30 accumulated sick days at a maximum of $10,000. Payment for unused sick leave is made upon termination if the employee has been there for at least 15 years and provides written notice of intent to retire by November 1st of the year prior to anticipated retirement. Provision for sick leave is made in the annual budget. Certain support staff earn vacation at ten to twenty days per year dependent on length of service. Vacation must be taken within ninety days of year end or is forfeited.

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 SAU 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 SAU’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 SAU has segregated fund balance into five classifications: Non-spendable, Restricted, Committed, Assigned, and Unassigned. These components of fund balance are defined as follows:

- *Non-spendable 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 by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- *Assigned Fund Balance*: Amounts a government 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.
- *Unassigned Fund Balance*: Amounts that are available for any purpose; these amounts are reported only in the General Fund, with the exception of any deficit balance of another governmental fund.

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—CASH OVERDRAFT

At June 30, 2021, the SAU had a negative cash balance of $114,540. This was a result of writing checks before year end and the timing of the reimbursements from the Member Districts.

NOTE 3—DEPOSITS

The SAU's investment policy for governmental funds requires that deposits and investments be made in New Hampshire based financial institutions that are participants in one of the federal depository insurance programs. The SAU's deposits with financial institutions consist solely of demand deposits.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the SAU's deposits may not be returned. The SAU requires that all deposits be either insured or collateralized by securities. As of June 30, 2021 all of the SAU's funds were insured by the FDIC.

NOTE 4—CAPITAL ASSETS

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

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021
Capital assets:				
Accounting software and equipment	$ 88,703			$ 88,703
Total capital assets at historical cost	88,703	$ -	$ -	88,703
Less accumulated depreciation for:				
Accounting software and equipment	(84,190)	(3,868)		(88,058)
Total accumulated depreciation	(84,190)	(3,868)	-	(88,058)
Total capital assets, net	$ 4,513	$ (3,868)	$ -	$ 645

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 3,868

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	$ 19,853	$ 152,123	$ 441	$ 48,098
Single Employer Plan	9,958	85,603	841	11,710
Total	$ 29,811	$ 237,726	$ 1,282	$ 59,808

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 $28,529.

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 SAU's contribution rates for the covered payroll of political subdivision employees and teachers were 0.29% and 1.81%, respectively, for the year ended June 30, 2021. Contributions to the OPEB plan for the SAU were $13,818 for the year ended June 30, 2021. 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, 2021, the SAU reported a liability of $152,123 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 a roll forward of the actuarial valuation from June 30, 2019. The SAU's proportion of the net OPEB liability was based on actual contributions by the SAU 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, 2020, the SAU's proportion was approximately 0.0348 percent, which was an increase of 0.0082 percentage points from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the SAU recognized OPEB expense of $48,098. At June 30, 2021, the SAU 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		$ 441
Net difference between projected and actual earnings on OPEB plan investments	$ 569	
Changes of assumptions	978	
Changes in proportion and differences between SAU contributions and proportionate share of contributions	4,488	
SAU contributions subsequent to the measurement date	13,818	
Totals	$ 19,853	$ 441

The SAU reported $13,818 as deferred outflows of resources related to OPEB resulting from SAU 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, 2021. 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,	
2021	$ 5,068
2022	168
2023	201
2024	157
	$ 5,594

Actuarial Assumptions

The total OPEB liability was determined by a roll forward of the actuarial valuation as of June 30, 2019, 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	5.60%, 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, 2019 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 following assumptions were changed in the current year:

- Reduced the assumed rate of investment return from 7.25% to 6.75%
- Reduced the discount rate from 7.25% to 6.75%
- Reduced wage inflation from 3.25% to 2.75% (2.25% for teachers)
- Reduced price inflation from 2.5% to 2.0%
- Updated demographic assumptions, including merit and longevity salary increases, disability rates, retirement rates, and mortality tables (specifically the new public pension plan mortality tables)
- Increased the medical subsidy margin for teachers from 0.20% to 0.50%

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
Domestic equity	30%	3.71-4.15%
International equity	20%	3.96-6.20%
Fixed income	25%	0.42-1.66%
Alternative investments	15%	4.81-7.71%
Real estate	10%	2.95%
	100%	

The discount rate used to measure the collective 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 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 SAU's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the SAU's proportionate share of the net OPEB liability calculated using the discount rate of 6.75 percent, as well as what the SAU'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 (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB liability	$ 165,190	$ 152,123	$ 140,778

SINGLE EMPLOYER PLAN

Plan Description

The SAU 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 SAU provides medical benefits to its eligible retirees. 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 hired before July 1, 2011 must meet one of the following eligibility requirements: age 60 or older with no minimum service requirements, age 50 with 10 years of service, or age plus service equals 70 with a minimum of 20 years of service. Employees hired on or after

July 1, 2011 must meet the following eligibility requirements: age 65 regardless of years of creditable service, or age 60 with at least 30 years of service. Retirees and their covered spouses pay the full cost of the medical 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, 2019 valuation, the following employees were covered by the benefit terms:

Active employees	15

Total OPEB Liability

The SAU's total OPEB liability of $85,603 was measured as of June 30, 2021 and was determined by a rollforward of the actuarial valuation as of July 1, 2019.

Actuarial Assumptions and Other Inputs for OPEB

The total OPEB liability in the July 1, 2019 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.00%
Discount rate	2.21%
Healthcare cost trend rates	(2.70%) for 2019 increasing to 9.50% for 2021 then decreasing 0.50% per year to an ultimate rate of 5.00% by year 2030

The discount rate was based on the index provided by Bond Buyer 20-Bond General Obligation Index based on the 20-year AA municipal bond rate as of June 30, 2020.

Mortality rates were based on the SOA RP-2014 Total Dataset Mortality with Scale MP-2019 (base year 2006).

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2020	$ 79,778
Changes for the year:	
Service cost	4,536
Interest	1,758
Benefit payments	(469)
Net changes	5,825
Balance at June 30, 2021	$ 85,603

Changes in assumptions reflect a decrease in the discount rate from 3.58% as of June 30, 2019 to 2.21% as of June 30, 2020. Mortality tables were updated from RP-2000 Projected 10 years using Projection

Scale AA to SOA RP-2014 Total Dataset Mortality with Scale MP-2019 (Base Rate 2006). Additionally, healthcare trend rates for fiscal year 2021 were updated to reflect actual rate changes.

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

The following presents the total OPEB liability of the SAU, as well as what the SAU'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 (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	$ 93,533	$ 85,603	$ 77,927

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

The following presents the total OPEB liability of the SAU, as well as what the SAU's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (8.50 percent decreasing to 4.00 percent) or 1-percentage-point higher (10.50 percent decreasing to 6.00 percent) than the current healthcare cost trend rate:

	1% Decrease (8.50% decreasing to 4.00%)	Healthcare Cost Trend Rates (9.50% decreasing to 5.00%)	1% Increase (10.50% decreasing to 6.00%)
Total OPEB liability	$ 72,831	$ 85,603	$ 100,925

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

For the year ended June 30, 2021, the SAU recognized OPEB expense of $11,710. At June 30, 2021, the SAU 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		$ 841
Changes of assumptions	$ 9,958	
Totals	$ 9,958	$ 841

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,		
2022	$	6,201
2023		2,916
	$	9,117

NOTE 6—DEFINED BENEFIT PENSION PLAN

Plan Description

The SAU 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 and administrators, 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 services 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%

Changes in Benefits

Ch 340 laws of 2019 (HB 616) grants a one-time, 1.5% COLA on the first $50,000 of an annual pension benefit to members who retired on or before July 1, 2014, or any beneficiaries of such member who is receiving a survivorship pension benefit. The COLA will take effect on the retired member's first anniversary date of retirement occurring after July 1, 2020. The adjustment shall become a permanent addition to the member's base retirement allowance.

Funding Policy

Plan members are required to contribute 7.0% of their covered salary and the SAU is required to contribute at an actuarially determined rate. The SAU's pension contribution rates for the covered payroll of teachers and general employees were 15.99% and 10.88%, respectively, for the year ended June 30, 2021. The SAU contributes 100% of the employer cost for teachers and general employees of the SAU.

Per RSA 100-A: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 SAU's pension contributions to the NHRS for the year ended June 30, 2021, were $182,309.

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

At June 30, 2021, the SAU reported a liability of $2,967,824 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 a roll forward of the actuarial valuation from June 30, 2019. The SAU's proportion of the net pension liability was based on actual contributions by the SAU 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, 2020, the SAU's proportion was approximately 0.0464 percent, which was an increase of 0.0059 percentage points from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the SAU recognized pension expense of $575,811. At June 30, 2021, the SAU reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 80,146	$ 31,866
Changes of assumptions	293,577	
Net difference between projected and actual earnings on pension plan investments	183,563	
Changes in proportion and differences between SAU contributions and proportionate share of contributions	306,651	29,916
SAU contributions subsequent to the measurement date	182,309	
Totals	$ 1,046,246	$ 61,782

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 $984,464. The SAU reported $182,309 as deferred outflows of resources related to pension resulting from SAU 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense for the measurement periods as follows:

Year ended June 30,	
2021	$ 174,278
2022	209,441
2023	227,652
2024	190,784
	$ 802,155

Actuarial Assumptions

The total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2019, using the following actuarial assumptions:

Inflation	2.00%
Wage inflation	2.75% (2.25% for Teachers)
Salary increases	5.60%, 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, 2015 – June 30, 2019.

The following assumptions were changed in the current year:

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

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
Domestic equity	30%	3.71-4.15%
International equity	20%	3.96-6.20%
Fixed income	25%	0.42-1.66%
Alternative investments	15%	4.81-7.71%
Real estate	10%	2.95%
Total	100%	

Discount Rate

The discount rate used to measure the collective pension liability was 6.75 percent. 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 to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the collective pension liability.

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

The following presents the SAU's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the SAU'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 (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
SAU's proportionate share of the net pension liability	$ 3,842,125	$ 2,967,824	$ 2,253,405

NOTE 7—INTERFUND BALANCES

The SAU has combined the cash resources of its General Fund, Federal Projects Fund, and Nonmajor Governmental Fund. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance. At June 30, 2021 the SAU had the following interfund balances:

		Due from Federal Projects Fund
Due to	General Fund	$ 337,487
	Nonmajor Governmental Fund	25,176
	Totals	$ 362,663

NOTE 8—RESTRICTED NET POSITION

Net position of governmental activities is restricted for specific purposes at June 30, 2021 as follows:

Federal Projects Fund - Donations	$ 1,010

NOTE 9—COMPONENTS OF FUND BALANCE

The components of the SAU's fund balance for its governmental funds at June 30, 2021 are as follows:

Fund Balances	General Fund	Federal Projects Fund	Nonmajor Governmental Fund	Total Governmental Funds
Restricted for:				
Donations		$ 1,010		$ 1,010
Assigned for:				
Encumbrances	$ 18,111			18,111
SAU University			$ 25,176	25,176
Unassigned	202,225			202,225
	$ 220,336	$ 1,010	$ 25,176	$ 246,522

NOTE 10—RISK MANAGEMENT

The SAU 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, 2021, the SAU 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, 2021.

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 SAU shares in contributing to the cost of and receiving benefits 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 11—CONTINGENT LIABILITIES

Federal Grants

The SAU 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 SAU expects such amounts, if any, to be immaterial.

Litigation

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

NOTE 12—COMMITMENTS

In March 2011, the SAU entered into an agreement to lease office space through June 30, 2021. In July 2021, the SAU renewed the office space lease agreement through June 30, 2031. The payment terms are $3,750 per month. Total rent expenditures for the year ended June 30, 2021 were $45,000. The minimum future payments are as follows:

Year Ended June 30,	Amount
2022	$ 45,000
2023	45,000
2024	45,000
2025	45,000
2026	45,000
2027-2031	225,000
	$ 450,000

SCHEDULE 1

SCHOOL ADMINISTRATIVE UNIT #24

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budgetary Basis) - General Fund

For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget - Favorable
	Original	Final	Actual Amounts	(Unfavorable)
Revenues:				
Member assessments	$ 1,354,167	$ 1,354,167	$ 1,354,167	$ -
Interest income	5,000	5,000	211	(4,789)
Miscellaneous	26,100	26,100	37,354	11,254
Total Revenues	1,385,267	1,385,267	1,391,732	6,465
Expenditures:				
Current operations:				
General administration	904,974	904,974	770,581	134,393
Business	434,797	434,797	524,322	(89,525)
Operation and maintenance of plant	95,496	95,496	91,884	3,612
Total Expenditures	1,435,267	1,435,267	1,386,787	48,480
Net change in fund balance	(50,000)	(50,000)	4,945	54,945
Fund Balances at beginning of year - Budgetary Basis	197,280	197,280	197,280	-
Fund Balances at end of year - Budgetary Basis	$ 147,280	$ 147,280	$ 202,225	$ 54,945

See accompanying notes to the required supplementary information

SCHEDULE 2

SCHOOL ADMINISTRATIVE UNIT #24

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

For the Year Ended June 30, 2021

	Cost-Sharing Multiple Employer Plan Information Only				
Measurement Period Ended	SAU's Proportion of the Net OPEB Liability	SAU's Proportionate Share of the Net OPEB Liability	SAU's Covered Payroll	SAU'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, 2020	0.03475435%	$ 152,123	$ 1,533,530	9.92%	7.74%
June 30, 2019	0.02652952%	$ 116,308	$ 1,341,546	8.67%	7.75%
June 30, 2018	0.02225715%	$ 101,903	$ 1,247,417	8.17%	7.53%
June 30, 2017	0.02613123%	$ 119,481	$ 1,243,642	9.61%	7.91%
June 30, 2016	0.02232984%	$ 108,100	$ 1,214,194	8.90%	5.21%

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

See accompanying notes to the required supplementary information

SCHEDULE 3

SCHOOL ADMINISTRATIVE UNIT #24

Schedule of SAU OPEB Contributions

For the Year Ended June 30, 2021

	Cost-Sharing Multiple Employer Plan Information Only				
Year Ended	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	SAU's Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2021	$ 13,818	$ (13,818)	$ -	$ 1,371,596	1.01%
June 30, 2020	$ 16,131	$ (16,131)	$ -	$ 1,533,530	1.05%
June 30, 2019	$ 12,105	$ (12,105)	$ -	$ 1,341,546	0.90%
June 30, 2018	$ 9,845	$ (9,845)	$ -	$ 1,247,417	0.79%
June 30, 2017	$ 15,488	$ (15,488)	$ -	$ 1,243,642	1.25%
June 30, 2016	$ 13,210	$ (13,210)	$ -	$ 1,214,194	1.09%

See accompanying notes to the required supplementary information

SCHEDULE 4

SCHOOL ADMINISTRATIVE UNIT #24

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

For the Year Ended June 30, 2021

Single Employer Plan Information Only	2021	2020	2019	2018
Total OPEB Liability:				
Service cost	$ 4,536	$ 4,438	$ 2,953	$ 2,895
Interest	1,758	1,634	1,773	1,730
Changes of assumptions or other inputs	-	23,506	-	-
Differences between expected and actual experience	-	(1,987)	(882)	(2,044)
Benefit payments	(469)	(459)	(1,470)	(1,255)
Net change in total OPEB liability	5,825	27,132	2,374	1,326
Total OPEB Liability at beginning of year	79,778	52,646	50,272	48,946
Total OPEB Liability at end of year	$ 85,603	$ 79,778	$ 52,646	$ 50,272
Covered employee payroll	$ 989,597	$ 970,193	$ 940,860	$ 940,860
Total OPEB liability as a percentage of covered employee payroll	8.65%	8.22%	5.60%	5.34%
Significant Actuarial Assumptions				
Discount rate	2.21%	2.21%	3.58%	3.58%
Health cost trend rates:				
Initial	(2.70%) - 2019	(2.70%) - 2019	(0.10%) - 2017	(0.10%) - 2017
Ultimate	5.0% - 2030	5.0% - 2030	5.0% - 2028	5.0% - 2028
Mortality data set	SOA RP-2014	SOA RP-2014	RP-2000	RP-2000
Mortality improvement scale	MP-2019	MP-2019	AA	AA

SCHEDULE 5
SCHOOL ADMINISTRATIVE UNIT #24
Schedule of Changes in the SAU's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2021

Measurement Period Ended	SAU's Proportion of the Net Pension Liability	SAU's Proportionate Share of the Net Pension Liability	SAU's Covered Payroll	SAU'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, 2020	0.04640016%	$ 2,967,824	$ 1,533,530	193.53%	58.71%
June 30, 2019	0.04048057%	$ 1,947,785	$ 1,341,546	145.19%	65.59%
June 30, 2018	0.03760892%	$ 1,810,946	$ 1,247,417	145.18%	64.73%
June 30, 2017	0.03938682%	$ 1,937,041	$ 1,243,642	155.76%	62.66%
June 30, 2016	0.03925418%	$ 2,087,378	$ 1,214,194	171.91%	58.30%
June 30, 2015	0.03258129%	$ 1,290,717	$ 1,009,217	127.89%	65.47%
June 30, 2014	0.02925447%	$ 1,098,092	$ 887,177	123.77%	66.32%
June 30, 2013	0.02727660%	$ 1,173,926	$ 792,407	148.15%	59.81%

Significant Actuarial Assumptions

Measurement Periods	Inflation	Salary Increases	Investment Rate of Return	Mortality Table	Mortality Scale
June 30, 2020	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
SCHOOL ADMINISTRATIVE UNIT #24
Schedule of SAU Pension Contributions
For the Year Ended June 30, 2021

Year Ended	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	SAU's Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2021	$ 182,309	$ (182,309)	$ -	$ 1,371,596	13.29%
June 30, 2020	$ 206,129	$ (206,129)	$ -	$ 1,533,530	13.44%
June 30, 2019	$ 176,093	$ (176,093)	$ -	$ 1,341,546	13.13%
June 30, 2018	$ 158,957	$ (158,957)	$ -	$ 1,247,417	12.74%
June 30, 2017	$ 144,291	$ (144,291)	$ -	$ 1,243,642	11.60%
June 30, 2016	$ 138,517	$ (138,517)	$ -	$ 1,214,194	11.41%
June 30, 2015	$ 109,306	$ (109,306)	$ -	$ 1,009,217	10.83%
June 30, 2014	$ 94,908	$ (94,908)	$ -	$ 887,177	10.70%
June 30, 2013	$ 67,824	$ (67,824)	$ -	$ 792,407	8.56%

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 SAU. Those amounts may 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). In the current fiscal year, General Fund budgetary expenditures were adjusted for encumbrances as follows:

	Revenues	Expenditures
Exhibit D	$ 1,391,732	$ 1,368,676
Encumbrances, June 30, 2021		18,111
Schedule 1	$ 1,391,732	$ 1,386,787

Major Special Revenue Fund

Budgetary information in these financial statements has been presented only for the General Fund, as the budgetary information is neither practical nor meaningful for the Federal Projects Fund.

NOTE 2—SCHEDULE OF CHANGES IN THE SAU'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND SCHEDULE OF SAU OPEB CONTRIBUTIONS

In accordance with GASB Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the SAU is required to disclose historical information for each of the prior ten years within a schedule of changes in the SAU's proportionate share of the net OPEB liability, and schedule of SAU OPEB contributions. The SAU implemented the provisions of GASB Statement #75 during the year ended June 30, 2018. Accordingly, the historic information has only been presented for those years which information was readily available. Additional disclosures will be made in future years as additional information becomes available.

NOTE 3—SCHEDULE OF CHANGES IN THE SAU'S TOTAL OPEB LIABILITY AND RELATED RATIOS

In accordance with GASB Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the SAU is required to disclose historical information for each of the prior ten years within a schedule of changes in the SAU's total OPEB liability and related ratios. The SAU implemented the provisions of GASB Statement #75 during the year ended June 30, 2018. Accordingly, the historic information has only been presented for those years which information was readily available. Additional disclosures will be made in future years as additional information becomes available.

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

NOTE 4—SCHEDULE OF CHANGES IN THE SAU'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF SAU PENSION CONTRIBUTIONS

In accordance with GASB Statement #68, *Accounting and Financial Reporting for Pensions*, the SAU is required to disclose historical information for each of the prior ten years within a schedule of changes in the SAU's proportionate share of the net pension liability, and schedule of SAU pension contributions. The SAU implemented the provisions of GASB Statement #68 during the year ended June 30, 2015. Accordingly, the historic information has only been presented for those years which information was readily available. Additional disclosures will be made in future years as additional information becomes available.