WINNACUNNET COOPERATIVE SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

WINNACUNNET COOPERATIVE SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

		PAGES
	INDEPENDENT AUDITOR'S REPORT	1 - 2
	MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 12
	BASIC FINANCIAL STATEMENTS	
	Government-wide Financial Statements	
A	Statement of Net Position	13
B	Statement of Activities	14
	Fund Financial Statements	
	Governmental Funds	
C-1	Balance Sheet	15
C-2	Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	16
C-3	Statement of Revenues, Expenditures, and Changes in Fund Balances	17
C-4	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	18
	Budgetary Comparison Information	
D-1	Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund	19
D-2	Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (GAAP Basis) – Grants Fund	20
	NOTES TO THE BASIC FINANCIAL STATEMENTS	21 - 40
	REQUIRED SUPPLEMENTARY INFORMATION	
E	Schedule of the School District's Proportionate Share of Net Pension Liability	41
F	Schedule of School District Contributions - Pensions	42
	NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY	43
G	Schedule of the School District's Proportionate Share of Net Other Postemployment Benefits Liability	44
H	Schedule of School District Contributions – Other Postemployment Benefits	45
I	Schedule of Changes in the School District's Total Other Postemployment Benefits Liability and Related Ratios	46
	NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - OTHER POSTEMPLOYMENT BENEFITS LIABILITY	47
	COMBINING AND INDIVIDUAL FUND SCHEDULES	
	Governmental Funds	
	Major General Fund	
1	Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)	48
2	Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)	49
3	Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)	50
	Nonmajor Governmental Funds	
4	Combining Balance Sheet	51
5	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	52
	Student Activity Funds	
6	Combining Balance Sheet	53
7	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	54

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ANNUAL FINANCIAL REPORT

AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

TABLE OF CONTENTS

PAGES

SINGLE AUDIT ACT SCHEDULES AND INDEPENDENT AUDITOR'S REPORTS

INDEPENDENT AUDITOR'S 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 55

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE ..... 56 - 57

I Schedule of Findings and Questioned Costs 58

II Schedule of Expenditures of Federal Awards ..... 59 - 60

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 61

PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

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

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

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

The combining and individual fund schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules 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 January 27, 2022 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, 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 the Winnacunnet Cooperative School District's 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.

Sheryl A. Pratt, CPA

January 27, 2022

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, 2021

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, 2021. 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, 2021, was ($903,381). Net position decreased by ($536,058) or -145.94%, between July 1, 2020 and June 30, 2021. The District's total net position consisted of $17,822,471 in the net investment in capital assets, restricted net position of $8,559, and an unrestricted net position balance of ($18,734,411).

- The District's total liabilities of $37,071,747 consisted primarily of obligations (due in more than one year) for bonds totaling $7,463,040 and net pension liability $25,744,593.

  - During the year, the District's expenses totaled $29,858,511, with 41.99% for instruction ($12,540,231).

  - Total revenues were $29,322,453 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 95.98% of the District's revenue.

  - The fiscal year end balances for the governmental funds were categorized as follows:
    - Nonspendable = $12,716
    - Restricted= $8,559
    - Committed = $901,529
    - Assigned = $782,793
    - Unassigned = $1,621,685

  - Student enrollment increased by 49 students. Enrollment totaled 1,085 as of October 1, 2019 and 1,134 as of October 1, 2020.

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

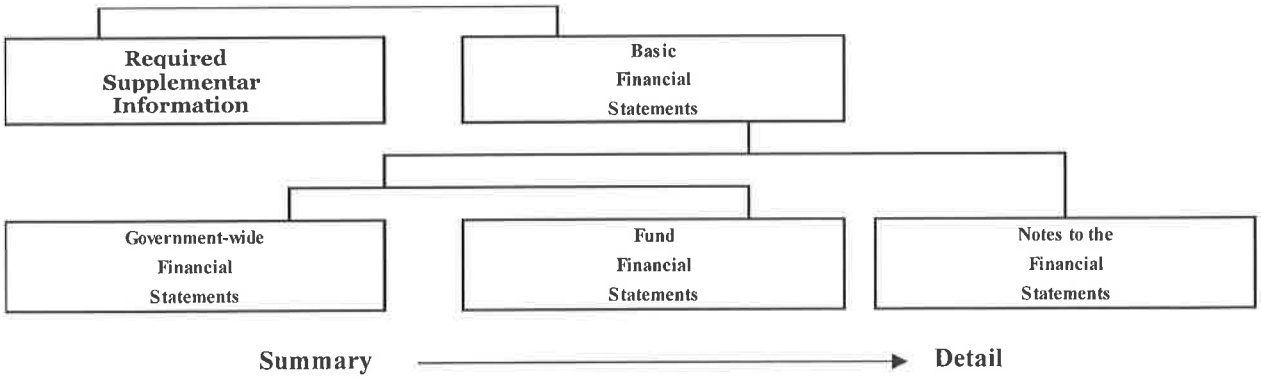


Figure 2

	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

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.

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 ($903,381) at June 30, 2021, an decrease of $536,058 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

	2021	2020 (as restated)	Change 2020-2021	% Change 2020-2021
Assets				
Current Assets	$ 3,795,610	$ 2,550,039	$ 1,245,571	48.85%
Capital Assets	25,304,900	25,988,733	(683,833)	-2.63%
Total Assets	29,100,510	28,538,772	561,738	1.97%
Deferred Outflows of Resources	7,933,241	3,848,421	4,084,820	106.14%
Liabilities				
Other Liabilities	575,118	382,360	192,758	50.41%
Long Term Liabilities	36,496,629	31,022,617	5,474,012	17.65%
Total Liabilities	37,071,747	31,404,977	5,666,770	18.04%
Deferred Inflows of Resources	865,385	1,349,539	(484,154)	-35.88%
Net Investment in Capital Assets	17,822,471	16,866,992	955,479	5.66%
Restricted Net Position	8,559	4,631	3,928	84.82%
Unrestricted Net Position	(18,734,411)	(17,238,946)	(1,495,465)	-8.67%
Total Net Position	$ (903,381)	$ (367,323)	$ (536,058)	-145.94%

Statement of Activities

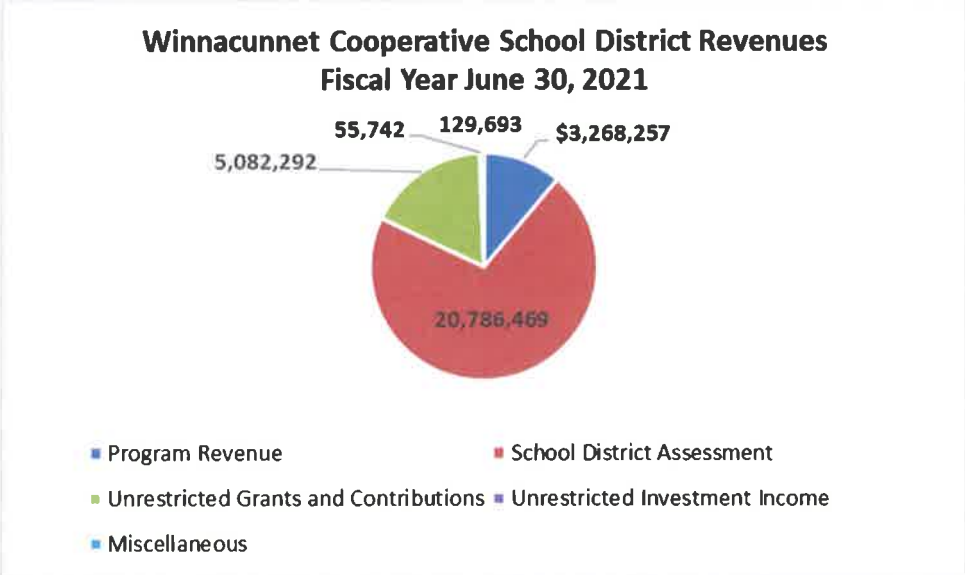
The District had total expenditures of $29.86 million with revenue of $29.32 million. 70.89% of the District's total revenues come from the school district assessment while 17.33% is derived from grants and contributions not restricted to specific programs. The District's expenses cover a range of services, the largest of which are school instruction (41.99% of total expenses) and support services (55.96% 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.

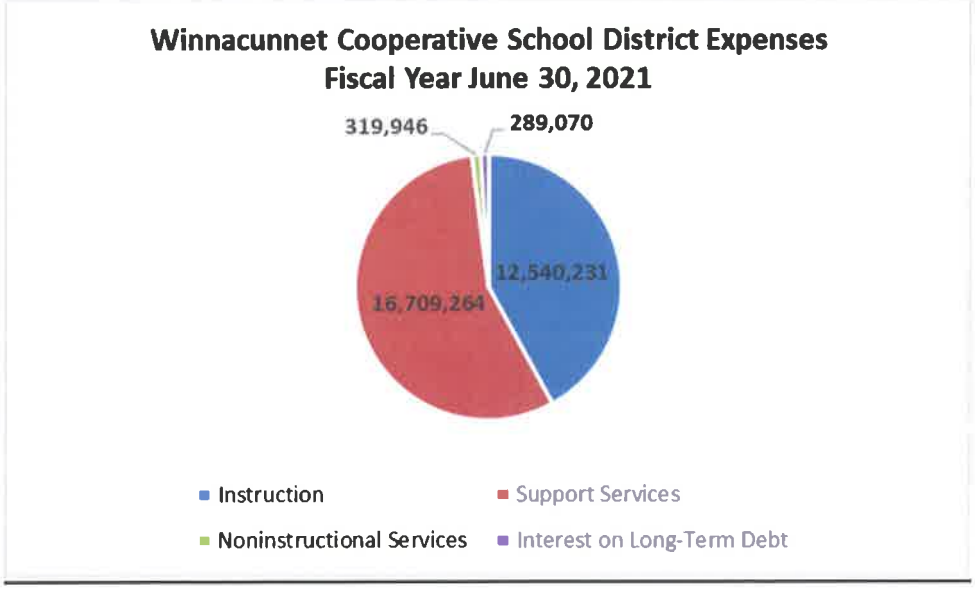
Winnacunnet Cooperative School District

Governmental Activities

Statement of Activities
Two Year Comparison

	June 30, 2021	June 30, 2020	Change	Change in %
Revenues				
Program Revenue				
Charges for Services	$ 190,549	$ 479,912	$ (289,363)	-60.30%
Operating Grants & Contributions	2,215,369	1,988,637	226,732	11.40%
Capital Grants & Contributions	862,339	824,839	37,500	4.55%
General Revenue				
School District Assessment	20,786,469	20,581,544	204,925	1.00%
Unrestricted Grants and Contributions	5,082,292	4,947,690	134,602	2.72%
Unrestricted Investment Income	55,742	37,412	18,330	48.99%
Miscellaneous	129,693	17,912	111,781	624.06%
Total Revenues	29,322,453	28,877,946	444,507	1.54%
Program Expenses				
Instruction	12,540,231	12,141,161	399,070	3.29%
Support Services:				
Student	1,049,466	1,004,566	44,900	4.47%
Instructional Staff	1,518,049	1,418,392	99,657	7.03%
General Administration	143,766	135,172	8,594	6.36%
Executive Administration	873,528	852,455	21,073	2.47%
School Administration	893,390	842,292	51,098	6.07%
Operation and Maintenance of Plant	3,096,181	2,955,633	140,548	4.76%
Student Transportation	940,252	790,004	150,248	19.02%
Other	8,194,632	6,493,790	1,700,842	26.19%
Noninstructional Services	319,946	637,295	(317,349)	-49.80%
Interest on Long-Term Debt	289,070	367,565	(78,495)	-21.36%
Total Expenses	29,858,511	27,638,325	2,220,186	8.03%
Change in Net Position	(536,058)	1,239,621	(1,775,679)	-143.24%
Prior Period Restatement	-	(29,914)	29,914	-100.00%
Net Positon, beginning	(367,323)	(1,577,030)	1,209,707	-76.71%
Net Position, ending	$ (903,381)	$ (367,323)	$ (536,058)	145.94%


Winnacunnet Cooperative School District Revenues
Fiscal Year June 30, 2021
55,742
129,693
$3,268,257
5,082,292
20,786,469
Program Revenue
School District Assessment
Unrestricted Grants and Contributions
Unrestricted Investment Income
Miscellaneous


Winnacunnet Cooperative School District Expenses
Fiscal Year June 30, 2021
319,946
289,070
12,540,231
16,709,264
Instruction
Support Services
Noninstructional Services
Interest on Long-Term Debt

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 $1,634,401.

The general fund is supported by $20.79 million from local assessments, $6.76 million from state sources, $417 thousand from federal sources, and a $306 thousand from other local sources. General fund expenditures are primarily for instruction ($11.98 million), support services ($14.26 million) and debt payments ($1.61 million).

COMMENTS ON GENERAL FUND BUDGET COMPARISONS

- General fund actual revenues totaling $28,322,935 exceeded budgeted revenues by $683,315 or 2.48%.
  - **Local sources** totaling $306,361 exceeded budget by $153,861 due to an increase in tuition and miscellaneous revenue.
  - **State sources** totaling $6,759,379 exceeded budget by $240,734 primarily due to an increase in special education aid and other state aid.
  - **Federal sources** totaling $417,220 exceeded budget by $288,720 due to an increase in Medicaid funding and stimulus funding.
- General fund expenditures, including encumbrances to the subsequent year, totaling $28,056,182 were less than appropriations totaling $29,002,645, including encumbrances from the prior year, by $946,463 (3.26%). Significant general fund budget variances occurred in these functions:
  - **Instruction** totaling $11,980,595 was under budget by $417,043 due to savings in salary accounts.
  - **Operation and maintenance of plant** totaling $2,571,779 was over budget by ($406,830) due to buildings accounts.
  - **Student transportation** totaling $949,706 was under budget by $152,770 due to savings in contracted, field trip, special education, athletics and other transportation.
  - **Other** totaling $5,765,231 was under budget by $460,494 due to savings in benefits.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

On June 30, 2021, the District reported capital assets of $25,304,900 (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 $525,146 during the year include:

Insulation in Gym	$9,735.96
Office Carpet	$7,677.79
Irrigation System	$24,800.00
Auditorium Speaker System	$76,516.00
HVAC	$231,910.00
Exterior Doors	$17,670.00
Bank Equipment	$47,757.97
Pole Vault Pit	$17,575.00
Hurdles	$9,195.00
High Jump Pit	$7,599.00
PowerEdge Server	$9,185.96
Batting Mat	$6,873.96
Floor Scrubber	$7,317.95
Lawn Mower	$12,588.42
Van	$25,850.00

Winnacunnet Cooperative School District
Governmental Activities
Capital Assets
Two Year Comparison

	Governmental Activities		Increase	% Increase
	2021	2020	(Decrease)	(Decrease)
Land	$ 314,923	$ 314,923	$ -	0.00%
Building & Building Improvements	40,416,612	40,048,302	368,310	0.92%
Machinery, Equipment & Vehicles	2,710,118	2,925,028	(214,910)	-7.35%
Total Historical Costs	43,441,653	43,288,253	153,400	0.35%
Total Accumulated Depreciation	(18,136,753)	(17,299,520)	(837,233)	4.84%
Net Capital Assets	$ 25,304,900	$ 25,988,733	$ (683,833)	-2.63%

Long-Term Debt

The table below illustrates the long-term debt of the District as of June 30, 2021. 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 2021 is noted, Note 10.

	Governmental Activities		Increase	% Increase
	2021	2020	(Decrease)	(Decrease)
General Obligation Bonds	$ 7,463,040	$ 9,113,800	$ (1,650,760)	-18.11%
Capital Lease	19,389	7,941	11,448	0.00%
Compensated Absences	781,349	688,837	92,512	13.43%
Net Pension Liability	25,744,593	18,914,018	6,830,575	36.11%
Net Other Postemployment Benefits	2,488,258	2,298,021	190,237	8.28%
Total Long Term Debt	$ 36,496,629	$ 31,022,617	$ 5,474,012	17.65%

FUTURE BUDGETARY IMPLICATIONS

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, Business Administrator 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, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 2,712,122
Other receivables	5,360
Intergovernmental receivable	1,065,412
Inventory	12,716
Capital assets, not being depreciated	314,923
Capital assets, net of accumulated depreciation	24,989,977
Total assets	29,100,510
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	7,673,064
Amounts related to other postemployment benefits	260,177
Total deferred outflows of resources	7,933,241
LIABILITIES	
Accounts payable	419,958
Accrued salaries and benefits	48,370
Accrued interest payable	106,790
Noncurrent obligations:	
Due within one year	1,737,223
Due in more than one year	34,759,406
Total liabilities	37,071,747
DEFERRED INFLOWS OF RESOURCES	
Amounts related to pensions	383,730
Amounts related to other postemployment benefits	481,655
Total deferred inflows of resources	865,385
NET POSITION	
Net investment in capital assets	17,822,471
Restricted	8,559
Unrestricted	(18,734,411)
Total net position	$ (903,381)

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, 2021

		Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	$ 12,540,231	$ 168,391	$ 1,814,524	$ -	$ (10,557,316)
Support services:					
Student	1,049,466	-	22,427	-	(1,027,039)
Instructional staff	1,518,049	-	100,735	-	(1,417,314)
General administration	143,766	-	69,638	-	(74,128)
Executive administration	873,528	-	-	-	(873,528)
School administration	893,390	-	-	-	(893,390)
Operation and maintenance of plant	3,096,181	1,910	-	-	(3,094,271)
Student transportation	940,252	-	-	-	(940,252)
Other	8,194,632	-	-	-	(8,194,632)
Noninstructional services	319,946	20,248	208,045	-	(91,653)
Interest on long-term debt	289,070	-	-	862,339	573,269
Total governmental activities	$ 29,858,511	$ 190,549	$ 2,215,369	$ 862,339	(26,590,254)

General revenues and contributions:	
School district assessment	20,786,469
Grants and contributions not restricted to specific programs	5,082,292
Interest	55,742
Miscellaneous	129,693
Total general revenues and contributions	26,054,196
Change in net position	(536,058)
Net position, beginning, as restated (see Note 15)	(367,323)
Net position, ending	$ (903,381)

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, 2021

	General	Grants	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 2,583,687	$ -	$ 128,435	$ 2,712,122
Receivables:				
Accounts	5,360	-	-	5,360
Intergovernmental	964,182	87,260	13,970	1,065,412
Interfund receivables	85,973	-	3,071	89,044
Inventory	-	-	12,716	12,716
Total assets	$ 3,639,202	$ 87,260	$ 158,192	$ 3,884,654
LIABILITIES				
Accounts payable	$ 396,433	$ -	$ 23,525	$ 419,958
Accrued salaries and benefits	43,706	1,287	3,377	48,370
Interfund payable	-	85,973	3,071	89,044
Total liabilities	440,139	87,260	29,973	557,372
FUND BALANCES (DEFICIT)				
Nonspendable	-	-	12,716	12,716
Restricted	8,559	-	-	8,559
Committed	901,529	-	-	901,529
Assigned	654,574	-	128,219	782,793
Unassigned (deficit)	1,634,401	-	(12,716)	1,621,685
Total fund balances	3,199,063	-	128,219	3,327,282
Total liabilities and fund balances	$ 3,639,202	$ 87,260	$ 158,192	$ 3,884,654

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, 2021

Total fund balances of governmental funds (Exhibit C-1)		$ 3,327,282
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	$43,441,653	
Less accumulated depreciation	(18,136,753)	
		25,304,900
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	$ 7,673,064	
Deferred inflows of resources related to pensions	(383,730)	
Deferred outflows of resources related to OPEB	260,177	
Deferred inflows of resources related to OPEB	(481,655)	
		7,067,856
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	$ (89,044)	
Payables	89,044	
		-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(106,790)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bond	$ 7,280,000	
Unamortized bond premium	183,040	
Capital lease	19,389	
Compensated absences	781,349	
Net pension liability	25,744,593	
Other postemployment benefits	2,488,258	
		(36,496,629)
Net position of governmental activities (Exhibit A)		$ (903,381)

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

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, 2021

	General	Grants	Other Governmental Funds	Total Governmental Funds
REVENUES				
School district assessment	$20,786,469	$ -	$ -	$20,786,469
Other local	436,531	-	100,450	536,981
State	6,759,379	57,349	4,559	6,821,287
Federal	417,220	565,276	195,220	1,177,716
Total revenues	28,399,599	622,625	300,229	29,322,453
EXPENDITURES				
Current:				
Instruction	11,946,322	429,825	69,967	12,446,114
Support services:				
Student	1,007,670	22,427	-	1,030,097
Instructional staff	1,406,122	100,735	-	1,506,857
General administration	74,128	69,638	-	143,766
Executive administration	867,084	-	-	867,084
School administration	890,300	-	-	890,300
Operation and maintenance of plant	2,123,921	-	-	2,123,921
Student transportation	940,252	-	-	940,252
Other	5,765,562	-	-	5,765,562
Noninstructional services	-	-	319,946	319,946
Debt service:				
Principal	1,605,000	-	-	1,605,000
Interest	363,932	-	-	363,932
Facilities acquisition and construction	313,254	-	-	313,254
Total expenditures	27,303,547	622,625	389,913	28,316,085
Excess (deficiency) of revenues over (under) expenditures	1,096,052	-	(89,684)	1,006,368
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	91,653	91,653
Transfers out	(91,653)	-	-	(91,653)
Capital lease	25,850	-	-	25,850
Total other financing sources (uses)	(65,803)	-	91,653	25,850
Net change in fund balances	1,030,249	-	1,969	1,032,218
Fund balances, beginning, as restated (see Note 15)	2,168,814	-	126,250	2,295,064
Fund balances, ending	$ 3,199,063	$ -	$ 128,219	$ 3,327,282

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, 2021

Net change in fund balances of total governmental funds (Exhibit C-3)		$ 1,032,218
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. Depreciation expense exceeded capital outlay expenditures in the current year, as follows:		
Capitalized capital outlay	$ 525,146	
Depreciation expense	(1,208,979)	
		(683,833)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	$ (91,653)	
Transfers out	91,653	
		-
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.		
Inception of capital lease	$ (25,850)	
Principal repayment of bond	1,605,000	
Amortization of bond premium	45,760	
Principal repayment of capital leases	14,402	
		1,639,312
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	$ 29,102	
Increase in compensated absences payable	(92,512)	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	(2,379,054)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	(81,291)	
		(2,523,755)
Change in net position of governmental activities (Exhibit B)		$ (536,058)

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, 2021

	Budgeted Amounts			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES				
School district assessment	$ 20,786,469	$ 20,786,469	$ 20,786,469	$ -
Other local	152,500	152,500	306,361	153,861
State	6,518,645	6,518,645	6,759,379	240,734
Federal	128,500	128,500	417,220	288,720
Total revenues	27,586,114	27,586,114	28,269,429	683,315
EXPENDITURES				
Current:				
Instruction	12,397,638	12,397,638	11,980,595	417,043
Support services:				
Student	1,010,495	1,010,495	1,011,112	(617)
Instructional staff	1,368,695	1,368,695	1,406,652	(37,957)
General administration	69,051	69,051	74,128	(5,077)
Executive administration	867,084	867,084	867,084	-
School administration	876,100	876,100	906,056	(29,956)
Operation and maintenance of plant	2,111,443	2,164,949	2,571,779	(406,830)
Student transportation	1,102,476	1,102,476	949,706	152,770
Other	6,225,725	6,225,725	5,765,231	460,494
Debt service:				
Principal	1,605,000	1,605,000	1,605,000	-
Interest	363,932	363,932	363,932	-
Facilities acquisition and construction	316,910	316,910	313,254	3,656
Total expenditures	28,314,549	28,368,055	27,814,529	553,526
Excess (deficiency) of revenues over (under) expenditures	(728,435)	(781,941)	454,900	1,236,841
OTHER FINANCING SOURCES (USES)				
Transfers in	-	53,506	53,506	-
Transfers out	(634,590)	(634,590)	(241,653)	392,937
Total other financing sources (uses)	(634,590)	(581,084)	(188,147)	392,937
Net change in fund balance	$ (1,363,025)	$ (1,363,025)	266,753	$ 1,629,778
Increase in restricted fund balance			(3,928)	
Decrease in committed fund balance			188,465	
Unassigned fund balance, beginning, as restated (see Note 15)			1,183,111	
Unassigned fund balance, ending			$ 1,634,401	

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, 2021

	Budgeted Amounts			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES				
State	$ -	$ 57,349	$ 57,349	$ -
Federal	-	565,276	565,276	-
Total revenues	-	622,625	622,625	-
EXPENDITURES				
Current:				
Instruction	-	429,825	429,825	-
Support services:				
Student	-	22,427	22,427	-
Instructional staff	-	100,735	100,735	-
General administration	-	69,638	69,638	-
Total expenditures	-	622,625	622,625	-
Net change in fund balance	$ -	$ -	-	$ -
Fund balance, beginning			-	
Fund balance, ending			$ -	

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, 2021

	NOTE
Summary of Significant Accounting Policies	1
Reporting Entity	1-A
Government-wide and Fund Financial Statements	1-B
Measurement Focus, Basis of Accounting, and Financial Statement Presentation	1-C
Cash and Cash Equivalents	1-D
Receivables	1-E
Inventory	1-F
Capital Assets	1-G
Interfund Activities	1-H
Accounts Payable	1-I
Deferred Outflows/Inflows of Resources	1-J
Long-term Obligations	1-K
Compensated Absences	1-L
Defined Benefit Pension Plan	1-M
Postemployment Benefits Other Than Pensions (OPEB)	1-N
Net Position/Fund Balances	1-O
Use of Estimates	1-P
Stewardship, Compliance, and Accountability	2
Budgetary Information	2-A
Budgetary Reconciliation to GAAP Basis	2-B

DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents	3
Receivables	4
Capital Assets	5
Interfund Balances and Transfers	6
Deferred Outflows/Inflows of Resources	7
Capital Lease Obligation	8
Long-term Liabilities	9
Defined Benefit Pension Plan	10
Postemployment Benefits Other Than Pensions (OPEB)	11
New Hampshire Retirement System (NHRS)	11-A
Retiree Health Benefit Program	11-B
Encumbrances	12
Governmental Activities Net Position	13
Governmental Fund Balances	14
Prior Period Adjustments	15
Risk Management	16
Contingent Liabilities	17
COVID-19	18
Subsequent Events	19

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 the GASB. The School District has no component units to include in its reporting entity.

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

1-B Government-wide and Fund Financial Statements

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

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

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

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

In the governmental fund financial statements, expenditures are reported by character: current, support services, debt services, facilities acquisition, and construction or noninstructional. Current expenditures are subclassified by function and are for items such as salaries, grants, supplies, and services. Debt service includes both interest and principal outlays related to bonds. 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,

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, 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. Inventorial items are recorded as expenditures when consumed at the schools (the consumption method). The nonspendable fund balance at the governmental fund level is equal to the amount of inventories at year-end to indicate the portion of the governmental fund balance that is nonspendable.

1-G Capital Assets

Capital assets are reported in the governmental activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation, if received on or before June 15, 2015. Donated capital assets received after June 15, 2015, are recorded at acquisition value. The School District has established a threshold of $5,000 per item 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.

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:	Years
Buildings and building improvements	15 - 80
Machinery, equipment, and vehicles	5 - 15

1-H Interfund Activities

Interfund activities are reported as follows:

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

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

1-I Accounts Payable

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

1-J Deferred Outflows/Inflows of Resources

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

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

1-K 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 classification to categorize the financial transaction:

> **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-L Compensated Absences

General leave for the School District includes vacation, sick, and vested 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-M 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-N 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.

1-O 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, 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-P 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.

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 School 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 2021, $1,213,025 of the beginning general fund unassigned fund balance was applied for this purpose. Additionally, $150,000 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)	$ 28,322,935
Adjustments:	
Basis differences:	
Capital lease inception	25,850
GASB Statement No. 54:	
Interest earnings related to the blended expendable trust funds	49,375
Other State and local revenue of the blended funds	80,795
To remove transfer from the blended expendable trust fund to the general fund	(53,506)
Per Exhibit C-3 (GAAP Basis)	$ 28,425,449
Expenditures and other financing uses:	
Per Exhibit D-1 (budgetary basis)	$ 28,056,182
Adjustments:	
Basis differences:	
Encumbrances, beginning	34,536
Encumbrances, ending	(650,532)
Capital lease inception	25,850
GASB Statement No. 54:	
To remove transfer from the general fund to the blended expendable trust funds	(150,000)
Other regular program expenditures of the blended funds	79,164
Per Exhibit C-3 (GAAP basis)	$ 27,395,200

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The School District's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held by the School District's agent in the School District's name. The FDIC currently insures the first $250,000 of the School District's deposits at each financial institution, per case custodian. Deposit balances over $250,000 are insured by collateral. As of year-end, the carrying amount of the School District's deposits was $2,712,122 and the bank balances totaled $3,423,751. Petty cash totaled $400.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2021, consisted of accounts and intergovernmental amounts arising from grants, school lunch program, restricted grants, and expendable trust funds held by the Town of 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 – CAPITAL ASSETS

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

	Balance, beginning	Additions	Retirements	Balance, ending
At cost:				
Not being depreciated:				
Land	$ 314,923	$ -	$ -	$ 314,923
Being depreciated:				
Buildings and building improvements	40,048,302	368,310	-	40,416,612
Machinery, equipment, and vehicles	2,925,028	156,836	(371,746)	2,710,118
Total capital assets being depreciated	42,973,330	525,146	(371,746)	43,126,730
Total capital assets	43,288,253	525,146	(371,746)	43,441,653
Less accumulated depreciation:				
Buildings and building improvements	(15,101,507)	(1,005,061)	-	(16,106,568)
Machinery, equipment, and vehicles	(2,198,013)	(203,918)	371,746	(2,030,185)
Total accumulated depreciation	(17,299,520)	(1,208,979)	371,746	(18,136,753)
Net book value, capital assets being depreciated	25,673,810	(683,833)	-	24,989,977
Net book value, all capital assets	$ 25,988,733	$ (683,833)	$ -	$ 25,304,900

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	$ 136,434
Support services:	
Operation and maintenance of plant	1,072,545
Total depreciation expense	$ 1,208,979

NOTE 6 – INTERFUND BALANCES AND TRANSFERS

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

Receivable Fund	Payable Fund	Amount
General	Grants	$ 85,973
Nonmajor	Nonmajor	3,071
		$ 89,044

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

	Transfers In:
	Nonmajor Fund
Transfers out:	
General fund	$ 91,653

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

NOTE 7 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources at June 30, 2021, consist of amounts related to pensions totaling $7,673,064 and amounts related to OPEB totaling $260,177. Deferred inflows of resources at June 30, 2021, consist of amounts related to pensions totaling $383,730 and amounts related to OPEB totaling $481,655. For further discussion on these amounts, see Notes 10 and 11, respectively.

NOTE 8 – CAPITAL LEASE OBLIGATION

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

	Standard Interest Rate	Present Value of Remaining Payments as of June 30, 2021
Capital lease obligations:		
12 passenger van	4.97%	$ 19,389

Leased equipment under capital lease, included in capital assets, is as follows:

	Governmental Activities
Vehicle:	
12 passenger van	$ 25,850
Less: accumulated depreciation	2,585
Total capital lease equipment	$ 23,265

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

Fiscal Year Ending June 30,	Governmental Activities
2022	$ 6,935
2023	6,935
2024	6,935
Total requirements	20,805
Less: interest	1,416
Present value of remaining payments	$ 19,389

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

NOTE 9 – LONG-TERM LIABILITIES

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

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year	Due In More Than One Year
Bond payable:						
Direct placement	$ 8,885,000	$ -	$ (1,605,000)	$ 7,280,000	$ 1,685,000	$ 5,595,000
Premium	228,800	-	(45,760)	183,040	45,760	137,280
Total bond payable	9,113,800	-	(1,650,760)	7,463,040	1,730,760	5,732,280
Capital lease	7,941	25,850	(14,402)	19,389	6,463	12,926
Compensated absences	688,837	92,512	-	781,349	-	781,349
Pension related liability	18,914,018	6,830,575	-	25,744,593	-	25,744,593
Net other postemployment benefits	2,298,021	190,237	-	2,488,258	-	2,488,258
Total long-term liabilities	$31,022,617	$ 7,139,174	$ (1,665,162)	$ 36,496,629	$ 1,737,223	$34,759,406

The long-term bond is comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate	Outstanding at June 30, 2021
Bond payable					
Direct placement:					
School addition	$25,484,800	2005	2025	3.0-5.0%	$ 7,280,000

The annual requirements to amortize the general obligation bond outstanding as of June 30, 2021, including interest payments, are as follows:

Fiscal Year Ending June 30,	Bond- Direct Placement		
	Principal	Interest	Total
2022	$ 1,685,000	$ 283,688	$ 1,968,688
2023	1,770,000	197,313	1,967,313
2024	1,865,000	106,439	1,971,439
2025	1,960,000	18,187	1,978,187
Totals	$ 7,280,000	$ 605,627	$ 7,885,627

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.

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 2021, the School District contributed 15.99% for teachers and 10.88% for other employees. The contribution requirement for the fiscal year 2021 was $1,831,210, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the School District reported a liability of $25,744,593 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2020, the School District's proportion was 0.40% which was an increase of 0.01% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized pension expense of $4,211,288. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	$ 1,007,643	$ 107,307
Net difference between projected and actual investment earnings on pension plan investments	1,592,331	-
Changes in assumptions	2,546,651	-
Differences between expected and actual experience	695,229	276,423
Contributions subsequent to the measurement date	1,831,210	-
Total	$ 7,673,064	$ 383,730

The $1,831,210 reported as deferred outflows of resources related to pensions results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2021	$1,200,094
2022	1,554,134
2023	1,426,371
2024	1,277,525
Thereafter	-
Totals	$5,458,124

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

Inflation:	2.0% per year
Wage inflation:	2.75% per year (2.25% for Teachers)
Salary increases:	5.6% average, including inflation
Investment rate of return:	6.75% net of pension plan investment expense, including inflation

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

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

Long–term Rates of Return – The long-term expected rate of return on pension plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2020:

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

Discount Rate – The discount rate used to measure the collective total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan's actuarial

funding policy as required by RSA 100-A:16. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Pension Plan investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2020	$33,328,770	$ 25,744,593	$19,547,315

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 2019 Comprehensive Annual Financial Report, which can be found on the system's website at www.nhrs.org.

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

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

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

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

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

Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lessor of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2020, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2021, the School District contributed 1.81% for teachers and 0.29% for other employees. The contribution requirement for the fiscal year 2021 was $192,426, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At June 30, 2021, the School District reported a liability of $1,709,393 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The School District's proportion of the net OPEB liability was based on a projection of the School District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2020, the School District's proportion was 0.39% which was an increase of 0.03% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized OPEB expense of $299,797. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	$ 19,299	$ -
Net difference between projected and actual investment earnings on OPEB plan investments	6,396	-
Changes in assumptions	10,991	-
Differences between expected and actual experience	-	4,953
Contributions subsequent to the measurement date	192,426	-
Total	$ 229,112	$ 4,953

The $192,426 reported as deferred outflows of resources related to OPEB results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2021	$ 25,821
2022	1,893
2023	2,257
2024	1,762
Thereafter	-
Totals	$ 31,733

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

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

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

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

Long–term Rates of Return – The long-term expected rate of return on OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2020:

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

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

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2020	$ 1,856,223	$ 1,709,393	$ 1,581,916

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. The benefits are provided through the New Hampshire Health Trust.

Employees Covered by Benefit Terms – At July 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	7
Active employees	160
Total participants covered by OPEB plan	167

Total OPEB Liability – The School District's total OPEB liability of $778,865 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019. The School District contract 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 of $778,865 in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	2.16%
Healthcare Cost Trend Rates:	
Current Year Trend	7.00%
Second Year Trend	6.55%
Ultimate Trend	4.00%
Year Ultimate Trend is Reached	2075
Salary Increases:	2.20%

The discount rate used to measure the total OPEB liability was 2.16%. The projection of cash flows used to determine the discount rate assumed that contributions from the School District will be made in accordance with the plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments of current plan members. Therefore, the 2.16% municipal bond rate was applied to all periods to determine the total OPEB liability.

Mortality rates were based on the following: *Pre-Retirement* – PubG-20210 headcount-weighted Employee General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019. *Post-Retirement* – Healthy Retirees 101% of PubG-2010 headcount weighted Retiree General Mortality Tables for males and 109% of PubG-2010 headcount weighted Retiree General Mortality Tables for females, projected with fully generational mortality improvement using scale MP-2019. *Surviving spouses* – PubG-2010 Contingent Survivor General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019. *Disabled Retirees* – PubG-2010 Disabled General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.

Changes in the Total OPEB Liability

	June 30,	
	2020	2021
Total OPEB liability beginning of year	$ 1,354,581	$ 740,937
Changes for the year:		
Service cost	71,313	37,540
Interest	49,419	16,895
Changes in benefit terms	(133,344)	-
Assumption changes and difference between actual and expected experience	(573,222)	11,359
Benefit payments	(27,810)	(27,866)
Total OPEB liability end of year	$ 740,937	$ 778,865

Sensitivity of the School District's OPEB Liability to Changes in the Discount Rate – The July 1, 2019, actuarial valuation was prepared using a discount rate of 2.16%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to $722,291 or by 7.26%. If the discount rate were 1% lower than what was used the OPEB liability would increase to $837,978 or by 7.59%.

	Discount Rate		
	1% Decrease	Baseline 2.16%	1% Increase
Total OPEB Liability	$ 837,978	$ 778,865	$ 722,291

Sensitivity of the School District's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The July 1, 2019, actuarial valuation was prepared using an initial trend rate of 7.00%. If the trend rate were 1% higher than what was used the OPEB liability would increase to $896,004 or by 15.04%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to $680,368 or by 12.65%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 7.00%	1% Increase
Total OPEB Liability	$ 680,368	$ 778,865	$ 896,004

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2021, the School District recognized OPEB expense of $2,000. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 31,065	$ 117,163
Differences between expected and actual experience	-	359,539
Total	$ 31,065	$476,702

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,	
2022	$ (96,580)
2023	(96,580)
2024	(95,869)
2025	(96,875)
2026	(60,747)
Thereafter	1,015
Totals	$ (445,636)

NOTE 12 - ENCUMBRANCES

Encumbrances outstanding in the general fund at June 30, 2021, are as follows:

Current:	
Instruction:	
Regular programs	$ 929
Special programs	29,438
Other	87,245
Total instruction	117,612
Support services:	
Student	3,621
Instructional staff	530
School administration	16,563
Operation and maintenance of plant	502,752
Student transportation	9,454
Total support services	532,920
Total encumbrances	$650,532

NOTE 13 – GOVERNMENTAL ACTIVITIES NET POSITION

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

	Governmental Activities
Net investment in capital assets:	
Net book value of all capital assets	$25,304,900
Less:	
General obligation bond payable	(7,280,000)
Unamortized bond premium	(183,040)
Capital lease payable	(19,389)
Total net investment in capital assets	17,822,471
Restricted net position:	
Donations	8,559
Unrestricted	(18,734,411)
Total net position	$ (903,381)

NOTE 14 – GOVERNMENTAL FUND BALANCES

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

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Inventory	$ -	$ 12,716	$ 12,716
Restricted:			
Donations	8,559	-	8,559
Committed:			
Expendable trust	901,529	-	901,529

(Continued)

Governmental fund balances continued:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assigned:			
Encumbrances	650,532	-	650,532
District student activity accounts	3,858	-	3,858
Athletic student activity account	184	-	184
Student activity fund	-	128,219	128,219
Total assigned fund balance	654,574	128,219	782,793
Unassigned (deficit):	1,634,401	(12,716)	1,621,685
Total governmental fund balances	$ 3,199,063	$ 128,219	$ 3,327,282

NOTE 15 – PRIOR PERIOD ADJUSTMENTS

Net position/fund balance at July 1, 2020, was restated for the following:

	Government-wide Statements	General Fund (GAAP Basis)	General Fund (Budgetary Basis)
To restate for uncollectible receivables	$ (29,914)	$ (29,914)	$ (29,914)
Net position/fund balance, as previously reported	(337,409)	2,198,728	1,213,025
Net position/fund balance, as restated	$ (367,323)	$ 2,168,814	$ 1,183,111

NOTE 16 – RISK MANAGEMENT

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

The New Hampshire Public Risk Management Exchange (Primex^3) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from July 1, 2020, to June 30, 2021 by Primex^3, which retained $2,000,000 of each workers' compensation loss, $500,000 of each liability loss, and $200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex^3 to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In fiscal year 2020-21 the School District paid $83,472 and $60,861, respectively, to Primex for workers' compensation and property/liability. At this time, Primex^3 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 17 – 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 18 – COVID-19

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

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

The CRF requires that the payment from these funds be used to cover expenses that: are necessary expenditures incurred due to the public health emergency with respect to COVID-19; were not accounted for in the most recently approved budget as of March 27, 2020; and were incurred during the period that begins March 1, 2020, and ends on December 31, 2021. The School District was awarded a portion of this Federal funding totaling $214,400 in the fall of 2020, through the Supplemental Public School Response Fund (SPSRF).

The ESR provided funds to the School District through the Elementary and Secondary School Emergency Relief Fund (ESSER). The objective of ESSER is to provide local education agencies with emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the nation. This funding was awarded to the School District under the ESSER I and II grants, with the School District expending $104,101 of this funding in the fiscal year 2021 and must be used for activities to prevent, prepare, and respond to the coronavirus.

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

NOTE 19 – 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 January 27, 2022, the date the June 30, 2021, financial statements were available to be issued, and noted no events occurred that require recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT E

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, 2021

Unaudited

Fiscal year-end	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
School District's:								
Proportion of the net pension liability	0.36%	0.37%	0.36%	0.37%	0.36%	0.39%	0.39%	0.40%
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
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
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%
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%

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, 2021
Unaudited

Fiscal year-end	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Contractually required contribution	$ 906,037	$ 1,193,563	$ 1,207,829	$ 1,327,736	$ 1,313,060	$ 1,635,650	$ 1,710,645	$ 1,831,210
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)
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
Contributions as a percentage of covered payroll	8.90%	11.58%	11.69%	12.50%	11.91%	14.18%	14.38%	15.01%

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, 2021

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

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, 2021. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

The following assumptions were changed in the current year:

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

Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year 2020:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	20 years beginning July 1, 2019 (30 years beginning July 1, 2009)
Asset Valuation Method	5-year smooth market for funding purposes
Price Inflation	2.0% per year
Wage Inflation	2.755% per year (2.25% for Teachers) in the 2007 valuation
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	2.45% per year
Investment Rate of Return	6.75% per year, net of investment expenses including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

Other Information:

Notes	The board has adopted new assumptions based on the 2015-2019 experience study effective for employer contributions in the 2022-23 biennium.

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, 2021
Unaudited

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
School District's proportion of the net OPEB liability	0.46%	0.44%	0.35%	0.36%	0.39%
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
School District's covered payroll (as of the measurement date)	$ 10,625,024	$ 11,027,003	$ 11,536,722	$ 11,897,681	$ 11,897,681
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	20.77%	18.11%	13.90%	13.09%	14.37%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%

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, 2021

Unaudited

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Contractually required contribution	$ 264,830	$ 258,870	$ 154,916	$ 162,083	$ 192,426
Contributions in relation to the contractually required contribution	(264,830)	(258,870)	(154,916)	(162,083)	(192,426)
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
Contributions as a percentage of covered payroll	2.49%	2.35%	1.34%	1.36%	1.58%

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, 2021

Unaudited

	June 30,			
	2018	2019	2020	2021
OPEB liability, beginning of year	$ 1,241,876	$ 1,264,505	$ 1,354,581	$ 740,937
Changes for the year:				
Service cost	62,362	62,825	71,313	37,540
Interest	45,385	50,175	49,419	16,895
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
Benefit payments	-	(61,635)	(27,810)	(27,866)
OPEB liability, end of year	$ 1,264,505	$ 1,354,581	$ 740,937	$ 778,865
Covered payroll	$10,739,565	$ 11,504,589	$ 11,063,057	$ 12,899,955
Total OPEB liability as a percentage of covered payroll	11.77%	11.77%	6.70%	6.04%

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

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

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

The following assumptions were changed in the current year:

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

Methods and Assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	Not applicable under statutory funding
Asset Valuation Method	5-year smooth market: 20% corridor
Price Inflation	2.0% per year
Wage Inflation	2.75% per year
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	2.45% per year
Investment Rate of Return	6.75% per year, net of OPEB plan investment expense, including inflation for determining solvency contributions
Funding Discount Rate	3.25% per year
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.
Health Care Trend Rates	Not applicable, given that benefits are fixed stipends.
Aging Factors	Not applicable, given that the benefits are fixed stipends.

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

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, 2021. 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, 2021

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	$ 20,786,469	$ 20,786,469	$ -
Other local sources:			
Tuition	135,500	149,441	13,941
Investment earnings	5,000	6,367	1,367
Miscellaneous	12,000	150,553	138,553
Total from other local sources	152,500	306,361	153,861
State sources:			
Adequacy aid (grant)	441,923	441,923	-
Adequacy aid (tax)	4,634,383	4,634,383	-
School building aid	862,339	862,339	-
Catastrophic aid	565,000	804,295	239,295
Vocational aid	15,000	10,453	(4,547)
Other state aid	-	5,986	5,986
Total from state sources	6,518,645	6,759,379	240,734
Federal sources:			
Medicaid	43,500	127,446	83,946
Other	85,000	289,774	204,774
Total from federal sources	128,500	417,220	288,720
Other financing sources:			
Transfers in	53,506	53,506	-
Total revenues and other financing sources	27,639,620	$ 28,322,935	$ 683,315
Use of fund balance to reduce school district assessment	1,213,025		
Use of fund balance - appropriated	150,000		
Total revenues, other financing sources, and use of fund balance	$ 29,002,645		

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, 2021

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
Instruction:					
Regular programs	$ 4,175	$ 7,119,913	$ 7,078,035	$ 929	$ 45,124
Special programs	-	3,953,312	3,496,615	29,438	427,259
Vocational programs	-	252,000	309,130	-	(57,130)
Other programs	-	953,069	875,507	87,245	(9,683)
Adult and continuing education programs	-	119,344	107,871	-	11,473
Total instruction	4,175	12,397,638	11,867,158	117,612	417,043
Support services:					
Student	179	1,010,495	1,007,670	3,621	(617)
Instructional staff	-	1,368,695	1,406,122	530	(37,957)
General administration	-	69,051	74,128	-	(5,077)
Executive administration	-	867,084	867,084	-	-
School administration	807	876,100	890,300	16,563	(29,956)
Operation and maintenance of plant	29,044	2,164,949	2,098,071	502,752	(406,830)
Student transportation	-	1,102,476	940,252	9,454	152,770
Other	331	6,225,725	5,765,562	-	460,494
Total support services	30,361	13,684,575	13,049,189	532,920	132,827
Debt service:					
Principal of long-term debt	-	1,605,000	1,605,000	-	-
Interest on long-term debt	-	363,932	363,932	-	-
Total debt service	-	1,968,932	1,968,932	-	-
Facilities acquisition and construction	-	316,910	313,254	-	3,656
Other financing uses:					
Transfers out	-	634,590	241,653	-	392,937
Total appropriations, expenditures, other financing uses, and encumbrances	$ 34,536	$ 29,002,645	$ 27,440,186	$ 650,532	$ 946,463

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, 2021

Unassigned fund balance, beginning, as restated (see Note 15)		$ 1,183,111
Changes:		
Unassigned fund balance used to reduce school district assessment		(1,213,025)
Unassigned fund balance appropriated for use in 2020-2021		(150,000)
2020-2021 Budget summary:		
Revenue surplus (Schedule 1)	$ 683,315	
Unexpended balance of appropriations (Schedule 2)	946,463	
2020-2021 Budget surplus		1,629,778
Increase in restricted fund balance		(3,928)
Decrease in committed fund balance		188,465
Unassigned fund balance, ending		$ 1,634,401

SCHEDULE 4
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2021

	Special Revenue Funds		
	Food Service	Student Activities	Total
ASSETS			
Cash and cash equivalents	$ 3,287	$ 125,148	$ 128,435
Intergovernmental receivable	13,970	-	13,970
Interfund receivable	-	3,071	3,071
Inventory	12,716	-	12,716
Total assets	$ 29,973	$ 128,219	$ 158,192
LIABILITIES			
Accounts payable	$ 23,525	$ -	$ 23,525
Accrued salaries and benefits	3,377	-	3,377
Interfund payable	3,071	-	3,071
Total liabilities	29,973	-	29,973
FUND BALANCES (DEFICIT)			
Nonspendable	12,716	-	12,716
Assigned	-	128,219	128,219
Unassigned (deficit)	(12,716)	-	(12,716)
Total fund balances	-	128,219	128,219
Total liabilities and fund balances	$ 29,973	$ 128,219	$ 158,192

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, 2021

	Special Revenue Funds		
	Food Service	Student Activities	Total
REVENUES			
Other local	$ 28,514	$ 71,936	$ 100,450
State	4,559	-	4,559
Federal	195,220	-	195,220
Total revenues	228,293	71,936	300,229
EXPENDITURES			
Current:			
Instruction	-	69,967	69,967
Noninstructional services	319,946	-	319,946
Total expenditures	319,946	69,967	389,913
Excess (deficiency) of revenues over (under) expenditures	(91,653)	1,969	(89,684)
OTHER FINANCING SOURCES			
Transfers in	91,653	-	91,653
Net change in fund balances	-	1,969	1,969
Fund balances, beginning	-	126,250	126,250
Fund balances, ending	$ -	$ 128,219	$ 128,219

SCHEDULE 6
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Student Activity Funds
Combining Balance Sheet
June 30, 2021

	Student Activity Funds		
	High School	Adult Education	Total
ASSETS			
Cash and cash equivalents	$ 124,856	$ 292	$ 125,148
Interfund receivable	3,071	-	3,071
Total assets	$ 127,927	$ 292	$ 128,219
FUND BALANCES			
Assigned	$ 127,927	$ 292	$ 128,219

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, 2021

	Student Activity Funds		
	High School	Adult Education	Total
REVENUES			
Other local	$ 71,936	$ -	$ 71,936
EXPENDITURES			
Current:			
Instruction	69,868	99	69,967
Net change in fund balances	2,068	(99)	1,969
Fund balances, beginning	125,859	391	126,250
Fund balances, ending	$ 127,927	$ 292	$ 128,219

SINGLE AUDIT ACT SCHEDULES AND INDEPENDENT AUDITOR'S REPORTS

PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

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

INDEPENDENT AUDITOR'S 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

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 the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2021, 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 January 27, 2022.

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 combination or 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Winnacunnet Cooperative School District's financial statements are free of 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*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sheryl A. Piatt, CPA

January 27, 2022

PLODZIK & SANDERSON
Professional Association

PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

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

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

Report on Compliance for Each Major Federal Program

We have audited the Winnacunnet Cooperative School District's compliance with the types of compliance requirements described 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, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Winnacunnet Cooperative School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Winnacunnet Cooperative School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Winnacunnet Cooperative School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Winnacunnet Cooperative School District complied, in all material respects, with the types of 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, 2021.

Report on Internal Control Over Compliance

Management of the Winnacunnet Cooperative School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Winnacunnet Cooperative School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Winnacunnet Cooperative School District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Sheryl A. Pratt, CPA

January 27, 2022

PLODZIK & SANDERSON
Professional Association

SCHEDULE I
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes __X__ no
- Significant deficiency(ies) identified? _____ yes __X__ none reported

Noncompliance material to financial statements noted? _____ yes __X__ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes __X__ no
- Significant deficiency(ies) identified? _____ yes __X__ none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes __X__ no

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies
84.027	Special Education – Grants to States

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee? _____ yes __X__ no

SECTION II - FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

SCHEDULE II
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total 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	$ -	$ 37,413
COVID-19 - School Breakfast Program	10.553	N/A	-	9,371
National School Lunch Program *(note 4)*	10.555	N/A	-	114,823
COVID-19 - National School Lunch Program	10.555	N/A	-	17,750
CLUSTER TOTAL			-	179,357
U.S. DEPARTMENT OF EDUCATION				
Passed Through the State of New Hampshire Department of Education				
Title I Grants to Local Educational Agencies:				
Title I	84.010	20200218	-	16
Title I	84.010	20210935	-	162,712
PROGRAM TOTAL			-	162,728
Special Education - Grants to States:				
IDEA	84.027	92504	-	33,661
Remote Learning	84.027	20193472	-	5,518
IDEA	84.027	202529	-	55,755
IDEA	84.027	20210863	-	118,753
PROGRAM TOTAL			-	213,687
Education for Homeless Children and Youth:				
McKinney-Vento Homeless Education	84.196	20200730	-	11,235
McKinney-Vento Homeless Education	84.196	20211110	-	46,352
PROGRAM TOTAL			-	57,587
Supporting Effective Instruction State Grants:				
Title II	84.367	20190075	-	1,491
Title II	84.367	20200075	-	746
Title II	84.367	20210911	-	1,338
PROGRAM TOTAL			-	3,575
Student Support and Academic Enrichment Program	84.424	20200487	-	5,146
COVID-19 - Education Stabilization Fund	84.425D	20200835	-	104,101
English Language State Acquisition Grants:				
Title III	84.365	20204972	3,864	4,068
Title III	84.365	20211321	1,456	1,456
Passed Through the Hampton School District, New Hampshire				
Title III	84.365	20190556	-	390
PROGRAM TOTAL			5,320	5,914
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through the State of New Hampshire Department of Education				
Every Student Succeeds Act/Preschool Development Grants	93.434	20210738		12,538

(Continued)

SCHEDULE II (Continued)
WINNACUNNET COOPERATIVE SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
DIRECT FUNDING				
U.S. DEPARTMENT OF DEFENSE				
Marine Corp ROTC	12.UNKNOWN	N/A		91,237
Total Expenditures of Federal Awards			$ 5,320	$ 835,870

WINNACUNNET COOPERATIVE SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Winnacunnet Cooperative School District under programs of the federal government for the year ended June 30, 2021. 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, 2021 the value of food donations received was $19,707.