SCHOOL ADMINISTRATIVE UNIT NO. 21

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

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AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

193 North Main Street • Concord • New Hampshire • 03301-5063 • 603-225-6996 • FAX- 603-224-1380

INDEPENDENT AUDITOR'S REPORT

To the Members of the School Administrative Unit Board
School Administrative Unit No. 21
Hampton, New Hampshire

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, major fund, and aggregate remaining fund information of School Administrative Unit No. 21, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise School Administrative Unit No. 21's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and aggregate remaining fund information of School Administrative Unit No. 21, as of June 30, 2025, and the respective changes in financial position and the respective budgetary comparison for the major general, fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 School Administrative Unit No. 21 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 School Administrative Unit No. 21's ability to continue as a going concern for twelve months beyond the financial statement issuance 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 School Administrative Unit No. 21'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 School Administrative Unit No. 21'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.

Emphasis of Matter – Changes in Accounting Principles

As discussed in Note 2-D to the financial statements, in the year ending June 30, 2025, the School District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Also as discussed in Note 2-D to the financial statements, in the year ending June 30, 2025, the School District adopted new accounting guidance, GASB Statement No. 102, *Certain Risk Disclosures*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements.

- Management's Discussion and Analysis,
- Schedule of School Administrative Unit's Proportionate Share of Net Pension Liability,
- Schedule of School Administrative Unit Contributions – Pensions,
- Schedule of the School Administrative Unit's Proportionate Share of Net Other Postemployment Benefits Liability,
- Schedule of School Administrative Unit Contributions – Other Postemployment Benefits,
- Schedule of Changes in the School Administrative Unit's Total Other Postemployment Benefits Liability and Related Ratios, and
- Notes to the Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise School Administrative Unit No. 21's basic financial statements. The individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

April 20, 2026
Concord, New Hampshire

PLODZIK & SANDERSON
Professional Association

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025

As management of New Hampshire School Administrative Unit (SAU) #21, we offer readers of the SAU's annual financial statements this narrative discussion and analysis of the financial activities of the SAU for the fiscal year ended June 30, 2025. This discussion and analysis is prepared in accordance with the provisions of the Governmental Accounting Standards Board Statement No. 34 (GASBS-34).

This section is a summary of the SAU's financial activities based on currently known facts, decisions, and conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and we encourage readers to consider the information presented here in conjunction with additional information found within the body of the annual financial statements.

FINANCIAL HIGHLIGHTS

- The SAU's total net position for the year ending June 30, 2025, was ($1,274,628). Net position decreased by $112,040, or -9.64%, between July 1, 2024 and June 30, 2025. The SAU's total net position consisted of an unrestricted net position balance of ($1,283,308) and restricted net position of $8,680.

- The SAU's total liabilities of $2,050,002 consisted primarily of net pension liability of $1,753,766.

  - During the year, the SAU's expenses totaled $2,787,434, with approximately 42.18% for executive administration ($1,175,622).

  - Total revenues were $2,675,394 and consist of charges for services, operating and capital grants restricted for specific programs, and general revenues (consisting of local school districts' assessments and grants and contributions not restricted to specific programs). Local assessments generate 82.45% of the SAU's revenue.

  - The fiscal year-end balance for the general fund was categorized as follows:
    - Nonspendable = $3,400
    - Restricted = $8,680
    - Assigned = $5,687
    - Unassigned = $394,187

  - Student enrollment decreased by 132 students. Enrollment totaled 2,220 as of October 1, 2023 and 2,088 as of October 1, 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the SAU's annual financial report, which consists of basic financial statements, notes, and related financial/compliance information. Our annual financial report consists of four elements: 1) government-wide financial statements; 2) fund financial statements 3) notes to the financial statements; and 4) required supplementary information including this discussion and analysis. This report also contains other supplementary information in addition to the basic financial statements themselves.

The basic financial statements include two kinds of statements that present different views of the SAU based upon measurement focus and basis of accounting.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the SAU's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the SAU, reporting the SAU's operations in more detail than the government-wide statements. The governmental funds statements tell how the SAU's services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The following exhibit shows how the required parts of this annual report are arranged and related to one another.

Required Components of the Annual Financial Report
Figure 1

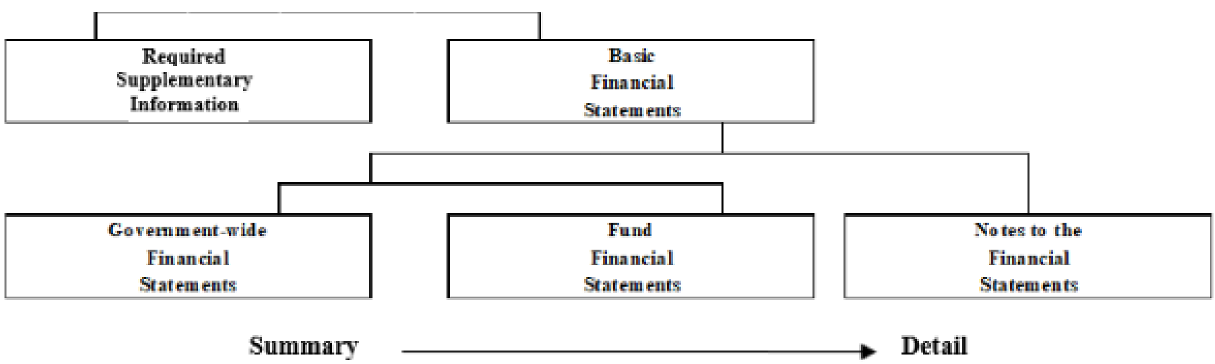


Figure 2

	Government - Wide	Fund Statements Governmental
SCOPE	Entire SAU government (except fiduciary funds)	All activities of the SAU that are not proprietary or fiduciary
REQUIRED FINANCIAL STATEMENTS	Statement of Net Position	Balance Sheet
	Statement of Activities	Statement of Revenues, Expenditures and Changes in Fund Balances
ACCOUNTING BASIS	Accrual	Modified Accrual
MEASUREMENT FOCUS	Economic Resources	Current Financial Resources
TYPE OF INFORMATION ASSETS AND LIABILITIES	All assets and liabilities, both financial and capital, short-term and long-term, including deferred outflows and inflows of resources	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included
TYPE OF INFORMATION REVENUES, EXPENSES, AND EXPENDITURES	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter

The remainder of this overview section of MD&A explains the structure and contents of each of the statements:

Government-wide Financial Statements

The government-wide financial statements show functions of the SAU that are principally supported by property taxes and intergovernmental revenues as "governmental activities." Intergovernmental revenues include local, state and federal monies. The governmental activities of the SAU include instruction, support services, operation and maintenance of plant, student transportation and operation of non-instructional services. Taxes and intergovernmental revenues also support fixed assets and related debt.

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 fund financial statements focus on the individual parts of the government and report the SAU's operations in more detail than the government-wide statements. Fund definitions are part of a state mandated uniform accounting system and chart of accounts for all New Hampshire school SAUs. The SAU uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The SAU's funds are governmental funds. Only those governmental activities that are considered significant or "major" funds are reported in individual columns in the fund financial statements.

The SAU's basic services are accounted for in the governmental funds and include the general fund.

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The SAU's net position totaled ($1,274,628) at June 30, 2025, a decrease of $112,040 from the previous fiscal year.

The largest portion of the District's net position reflects the unfunded liabilities at the State Retirement System. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves generally cannot be used to liquidate these liabilities. A condensed version of the District's Statement of Net Position is shown below.

School Administrative Unit No. 21
Governmental Activities
Summary of Net Position
Two Year Comparison

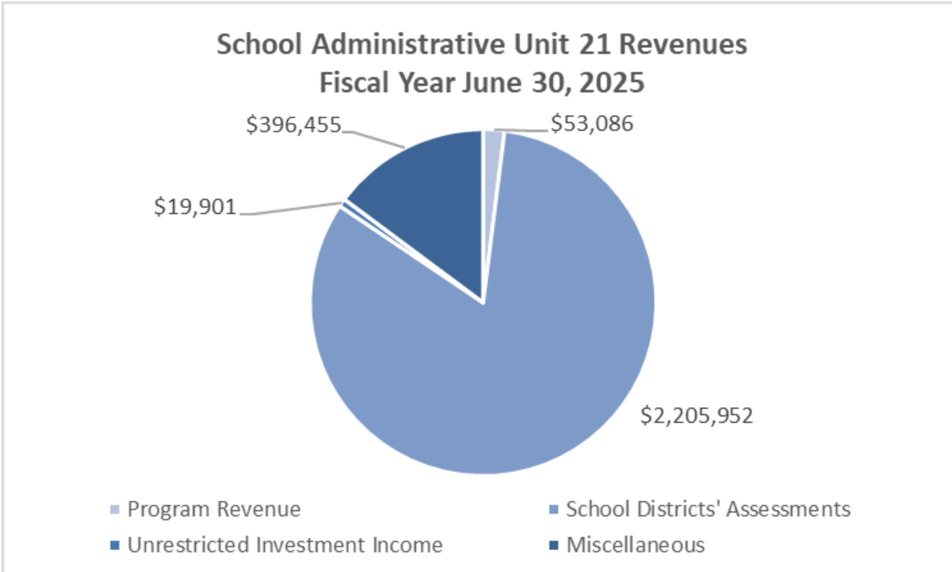
	2025	2024 (As Restated)	Change 2024-2025	% Change 2024-2025
Assets				
Current Assets	$ 574,090	$ 575,232	$ (1,142)	-0.20%
Capital Assets	18,916	62,614	(43,698)	-69.79%
Total Assets	593,006	637,846	(44,840)	-7.03%
Deferred Outflows of Resources	398,063	438,364	(40,301)	-9.19%
Liabilities				
Other Liabilities	28,238	108,912	(80,674)	-74.07%
Long Term Liabilities	2,021,764	1,956,352	65,412	3.34%
Total Liabilities	2,050,002	2,065,264	(15,262)	-0.74%
Deferred Inflows of Resources	215,695	173,534	42,161	24.30%
Net Investment in Capital Assets	-	7,558	(7,558)	100.00%
Restricted Net Position	8,680	1,620	7,060	435.80%
Unrestricted Net Position	(1,283,308)	(1,171,766)	(111,542)	-9.52%
Total Net Position	$ (1,274,628)	$ (1,162,588)	$ (112,040)	-9.64%

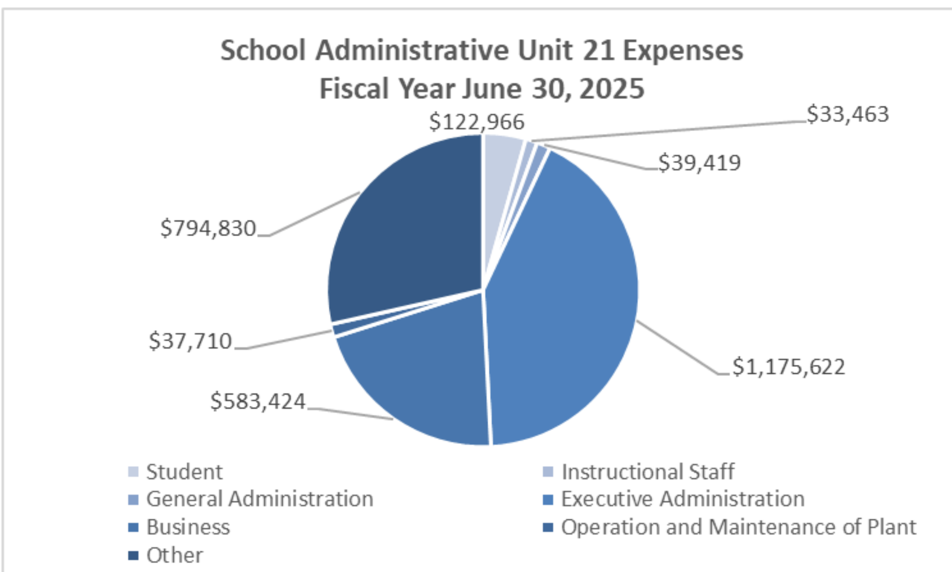
Statement of Activities

Total expenditures of $2,787,434 were more than revenue of $2,675,394. 82.45% of the SAU's total revenues come from the SAU assessment to the school districts while 17.55% is derived from program revenue, unrestricted investment income, and miscellaneous revenue. The SAU's expenses cover a range of services, the largest of which is executive administration (42.18% of total expenses) and other support services (28.51% of total expenses). Below is a condensed version of the SAU's Statement of Activities followed by charts showing the breakdown of the SAU's total expenses and revenues.

School Administrative Unit No. 21
Governmental Activities
Statement of Activities
Two Year Comparison

	June 30, 2025	June 30, 2024	Change	Change in %
Revenues				
Program Revenue				
Operating Grants & Contributions	$ 53,086	$ 84,745	$ (31,659)	-37.36%
General Revenue				
School Districts' Assessments	2,205,952	2,144,100	61,852	2.88%
Unrestricted Investment Income	19,901	23,932	(4,031)	-16.84%
Miscellaneous	396,455	249,176	147,279	59.11%
Total Revenues	2,675,394	2,501,953	173,441	6.93%
Program Expenses				
Support Services:				
Student	122,966	123,877	(911)	100.00%
Instructional Staff	33,463	36,886	(3,423)	-9.28%
General Administration	39,419	57,947	(4,334)	-7.48%
Executive Administration	1,175,622	979,042	196,580	20.08%
Business	583,424	547,816	35,608	6.50%
Operation and Maintenance of Plant	37,710	44,285	(6,575)	-14.85%
Other	794,830	733,027	61,803	8.43%
Net Effect of GASB #101 Implementation	-	60,108	(60,108)	100.00%
Total Expenses	2,787,434	2,582,988	204,446	7.92%
Change in Net Position	(112,040)	(81,035)	(31,005)	38.26%
Net Position, beginning	(1,162,588)	(1,081,553)	(81,035)	-7.49%
Net Position, ending	$ (1,274,628)	$ (1,162,588)	$ (112,040)	-9.64%


School Administrative Unit 21 Revenues
Fiscal Year June 30, 2025
$396,455
$53,086
$19,901
$2,205,952
Program Revenue
School Districts' Assessments
Unrestricted Investment Income
Miscellaneous


School Administrative Unit 21 Expenses
Fiscal Year June 30, 2025
$122,966
$33,463
$39,419
$794,830
$37,710
$1,175,622
$583,424
Student
Instructional Staff
General Administration
Executive Administration
Business
Operation and Maintenance of Plant
Other

INDIVIDUAL FUND FINANCIAL ANALYSIS

General Fund

The general fund is what most people think of as "the budget". The general fund is largely supported by the school districts' assessments. The general fund ended the fiscal year with an unassigned fund balance of $394,187.

The general fund is supported by $2.21 million from local assessments, $416 thousand from other local sources, and $53 thousand from federal sources. General fund expenditures are primarily for executive and other support services ($1.86 million) followed by business support services ($566 thousand).

COMMENTS ON GENERAL FUND BUDGET COMPARISONS

- General fund actual revenues totaling $2,675,394 exceeded budgeted revenues by $24,713 (0.93%).
  - **District Assessments** totaling $2,205,952 were as budgeted.
  - **Other local sources** totaling $416,356 exceeded budgeted revenues by $21,627 due to investment earnings and miscellaneous revenue.
  - **Federal sources** totaling $53,086 exceeded budgeted revenues by $3,086 due to increased federal program grants.
- General fund expenditures, including encumbrances to the subsequent year, totaling $2,657,455 were more than appropriations totaling $2,650,681, including encumbrances from the prior year, by $6,774. Significant general fund budget variances occurred in these functions:
  - **Instructional Staff** totaling $33,463 was under budget by $10,318 primarily due to the professional development / curriculum accounts.
  - **Executive Administration** totaling $1,066,459 was under budget by $14,386 due to salary accounts.
  - **General Administration** totaling $40,335 was under budget by $13,561 due to miscellaneous accounts.
  - **Other** totaling $793,144 was over budget by $47,729 due to costs in employee benefits accounts.

Long-Term Debt

The table below illustrates the long-term debt of the School Administrative Unit as of June 30, 2025.

School Administrative Unit No. 21
Governmental Activities
Long Term Debt
Two Year Comparison

	Governmental Activities			
	2025	2024 (As Restated)	Increase (Decrease)	% Increase (Decrease)
Compensated Absences	$ 187,180	$ 136,801	$ 50,379	36.83%
Lease Payable	18,916	55,056	(36,140)	-65.64%
Other Postemployment Benefits	62,642	65,785	(3,143)	-4.78%
Net Pension Liability	1,753,026	1,753,766	(740)	-0.04%
Total Long Term Debt	$ 2,021,764	$ 2,011,408	$ 10,356	0.51%

FUTURE BUDGETARY IMPLICATIONS

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

- Changes in the State level as to funding mechanisms for local education may have an impact on taxation calculations.

Contacting the SAU's Financial Management

This financial report is designed to provide our citizens and creditors with a general overview of the SAU's finances and to show accountability for the money it receives. If you have questions about the report or would like to request additional information, contact Matthew Ferreira, Associate Superintendent for Finance and Operations for SAU #21 located at 2 Alumni Drive, Hampton, New Hampshire 03842, via phone at 603-926-8992 ext. 107 or at email mferreira@sau21.org.

BASIC FINANCIAL STATEMENTS

EXHIBIT A
SCHOOL ADMINISTRATIVE UNIT NO. 21
Statement of Net Position
June 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 544,719
Accounts receivable	6,443
Intergovernmental receivable	19,528
Prepaid items	3,400
Capital assets, net of accumulated amortization	18,916
Total assets	593,006
DEFERRED OUTFLOWS OF RESOURCES	398,063
LIABILITIES	
Accounts payable	2,952
Accrued salaries and benefits payable	25,286
Noncurrent obligations:	
Due within one year	3,360
Due in more than one year	2,018,404
Total liabilities	2,050,002
DEFERRED INFLOWS OF RESOURCES	215,695
NET POSITION	
Restricted	8,680
Unrestricted	(1,283,308)
Total net position	$ (1,274,628)

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

EXHIBIT B
SCHOOL ADMINISTRATIVE UNIT NO. 21
Statement of Activities
For the Fiscal Year Ended June 30, 2025

	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Governmental activities:			
Support services:			
Student	$ 122,966	$ -	$ (122,966)
Instructional staff	33,463	-	(33,463)
General administration	39,419	-	(39,419)
Executive administration	1,175,622	-	(1,175,622)
Business	583,424	-	(583,424)
Operation and maintenance of plant	37,710	-	(37,710)
Other	794,830	53,086	(741,744)
Total governmental activities	$ 2,787,434	$ 53,086	(2,734,348)
General revenues and contributions:			
School districts' assessments			2,205,952
Interest			19,901
Miscellaneous			396,455
Total general revenues and contributions			2,622,308
Change in net position			(112,040)
Net position, beginning, as restated (see Note 14)			(1,162,588)
Net position, ending			$ (1,274,628)

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

EXHIBIT C-1
SCHOOL ADMINISTRATIVE UNIT NO. 21
Governmental Fund
Balance Sheet
June 30, 2025

	General
ASSETS	
Cash and cash equivalents	$ 544,719
Accounts receivable	6,443
Intergovernmental receivable	19,528
Prepaid items	3,400
Total assets	$ 574,090
LIABILITIES	
Accounts payable	$ 2,952
Accrued salaries and benefits payable	25,286
Total liabilities	28,238
DEFERRED INFLOWS OF RESOURCES	133,898
FUND BALANCES	
Nonspendable	3,400
Restricted	8,680
Assigned	5,687
Unassigned	394,187
Total fund balances	411,954
Total liabilities, deferred inflows of resources, and fund balances	$ 574,090

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

EXHIBIT C-2
SCHOOL ADMINISTRATIVE UNIT NO. 21
Reconciliation of the Balance Sheet - Governmental Fund to the Statement of Net Position
June 30, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total fund balances of the governmental fund (Exhibit C-1)		$ 411,954
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental fund.		
Cost	$ 353,760	
Less accumulated depreciation	(334,844)	
		18,916
Pension and other postemployment benefits (OPEB) related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources related to pensions	$ 389,981	
Deferred inflows of resources related to pensions	(77,736)	
Deferred outflows of resources related to OPEB:		
NHRS	6,317	
Single Employer	1,765	
Deferred inflows of resources related to OPEB:		
NHRS	(11)	
Single Employer	(4,050)	
		316,266
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental fund.		
Compensated absences	$ 187,180	
Leases	18,916	
Net pension liability	1,753,026	
Other postemployment benefits liability:		
NHRS	45,540	
Single Employer	17,102	
		(2,021,764)
Net position of governmental activities (Exhibit A)		$ (1,274,628)

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

EXHIBIT C-3
SCHOOL ADMINISTRATIVE UNIT NO. 21
Governmental Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2025

	General
REVENUES	
School districts' assessments	$ 2,205,952
Other local	416,356
Federal	53,086
Total revenues	2,675,394
EXPENDITURES	
Current:	
Support services:	
Student	122,966
Instructional staff	33,463
General administration	39,419
Executive administration	1,085,375
Business	565,844
Operation and maintenance of plant	37,710
Other	793,144
Total expenditures	2,677,921
Deficiency of revenues under expenditures	(2,527)
OTHER FINANCING SOURCES	
Leases issued (as lessee)	18,916
Net change in fund balances	16,389
Fund balances, beginning	395,565
Fund balances, ending	$ 411,954

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

EXHIBIT C-4
SCHOOL ADMINISTRATIVE UNIT NO. 21
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Fund to the Statement of Activities
For the Fiscal Year Ended June 30, 2025

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balances of total governmental fund (Exhibit C-3)		$ 16,389
Governmental funds report capital outlays as expenditures, while governmental activities report amortization expense to allocate those expenditures over the life of the assets. Amortization expense exceeded capital outlay expenditures in the current year, as follows:		
Capital outlay expenditures	$ 18,916	
Amortization expense	(62,614)	
		(43,698)
Proceeds from issuing long-term liabilities provide current financial resources to the governmental fund, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Inception of lease	$ (18,916)	
Principal repayment of lease	55,056	
		36,140
Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in the governmental fund.		
Net change in compensated absences payable	$ (50,379)	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	(74,078)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	3,586	
		(120,871)
Change in net position of governmental activities (Exhibit B)		$ (112,040)

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

EXHIBIT D
SCHOOL ADMINISTRATIVE UNIT NO. 21
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES				
School districts' assessments	$ 2,205,952	$ 2,205,952	$ 2,205,952	$ -
Other local	268,918	394,729	416,356	21,627
Federal	50,000	50,000	53,086	3,086
Total revenues	2,524,870	2,650,681	2,675,394	24,713
EXPENDITURES				
Current:				
Support services:				
Student	-	125,811	122,966	2,845
Instructional staff	43,781	43,781	33,463	10,318
General administration	53,896	53,896	40,335	13,561
Executive administration	1,080,845	1,080,845	1,066,459	14,386
Business	566,643	566,643	565,844	799
Operation and maintenance of plant	34,290	34,290	35,244	(954)
Other	745,415	745,415	793,144	(47,729)
Total expenditures	2,524,870	2,650,681	2,657,455	(6,774)
Net change in fund balance	$ -	$ -	17,939	$ 17,939
Increase in nonspendable fund balance			(3,400)	
Increase in restricted fund balance			(7,060)	
Unassigned fund balance, beginning			386,708	
Unassigned fund balance, ending			$ 394,187	

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

EXHIBIT E-1
SCHOOL ADMINISTRATIVE UNIT NO. 21
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2025

	Custodial Funds
ASSETS	
Total assets	$ -
LIABILITIES	
Total liabilities	-
NET POSITION	
Restricted	-
Unrestricted	-
Total net position	$ -

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

EXHIBIT E-2
SCHOOL ADMINISTRATIVE UNIT NO. 21
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2025

	Custodial Funds
ADDITIONS	
Food service reimbursement	$ 381,519
E-rate reimbursement	46,396
Total additions	427,915
DEDUCTIONS	
Disbursement to member districts	427,915
Change in net position	
Net position, beginning	-
Net position, ending	$ -

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

SCHOOL ADMINISTRATIVE UNIT NO. 21

NOTES TO THE BASIC FINANCIAL STATEMENTS

AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

DETAILED NOTES ON ALL FUNDS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School Administrative Unit No. 21, in Hampton, New Hampshire (the School Administrative Unit), have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units, hereafter referred to as generally accepted accounting principles (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources. The School Administrative Unit No. 21's significant accounting policies are described below.

1-A Reporting Entity

The School Administrative Unit No. 21 is a municipal entity established by state statute to provide administrative services for Hampton Falls, North Hampton, South Hampton, Seabrook, and Winnacunnet Cooperative School Districts the School Administrative Unit is governed by the respective School Boards of Hampton Falls, North Hampton, South Hampton, Seabrook, and Winnacunnet Cooperative School Districts. In evaluating how to define the School Administrative Unit for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14*. The School Administrative Unit has no component units to include in its reporting entity.

1-B Government-wide and Fund Financial Statements

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

The *Statement of Net Position* presents the financial position of the School Administrative Unit at year-end. This Statement includes all of the School Administrative Unit's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, with the difference being reported as net position.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational requirements of a particular function. Assessments and other items not meeting the definition of program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenue rather than program revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds and are presented in the other governmental column of the fund financial statements.

The effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

Governmental Fund Financial Statements – Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School Administrative Unit generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement based grants, which use a period of one year. Districts assessments, intergovernmental revenue, and other local sources associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to long-term liabilities including compensated absences and claims and judgments, are recorded only when payment is mature and due.

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

The School District reports the following major governmental fund:

> **General Fund** – is the School Administrative Unit's primary operating fund. The general fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources include districts assessments, state and federal grants, and other local sources. The primary expenditures are for support services.

Fiduciary Fund Financial Statements – Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. These funds account for resources held by the School Administrative Unit for the benefit of other parties and include the custodial funds. Fiduciary funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting.

1-D Cash and Cash Equivalents

The School Administrative Unit considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits, and savings accounts.

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

1-E Receivables

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

1-F Prepaid Items

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

1-G Capital Assets

Capital assets are reported in the government-wide financial statements but are not reported in the fund financial statements. Capital assets are defined by the School Administrative Unit as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

Capital assets of the School Administrative Unit are amortized using the straight-line method over the following estimated useful lives:

Capital Asset Class:	Years
Right-to-use leased equipment and vehicles	5-15

1-H Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) until that time. The School Administrative Unit has two items that qualify for reporting in this category. Deferred outflows related to pensions and deferred outflows related to OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years.

Deferred inflows of resources, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. The School Administrative Unit has three types of items which qualify for reporting in this category. Deferred inflows of resources related to pensions and OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years. In addition, unavailable revenue from grants and donations arises when the related eligible expenditures will not be made until the subsequent period.

1-I Long-term Obligations

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

1-J Lease

The School Administrative Unit is a lessee for a noncancellable lease of copiers. The School Administrative Unit recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the School Administrative Unit initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the School Administrative Unit determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The School Administrative Unit uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School Administrative Unit generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School Administrative Unit is reasonably certain to exercise.

The School Administrative Unit monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

1-K Compensated Absences

The School Administrative Unit employees are granted vacation, sick leave, and other forms of paid time off (PTO) in varying amounts based on length of service and employee classification. It is the School Administrative Unit's policy to recognize a liability for compensated absences that have been earned but not yet used, provided the following criteria are met:

- The leave is attributable to services already rendered by the employee.
- The leave accumulates and can be carried forward to a future reporting period.
- The leave is more likely than not, this threshold means the likelihood is greater than 50%, to be used for time off, paid in cash upon separation, or settled through other noncash means.

1-L Defined Benefit Pension Plan

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

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

1-M Postemployment Benefits Other Than Pensions (OPEB)

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

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

Single Employer Plan – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the School Administrative Unit's actuarial report. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

1-N Net Position/Fund Balances

In the Government-wide Financial Statements, net position is reported in the following categories:

Net Investment in Capital Assets – Consists of capital assets, net of accumulated amortization, reduced by the outstanding balances of leases, or other debt attributable to the acquisition, construction, or improvement of those assets.

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

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

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

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

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

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

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

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

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

1-O Use of Estimates

The preparation of the accompanying basic financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

1-P Certain Risk Disclosures

GASB Statement No. 102, *Certain Risk Disclosures*, requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability or revenue debt vulnerable to the risk of a substantial impact. This Statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. See Note 16 for further disclosure.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the School Administrative Unit's operations. At its annual meeting, the School Administrative Unit adopts a budget for the current year for the general fund. Except as reconciled below, the budget was adopted on a basis consistent with United States generally accepted accounting principles.

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

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

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2025, none of the beginning general fund unassigned fund balance was applied for this purpose.

2-B Budgetary Reconciliation to GAAP Basis

While the School Administrative Unit reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual is presented for each major governmental fund which had a budget. Differences between the budgetary basis and GAAP basis of accounting for the general fund are as follows:

Revenues:	
Per Exhibit D (budgetary basis)	$ 2,675,394
Adjustment:	
Basis difference:	
Lease inception	18,916
Per Exhibit C-3 (GAAP Basis)	$ 2,694,310
Expenditures:	
Per Exhibit D (budgetary basis)	$ 2,657,455
Adjustments:	
Basis differences:	
Encumbrances, beginning	7,237
Encumbrances, ending	(5,687)
Lease inception	18,916
Per Exhibit C-3 (GAAP basis)	$ 2,677,921

2-C Excess of Expenditures Over Appropriations

The general fund had an excess of expenditures over appropriations for the year ended June 30, 2025 in the amount of $6,774. Overexpenditures were due to the receipt and expenditure of unanticipated funds.

2-D Changes in Accounting Principles

During the fiscal year, the School Administrative Unit adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement establishes standards of accounting and financial reporting for compensated absences and associated salary-related payments.

Also, the School Administrative Unit adopted Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*. This Statement will provide the users of the financial statements with information about risks related to the School Administrative Unit's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. This Statement aims to provide the users with essential timely information to better understand and anticipate these specific vulnerabilities. See Note 16 for further disclosure on this accounting change.

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The School Administrative Unit's deposits are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held by the School Administrative Unit's agent in the School Administrative Unit's name. The FDIC currently insures the first $250,000 of the School Administrative Unit's deposits at each financial institution, per case custodian. Deposit balances over $250,000 are insured by collateral. As of year-end, the carrying amount of the School Administrative Unit's deposits was $544,719 and the bank balances totaled $588,601. Petty cash totaled $100.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2025, consisted of accounts and intergovernmental amounts arising from grants, school lunch program, restricted grants, and amounts owed from member districts. Receivables are recorded on the School Administrative Unit's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 consisted of the following:

	Balance, beginning	Additions	Balance, ending
At cost:			
Not being amortized:			
Right-to-use leased equipment and vehicles	$ 334,844	$ 18,916	$ 353,760
Less accumulated amortization:			
Right-to-use leased equipment and vehicles	(272,230)	(62,614)	(334,844)
Net book value, all capital assets	$ 62,614	$ (43,698)	$ 18,916

Amortization expense was charged to the executive administration function of the School Administrative Unit based on their usage of the related assets.

NOTE 6 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources at June 30, 2025 consist of the following:

	Governmental Activities
Amounts related to pensions, see Note 9	$ 389,981
Amounts related to OPEB:	
NHRS, see Note 10-A	6,317
Single Employer, see Note 10-B	1,765
Total deferred outflows of resources	$ 398,063

Deferred inflows of resources at June 30, 2025 consist of the following:

	Governmental Activities	General Fund
Donation revenue collected in advance of eligible expenditures being made	$ 133,898	$ 133,898
Amounts related to pensions, see Note 9	77,736	-
Amounts related to OPEB:		
NHRS, see Note 10-A	11	-
Single Employer, see Note 10-B	4,050	-
Total deferred inflows of resources	$ 215,695	$ 133,898

NOTE 7 – LEASE PAYABLE

The School Administrative Unit had the following lease payable as of June 30, 2025:

	Original Amount	Issue Date	Maturity Date	Interest Rate	Payable at June 30, 2025
Lease payables:					
Copiers	$ 18,916	2025	2030	5.94%	$ 18,916

The annual requirements to amortize all lease payables outstanding as of June 30, 2025, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 3,360	$ 1,124	$ 4,483
2027	3,559	924	4,483
2028	3,771	713	4,483
2029	3,995	489	4,483
2030	4,232	251	4,483
Totals	$ 18,916	$ 3,500	$ 22,416

NOTE 8 – LONG-TERM LIABILITIES

Changes in the School Administrative Unit's long-term liabilities consisted of the following for the year ended June 30, 2025:

	Balance July 1, 2024 (as restated)	Additions	Reductions	Balance June 30, 2025	Due Within One Year	Due In More Than One Year
Leases payable	$ 55,056	$ 18,916	$ (55,056)	$ 18,916	$ 3,360	$ 15,556
Compensated absences	136,801	50,379	-	187,180	-	187,180
Pension related liability	1,753,766	-	(740)	1,753,026	-	1,753,026
Net other postemployment benefits:						
NHRS	48,783	-	(3,243)	45,540	-	45,540
Single Employer	17,002	100	-	17,102	-	17,102
Total long-term liabilities	$ 2,011,408	$ 69,395	$ (59,039)	$ 2,021,764	$ 3,360	$ 2,018,404

NOTE 9 – DEFINED BENEFIT PENSION PLAN

Plan Description – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system that administers one cost-sharing multiple-employer defined benefit pension plan (Pension Plan). For additional NHRS information, please refer to the Annual Comprehensive Financial Report, which can be found on the NHRS website at www.nhrs.org.

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

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

Group II benefits are provided based on age, years of creditable service and benefit multiplier depending on vesting status as of 1/1/12. The maximum retirement allowance for Group II members vested by 1/1/12 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service.

For Group II members not vested by 1/1/12 the benefit is calculated the same way, but the multiplier used in the calculation will change depending on age and years of creditable service as follows:

Years of Creditable Service as of 1/1/12	Minimum Age	Minimum Service	Benefit Multiplier
At least 8 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

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

Contributions – The System is financed by contributions from both the employees and the School Administrative Unit. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees are required to contribute 7% of earnable compensation. For fiscal year 2025, the School Administrative Unit contributed 18.51% for teachers and 13.27% for other employees. The contribution requirement for the fiscal year 2025 was $225,606, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2025, the School Administrative Unit reported a liability of $1,753,026 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The School Administrative Unit's proportion of the net pension liability was based on a projection of the School Administrative Unit's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. The School Administrative Unit's proportion measured at June 30, 2024, was 0.03% which was the same as its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School Administrative Unit recognized pension expense of $299,623. At June 30, 2025, the School Administrative Unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	$ 125,350	$ 32,396
Net difference between projected and actual investment earnings on pension plan investments	-	24,471
Changes in assumptions	-	20,517
Differences between expected and actual experience	39,025	352
Contributions subsequent to the measurement date	225,606	-
Total	$ 389,981	$ 77,736

The $225,606 reported as deferred outflows of resources related to pensions results from the School Administrative Unit contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2025	$ (21,258)
2026	104,687
2027	(1,787)
2028	4,997
Totals	$ 86,639

Actuarial Assumptions – The collective total pension liability was based on the following actuarial assumptions:

Inflation:	2.25% per year
Wage inflation:	3.00% per year (2.50% for Teachers)
Salary increases:	6.00% 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 generational mortality improvements using Scale MP-2021.

The actuarial assumptions used in the June 30, 2023, valuation, used to calculate the total pension liability as of June 30, 2024, were based on the results of the most recent actuarial experience study, which was for the period July 1, 2019 – June 30, 2023.

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

Asset Class	Target Allocation	30 Year Geometric Return*
Broad US Equity	24.00%	5.40%
Global Ex-US Equity	16.00%	5.65%
Total public equity	40.00%	
Real Estate Equity	10.00%	4.00%
Private Equity	10.00%	6.65%
Total private market equity	20.00%	
Private Debt	10.00%	5.05%
Core U.S. Fixed Income	25.00%	2.15%
Infrastructure	5.00%	4.35%
Total	100.00%	

* Real rates of return are presented net of 2.50% inflation.

Discount Rate – The discount rate used to measure the collective total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan's actuarial funding policy as required by RSA 100-A:16. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Pension Plan investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2024	$ 2,450,930	$ 1,753,026	$ 1,171,651

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

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

10-A New Hampshire Retirement System (NHRS)

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

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

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

Maximum medical subsidy rates paid during fiscal year 2024 were as follows:

> For qualified retirees not eligible for Medicare, the amounts were $375.56 for a single-person plan and $751.12 for a two-person plan.
>
> For those qualified retirees eligible for Medicare, the amounts were $236.84 for a single-person plan and $473.68 for a two-person plan.

Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lessor of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2025, the School District contributed 1.13% for teachers and 0.26% for other employees. The contribution requirement for the fiscal year 2025 was $6,317, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At June 30, 2025, the School Administrative Unit reported a liability of $45,540 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The School Administrative Unit's proportion of the net OPEB liability was based on a projection of the School Administrative Unit's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. The School Administrative Unit's proportion measured at June 30, 2024, was 0.015% which was the same as its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School Administrative Unit recognized OPEB expense of $2,204. At June 30, 2025, the School Administrative Unit 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 investment earnings on OPEB plan investments	$ -	$ 11
Contributions subsequent to the measurement date	6,317	-
Total	$ 6,317	$ 11

The $6,317 reported as deferred outflows of resources related to OPEB results from the School Administrative Unit contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2025	$ (96)
2026	142
2027	(37)
2028	(20)
Totals	$ (11)

Actuarial Assumptions – The total OPEB liability was based on the following actuarial assumptions:

Price inflation:	2.25% per year
Wage inflation:	3.00% per year (2.50% for Teachers)
Salary increases:	6.00% average, including inflation
Investment rate of return:	6.75% net of OPEB 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 generational mortality improvements using Scale MP-2021.

The actuarial assumptions used in the June 30, 2023, valuation, used to calculate the total pension liability as of June 30, 2024, were based on the results of the most recent actuarial experience study, which was for the period July 1, 2019 – June 30, 2023.

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

Asset Class	Target Allocation	30 Year Geometric Return*
Broad US Equity	24.00%	5.40%
Global Ex-US Equity	16.00%	5.65%
Total public equity	40.00%	
Real Estate Equity	10.00%	4.40%
Private Equity	10.00%	6.65%
Total private market equity	20.00%	
Private Debt	10.00%	5.05%
Core U.S. Fixed Income	25.00%	2.15%
Infrastructure	5.00%	4.35%
Total	100.00%	

* Real rates of return are presented net of 2.50% inflation.

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

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2024	$ 49,820	$ 45,540	$ 42,583

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

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

10-B Retiree Health Benefit Program

Plan Description – GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefit. The postemployment benefit liability is recognized on the Statement of Net Position over time. The School Administrative Unit OPEB plan is not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

The total OPEB liability is based on the School Administrative Unit offering retirees postemployment healthcare insurance governed by RSA 100-A:50. The retirees pay 100% of the premium cost to participate and are included in the same pool as the active members. The inclusion of the retirees in the same pool effects the insurance rates of the active employees as the rates for the retirees are assumed to be higher due to the age consideration, thereby creating an implicit rate subsidy.

Funding Policy – The School Administrative Unit's funding policy for the implicit rate subsidy is a pay-as-you-go basis.

Benefits Provided – The School Administrative Unit provides postemployment healthcare benefits for certain eligible retirees. The School District provides medical benefits to its eligible retirees.

Employees Covered by Benefit Terms – At July 1, 2023, 14 active employees were covered by the benefit terms.

Total OPEB Liability – The School Administrative Unit's total OPEB liability of $17,102 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023. The School Administrative Unit contracts with an outside actuary to complete the actuarial valuation and schedule of changes in the total OPEB liability. Detailed information can be found in the separately issued report through request of the School Administrative Unit business office.

Actuarial Assumptions and Other Inputs – The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	5.20%
Healthcare Cost Trend Rates:	
Current Year Trend	8.00%
Second Year Trend	7.50%
Decrement	0.50%
Ultimate Trend	4.00%
Year Ultimate Trend is Reached	2075

The discount rate used to measure the total OPEB liability was 5.20%. As of June 30, 2025, measurement date the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments of the current plan members. Therefore, the 5.20% municipal bond rate was applied to all periods to determine the total OPEB liability.

Mortality rates were based on the following:

Pre-Retirement – PubG-2010 headcount weighted Employee General Mortality Tables, projected with fully generational mortality improvements using scale MP-2021.

Post-Retirement – Healthy Retirees: 102% of PubG-2010 headcount weighted Retiree General Mortality Tables for males and 107% of PubG-2010 below median headcount-weighted Retiree General Mortality Tables for females, projected with fully generational mortality improvements using scale MP-2021.

Surviving Spouses – PubG-2010 Contingent Survivor General Mortality Tables, projected with fully generational mortality improvement using scale MP-2021.

Disables Retirees – PubG-2010 Disable General Mortality Tables projected with fully generational mortality improvement scale MP-2021.

Changes in the Total OPEB Liability

	June 30,	
	2024	2025
Total OPEB liability beginning of year	$ 6,733	$ 17,002
Changes for the year:		
Service cost	467	1,028
Interest	257	689
Assumption changes and difference between actual and expected expererience	9,863	(623)
Benefit payments	(318)	(994)
Total OPEB liability end of year	$ 17,002	$ 17,102

Sensitivity of the School Administrative Unit's OPEB Liability to Changes in the Discount Rate – The July 1, 2023, actuarial valuation was prepared using a discount rate of 5.20%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to $15,995 or by 6.47%. If the discount rate were 1% lower than what was used the OPEB liability would increase to $18,274 or by 6.85%.

	Discount Rate		
	1% Decrease	Baseline 5.20%	1% Increase
Total OPEB Liability	$ 18,274	$ 17,102	$ 15,995

Sensitivity of the School Administrative Unit's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The July 1, 2023, actuarial valuation was prepared using an initial trend rate of 7.50%. If the trend rate were 1% higher than what was used the OPEB liability would increase to $19,183 or by 12.17%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to $15,301 or by 10.53%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 7.50%	1% Increase
Total OPEB Liability	$ 15,301	$ 17,102	$ 19,183

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2025, the School Administrative Unit recognized OPEB expense of $1,696. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 943	$ 2,146
Differences between expected and actual experience	822	1,904
Total	$ 1,765	$ 4,050

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

Fiscal Year Ending June 30,	
2026	$ (1,842)
2027	(424)
2028	(32)
2029	157
2030	(46)
Thereafter	(98)
Totals	$ (2,285)

NOTE 11 - ENCUMBRANCES

Encumbrances outstanding in the general fund at June 30, 2025 are as follows:

Current:	
Support services:	
General administration	$ 5,687

NOTE 12 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION

Net position reported on the government-wide and fiduciary fund Statements of Net Position at June 30, 2025 include the following:

	Governmental Activities	Fiduciary Funds
Net investment in capital assets:		
Net book value of all capital assets	$ 18,916	$ -
Less:		
Leases payable	(18,916)	-
Total net investment in capital assets	-	-
Restricted net position:		
Donations	8,680	-
Unrestricted	(1,283,308)	-
Total net position	$ (1,274,628)	$ -

NOTE 13 – GOVERNMENTAL FUND BALANCES

Governmental fund balances at June 30, 2025 consist of the following:

	General Fund
Nonspendable:	
Prepaid items	$ 3,400
Restricted:	
Donations	8,680
Assigned:	
Encumbrances	5,687
Unassigned	394,187
Total governmental fund balances	$ 411,954

NOTE 14 – ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES

During fiscal year 2025, changes to or within the School Administrative Unit's financial statements resulted in adjustments to and restatements of beginning net position, as follows:

	Governmental Activities
Net position at June 30, 2024 as previously reported	$ (1,102,480)
To record implementation of GASB Statement No. 101	(60,108)
Net position at June 30, 2024, as restated	$ (1,162,588)

NOTE 15 – RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2025, the School District was a member of the New Hampshire Public Risk Management Exchange (Primex^3) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex^3) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from July 1, 2024 to June 30, 2025 by Primex^3, which retained $2,000,000 of each workers' compensation loss, $500,000 of each liability loss, and for each property loss it is based upon the School District's property schedule on file with Primex^3. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex^3 to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In fiscal year 2024-2025 the School Administrative Unit paid $3,023 and $6,415, respectively, to Primex^3 for Workers' Compensation and Property/Liability programs. At this time, Primex^3 foresees no likelihood of any additional assessment for this or any prior year.

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

NOTE 16 – CERTAIN RISK DISCLOSURES

The School Administrative Unit is subject to certain risks related to vulnerabilities caused by concentrations or constraints. The financial statements for the period ending June 30, 2025, are vulnerable to the risk of substantial financial impact from the constraint described below:

Concentration: School Districts Assessments – The School Administrative Unit's primary funding source is assessments from member school districts, which constitutes approximately 82.45% of its total general fund revenue for the fiscal year ended June 30, 2025. The School Administrative Unit's ability to maintain existing service levels and support its operations is therefore dependent upon the continued stability of the property tax base within the Towns of Hampton Falls, North

Hampton, Seabrook and South Hampton. A substantial decline in the assessed valuation of property within the School Administrative Unit, a downturn in the local real estate market, or a significant property tax abatement could have a material effect on the School Administrative Unit's financial position and results of operations. No such events were identified that would impact this future revenue source at June 30, 2025.

NOTE 17 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date but arose after the date. Management has evaluated subsequent events through April 20, 2026, the date the June 30, 2025 financial statements were available to be issued, and noted no events occurred that require recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT F
SCHOOL ADMINISTRATIVE UNIT NO. 21
Schedule of the School Administrative Unit's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2025
Unaudited

	June 30,									
Fiscal year-end	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	June 30,									
Measurement date	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Administrative Unit's proportion of the net pension liability	0.02%	0.02%	0.02%	0.02%	0.02%	0.03%	0.03%	0.03%	0.03%	0.03%
School Administrative Unit's proportionate share of the net pension liability	$ 989,806	$ 1,280,574	$ 1,110,680	$ 1,084,229	$ 1,098,844	$ 1,968,020	$ 1,405,129	$ 1,859,726	$ 1,753,766	$ 1,753,026
School Administrative Unit's covered payroll (as of the measurement date)	$ 781,485	$ 794,031	$ 761,835	$ 851,208	$ 859,396	$ 1,149,740	$ 1,160,173	$ 1,281,626	$ 1,294,272	$ 1,473,845
School Administrative Unit's proportionate share of the net pension liability as a percentage of its covered payroll	126.66%	161.28%	145.79%	127.38%	127.86%	171.17%	121.11%	145.11%	135.50%	118.94%
Plan fiduciary net position as a percentage of the total pension liability	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%	65.12%	67.18%	70.33%

EXHIBIT G
SCHOOL ADMINISTRATIVE UNIT NO. 21
Schedule of School Administrative Unit Contributions - Pensions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2025
Unaudited

	June 30,									
Fiscal year-end	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	June 30,									
Measurement date	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	$ 83,823	$ 86,232	$ 82,735	$ 95,169	$ 99,383	$ 147,726	$ 187,943	$ 188,384	$ 203,830	$ 225,606
Contributions in relation to the contractually required contributions	83,823	86,232	82,735	95,169	99,383	147,726	187,943	188,384	203,830	225,606
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School Administrative Unit's covered payroll (as of the fiscal year)	$ 781,485	$ 794,031	$ 761,835	$ 851,208	$ 859,396	$ 1,160,173	$ 1,281,626	$ 1,294,272	$ 1,473,845	$ 1,602,499
Contributions as a percentage of covered payroll	10.73%	10.86%	10.86%	11.18%	11.56%	12.85%	16.20%	14.56%	13.83%	14.08%

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

SCHOOL ADMINISTRATIVE UNIT NO. 21

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Schedule of the School Administrative Unit's Proportionate Share of Net Pension Liability and Schedule of School Administrative Unit Contributions – Pensions

Changes in Benefit Terms – There were no changes in benefit terms for the current period.

Changes in Assumptions – There were no changes in assumptions for the current period.

Methods and Assumptions Used to Determine Contribution Rates – A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at www.nhrs.org.

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits F and G represent the actuarial determined costs associated with the School District's pension plan at June 30, 2025. These schedules are presented to illustrate the requirement to show information for 10 years.

EXHIBIT H
SCHOOL ADMINISTRATIVE UNIT NO. 21
Schedule of the School Administrative Unit's Proportionate Share of the Net Other Postemployment Benefits Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2025
Unaudited

	June 30,								
Fiscal year-end	2017	2018	2019	2020	2021	2022	2023	2024	2025
	June 30,								
Measurement date	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Administrative Unit's:									
Proportion of the net OPEB liability	0.004%	0.004%	0.006%	0.009%	0.015%	0.016%	0.015%	0.015%	0.015%
Proportionate share of the net OPEB liability (asset)	$ 20,504	$ 18,221	$ 28,961	$ 37,389	$ 63,982	$ 62,633	$ 57,811	$ 48,783	$ 45,540
Covered payroll (as of the measurement date)	$ 794,031	$ 761,835	$ 851,208	$ 859,396	$ 1,149,740	$ 1,160,173	$ 1,281,626	$ 1,294,426	$ 1,473,845
Proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	2.58%	2.39%	3.40%	4.35%	5.56%	5.40%	4.51%	3.77%	3.09%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%	11.06%	10.64%	10.75%	14.01%

EXHIBIT I
SCHOOL ADMINISTRATIVE UNIT NO. 21
Schedule of School Administrative Unit Contributions - Other Postemployment Benefits
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2025
Unaudited

	June 30,								
Fiscal year-end	2017	2018	2019	2020	2021	2022	2023	2024	2025
	June 30,								
Measurement date	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	$ 2,461	$ 2,362	$ 2,798	$ 3,892	$ 7,750	$ 6,222	$ 6,249	$ 5,202	$ 6,317
Contributions in relation to the contractually required contribution	2,461	2,362	2,798	3,892	7,750	6,222	6,249	5,202	6,317
School Administrative Unit's covered payroll (as of the fiscal year)	$ 794,031	$ 761,835	$ 851,208	$ 859,396	$ 1,160,173	$ 1,281,626	$ 1,294,426	$ 1,473,845	$ 1,602,499
Contributions as a percentage of covered payroll	0.31%	0.31%	0.33%	0.45%	0.67%	0.54%	0.49%	0.35%	0.39%

EXHIBIT J

SCHOOL ADMINISTRATIVE UNIT NO. 21

Schedule of Changes in the School Administrative Unit's Total Other Postemployment Benefits Liability and Related Ratios

For the Fiscal Year Ended June 30, 2025

Unaudited

	June 30,							
	2018	2019	2020	2021	2022	2023	2024	2025
OPEB liability, beginning of year	$ 22,991	$ 25,366	$ 27,144	$ 30,423	$ 17,852	$ 10,565	$ 6,733	$ 17,002
Changes for the year:								
Service cost	2,512	2,540	3,889	857	1,043	640	467	1,028
Interest	895	1,040	861	534	364	315	257	689
Changes to benefit terms	-	-	(9,468)	-	-	-	-	-
Assumption changes and difference between actual and expected experience	(40)	266	42,333	176	(4,606)	(4,787)	9,863	(623)
Change in actuarial cost method	-	-	(21,451)	-	-	-	-	-
Benefit payments	(992)	(2,068)	(12,885)	(14,138)	(4,088)	-	(318)	(994)
OPEB liability, end of year	$ 25,366	$ 27,144	$ 30,423	$ 17,852	$ 10,565	$ 6,733	$ 17,002	$ 17,102
Covered payroll	$ 215,436	$ 230,600	$ 519,733	$ 1,146,399	$ 1,183,343	$ 1,183,843	$ 1,366,634	$ 1,366,634
Total OPEB liability as a percentage of covered payroll	11.77%	11.77%	5.85%	1.56%	0.89%	0.57%	1.24%	1.25%

SCHOOL ADMINISTRATIVE UNIT NO. 21

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – OTHER POSTEMPLOYMENT BENEFITS LIABILITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Schedule of the School Administrative Unit's Proportionate Share of Net Other Postemployment Benefits Liability and Schedule of School Administrative Unit Contributions – Other Postemployment Benefits

Changes in Benefit Terms – There were no changes in benefit terms for the current period.

Changes in Assumptions – There were no changes in assumptions for the current period.

Methods and Assumptions Used to Determine Contribution Rates – A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at www.nhrs.org.

As required by GASB Statement No. 75, Exhibits H and I represent the actuarial determined costs associated with the School District's other postemployment benefits at June 30, 2025. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Schedule of Changes in School Administrative Unit's Total Other Postemployment Benefits Liability and Related Ratios

Changes in Benefit Terms – There were no changes in benefit terms for the current period.

Changes in Assumptions – The discount rate changed from 3.93% as of June 30, 2024, to 5.20% as of June 30, 2025.

As required by GASB Statement No. 75, Exhibit J represents the actuarial determined costs associated with the School Administrative Unit's other postemployment benefits at June 30, 2025. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
SCHOOL ADMINISTRATIVE UNIT NO. 21
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2025

	Estimated	Actual	Variance Positive (Negative)
School districts' assessments:			
Current appropriation	$ 2,205,952	$ 2,205,952	$ -
Other local sources:			
Investment earnings	15,000	19,901	4,901
Miscellaneous	379,729	396,455	16,726
Total from other local sources	394,729	416,356	21,627
Federal sources:			
Other	50,000	53,086	3,086
Total revenues	$ 2,650,681	$ 2,675,394	$ 24,713

SCHEDULE 2
SCHOOL ADMINISTRATIVE UNIT NO. 21
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2025

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
Support services:					
Student	$ -	$ 125,811	$ 122,966	$ -	$ 2,845
Instructional staff	-	43,781	33,463	-	10,318
General administration	4,771	53,896	39,419	5,687	13,561
Executive administration	-	1,080,845	1,066,459	-	14,386
Business	-	566,643	565,844	-	799
Operation and maintenance of plant	2,466	34,290	37,710	-	(954)
Other	-	745,415	793,144	-	(47,729)
Total appropriations, expenditures, and encumbrances	$ 7,237	$ 2,650,681	$ 2,659,005	$ 5,687	$ (6,774)

See Independent Auditor's Report.

SCHEDULE 3
SCHOOL ADMINISTRATIVE UNIT NO. 21
Major General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2025

Unassigned fund balance, beginning,		$ 386,708
2024-2025 Budget summary:		
Revenue surplus (Schedule 1)	$ 24,713	
Overdraft of appropriations (Schedule 2)	(6,774)	
2024-2025 Budget surplus		17,939
Increase in nonspendable fund balance		(3,400)
Increase in restricted fund balance		(7,060)
Unassigned fund balance, ending		$ 394,187

See Independent Auditor's Report.