

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
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PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of the School Board
Winnacunnet Cooperative School District
Hampton, New Hampshire

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Winnacunnet Cooperative School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Winnacunnet Cooperative School District'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, each major fund, and the aggregate remaining fund information of the Winnacunnet Cooperative School District, as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparison for the major general and grants funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 2-C to the financial statements, in the year ending June 30, 2023, the School District adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Winnacunnet Cooperative School District's 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 Winnacunnet Cooperative School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Winnacunnet Cooperative School District
Independent Auditor's Report***

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 Winnacunnet Cooperative School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Winnacunnet Cooperative School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

- Management's Discussion and Analysis,
- Schedule of the School District's Proportionate Share of Net Pension Liability,
- Schedule of School District Contributions – Pensions,
- Schedule of the School District's Proportionate Share of Net Other Postemployment Benefits Liability,
- Schedule of School District Contributions – Other Postemployment Benefits,
- Schedule of Changes in the School District'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

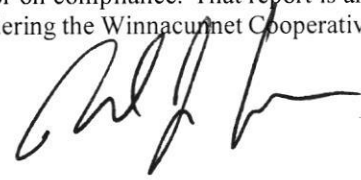
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Winnacunnet Cooperative School District's basic financial statements. The combining and individual fund schedules and the Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

**Winnacunnet Cooperative School District
Independent Auditor's Report**

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2024 on our consideration of the Winnacunnet Cooperative School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Winnacunnet Cooperative School District's internal control over financial reporting and compliance.



February 16, 2024
Concord, New Hampshire

PLODZIK & SANDERSON
Professional Association

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023

As management of New Hampshire School Administrative Unit (SAU) #21, the Winnacunnet Cooperative School District (the District), we offer readers of the District's annual financial statements this narrative discussion and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. 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 District'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 District's total net position for the year ending June 30, 2023, was \$2,247,303. Net position increased by \$1,345,989 or 149.34%, between July 1, 2022 and June 30, 2023. The District's total net position consisted of \$21,160,211 in the net investment in capital assets, restricted net position of \$247,643, and an unrestricted net position balance of (\$19,160,551).
- The District's total liabilities of \$31,258,488 consisted primarily of obligations (due in more than one year) for bonds totaling \$3,916,520 and net pension liability \$23,926,584.
 - During the year, the District's expenses totaled \$30,772,769, with 43.86% for instruction (\$13,498,433).
 - Total revenues were \$32,118,758 and consist of charges for services, operating and capital grants restricted for specific programs, and general revenues (consisting of local and state property tax assessments and grants and contributions not restricted to specific programs). Local and state assessments generate 94.47% of the District's revenue.
 - The fiscal year end balances for the governmental funds were categorized as follows:
 - Nonspendable = \$40,917
 - Restricted= \$235,959
 - Committed = \$918,394
 - Assigned = \$389,347
 - Unassigned = \$865,140
- Student enrollment decreased by 6 students. Enrollment totaled 1,091 as of October 1, 2021 and 1,085 as of October 1, 2022.

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
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OVERVIEW OF FINANCIAL STATEMENTS

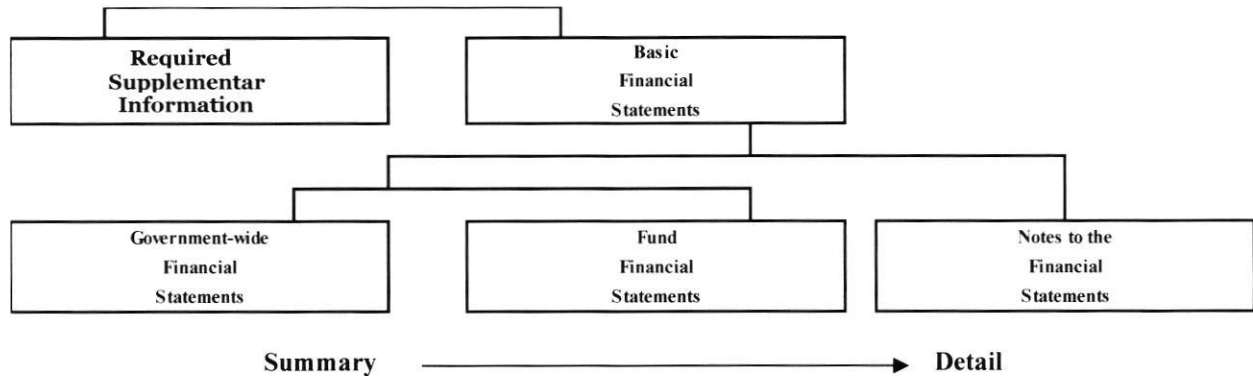
This discussion and analysis is intended to serve as an introduction to the District's annual financial report, which consists of basic financial statements, notes, and related financial/compliance information. Our annual financial report consists of four elements: 1) government-wide financial statements; 2) fund financial statements 3) notes to the financial statements; 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 District 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 District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements. The governmental funds statements tell how the District'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



WINNACUNNET COOPERATIVE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023

Figure 2

	Government-Wide	Fund Statements	
		Governmental	Fiduciary
SCOPE	Entire District government (except fiduciary funds)	All activities of the District that are not proprietary or fiduciary	Instances in which the District is the trustee or agent for someone else's resources
REQUIRED FINANCIAL STATEMENTS	Statement of Net Position	Balance Sheet	Statement of Fiduciary Net Position
	Statement of Activities	Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Changes in Fiduciary Net Position
ACCOUNTING BASIS	Accrual	Modified Accrual	Accrual
MEASUREMENT FOCUS	Economic Resources	Current Financial Resources	Economic 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	All assets and liabilities, both short-term and long-term
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	All additions and deductions during the year, regardless of when cash is received or paid

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
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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 District 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 District 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 District’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 districts. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The District reports governmental funds. Only those governmental activities that are considered significant or “major” funds are reported in individual columns in the fund financial statements.

The District’s basic services are accounted for in the governmental funds and include the general and special revenue funds (federal grant fund, food service fund, and student activity 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.

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
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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 District's net position totaled \$2,247,303 at June 30, 2023, an increase of \$1,345,989 over 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.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. Summaries of the capital assets, depreciation and long-term debt obligations can be found in the Notes to Financial Statements. Depreciation is included by accounting convention thus the depreciated value of a District asset, as reflected in these reports, does not reflect an asset's useful, market or replacement value.

Winnacunnet Cooperative School District Governmental Activities Summary of Net Position Two Year Comparison				
	2023	2022	Change 2022-2023	% Change 2022-2023
Assets				
Current Assets	\$ 2,716,337	\$ 3,156,369	\$ (440,032)	-13.94%
Capital Assets	25,091,221	24,851,519	239,702	0.96%
Total Assets	<u>27,807,558</u>	<u>28,007,888</u>	<u>(200,330)</u>	<u>-0.72%</u>
Deferred Outflows of Resources	<u>6,208,594</u>	<u>5,538,969</u>	<u>669,625</u>	<u>12.09%</u>
Liabilities				
Other Liabilities	345,773	564,616	(218,843)	-38.76%
Long Term Liabilities	30,912,715	26,287,329	4,625,386	17.60%
Total Liabilities	<u>31,258,488</u>	<u>26,851,945</u>	<u>4,406,543</u>	<u>16.41%</u>
Deferred Inflows of Resources	<u>510,361</u>	<u>5,793,598</u>	<u>(5,283,237)</u>	<u>-91.19%</u>
Net Investment in Capital Assets	21,160,211	19,090,259	2,069,952	10.84%
Restricted Net Position	247,643	384,096	(136,453)	-35.53%
Unrestricted Net Position	(19,160,551)	(18,573,041)	(587,510)	-3.16%
Total Net Position	<u>\$ 2,247,303</u>	<u>\$ 901,314</u>	<u>\$ 1,345,989</u>	<u>149.34%</u>

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
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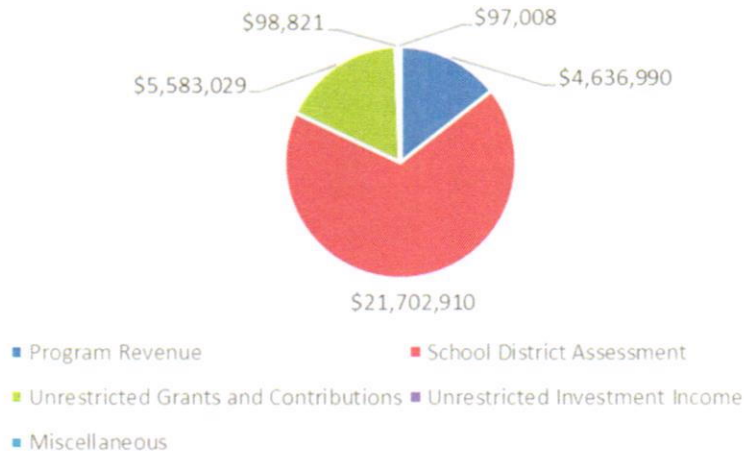
Statement of Activities

The District had total expenditures of \$30.77 million with revenue of \$32.12 million. 67.57% of the District's total revenues come from the school district assessment while 17.38% is derived from grants and contributions not restricted to specific programs. The District's expenses cover a range of services, the largest of which are school instruction (43.86% of total expenses) and support services (53.66% of total expenses). Below is a condensed version of the District's Statement of Activities followed by charts showing the breakdown of the District's total revenue and expenses.

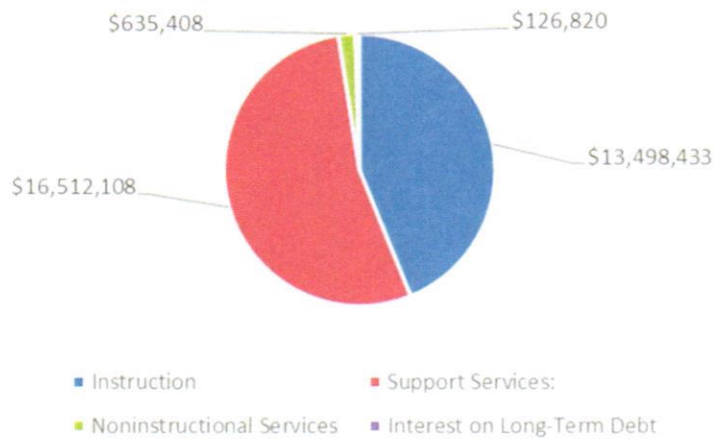
Winnacunnet Cooperative School District				
Governmental Activities				
Statement of Activities				
Two Year Comparison				
	June 30, 2023	June 30, 2022	Change	Change in %
Revenues				
Program Revenue				
Charges for Services	\$ 1,016,245	\$ 610,411	\$ 405,834	66.49%
Operating Grants & Contributions	2,675,906	2,553,471	122,435	4.79%
Capital Grants & Contributions	944,839	902,339	42,500	4.71%
General Revenue				
School District Assessment	21,702,910	20,139,661	1,563,249	7.76%
Unrestricted Grants and Contributions	5,583,029	5,465,676	117,353	2.15%
Unrestricted Investment Income	98,821	4,417	94,404	2137.29%
Miscellaneous	97,008	302,915	(205,907)	-67.98%
Total Revenues	<u>32,118,758</u>	<u>29,978,890</u>	<u>2,139,868</u>	<u>7.14%</u>
Program Expenses				
Instruction	13,498,433	13,161,735	336,698	2.56%
Support Services:				
Student	1,285,057	1,342,560	(57,503)	-4.28%
Instructional Staff	1,552,569	1,328,625	223,944	16.86%
General Administration	274,013	229,602	44,411	19.34%
Executive Administration	946,099	885,590	60,509	6.83%
School Administration	999,911	925,245	74,666	8.07%
Operation and Maintenance of Plant	3,120,832	2,692,838	427,994	15.89%
Student Transportation	1,332,058	1,201,256	130,802	10.89%
Other	7,001,569	5,515,552	1,486,017	26.94%
Noninstructional Services	635,408	543,064	92,344	17.00%
Interest on Long-Term Debt	126,820	235,064	(108,244)	-46.05%
Facilities acquisition and construction	-	113,064	(113,064)	100.00%
Total Expenses	<u>30,772,769</u>	<u>28,174,195</u>	<u>2,598,574</u>	<u>9.22%</u>
Change in Net Position	1,345,989	1,804,695	(458,706)	-25.42%
Net Position, beginning	901,314	(903,381)	1,804,695	-199.77%
Net Position, ending	<u>\$ 2,247,303</u>	<u>\$ 901,314</u>	<u>\$ 1,345,989</u>	<u>149.34%</u>

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023

Winnacunnet Cooperative School District Revenues
Fiscal Year End June 30, 2023



Winnacunnet Cooperative School District Expenditures
Fiscal Year End June 30, 2023



WINNACUNNET COOPERATIVE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
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INDIVIDUAL FUND FINANCIAL ANALYSIS

General Fund

The general fund is what most people think of as “the budget” since it is the focal point of the First Session of Annual Meeting (Deliberative) and largely supported by locally raised taxes. The general fund ended the fiscal year with an unassigned fund balance of \$865,140.

The general fund is supported by \$21.70 million from local assessments, \$7.39 million from state sources, \$198 thousand from federal sources, and \$372 thousand from other local sources. General fund expenditures are primarily for instruction (\$12.52 million), support services (\$14.51 million) and debt payments (\$1.97 million).

COMMENTS ON GENERAL FUND BUDGET COMPARISONS

- General fund actual revenues totaling \$29,658,176 exceeded budgeted revenues by \$465,785 or 1.60%.
 - **Local sources** totaling \$372,228 exceeded budget by \$135,693 due to an increase in investment earnings and miscellaneous revenue.
 - **State sources** totaling \$7,385,189 exceeded budget by \$336,743 primarily due to an increase in special education aid and other state aid.
 - **Federal sources** totaling \$197,778 was under budget by (\$6,722) due to a decrease in other funding.
- General fund expenditures, including encumbrances to the subsequent year, totaling \$29,525,143 were less than appropriations totaling \$29,601,058, including encumbrances from the prior year, by \$75,915 (0.26%). Significant general fund budget variances occurred in these functions:
 - **Instruction** totaling \$12,520,445 was over budget by (\$59,482) due to special education accounts.
 - **General Administration** totaling \$144,091 was over budget by (\$70,740) due to salary accounts.
 - **Operation and maintenance of plant** totaling \$2,209,477 was over budget by (\$71,379) due to savings in buildings accounts.
 - **Other** totaling \$6,569,839 was under budget by \$140,897 due to savings in benefits.

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
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CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

On June 30, 2023, the District reported capital assets of \$25,091,221 (net of accumulated depreciation), which consist of a broad range of capital assets, including land & improvements, construction in progress, buildings & improvements, machinery and equipment. Additions in assets totaling \$1,450,039 during the year include:

Greenhouse	\$123,660
HVAC	\$297,029
Door Locks	\$17,111
Exterior Doors	\$9,500
Fence	\$10,369
Auditorium Lighting (1)	\$111,808
Athletic Field Lights (1)	\$120,975
Tech Ed Building Roof	\$269,298
Electronic Sign	\$16,850
Basketball hoop	\$5,720
Kitchen Oven	\$22,653
Kitchen Display Case / head bin kit	\$13,566
Wireless Upgrade	\$24,000
Tech Ed Building HVAC	\$407,500

Winnacunnet Cooperative School District				
Governmental Activities				
Capital Assets				
Two Year Comparison				
	Governmental Activities		Increase	% Increase
	2023	2022	(Decrease)	(Decrease)
Land	\$ 314,923	\$ 314,923	\$ -	0.00%
Building & Building Improvements	42,370,137	40,986,037	1,384,100	3.38%
Machinery, Equipment & Vehicles	2,934,648	2,868,709	65,939	2.30%
Total Historical Costs	45,619,708	44,169,669	1,450,039	3.28%
Total Accumulated Depreciation	(20,528,487)	(19,318,150)	(1,210,337)	6.27%
Net Capital Assets	<u>\$ 25,091,221</u>	<u>\$ 24,851,519</u>	<u>\$ 239,702</u>	<u>0.96%</u>

WINNACUNNET COOPERATIVE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023**

Long-Term Debt

The table below illustrates the long-term debt of the District as of June 30, 2023. The District has a Bond for renovations and expansion of the facility. The compensated balances were calculated on vacation days for all eligible employees and sick days for those employees eligible for compensation at retirement. With the approval of GASB 75, all local governments are required to calculate the costs associated with post-employment benefits. Note 11 provides a summary calculation of the net OPEB obligation. In accordance with GASB 68, the calculated value of the unfunded state retirement assigned to the District for FY 2023 is noted, Note 10.

Winnacunnet Cooperative School District Governmental Activities Long Term Debt Two Year Comparison				
	Governmental Activities		Increase (Decrease)	% Increase (Decrease)
	2023	2022		
General Obligation Bonds	\$ 3,916,520	\$ 5,732,280	\$ (1,815,760)	-31.68%
Notes Payable	14,490	28,980	(14,490)	0.00%
Compensated Absences	941,642	718,034	223,608	31.14%
Net Pension Liability	23,926,584	17,714,217	6,212,367	35.07%
Net Other Postemployment Benefits	2,113,479	2,093,818	19,661	0.94%
Total Long Term Debt	<u>\$ 30,912,715</u>	<u>\$ 26,287,329</u>	<u>\$ 4,625,386</u>	<u>17.60%</u>

FUTURE BUDGETARY IMPLICATONS

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

- The State shifting cost responsibilities to local governments may have an impact on taxation calculations.
- On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19), a global pandemic. It is anticipated that the impact of the pandemic will continue for some time. As a result, economic uncertainties have arisen which could have a financial impact on the School District, though such an impact is unknown at this time.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens and creditors with a general overview of the District'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 email mferreira@sau21.org.

BASIC FINANCIAL STATEMENTS

EXHIBIT A
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,581,318
Other receivables	10,190
Intergovernmental receivable	1,083,912
Inventory	11,684
Prepaid items	29,233
Capital assets, not being depreciated	314,923
Capital assets, net of accumulated depreciation	24,776,298
Total assets	27,807,558
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	6,014,623
Amounts related to other postemployment benefits	193,971
Total deferred outflows of resources	6,208,594
LIABILITIES	
Accounts payable	202,312
Accrued salaries and benefits	62,697
Intergovernmental payable	1,571
Accrued interest payable	79,193
Noncurrent obligations:	
Due within one year	1,925,250
Due in more than one year	28,987,465
Total liabilities	31,258,488
DEFERRED INFLOWS OF RESOURCES	
Amounts related to pensions	178,785
Amounts related to other postemployment benefits	331,576
Total deferred inflows of resources	510,361
NET POSITION	
Net investment in capital assets	21,160,211
Restricted	247,643
Unrestricted	(19,160,551)
Total net position	\$ 2,247,303

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

EXHIBIT B
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 13,498,433	\$ 542,534	\$ 1,544,408	\$ -	\$(11,411,491)
Support services:					
Student	1,285,057	-	116,708	-	(1,168,349)
Instructional staff	1,552,569	-	172,864	-	(1,379,705)
General administration	274,013	-	129,948	-	(144,065)
Executive administration	946,099	-	-	-	(946,099)
School administration	999,911	-	-	-	(999,911)
Operation and maintenance of plant	3,120,832	20,666	250,177	-	(2,849,989)
Student transportation	1,332,058	-	32,830	-	(1,299,228)
Other	7,001,569	-	-	-	(7,001,569)
Noninstructional services	635,408	453,045	205,727	-	23,364
Interest on long-term debt	126,820	-	-	944,839	818,019
Facilities acquisition and construction	-	-	223,244	-	223,244
Total governmental activities	<u>\$ 30,772,769</u>	<u>\$ 1,016,245</u>	<u>\$ 2,675,906</u>	<u>\$ 944,839</u>	<u>\$(26,135,779)</u>
General revenues and contributions:					
School district assessment					21,702,910
Grants and contributions not restricted to specific programs					5,583,029
Interest					98,821
Miscellaneous					97,008
Total general revenues and contributions					<u>27,481,768</u>
Change in net position					1,345,989
Net position, beginning					901,314
Net position, ending					<u>\$ 2,247,303</u>

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

EXHIBIT C-1
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2023

	General	Grants	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,248,743	\$ -	\$ 332,575	\$ 1,581,318
Receivables:				
Accounts	10,190	-	-	10,190
Intergovernmental	924,206	159,706	-	1,083,912
Interfund receivables	158,395	-	-	158,395
Inventory	-	-	11,684	11,684
Prepaid items	29,233	-	-	29,233
Total assets	<u>\$ 2,370,767</u>	<u>\$ 159,706</u>	<u>\$ 344,259</u>	<u>\$ 2,874,732</u>
LIABILITIES				
Accounts payable	\$ 185,807	\$ 159	\$ 16,346	\$ 202,312
Accrued salaries and benefits	61,310	1,152	235	62,697
Intergovernmental payable	1,571	-	-	1,571
Interfund payable	-	158,395	-	158,395
Total liabilities	<u>248,688</u>	<u>159,706</u>	<u>16,581</u>	<u>424,975</u>
FUND BALANCES				
Nonspendable	29,233	-	11,684	40,917
Restricted	30,923	-	205,036	235,959
Committed	918,394	-	-	918,394
Assigned	278,389	-	110,958	389,347
Unassigned	865,140	-	-	865,140
Total fund balances	<u>2,122,079</u>	<u>-</u>	<u>327,678</u>	<u>2,449,757</u>
Total liabilities and fund balances	<u>\$ 2,370,767</u>	<u>\$ 159,706</u>	<u>\$ 344,259</u>	<u>\$ 2,874,732</u>

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

EXHIBIT C-2
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2023

Total fund balances of governmental funds (Exhibit C-1)		\$ 2,449,757
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 45,619,708	
Less accumulated depreciation	<u>(20,528,487)</u>	25,091,221
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	\$ 6,014,623	
Deferred inflows of resources related to pensions	(178,785)	
Deferred outflows of resources related to OPEB	193,971	
Deferred inflows of resources related to OPEB	<u>(331,576)</u>	5,698,233
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (158,395)	
Payables	<u>158,395</u>	-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(79,193)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bond	\$ 3,825,000	
Unamortized bond premium	91,520	
Notes payable	14,490	
Compensated absences	941,642	
Net pension liability	23,926,584	
Other postemployment benefits	<u>2,113,479</u>	(30,912,715)
Net position of governmental activities (Exhibit A)		<u>\$ 2,247,303</u>

EXHIBIT C-3
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023

	General	Grants	Other Governmental Funds	Total Governmental Funds
REVENUES				
School district assessment	\$21,702,910	\$ -	\$ -	\$21,702,910
Other local	506,786	-	705,288	1,212,074
State	7,385,189	36,753	5,696	7,427,638
Federal	197,778	1,378,327	200,031	1,776,136
Total revenues	<u>29,792,663</u>	<u>1,415,080</u>	<u>911,015</u>	<u>32,118,758</u>
EXPENDITURES				
Current:				
Instruction	12,664,108	489,309	253,965	13,407,382
Support services:				
Student	1,148,316	116,708	-	1,265,024
Instructional staff	1,375,548	172,864	-	1,548,412
General administration	144,034	129,948	-	273,982
Executive administration	946,099	-	-	946,099
School administration	994,157	-	-	994,157
Operation and maintenance of plant	2,219,668	250,177	-	2,469,845
Student transportation	1,299,228	32,830	-	1,332,058
Other	6,569,839	-	-	6,569,839
Noninstructional services	-	-	635,408	635,408
Debt service:				
Principal	1,770,000	-	-	1,770,000
Interest	197,313	-	-	197,313
Facilities acquisition and construction	731,917	223,244	-	955,161
Total expenditures	<u>30,060,227</u>	<u>1,415,080</u>	<u>889,373</u>	<u>32,364,680</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(267,564)</u>	<u>-</u>	<u>21,642</u>	<u>(245,922)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	2,699	2,699
Transfers out	(2,699)	-	-	(2,699)
Total other financing sources (uses)	<u>(2,699)</u>	<u>-</u>	<u>2,699</u>	<u>-</u>
Net change in fund balances	(270,263)	-	24,341	(245,922)
Fund balances, beginning	2,392,342	-	303,337	2,695,679
Fund balances, ending	<u>\$ 2,122,079</u>	<u>\$ -</u>	<u>\$ 327,678</u>	<u>\$ 2,449,757</u>

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

EXHIBIT C-4
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Net change in fund balances of total governmental funds (Exhibit C-3)		\$ (245,922)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditure exceeded depreciation expense in the current year, as follows:		
Capitalized capital outlay	\$ 1,450,039	
Depreciation expense	<u>(1,210,337)</u>	239,702
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (2,699)	
Transfers out	<u>2,699</u>	-
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal repayment of bond	\$ 1,770,000	
Amortization of bond premium	45,760	
Repayment of notes payable	<u>14,490</u>	1,830,250
Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ 24,733	
Decrease in compensated absences payable	(223,608)	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	(460,966)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>181,800</u>	(478,041)
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 1,345,989</u></u>

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

EXHIBIT D-1
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
School district assessment	\$ 21,702,910	\$ 21,702,910	\$ -
Other local	236,535	372,228	135,693
State	7,048,446	7,385,189	336,743
Federal	204,500	197,778	(6,722)
Total revenues	<u>29,192,391</u>	<u>29,658,105</u>	<u>465,714</u>
EXPENDITURES			
Current:			
Instruction	12,460,963	12,520,445	(59,482)
Support services:			
Student	1,104,070	1,147,947	(43,877)
Instructional staff	1,260,913	1,214,986	45,927
General administration	73,351	144,091	(70,740)
Executive administration	946,099	946,099	-
School administration	974,473	1,003,366	(28,893)
Operation and maintenance of plant	2,138,098	2,209,477	(71,379)
Student transportation	1,276,846	1,277,387	(541)
Other	6,710,736	6,569,839	140,897
Debt service:			
Principal	1,770,000	1,770,000	-
Interest	197,313	197,313	-
Facilities acquisition and construction	510,000	471,494	38,506
Total expenditures	<u>29,422,862</u>	<u>29,472,444</u>	<u>(49,582)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(230,471)</u>	<u>185,661</u>	<u>416,132</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	71	71
Transfers out	(178,196)	(52,699)	125,497
Total other financing sources (uses)	<u>(178,196)</u>	<u>(52,628)</u>	<u>125,568</u>
Net change in fund balance	<u>\$ (408,667)</u>	133,033	<u>\$ 541,700</u>
Decrease in nonspendable fund balance		451,581	
Increase in restricted fund balance		(28,141)	
Decrease in committed fund balance		50,000	
Increase in assigned (non-encumbrance) fund balance		(100,000)	
Unassigned fund balance, beginning		358,667	
Unassigned fund balance, ending		<u>\$ 865,140</u>	

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

EXHIBIT D-2
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (GAAP Basis)
Grants Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
State	\$ -	\$ 36,753	\$ 36,753	\$ -
Federal	-	1,378,327	1,378,327	-
Total revenues	<u>-</u>	<u>1,415,080</u>	<u>1,415,080</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	489,309	489,309	-
Support services:				
Student	-	116,708	116,708	-
Instructional staff	-	172,864	172,864	-
General administration	-	129,948	129,948	-
Operation and maintenance of plant	-	250,177	250,177	-
Student transportation	-	32,830	32,830	-
Facilities acquisition and construction	-	223,244	223,244	-
Total expenditures	<u>-</u>	<u>1,415,080</u>	<u>1,415,080</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning			-	
Fund balance, ending			<u>\$ -</u>	

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

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

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WINNACUNNET COOPERATIVE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1-A Reporting Entity

The Winnacunnet Cooperative School District is a municipal corporation governed by an elected 5-member School Board. In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by GASB Statement No. 14 (as amended). The School District has no component units to include in its reporting entity.

1-B Government-wide and Fund Financial Statements

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

The *Statement of Net Position* presents the financial position of the School District at year-end. This Statement includes all of the School District’s non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities.

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

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

In the governmental fund financial statements, expenditures are reported by function: instruction, support services, noninstructional, debt services or facilities acquisition and construction. Current expenditures are subclassified by object and are for items such as salaries, grants, supplies, and services. Debt service includes both interest and principal outlays related to bonds or notes. Capital outlay includes expenditures for equipment, real property, or infrastructure.

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

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

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

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

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

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 compensated absences and claims and judgments, are recorded only when payment is due.

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

The School District reports the following major governmental funds:

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

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

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

1-D Cash and Cash Equivalents

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

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

1-E Receivables

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

1-F Inventory

Inventories are valued at cost (first-in, first-out) which approximates market. The School District’s inventories include various items consisting of food, commodities, etc. USDA commodities received from the Federal government are recorded at the value established by the Federal government using the average cost method in the food service fund. Inventorial items are recorded as expenditures when consumed at the schools (the consumption method).

1-G Prepaid Items

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

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

1-H Capital Assets

Capital assets are reported in the government-wide financial statements, but are not reported in the fund financial statements. The School District has established a threshold of \$5,000 or more for all asset categories except for infrastructure assets, which are capitalized if over \$100,000 per item and an estimated useful life in excess of five years for capitalization of depreciable assets. 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 District as a whole. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the government-wide Statement of Net Position.

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

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

Capital Asset Class:	<u>Years</u>
Buildings and building improvements	15 - 80
Machinery, equipment, and vehicles	5 - 15

1-I Interfund Activities

Interfund activities are reported as follows:

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

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

1-J Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of June 30, 2023.

1-K Deferred Outflows/Inflows of Resources

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

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
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1-L 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. Bond premiums are deferred and amortized over the life of the bond using the straight-line method. Bonds payable are reported net of the bond premium.

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, the School District utilizes the following classifications to categorize the financial transactions:

Direct Borrowings – financial transactions for a note or a loan where the School District negotiates certain terms with a single lender and are not offered for public sale.

Direct Placements – financial transactions for the sale of bonds where the School District engages with a single buyer or limited number of buyers without a public offering.

1-M Compensated Absences

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

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

1-N Defined Benefit Pension Plan

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

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

1-O Postemployment Benefits Other Than Pensions (OPEB)

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

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

Single Employer Plan – 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 District's actuarial report. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

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1-P Net Position/Fund Balances

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

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, 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 District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future period.

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

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

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

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

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

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

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

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

1-Q Use of Estimates

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

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
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NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

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

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 2023, \$358,667 of the beginning general fund unassigned fund balance was applied for this purpose. Additionally, \$50,000 was appropriated to fund the School District's capital reserve funds.

2-B Budgetary Reconciliation to GAAP Basis

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

Revenues and other financing sources:	
Per Exhibit D-1 (budgetary basis)	\$ 29,658,176
Adjustments:	
Basis differences:	
GASB Statement No. 54:	
Interest earnings related to the blended expendable trust funds	25,220
Other State and local revenue of the blended funds	109,338
To remove transfer from the blended expendable trust fund to the general fund	(71)
Per Exhibit C-3 (GAAP Basis)	<u>\$ 29,792,663</u>
Expenditures and other financing uses:	
Per Exhibit D-1 (budgetary basis)	\$ 29,525,143
Adjustments:	
Basis differences:	
Encumbrances, beginning	635,179
Encumbrances, ending	(170,874)
GASB Statement No. 54:	
To remove transfer from the general fund to the blended expendable trust funds	(50,000)
Other regular program expenditures of the blended funds	123,478
Per Exhibit C-3 (GAAP basis)	<u>\$ 30,062,926</u>

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
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2-C Accounting Change

Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, was implemented during fiscal year 2023. The objective of this Statement is to better meet information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirement for subscription-based information technology arrangements (SBITAs); (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription assets (an intangible asset), and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards of SBITA are based on the standards established in Statement No. 87, *Leases*, as amended. The School District has assessed all potential agreements that may be applicable for reporting under GASB Statement No. 96 and have determined that none of the agreements have met the requirements of the pronouncement.

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The School District’s deposits and certificates of deposit are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held by the School District’s agent in the School District’s name. The FDIC currently insures the first \$250,000 of the School District’s deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by collateral. As of year-end, the carrying amount of the School District’s deposits was \$1,581,318 and the bank balances totaled \$1,851,669. Petty cash totaled \$400.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2023, consisted of accounts and intergovernmental amounts arising from grants, school lunch program, restricted grants, and expendable trust funds held by the Town of Hampton Trustees of Trust Funds for the School District. Receivables are recorded on the School District’s financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

NOTE 5 – PREPAID ITEMS

Prepaid items at June 30, 2023 consisted of \$29,233 for the School District’s HVAC project.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 consisted of the following:

	Balance, beginning	Additions	Balance, ending
At cost:			
Not being depreciated:			
Land	\$ 314,923	\$ -	\$ 314,923
Being depreciated:			
Buildings and building improvements	40,986,037	1,384,100	42,370,137
Machinery, equipment, and vehicles	2,868,709	65,939	2,934,648
Total capital assets being depreciated	43,854,746	1,450,039	45,304,785
Total capital assets	44,169,669	1,450,039	45,619,708

(Continued)

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
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Capital assets continued:

	Balance, beginning	Additions	Balance, ending
Less accumulated depreciation:			
Buildings and building improvements	(17,129,311)	(1,088,580)	(18,217,891)
Machinery, equipment, and vehicles	(2,188,839)	(121,757)	(2,310,596)
Total accumulated depreciation	(19,318,150)	(1,210,337)	(20,528,487)
Net book value, capital assets being depreciated	24,536,596	239,702	24,776,298
Net book value, all capital assets	\$24,851,519	\$ 239,702	\$ 25,091,221

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

Instruction	\$ 60,817
Support services:	
Operation and maintenance of plant	1,149,520
Total depreciation expense	\$ 1,210,337

NOTE 7 – INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances consisting of overdrafts in pooled cash and budgetary transfers at June 30, 2023 are as follows:

Receivable Fund	Payable Fund	Amount
General	Grants	\$ 158,395

Interfund transfers during the year ended June 30, 2023 are as follows:

	Transfers In:
	Nonmajor Fund
Transfers out:	
General fund	\$ 2,699

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

NOTE 8 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources at June 30, 2023 consist of the following:

	Governmental Activities
Amounts related to pensions, see Note 10	\$ 6,014,623
Amounts related to OPEB, see Note 11	193,971
Total deferred outflows of resources	\$ 6,208,594

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Deferred inflows of resources at June 30, 2023 consist of the following:

	Governmental Activities
Amounts related to pensions, see Note 10	\$ 178,785
Amounts related to OPEB, see Note 11	331,576
Total deferred inflows of resources	\$ 510,361

NOTE 9 – LONG-TERM LIABILITIES

Changes in the School District’s long-term liabilities consisted of the following for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year	Due In More Than One Year
Bond payable - direct placement	\$ 5,595,000	\$ -	\$ (1,770,000)	\$ 3,825,000	\$ 1,865,000	\$ 1,960,000
Notes payable - direct borrowing	28,980	-	(14,490)	14,490	14,490	-
Premium	137,280	-	(45,760)	91,520	45,760	45,760
Total bond/notes payable	5,761,260	-	(1,830,250)	3,931,010	1,925,250	2,005,760
Compensated absences	718,034	223,608	-	941,642	-	941,642
Pension related liability	17,714,217	6,212,367	-	23,926,584	-	23,926,584
Net other postemployment benefits	2,093,818	19,661	-	2,113,479	-	2,113,479
Total long-term liabilities	\$ 26,287,329	\$ 6,455,636	\$ (1,830,250)	\$ 30,912,715	\$ 1,925,250	\$ 28,987,465

Long-term bond/notes are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate	Outstanding at June 30, 2023
Bond payable - direct placement:					
School addition	\$ 25,484,800	2005	2025	3.0-5.0%	\$ 3,825,000
Notes payable - direct borrowing:					
12 Passenger Van	\$ 25,850	2019	2024	4.97%	\$ 6,463
2021 Polaris Ranger Plow	\$ 24,077	2022	2024	2.54%	8,027
Total direct borrowings					\$ 14,490

The annual requirements to amortize all general obligation bond/notes outstanding as of June 30, 2023, including interest payments, are as follows:

Fiscal Year Ending June 30,	Bond - Direct Placement			Notes - Direct Borrowing		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,865,000	\$ 106,439	\$ 1,971,439	\$ 14,490	\$ 1,134	\$ 15,624
2025	1,960,000	18,187	1,978,187	-	-	-
Totals	\$ 3,825,000	\$ 124,626	\$ 3,949,626	\$ 14,490	\$ 1,134	\$ 15,624

All debt is general obligation debt of the School District, which is backed by its full faith and credit, and will be repaid from general governmental revenues.

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
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NOTE 10 – DEFINED BENEFIT PENSION PLAN

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

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

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

Group II benefits are provided based on age, years of creditable service and benefit multiplier depending on vesting status as of 1/1/12. The maximum retirement allowance for Group II members vested by 1/1/12 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by 1/1/12 the benefit is calculated the same way but the multiplier used in the calculation will change depending on age and years of creditable service as follows:

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

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

Contributions – The System is financed by contributions from both the employees and the School District. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees are required to contribute 7% of earnable compensation. For fiscal year 2023, the School District contributed 19.48% for teachers and 13.75% for other employees. The contribution requirement for the fiscal year 2023 was \$2,455,631, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the School District reported a liability of \$23,926,584 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The School District’s proportion of the net pension liability was based on a projection of the School District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2022, the School District’s proportion was 0.42% which was an increase of 0.02% from its proportion measured as of June 30, 2021.

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
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For the year ended June 30, 2023, the School District recognized pension expense of \$2,915,237. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 931,775	\$ 86,935
Net difference between projected and actual investment earnings on pension plan investments	906,787	-
Changes in assumptions	1,272,703	-
Differences between expected and actual experience	449,059	91,850
Contributions subsequent to the measurement date	2,454,299	-
Total	\$ 6,014,623	\$ 178,785

The \$2,454,299 reported as deferred outflows of resources related to pensions results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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,	
2023	\$ 1,199,059
2024	1,046,720
2025	(269,302)
2026	1,405,062
Totals	\$ 3,381,539

Actuarial Assumptions – The collective total pension liability was determined by an actuarial performed as of June 30, 2020, rolled forward to June 30, 2021, using the following assumptions:

Inflation:	2.0% per year
Wage inflation:	2.75% per year (2.25% for Teachers)
Salary increases:	5.4% average, including inflation
Investment rate of return:	6.75% net of pension plan investment expense, including inflation

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

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

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

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
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Following is a table presenting target allocations and long-term rates of return for 2022:

Asset Class	Target Allocation	30 Year Geometric Return
Broad US Equity (1)	30.00%	7.60%
Global Ex-US Equity (2)	20.00%	7.90%
Total public equity	50.00%	
Real Estate Equity	10.00%	6.60%
Private Equity	10.00%	8.85%
Total private market equity	20.00%	
Private Debt	5.00%	7.25%
Core U.S. Fixed Income (3)	25.00%	3.60%
Inflation	0.00%	2.25%
Total	100.00%	7.30%

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

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2022	\$32,103,444	\$ 23,926,584	\$17,128,283

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 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

11-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 2022 Comprehensive Annual Financial Report, which can be found on the system’s website at www.nhrs.org.

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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 2022 were as follows:

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

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

Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2022, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2023, the School District contributed 1.54% for teachers and 0.31% for other employees. The contribution requirement for the fiscal year 2023 was \$175,763, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At June 30, 2023, the School District reported a liability of \$1,558,637 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The School District’s proportion of the net OPEB liability was based on a projection of the School District’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2022, the School District’s proportion was 0.41% which was an increase of 0.02% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized OPEB expense of \$150,378. At June 30, 2023, 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
Net difference between projected and actual investment earnings on OPEB plan investments	\$ 4,260	\$ -
Contributions subsequent to the measurement date	176,094	-
Total	<u>\$ 180,354</u>	<u>\$ -</u>

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
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The \$176,094 reported as deferred outflows of resources related to OPEB results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. 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,	
2023	\$ 708
2024	184
2025	(1,676)
2026	5,044
Thereafter	-
Totals	<u>\$4,260</u>

Actuarial Assumptions – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2021 and a measurement date of June 30, 2022. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Price inflation:	2.0% per year
Wage inflation:	2.75% per year (2.25% for Teachers)
Salary increases:	5.4% average, including inflation
Investment rate of return:	6.75% net of OPEB plan investment expense, including inflation
Health care trend rate:	Not applicable, given that the benefits are fixed stipends

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

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

Long-term Rates of Return – The long-term expected rate of return on OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2022:

Asset Class	Target Allocation	30 Year Geometric Return
Broad US Equity (1)	30.00%	7.60%
Global Ex-US Equity (2)	20.00%	7.90%
Total public equity	50.00%	
Real Estate Equity	10.00%	6.60%
Private Equity	10.00%	8.85%
Total private market equity	20.00%	
Private Debt	5.00%	7.25%
Core U.S. Fixed Income (3)	25.00%	
Inflation	0.00%	2.25%
Total	<u>100.00%</u>	7.30%

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
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Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2022 was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2022	<u>\$ 1,692,166</u>	<u>\$ 1,558,637</u>	<u>\$ 1,442,343</u>

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

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

11-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 District 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 District 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 District’s funding policy for the implicit rate subsidy is a pay-as-you-go basis.

Benefits Provided – The School District 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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Covered spouses	1
Active employees	<u>177</u>
Total participants covered by OPEB plan	<u><u>181</u></u>

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
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Total OPEB Liability – The School District’s total OPEB liability of \$554,842 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022. The School District 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 District 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:	3.65%
Healthcare Cost Trend Rates:	
Current Year Trend	7.50%
Second Year Trend	5.70%
Ultimate Trend	3.90%
Year Ultimate Trend is Reached	2075
Salary Increases:	2.50%

The discount rate used to measure the total OPEB liability was 3.65%. As of the June 30, 2023 measurement date, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments of current plan members. Therefore, the 3.65% 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 Morality Tables, projected with fully generational mortality improvement using scale MP-2019.

Post-Retirement - Healthy Retirees: 101% of PubG-2010 headcount-weighted Retiree General Morality Tables for males and 109% of PubG-201b headcount-weighted Retiree General Morality Tables for females, projected with fully generational mortality improvement using scale MP-2019.

Surviving spouses - PubG-2010 Contingent Survivor General Morality Tables, projected with fully generational mortality improvement using scale MP-2019.

Disabled Retirees - PubG-2010 Disabled General Morality Tables, projected with fully generational mortality improvement using scale MP-2019.

Changes in the Total OPEB Liability

	June 30,	
	2022	2023
Total OPEB liability beginning of year	\$ 778,865	\$ 535,978
Changes for the year:		
Service cost	39,851	26,486
Interest	17,459	19,557
Assumption changes and difference between actual and expected experience	(279,376)	(7,199)
Benefit payments	(20,821)	(19,980)
Total OPEB liability end of year	\$ 535,978	\$ 554,842

Sensitivity of the School District’s OPEB Liability to Changes in the Discount Rate – The July 1, 2022 actuarial valuation was prepared using a discount rate of 3.65%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$519,538 or by 6.36%. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$596,164 or by 7.45%.

	Discount Rate		
	1% Decrease	Baseline 3.65%	1% Increase
Total OPEB Liability	\$ 596,164	\$ 554,842	\$ 519,538

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Sensitivity of the School District's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The July 1, 2022 actuarial valuation was prepared using an initial trend rate of 7.5%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$629,736 or by 13.50%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$494,473 or by 10.88%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 7.50%	1% Increase
Total OPEB Liability	<u>\$ 494,473</u>	<u>\$ 554,842</u>	<u>\$ 629,736</u>

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the School District recognized OPEB expense of \$136,105. At June 30, 2023, 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	\$ 13,617	\$ 98,503
Differences between expected and actual experience	-	233,073
Total	<u>\$ 13,617</u>	<u>\$ 331,576</u>

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,	
2024	\$(105,857)
2025	(106,726)
2026	(75,521)
2027	(22,175)
2028	(7,392)
Thereafter	(288)
Totals	<u>\$ (317,959)</u>

NOTE 12 - ENCUMBRANCES

Encumbrances outstanding in the general fund at June 30, 2023 are as follows:

Current:	
Instruction:	
Regular programs	\$ 1,788
Special programs	29,889
Other	1,678
Total instruction	<u>33,355</u>
Support services:	
General administration	166
School administration	17,922
Operation and maintenance of plant	95,340
Student transportation	8,020
Total support services	<u>121,448</u>
Facilities acquisition and construction	16,071
Total encumbrances	<u>\$ 170,874</u>

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

NOTE 13 – GOVERNMENTAL ACTIVITIES NET POSITION

Net position reported on the government-wide Statement of Net Position at June 30, 2023 include the following:

	Governmental Activities
Net investment in capital assets:	
Net book value of all capital assets	\$ 25,091,221
Less:	
General obligation bond payable	(3,825,000)
Unamortized bond premium	(91,520)
Notes payable	(14,490)
Total net investment in capital assets	21,160,211
Restricted net position:	
Food service	216,720
Donations	30,923
Total restricted net position	247,643
Unrestricted	(19,160,551)
Total net position	\$ 2,247,303

NOTE 14 – GOVERNMENTAL FUND BALANCES

Governmental fund balances at June 30, 2023 consist of the following:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Prepaid items	\$ 29,233	\$ -	\$ 29,233
Inventory	-	11,684	11,684
Total nonspendable fund balance	29,233	11,684	40,917
Restricted:			
Food service	-	205,036	205,036
Donations	30,923	-	30,923
Total restricted fund balance	30,923	205,036	235,959
Committed:			
Expendable trust	918,394	-	918,394
Assigned:			
Encumbrances	170,874	-	170,874
District student activity accounts	7,515	-	7,515
Retained (RSA 198:4-b11)	100,000	-	100,000
Student activity fund	-	110,958	110,958
Total assigned fund balance	278,389	110,958	389,347
Unassigned	865,140	-	865,140
Total governmental fund balances	\$ 2,122,079	\$ 327,678	\$ 2,449,757

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

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 2023, the School District was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from July 1, 2022 to June 30, 2023 by Primex³, 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 District's property schedule on file with Primex³. 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 Primex³ 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 2022-23 the School District paid \$65,731 and \$73,591, respectively, to Primex for workers' compensation and property/liability. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

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

NOTE 16 – CONTINGENT LIABILITIES

There are various claims and suits pending against the School District which arose in the normal course of the School District's activities. In the opinion of management, the ultimate disposition of these various claims and suits will not have a material effect on the financial position of the School District.

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

NOTE 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 February 16, 2024, the date the June 30, 2023 financial statements were available to be issued, and noted no events occurred that require recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT E
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2023
Unaudited

Fiscal year-end	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
School District's: Proportion of the net pension liability	0.36%	0.37%	0.36%	0.37%	0.36%	0.39%	0.39%	0.40%	0.40%	0.42%
Proportionate share of the net pension liability	\$ 15,682,006	\$ 13,809,561	\$ 14,262,347	\$ 19,717,329	\$ 17,627,233	\$ 18,634,431	\$ 18,914,018	\$ 25,744,593	\$ 17,714,217	\$ 23,926,584
Covered payroll (as of the measurement date)	\$ 10,182,284	\$ 10,305,869	\$ 10,332,831	\$ 10,625,024	\$ 11,027,003	\$ 11,536,722	\$ 11,897,681	\$ 11,897,681	\$ 12,198,728	\$ 13,051,609
Proportionate share of the net pension liability as a percentage of its covered payroll	154.01%	134.00%	138.03%	185.57%	159.86%	161.52%	158.97%	216.38%	145.21%	183.32%
Plan fiduciary net position as a percentage of the total pension liability	66.32%	59.81%	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%	65.12%

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

EXHIBIT F
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Schedule of School District Contributions - Pensions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2023
Unaudited

Fiscal year-end	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Contractually required contribution	\$ 906,037	\$ 1,193,563	\$ 1,207,829	\$ 1,327,736	\$ 1,313,060	\$ 1,635,650	\$ 1,710,645	\$ 1,831,210	\$ 2,415,219	\$ 2,455,631
Contributions in relation to the contractually required contributions	906,037	1,193,563	1,207,829	1,327,736	1,313,060	1,635,650	1,710,645	1,831,210	2,415,219	2,455,631
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll (as of the fiscal year)	\$ 10,182,284	\$ 10,305,869	\$ 10,332,831	\$ 10,625,024	\$ 11,027,003	\$ 11,536,722	\$ 11,897,681	\$ 12,198,728	\$ 13,051,609	\$ 13,277,883
Contributions as a percentage of covered payroll	8.90%	11.58%	11.69%	12.50%	11.91%	14.18%	14.38%	15.01%	18.51%	18.49%

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

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

***Schedule of the School District's Proportionate Share of Net Pension Liability and
Schedule of School District Contributions – Pensions***

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

Changes in Assumptions – Salary increases changed from 5.4% to 5.6% in 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 E and F represent the actuarial determined costs associated with the School District's pension plan at June 30, 2023. 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.

EXHIBIT G
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of the Net Other Postemployment Benefits Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2023
Unaudited

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
School District's proportion of the net OPEB liability	0.46%	0.44%	0.35%	0.36%	0.39%	0.39%	0.41%
School District's proportionate share of the net OPEB liability (asset)	\$ 2,206,405	\$ 1,997,030	\$ 1,603,501	\$ 1,557,084	\$ 1,709,393	\$ 1,557,840	\$ 1,558,637
School District's covered pay roll (as of the measurement date)	\$10,625,024	\$11,027,003	\$11,536,722	\$11,897,681	\$11,897,681	\$12,198,728	\$13,051,609
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered pay roll	20.77%	18.11%	13.90%	13.09%	14.37%	12.77%	11.94%
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%

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

EXHIBIT H
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Schedule of School District Contributions - Other Postemployment Benefits
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2023

	<i>Unaudited</i>						
Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Contractually required contribution	\$ 264,830	\$ 258,870	\$ 154,916	\$ 162,083	\$ 192,426	\$ 173,683	\$ 175,763
Contributions in relation to the contractually required contribution	264,830	258,870	154,916	162,083	192,426	173,683	175,763
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll (as of the fiscal year)	\$ 10,625,024	\$ 11,027,003	\$ 11,536,722	\$ 11,897,681	\$ 12,198,728	\$ 13,051,609	\$ 13,277,883
Contributions as a percentage of covered payroll	2.49%	2.35%	1.34%	1.36%	1.58%	1.33%	1.32%

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

EXHIBIT I
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Schedule of Changes in the School District's Total Other Postemployment Benefits Liability and Related Ratios
For the Fiscal Year Ended June 30, 2023

	June 30,					
	2018	2019	2020	2021	2022	2023
OPEB liability, beginning of year	\$ 1,241,876	\$ 1,264,505	\$ 1,354,581	\$ 740,937	\$ 778,865	\$ 535,978
Changes for the year:						
Service cost	62,362	62,825	71,313	37,540	39,851	26,486
Interest	45,385	50,175	49,419	16,895	17,459	19,557
Changes to benefit terms	(72,984)	-	(133,344)	-	-	-
Assumption changes and difference between actual and expected experience	(12,134)	38,711	(573,222)	11,359	(279,376)	(7,199)
Benefit payments	-	(61,635)	(27,810)	(27,866)	(20,821)	(19,980)
OPEB liability, end of year	<u>\$ 1,264,505</u>	<u>\$ 1,354,581</u>	<u>\$ 740,937</u>	<u>\$ 778,865</u>	<u>\$ 535,978</u>	<u>\$ 554,842</u>
Covered payroll	<u>\$10,739,565</u>	<u>\$ 11,504,589</u>	<u>\$ 11,063,057</u>	<u>\$ 12,899,955</u>	<u>\$ 12,309,214</u>	<u>\$ 12,309,214</u>
Total OPEB liability as a percentage of covered payroll	11.77%	11.77%	6.70%	6.04%	4.35%	4.51%

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

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFITS LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

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

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

Changes in Assumptions – Salary increases changed from 5.4% to 5.6% in 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 G and H represent the actuarial determined costs associated with the School District’s other postemployment benefits at June 30, 2023. 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 District’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 changes from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023. In addition, the inflation rate and healthcare trend rates were updated in this valuation. A summary of the impact of the Total OPEB Liability (TOL) of each assumption change is provided below:

Decrease due to change in inflation assumption	\$ (5,000)
Decrease due to change in discount rate	<u>(15,000)</u>
Total	<u><u>\$ (20,000)</u></u>

As required by GASB Statement No. 75, Exhibit I represents the actuarial determined costs associated with the School District’s other postemployment benefits at June 30, 2023. 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.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 21,702,910	\$ 21,702,910	\$ -
Other local sources:			
Tuition	179,227	167,687	(11,540)
Investment earnings	4,000	73,601	69,601
Student activities	9,000	9,890	890
Miscellaneous	44,308	121,050	76,742
Total from other local sources	<u>236,535</u>	<u>372,228</u>	<u>135,693</u>
State sources:			
Adequacy aid (grant)	1,929,006	1,929,040	34
Adequacy aid (tax)	3,487,601	3,487,601	-
School building aid	944,839	944,839	-
Catastrophic aid	675,000	843,044	168,044
Vocational aid	12,000	14,277	2,277
Other state aid	-	166,388	166,388
Total from state sources	<u>7,048,446</u>	<u>7,385,189</u>	<u>336,743</u>
Federal sources:			
Medicaid	102,000	104,517	2,517
Other	102,500	93,261	(9,239)
Total from federal sources	<u>204,500</u>	<u>197,778</u>	<u>(6,722)</u>
Other financing sources:			
Transfers in	-	71	71
Total revenues and other financing sources	29,192,391	<u>\$ 29,658,176</u>	<u>\$ 465,785</u>
Use of fund balance to reduce school district assessment	358,667		
Use of fund balance - appropriated	50,000		
Total revenues, other financing sources, and use of fund balance	<u>\$ 29,601,058</u>		

See Independent Auditor's Report.

SCHEDULE 2
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
Instruction:					
Regular programs	\$ 12,075	\$ 7,600,963	\$ 7,369,180	\$ 1,788	\$ 242,070
Special programs	38,621	3,433,151	3,817,021	29,889	(375,138)
Vocational programs	-	317,300	242,450	-	74,850
Other programs	2,844	981,673	995,405	1,678	(12,566)
Adult and continuing education programs	-	127,876	116,574	-	11,302
Total instruction	<u>53,540</u>	<u>12,460,963</u>	<u>12,540,630</u>	<u>33,355</u>	<u>(59,482)</u>
Support services:					
Student	369	1,104,070	1,148,316	-	(43,877)
Instructional staff	160,562	1,260,913	1,375,548	-	45,927
General administration	109	73,351	144,034	166	(70,740)
Executive administration	-	946,099	946,099	-	-
School administration	8,713	974,473	994,157	17,922	(28,893)
Operation and maintenance of plant	105,531	2,138,098	2,219,668	95,340	(71,379)
Student transportation	29,861	1,276,846	1,299,228	8,020	(541)
Other	-	6,710,736	6,569,839	-	140,897
Total support services	<u>305,145</u>	<u>14,484,586</u>	<u>14,696,889</u>	<u>121,448</u>	<u>(28,606)</u>
Debt service:					
Principal of long-term debt	-	1,770,000	1,770,000	-	-
Interest on long-term debt	-	197,313	197,313	-	-
Total debt service	<u>-</u>	<u>1,967,313</u>	<u>1,967,313</u>	<u>-</u>	<u>-</u>
Facilities acquisition and construction	<u>276,494</u>	<u>510,000</u>	<u>731,917</u>	<u>16,071</u>	<u>38,506</u>
Other financing uses:					
Transfers out	<u>-</u>	<u>178,196</u>	<u>52,699</u>	<u>-</u>	<u>125,497</u>
Total appropriations, expenditures, other financing uses, and encumbrances	<u>\$ 635,179</u>	<u>\$ 29,601,058</u>	<u>\$ 29,989,448</u>	<u>\$ 170,874</u>	<u>\$ 75,915</u>

See Independent Auditor's Report.

SCHEDULE 3
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Major General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

Unassigned fund balance, beginning		\$ 358,667
Changes:		
Unassigned fund balance used to reduce school district assessment		(358,667)
Unassigned fund balance appropriated for use in 2022-2023		(50,000)
2022-2023 Budget summary:		
Revenue surplus (Schedule 1)	\$ 465,785	
Unexpended balance of appropriations (Schedule 2)	75,915	
2022-2023 Budget surplus	541,700	
Decrease in nonspendable fund balance		451,581
Increase in restricted fund balance		(28,141)
Decrease in committed fund balance		50,000
Increase in assigned (non-encumbrance) fund balance		(100,000)
Unassigned fund balance, ending		\$ 865,140

SCHEDULE 4
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2023

	Special Revenue Funds		Total
	Food Service	Student Activities	
ASSETS			
Cash and cash equivalents	\$ 221,617	\$ 110,958	\$ 332,575
Inventory	11,684	-	11,684
Total assets	<u>\$ 233,301</u>	<u>\$ 110,958</u>	<u>\$ 344,259</u>
LIABILITIES			
Accounts payable	\$ 16,346	\$ -	\$ 16,346
Accrued salaries and benefits	235	-	235
Total liabilities	<u>16,581</u>	<u>-</u>	<u>16,581</u>
FUND BALANCES			
Nonspendable	11,684	-	11,684
Restricted	205,036	-	205,036
Assigned	-	110,958	110,958
Total fund balances	<u>216,720</u>	<u>110,958</u>	<u>327,678</u>
Total liabilities and fund balances	<u>\$ 233,301</u>	<u>\$ 110,958</u>	<u>\$ 344,259</u>

See Independent Auditor's Report.

SCHEDULE 5
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023

	Special Revenue Funds		Total
	Food Service	Student Activities	
REVENUES			
Other local	\$ 453,045	\$ 252,243	\$ 705,288
State	5,696	-	5,696
Federal	200,031	-	200,031
Total revenues	<u>658,772</u>	<u>252,243</u>	<u>911,015</u>
EXPENDITURES			
Current:			
Instruction	-	253,965	253,965
Noninstructional services	635,408	-	635,408
Total expenditures	<u>635,408</u>	<u>253,965</u>	<u>889,373</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,364</u>	<u>(1,722)</u>	<u>21,642</u>
OTHER FINANCING SOURCES			
Transfers in	<u>2,699</u>	<u>-</u>	<u>2,699</u>
Net change in fund balances	26,063	(1,722)	24,341
Fund balances, beginning	190,657	112,680	303,337
Fund balances, ending	<u>\$ 216,720</u>	<u>\$ 110,958</u>	<u>\$ 327,678</u>

SCHEDULE 6
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Student Activity Funds
Combining Balance Sheet
June 30, 2023

	Student Activity Funds		
	High School	Adult Education	Total
ASSETS			
Cash and cash equivalents	\$ 110,666	\$ 292	\$ 110,958
FUND BALANCES			
Assigned	\$ 110,666	\$ 292	\$ 110,958

SCHEDULE 7
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Student Activity Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023

	Student Activity Funds		
	High School	Adult Education	Total
REVENUES			
Other local	\$ 252,243	\$ -	\$ 252,243
EXPENDITURES			
Current:			
Instruction	253,965	-	253,965
Net change in fund balances	(1,722)	-	(1,722)
Fund balances, beginning	112,388	292	112,680
Fund balances, ending	<u>\$ 110,666</u>	<u>\$ 292</u>	<u>\$ 110,958</u>

***INDEPENDENT AUDITOR'S REPORTS AND
SINGLE AUDIT ACT SCHEDULES***



PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

To the Members of the School Board
Winnacunnet Cooperative School District
Hampton, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Winnacunnet Cooperative School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Winnacunnet Cooperative School District's basic financial statements, and have issued our report thereon dated February 16, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Winnacunnet Cooperative School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Winnacunnet Cooperative School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Winnacunnet Cooperative School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Winnacunnet Cooperative School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Winnacunnet Cooperative School District
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance With Government Auditing Standards***

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Winnacunnet Cooperative School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Winnacunnet Cooperative School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 16, 2024
Concord, New Hampshire



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Professional Association



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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Members of the School Board
Winnacunnet Cooperative School District
Hampton, New Hampshire

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Winnacunnet Cooperative School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Winnacunnet Cooperative School District's major federal programs for the year ended June 30, 2023. The Winnacunnet Cooperative School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Winnacunnet Cooperative School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Winnacunnet Cooperative School District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Winnacunnet Cooperative School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Winnacunnet Cooperative School District's federal programs.

***Winnacunnet Cooperative School District
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance
Required by the Uniform Guidance***

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Winnacunnet Cooperative School District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Winnacunnet Cooperative School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Winnacunnet Cooperative School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Winnacunnet Cooperative School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Winnacunnet Cooperative School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Government Auditing Standards requires the auditor to perform limited procedures on the Winnacunnet Cooperative School District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Winnacunnet Cooperative School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

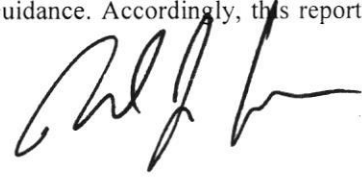
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

***Winnacunnet Cooperative School District
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance
Required by the Uniform Guidance***

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

February 16, 2024
Concord, New Hampshire



PLODZIK & SANDERSON
Professional Association

SCHEDULE II
Winnacunnet Cooperative School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through the State of New Hampshire Department of Education				
CHILD NUTRITION CLUSTER				
School Breakfast Program	10.553	N/A	\$ -	\$ 38,253
National School Lunch Program	10.555	N/A	-	126,353
COVID-19 - National School Lunch Program	10.555	N/A	-	35,425
<i>CLUSTER TOTAL</i>			-	200,031
U.S. DEPARTMENT OF EDUCATION				
Passed Through the State of New Hampshire Department of Education				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds				
School Security	21.027	20230819	-	1,684
<i>PROGRAM TOTAL</i>			-	1,684
Title I Grants to Local Educational Agencies:				
Title I Part A	84.010	20220255	-	108
Title I Part A	84.010	20230255	-	160,595
<i>PROGRAM TOTAL</i>			-	160,703
SPECIAL EDUCATION CLUSTER				
Special Education Grants to States:				
IDEA	84.027	20210863	-	46,243
IDEA	84.027	20220162	-	71,537
IDEA	84.027	20230707	-	137,581
COVID-19 - ARP - IDEA	84.027X	20220712	-	21,404
<i>CLUSTER TOTAL</i>			-	276,765
Education for Homeless Children and Youth				
McKinney-Vento Homeless Education	84.196	20220648	-	43,204
McKinney-Vento Homeless Education	84.196	20230443	-	59,245
<i>PROGRAM TOTAL</i>			-	102,449
English Language Acquisition State Grants:				
Title III	84.365	20204972	-	477
Title III	84.365	20211321	-	8,205
Title III	84.365	20220551	-	10,127
Title III	84.365	20230487	-	1,931
<i>PROGRAM TOTAL</i>			-	20,740
Supporting Effective Instruction State Grants:				
Title II Part A	84.367	20210911	-	334
Title II Part A	84.367	20220474	-	18,381
Title II Part A	84.367	20230584	-	31,666
<i>PROGRAM TOTAL</i>			-	50,381

(Continued)

The accompanying notes are an integral part of this schedule.

SCHEDULE II (Continued)
Winnacunnet Cooperative School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through the State of New Hampshire Department of Education				
Student Support and Academic Enrichment Program:				
Title IV A	84.424	20200487	-	2,114
Title IV A	84.424	20211764	-	22,908
Title IV A	84.424	20221112	-	18,231
Title IV A	84.424	20230440	-	17,098
<i>PROGRAM TOTAL</i>			-	60,351
COVID-19 - Education Stabilization Fund:				
ESSER I	84.425D	20200835	-	24
ESSER II	84.425D	20211593	-	164,340
ESSER III	84.425U	20220398	-	533,525
ARP - Homeless Children & Youth	84.425W	20221047	-	7,365
<i>PROGRAM TOTAL</i>			-	705,254
DIRECT FUNDING				
U.S. DEPARTMENT OF DEFENSE				
Marine Corp ROTC	12.U01	N/A	-	93,261
<i>PROGRAM TOTAL</i>			-	93,261
Total Expenditures of Federal Awards			\$ -	\$ 1,671,619

The accompanying notes are an integral part of this schedule.

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Winnacunnet Cooperative School District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Winnacunnet Cooperative School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Winnacunnet Cooperative School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The Winnacunnet Cooperative School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Food Donation

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities on the date received. For the fiscal year ended June 30, 2023, the value of food donations received was \$23,832.