ROSELLI, CLARK & ASSOCIATES
Certified Public Accountants

RCA
CPA

MONOMOY REGIONAL SCHOOL DISTRICT

Report on Examination of
Basic Financial Statements
and Additional Information
Year Ended June 30, 2020

MONOMOY REGIONAL SCHOOL DISTRICT

TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2020

	Page
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-9
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet – Governmental Funds	12
Reconciliation of Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	14
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	15
Statement of Net Position – Fiduciary Funds	16
Statement of Changes in Net Position – Fiduciary Funds	17
NOTES TO THE FINANCIAL STATEMENTS	18-39
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of the District's Proportionate Share of the Net Pension Liability	40
Schedule of the District's Contributions to Pension Plan	40
Schedule of the Commonwealth's Collective Share of Net Pension Liability - Massachusetts Teachers' Retirement System	41
Schedules of Changes in Net Other Postemployment Benefits Liability and Related Ratios	42
Schedules of OPEB Contributions	43
Schedule of Investment Returns – OPEB Plan	43
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	44
Notes to Required Supplementary Information	45

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INDEPENDENT AUDITORS' REPORT

Honorable School Committee and Superintendent
Monomoy Regional School District
Chatham, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Monomoy Regional School District, (the "District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the 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 the 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 of 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 those 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 purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Restatement of Prior Year Ending Balances

As more fully described in Note IV, a restatement of prior year ending net position balances was made to the District's governmental activities and the fund balance of governmental funds. Our opinion was not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, and the schedules listed under the required supplementary information section in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2021on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 District's internal control over the financial reporting and compliance.

Roselli, Clark & Associates
Certified Public Accountants
Woburn, Massachusetts
January 21, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of the Monomoy Regional School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with their review of the basic financial statements, notes to the basic financial statements and required supplementary information found in this report.

Financial Highlights

- The liabilities and deferred inflows of financial resources of the District exceeded its assets and deferred outflows of financial resources at the close of the most recent year by over ($32.6) million (total net deficit).

- The government's total net deficit increased by over $3.7 million, after restating the District's net other postemployment benefits liability.

- As of the close of the current fiscal year, the District's governmental funds balance sheet reported a combined ending fund balance surplus of nearly $6.1 million, which is almost $1.9 million greater than the prior year.

- Of the ending fund balance in the District's governmental funds, approximately $2.1 million is *available for spending* at the District's discretion as *unassigned fund balance.* The remainder is earmarked for specific expenditures.

- At the end of the current fiscal year, the unassigned fund balance for the general fund was less than 4.7% of the total general fund expenditures and the total general fund balance was approximately 7.3% of the total general fund expenditures.

- The District's long-term debt decreased $1.2 million during the fiscal year due to regularly scheduled maturities.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and

expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused sick leave and other postemployment benefits.)

The government-wide financial statements consist of those whose activities that are principally supported by assessments to users and intergovernmental revenue (*governmental activities*). The District does not maintain any *business-type activities*.

The governmental activities of the District include administration, instruction, other pupil services, operation and maintenance of schools, school tuitions and assessments, community services, and debt service.

Fund Financial Statements – A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds distinguish fund balance between amounts that are considered nonspendable, such as fund balance associated with inventories, and other amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

- Nonspendable —amounts that cannot be spent because they are either (a) not in spendable form (i.e., inventory or prepaid expenses) or (b) legally or contractually required to be maintained intact.
- Restricted—amounts constrained by external parties, constitutional provision, or enabling legislation
- Committed—amounts constrained by a government using its highest level of decision-making authority
- Assigned—amounts a government intends to use for a particular purpose
- Unassigned—amounts that are not constrained at all will be reported in the general fund

Governmental funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus *on near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliations are provided in the basic financial statements to help the reader understand the differences.

The District maintains many individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been included as required supplementary information for the general fund to demonstrate compliance with this budget.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs.

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.

Other Information In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and other postemployment benefits to its employees as well as the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund and notes to this schedule.

Government-wide Financial Analysis

The following tables presents the condensed comparative statements of net position:

	Governmental Activities	
	2020	2019
Assets		
Currrent and other assets	$ 8,970,500	$ 8,454,661
Capital assets, net	48,131,255	49,385,443
Total assets	57,101,755	57,840,104
Deferred Outflows of Financial Resources	17,346,211	6,068,751
Liabilities		
Other liabilities	3,147,612	4,529,715
Long-term liabilities	100,460,084	80,787,221
Total liabilities	103,607,696	85,316,936
Deferred Inflows of Financial Resources	3,454,385	4,115,768
Net Position		
Net investment in capital assets	26,006,755	25,920,881
Restricted	2,808,552	1,794,675
Unrestricted	(61,429,422)	(53,239,405)
Net Position	$ (32,614,115)	$ (25,523,849)

The following table presents the condensed comparative statements of activities are as follows:

	Governmental Activities	
	2020	2019 (a)
Revenues:		
Program revenues:		
Charges for services	$ 468,177	$ 891,218
Operating grants and contributions	11,265,174	9,355,038
General revenues:		
Assessments to member communities	35,782,301	34,820,076
Intergovernmental	3,874,031	3,864,328
Investment Income	97,693	106,799
Other	21,049	9,857
Total revenues	51,807,825	49,047,316
Expenses:		
Administration	1,666,776	1,522,007
Instructional	36,613,724	33,593,788
Other pupil services	4,739,163	4,580,143
Operations and maintenance	7,706,846	7,304,054
Tuitions and assessments	3,681,723	3,418,670
Community services	186,646	348,735
Interest expense	959,055	1,019,775
Total expenses	55,553,933	51,787,172
Change in net position	(3,746,108)	(2,739,856)
Net position – beginning of the year	(25,523,849)	(22,783,993)
Restatement for net OPEB liability	(3,344,158)	-
Net position, beginning of year, as restated	(28,868,007)	(22,783,993)
Net position – end of the year	$ (32,614,115)	$ (25,523,849)

(a) Prior year amounts were reclassified primarily due to the allocation of depreciation and employee benefits to the appropriate functions to be consistent with the current year presentation.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of financial resources exceeded assets and deferred outflows of financial resources by over ($32.6) million at the close of the most recent fiscal year (total net deficit).

By far, the largest portion (approximately $26.0 million) of the District's net position reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to

acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion (over $2.8 million) of the District's net position represents resources that are subject to external restriction on how they may be used.

The remaining net position balance consists of *unrestricted net position*, which is reflected as a negative balance (over $61.4 million). This has resulted from the recognition of the District's net pension and net other postemployment benefits liabilities which are significant. We expect the annual provision for this liability will continue to decrease unrestricted net position for the foreseeable future.

Governmental Activities – The governmental activities decreased net position by over $3.7 million, after a restatement for the net OPEB liability that further decreased net position by over $3.3 million. The decrease was due primarily to current year non-cash charges related to the District's net other postemployment benefits liability and net pension liability whose impact was $5.4 million combined. The decrease due to long-term liabilities was partially offset by positive results of $0.6 million in the general fund and $0.7 million in the School Choice fund.

Revenue from member community assessments increased nearly $1.0 million from the prior year and is mainly attributed to the increase in assessments to member communities which is based on student count per community and a statutory formula mandated by the Education reform Act. Operating grants and contributions increased $1.9 million primarily from a $1.5 million increase in State on-behalf payments for retired teachers' retirement benefits and an approximate increase of $0.3 million in state education aid. These increases were offset by a decrease in charges for services mainly from reduced collections for the last three months of the school year while pandemic closure measures were in place.

Expenses increased nearly $3.8 million, or 6.8%, primarily from a $3.0 million increase in instructional costs. The increase in instructional costs were primarily due to the $1.5 million increase in on-behalf payments for teacher retirement benefits. The remainder of the increase is attributed to increased expenses related to the net postemployment benefits liability and net pension liability. We expect volatility in expenses annually due to the pension and OPEB valuations being updated each year.

Fund-wide Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unrestricted fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the District's governmental funds balance sheet reported a combined ending fund balance of nearly $6.1 million, which represents an increase of under $1.9 million from the prior year balance. The District's general fund operating budget contributed $0.6 million to the increase as a similar about of net budget surpluses were realized due to reduced costs related to the pandemic related closure in the latter portion of the school year. Additionally, the School Choice major fund expended approximately $0.7 million less than the amount received from outside school districts. Finally, the nonmajor governmental funds balance increased nearly $0.4 million primarily due to

transportation reimbursement increases of nearly $0.2 million and the timing of federal and state grant payments.

The District's unassigned fund balance reported in the general fund was nearly $2.2 million (less than 4.7% of General Fund expenditures) and total fund balance was over $3.4 million (7.3% of General Fund expenditures). The District reported a deficit fund balance in the Capital Projects Major Fund of over $0.1 million. The District reported restricted fund balance of over $1.2 million in the School Choice Major Fund and nearly $1.6 million in the Combined Nonmajor Governmental Funds.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were minimal. A budget to actual schedule for the general fund has been provided as required supplementary information.

Capital Asset and Long-Term Financing Administration

Capital Assets – The District's investment in capital assets for its governmental activities as of June 30, 2020 amounts to over $48.1 million (net of accumulated depreciation). This investment in capital assets includes buildings and improvements, machinery and equipment, and vehicles. The depreciation of $1.6 million exceeded current year additions which lowered capital assets nearly $1.3 million.

Additional information on the District's capital assets can be found in Note II, subsection D.

Long-Term Debt – At the end of the current year, the District had total bonded debt outstanding of $22.0 million which is fully accounted for as general obligation bonds within the governmental activities. The District's long-term debt decreased over $1.2 million during the fiscal year due to regularly scheduled maturities. Additional information on the District's debt can be found in Note II under subsections E and F of this report.

Current Economic Issues Affecting the Budget

- Unfunded mandates continue to drain District resources both in unanticipated expenditures and increased administration time to implement the mandates. These include No Child Left Behind (NCLB), Massachusetts Comprehensive Assessment System (MCAS) remediation, Student Information Management System (SIMS) and End of Year (EOY) reporting as a few examples.

- The Chapter 70 funding formula has changed so that over the last five years there is more per pupil equity in the minimum contributions that the member Districts have to fund in their assessment. Member District minimum contributions shift, causing assessment increases in some communities and decreases in others but are more proportional to the student population. This shift is not a result of the District Agreement but rather a change in the Chapter 70 funding formula and the 'minimum' contributions required of the member Districts.

- The District has responded well financially, despite uncertainty in State and Federal Funding due to the ongoing pandemic. If state aid continues to be limited and communities continue to be hamstrung by levy limits, the Administration and District School Committee will be faced with challenges to continue providing quality academic education.

These factors, among others, were considered in preparing the District's budget for the 2021 fiscal year.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to the District's School Business Office at 425 Crowell Road, 2nd Floor, Chatham, MA 02633.

MONOMOY REGIONAL SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
Assets:	
Cash and cash equivalents	$ 8,823,784
Receivables, net of allowance:	
Intergovernmental receivables	146,716
Capital assets, net of accumulated depreciation	48,131,255
Total Assets	57,101,755
Deferred Outflows of Resources:	
Deferred outflows related to net pension liability	1,441,306
Deferred ouflows related to net other postemployment benefits liability	15,904,905
Total deferred ouflows of resources	17,346,211
Liabilities:	
Warrants and accounts payable	109,715
Accrued payroll and withholdings	2,649,111
Accrued interest	264,286
Bond anticipation notes payable	124,500
Noncurrent liabilities:	
Due in one year	1,176,046
Due in more than one year	99,284,038
Total Liabilities	103,607,696
Deferred Inflows of Resources:	
Deferred inflows related to net pension liability	1,033,068
Deferred inflows related to net other postemployment benefits liability	2,421,317
Total deferred inflows of liabilities	3,454,385
Net Position:	
Net investment in capital assets	26,006,755
Restricted:	
Federal and State grants	706,044
School choice	1,234,615
Revolving and other specific purposes	867,893
Unrestricted	(61,429,422)
Total Net Position	**$ (32,614,115)**

See accompanying notes to basic financial statements.

MONOMOY REGIONAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities:					
Administration	$ 1,666,776	$ -	$ -	$ -	(1,666,776)
Instructional	36,613,724	63,012	9,520,012	-	(27,030,700)
Other pupil services	4,739,163	274,523	1,179,524	-	(3,285,116)
Operations and maintenance	7,706,846	64,194	60,000	299,400	(7,283,252)
Tuitions and assessments	3,681,723	-	496,088	-	(3,185,635)
Community services	186,646	66,448	9,550	-	(110,648)
Interest expense	959,055	-	-	-	(959,055)
Total Governmental Activities	$ 55,553,933	$ 468,177	$ 11,265,174	$ 299,400	(43,521,182)
		General Revenues:			
		Member community assessments			35,782,301
		Grants and contributions not restricted to specific programs			3,874,031
		Unrestricted investment income			97,693
		Other revenues			21,049
		Total general revenues			39,775,074
		Change in Net Position			(3,746,108)
		Net Position:			
		Beginning of year, as restated (See Note IV)			(28,868,007)
		End of year			**$ (32,614,115)**

See accompanying notes to basic financial statements.

MONOMOY REGIONAL SCHOOL DISTRICT

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2020

	General	School Choice Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	$ 5,847,022	$ 1,234,615	$ -	$ 1,742,147	$ 8,823,784
Receivables, net of allowance					
Intergovernmental	-	-	-	146,716	146,716
Total Assets	5,847,022	1,234,615	-	1,888,863	8,970,500
Deferred Outflows of Resources:	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 5,847,022	$ 1,234,615	$ -	$ 1,888,863	$ 8,970,500
Liabilities:					
Warrants and accounts payable	$ 98,775	$ -	$ -	$ 10,940	$ 109,715
Accrued payroll and withholdings	2,345,125	-	-	303,986	2,649,111
Bond anticipation notes payable	-	-	124,500	-	124,500
Total Liabilities	2,443,900	-	124,500	314,926	2,883,326
Deferred Inflows of Resources:	-	-	-	-	-
Fund Balances:					
Restricted	-	1,234,615	-	1,573,937	2,808,552
Assigned	1,210,525	-	-	-	1,210,525
Unassigned	2,192,597	-	(124,500)	-	2,068,097
Total Fund Balances	3,403,122	1,234,615	(124,500)	1,573,937	6,087,174
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 5,847,022**	**$ 1,234,615**	**$ -**	**$ 1,888,863**	**$ 8,970,500**

See accompanying notes to basic financial statements.

MONOMOY REGIONAL SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Total Governmental Fund Balances		**$**	**6,087,174**
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			48,131,255
Deferred outflows and inflows of resources to be recognized in future fiscal years are not available resources and, therefore, are not reported in the funds:			
Deferred outflows related to pensions	1,441,306		
Deferred inflows related to pensions	(1,033,068)		
Deferred outflows related to other postemployement benefits	15,904,905		
Deferred inflows related to other postemployment benefits	(2,421,317)		
Net effect of reporting deferred outflows and inflows of resources			13,891,826
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the government funds:			
Bonds and notes payable	(22,000,000)		
Accrued interest	(264,286)		
Compensated absences	(760,459)		
Net other postemployment benefits liability	(66,218,474)		
Net pension liability	(11,481,151)		
Net effect of reporting long-term liabilities			(100,724,370)
Net Position of Governmental Activities		**$**	**(32,614,115)**

See accompanying notes to basic financial statements.

MONOMOY REGIONAL SCHOOL DISTRICT

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2020

	General	School Choice Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Assessments to member towns	$ 35,782,301	$ -	$ -	$ -	$ 35,782,301
Intergovernmental	11,928,972	1,350,699	-	1,847,140	15,126,811
Investment income	97,456	-	2	235	97,693
Contributions	-	-	-	311,794	311,794
Departmental and other	21,049	-	-	468,177	489,226
Total Revenues	47,829,778	1,350,699	2	2,627,346	51,807,825
Expenditures:					
Administration	1,055,177	-	-	-	1,055,177
Instructional	19,757,663	616,744	-	715,417	21,089,824
Other pupil services	2,370,267	-	-	682,898	3,053,165
Operations and maintenance	3,667,208	-	-	97,228	3,764,436
Employee benefits	14,298,454	-	-	9,480	14,307,934
Tuitions and assessments	3,262,343	-	-	419,380	3,681,723
Community services	-	-	-	186,646	186,646
Capital acquisitions	305,000	-	-	306,923	611,923
Debt Service:					
Principal	1,200,000	-	-	-	1,200,000
Interest	973,055	-	-	-	973,055
Total Expenditures	46,889,167	616,744	-	2,417,972	49,923,883
Excess (Deficiency) of Revenues Over Expenditures	940,611	733,955	2	209,374	1,883,942
Other Financing Sources (Uses):					
Transfers in	14,155	-	140,060	177,530	331,745
Transfers out	(317,590)	-	-	(14,155)	(331,745)
Total Other Financing Sources (uses) net	(303,435)	-	140,060	163,375	-
Net Change in Fund Balance	637,176	733,955	140,062	372,749	1,883,942
Fund Balances - Beginning of year, as restated (See Note IV)	2,765,946	500,660	(264,562)	1,201,188	4,203,232
Fund Balances - End of year	**$ 3,403,122**	**$ 1,234,615**	**$ (124,500)**	**$ 1,573,937**	**$ 6,087,174**

See accompanying notes to basic financial statements.

MONOMOY REGIONAL SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2020

		Total
Net Change in Fund Balances - Total Governmental Fund Balances		**$ 1,883,942**
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The net amounts are reflected here as reconciling items:		
Capital outlays	$ 366,771	
Depreciation expense	(1,620,959)	
Net effect of reporting capital assets		(1,254,188)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas these amounts are amortized in the Statement of Activities. The net amount presented here as a reconciling item represents the following differences:		
Repayment of bonds and notes	1,200,000	
Repayments of capital lease obligations	17,811	
Net effect of reporting long-term debt		1,217,811
In the Statement of Activities, interest is accrued on outstanding long-term debt; whereas in governmental funds interest is not reported until due. The net amount presented here as a reconciling item represents the difference in a accruals between this year and the prior year.		14,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Compensated absences	(249,782)	
Other postemployment benefits	(5,025,420)	
Pension benefits	(332,471)	
Net effect of reporting long-term liabilities		(5,607,673)
Change in Net Position of Governmental Activities		**$ (3,746,108)**

See accompanying notes to basic financial statements.

MONOMOY REGIONAL SCHOOL DISTRICT

FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2020

	Other Postemployment Benefits Trust Fund	Agency Funds
Assets:		
Cash and cash equivalents	$ -	$ 198,617
Investments	630,326	-
Total Assets	630,326	198,617
Liabilities:		
Warrants and accounts payable	-	17,343
Other liabilities	-	181,274
Total Liabilities	-	198,617
Net Position:		
Restricted for other postemployment benefits	630,326	-
Total Net Position	**$ 630,326**	**$ -**

See accompanying notes to basic financial statements.

MONOMOY REGIONAL SCHOOL DISTRICT

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2020

	Other Postemployment Benefits Trust Fund
Additions:	
Contributions:	
Employer contributions	$ 1,178,274
Total contributions	1,178,274
Investment income:	
Investment earnings	16,478
Management fees	(1,198)
Net investment earnings	15,280
Total Additions	1,193,554
Deductions:	
Benefits paid	1,078,274
Total Deductions	1,078,274
Change in Net Position	115,280
Net Position - Beginning	515,046
Net Position - Ending	**$ 630,326**

See accompanying notes to basic financial statements.

I. Summary of Significant Accounting Policies

The accompanying basic financial statements of the Monomoy Regional School District (the "District"); have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to state and local governments. GAAP is prescribed by the Governmental Accounting Standards Board ("GASB"), which is the primary standard-setting body for state and local government entities. The following is a summary of the more significant policies and practices used by the District:

A. Reporting Entity

The Monomoy Regional School District operates under a regional agreement as approved by the member communities in 2011. The District serves the Massachusetts coastal towns of Harwich and Chatham and provides preschool through Grade 12 academic services for the member communities.

Governance is thru an elected eight (8) member school committee, which is responsible for overseeing and controlling all aspects of public-school education within the community.

The District has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and/or significance of their relationship with the District are such that exclusion would cause the District's basic financial statements to be misleading or incomplete. There are no component units that meet the requirements for inclusion in the District's basic financial statements.

B. Government-Wide and Fund Financial Statements

The Government-Wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by member District assessments and intergovernmental revenues, are reported on this statement.

Separate financial statements are provided for governmental funds and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual government funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

Major Fund Criteria – Major funds must be reported if both of the following criteria are met:

1) The total assets and deferred outflows of resources, liabilities and deferred inflow of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and

2) The total assets and deferred outflows of resources, liabilities and deferred inflow of resources, revenues, or expenditures/expenses of the individual governmental fund or

enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Government-Wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Member District assessments are recognized as revenues in the year for which they are levied. State grants, local aid and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Member community assessments, state grants such as Chapter 70 and other items not restricted to specific programs are reported instead as *general revenues*.

The governmental fund financial statements are reported using *the current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e. 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. Expenditures are recorded when the related fund liability is incurred, except for interest on general long-term debt which is recognized when payment is due, certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Member District assessments are apportioned amongst capital and operating costs and are based on student population. Investment income associated with the current fiscal period is susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received and are recognized as revenue at that time.

The government reports the following major Governmental Funds:

General Fund - is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

School Choice Fund - is a revolving account authorized by Massachusetts General Laws, Chapter 76, section 12B, for the receipt of tuition from other school systems. The School District can expend from this revolving account for any educational purpose.

Capital Projects Fund – is used to account for all financial resources relating to the District's capital construction activities and other capital purchases.

Nonmajor Governmental Funds - consist of special revenue and capital project funds that are aggregated and presented in the Nonmajor Governmental Funds column on the Governmental Funds financial statements. The following describes the general use of these fund types:

Special Revenue Funds - are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes.

Fiduciary fund financial statements are reported using the *economic resources measurement focus* and use the *accrual basis of accounting*. Fiduciary funds are used to account for assets held in a trustee capacity and cannot be used to support the governmental programs.

The government reports the following fiduciary fund types:

Other Postemployment Benefits Trust Fund – is used to accumulate funds for future payments of other postemployment benefits for retirees such as health and life insurance.

Agency Funds - are used to account for assets held in a custodial capacity. Agency funds apply the accrual basis of accounting but do not have a measurement focus. The District's agency funds consist of student activity accounts.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Equity

Deposits and Investments – The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are recorded at fair value in accordance with GAAP.

Receivables – Various state and federal operating and capital grants are applied for and received annually. For non-expenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

Intergovernmental revenues are considered 100% collectible and therefore do not report an allowance for uncollectible accounts.

Inventories and Prepaid Items – Inventories, which are not material to the basic financial statements, are considered to be expenditures at the time of purchase. Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets – Capital assets, which include land, construction in progress, building and improvements, machinery, equipment and textbooks, and furniture, are reported in the Government-Wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

All purchases and construction costs in excess of $10,000 are capitalized at the date of acquisition or construction, respectively, with expected lives of greater than one year. 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.

Capital assets (excluding land and construction-in-process) are depreciated using the straight-line method over the following estimated useful lives:

Buildings and building improvements	20 - 40 years
Machinery, equipment and furnishings	5 - 10 years
Vehicles	5 - 7 years

Inter-fund Balances – Activity between funds that are representative of lending arrangements outstanding at the end of the fiscal year are referred to as either *due to/from other funds* or *advances to/from other funds*. All other outstanding balances between funds are reported as due to/from other funds.

Inter-fund Transfers– During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfer out in the individual fund statements.

Investment Income – Investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by state law.

Compensated Absences – It is the District's policy to permit employees to accumulate earned but unused vacation and sick benefits. Compensated absence liabilities related to governmental activities are normally paid from the funds reporting payroll and related expenditures. Amounts related to these benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in Governmental Funds only if they have matured.

Long-Term Obligations – Long-term debt is reported as liabilities in the government-wide statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bond anticipation notes payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, the face amount of the long-term debt issued is reported as other financing sources. Premiums received on a debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are exclusively reported as general government expenditures regardless of whether they are withheld from the actual proceeds.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two types of items that are reported on the government-wide statement of net position which relate to outflows from changes in the net pension liability and the net other postemployment benefit liability. The deferred pensions will be recognized in pension expense in future years as more fully described in Note III, subsection A. The deferred other postemployment benefits will be recognized in employee benefits expense in future years as more fully described in Note III, subsection C.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items which qualify for reporting in this category. These items are reported on the government-

wide statement of net position and relate to inflows from changes in the net pension liability and the net other postemployment benefit liability. The deferred pensions will be recognized in pension expense in future years as more fully described in Note III, subsection A. The deferred other postemployment benefits will be recognized in employee benefits expense in future years as more fully described in Note III, subsection C.

Net Position – In the government-wide financial statements, net position reported as "net investment in capital assets" includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital related debt.

Net position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific use. Net position has been *restricted for* the following:

> *Federal and State grants* represent assets that have restrictions placed on them from Federal and State granting agencies.
>
> *School Choice* represents restricted amounts received from the Commonwealth for tuitions from other school systems and which can be expended on any educational purpose as authorized by Massachusetts General Law, Chapter 76, section 12B.
>
> *Revolving and Other Purposes* represent amounts that can be spent only for specific purpose because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Fund Equity – In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily to the extent in which the District is required to honor constraints on the specific purpose for which amounts in the funds can be spent.

Fund balance is reported in five components – nonspendable, restricted, committed, assigned, and unassigned as described below:

> *Nonspendable* represents amounts that cannot be spent because they are either (a) not in spendable form (i.e. inventory or prepaid) or (b) legally or contractually required to be maintained intact.
>
> *Restricted* represents amounts that have constraints placed either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the District to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.
>
> *Committed* represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless this decision making authority removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

Assigned represents amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the School Committee. The District has by ordinance authorized the School Business Manager to assign fund balance. The School Committee may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unassigned represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned in that order) as they are needed.

The District has not established financial policies with respect to maintaining minimum fund balance amounts but must follow State regulations with respect to maximum balances it may maintain in its excess and deficiency account with a ceiling of 5% of operating budget.

The following table represents the fund equity categorizations:

	General	School Choice Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Restricted:					
Federal and State grants	$ -	$ -	$ -	$ 706,044	$ 706,044
Revolving funds	-	-	-	795,961	795,961
Gifts and other	-	-	-	71,932	71,932
School choice revolving	-	1,234,615	-	-	1,234,615
Assigned:					
Admininistrative	12,000	-	-	-	12,000
Instruction	34,128	-	-	-	34,128
Other pupil services	929	-	-	-	929
Operations and maintenance	39,158	-	-	-	39,158
Employee benefits	144,922	-	-	-	144,922
Subsequent years' budget	979,388	-	-	-	979,388
Unassigned	2,192,597	-	(124,500)	-	2,068,097
Totals	$ 3,403,122	$ 1,234,615	$ (124,500)	$ 1,573,937	$ 6,087,174

Stabilization Fund – The District maintains a stabilization fund which may be used for any municipal purpose upon two-thirds vote of the School Committee. The balance totaling $36,465 at June 30, 2020, is reported as unassigned fund balance in the general fund.

Encumbrances – The District's encumbrance policy regarding the general fund is to (1) classify encumbrances that arise from the issuance of purchase orders resulting from normal purchasing activity approved by the School Business Administrator as assigned, and (2) classify encumbrances that result from an action of the School Committee Meeting as committed. Encumbrances of funds already restricted or committed are included with the classification of those fund balances and not reported separately.

The District reports $231,137 of encumbrances from normal purchasing activity at June 30, 2020 as assigned in the general fund and does not report any encumbrances from School Committee Meeting votes. There are no encumbrances reported in any other fund.

E. Excess of Expenditures Over Appropriations and Deficits

During the fiscal year ended, there were no legal deficits. Legal deficits only occur when total expenditures exceed total appropriations and not by individual category.

At June 30, 2020, the District incurred a $124,500 deficit which is presented as unassigned fund balance in its Capital Projects major fund. This deficit will be funded from debt proceeds, grants or available funds in the future.

F. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

II. Detailed Notes to All Funds

A. Deposits and Investments

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "cash and cash equivalents".

State laws and regulations require the District to invest funds only in pre-approved investment instruments which include but are not necessarily limited to bank deposits, money markets, certificates of deposit, U.S. obligations, repurchase agreements, and State Treasurer's investment pool (the "Pool"). In addition, the statutes impose various limitations on the amount and length of investments and deposits. Repurchase agreements cannot be for a period of over ninety days, and the underlying security must be a United States obligation. During the fiscal year, the District did not enter into any repurchase agreements.

Custodial Credit Risk: Deposits - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk relative to cash holdings. At year-end, the carrying amount of the District's deposits was $9,022,401 and the bank balance of $9,326,281 was not exposed to custodial credit risk as it was covered by either federal depository insurance or by the depositors' insurance fund.

Custodial Credit Risk: Investments – In the case of investments, this is the risk that in the event of the invested party not being able to provide required payments to investors, ceasing to exist, or filing of bankruptcy, the District may not be able to recover the full amount of its principal investment and/or investment earnings. The District does not have a policy for custodial credit risk of investments.

Fair Value of Investments – The District reports its investments at fair value. When actively quoted observable prices are not available, the District generally uses either implied pricing from

similar investments or valuation models based on net present values of estimated future cash flows (adjusted as appropriate for liquidity, credit, market and/or other risk factors).

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability. The three levels of the hierarchy are as follows:

- *Level 1* – Inputs are quoted prices in active markets for identical investments at the measurement date.

- *Level 2* – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the investment through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

- *Level 3* – Inputs reflect the District's best estimate of what market participants would use in pricing the investment at the measurement date.

The District does not maintain any investments that are subject to the fair value hierarchy discussed above.

The remaining investments are not categorized under the fair value hierarchy are valued at either amortized cost or at net asset value ("NAV"). These are investments in non-governmental entities for which readily determinable fair value is not available, such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed. Investments at NAV are commonly calculated by subtracting the fair value of liabilities from the fair value of assets.

The District's investment in the Plymouth County Treasurer's Investment Pool [the Pool), totaling $630,326, is valued at amortized cost, which approximates fair value. The Pool's investment advisor may value the pool using an alternative valuation method that more accurately reflects the fair value in accordance with the pools fair value pricing policies should amortized cost not approximate the fair value of the pool.

Interest Rate Risk: Investments – Debt securities are subject to interest rate risk. Such securities may be adversely affected by changes in interest rates, which may negatively affect the fair value of individual debt instruments, through fair value losses arising from increasing interest rates. The District does not have a formal policy that limits investment maturities as means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk – The District does not place a limit on the amount that may be invested in any one issuer.

Credit Risk – The District has not adopted a formal policy related to credit risk.

B. Receivables

Receivables as of year-end for the District's individual major and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Intergovernmental	$ 146,716	$ -	$ 146,716
Total	$ 146,716	$ -	$ 146,716

C. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2020, are summarized as follows:

	Transfer In				
Transfer Out	General Fund	Capital Project Fund	Nonmajor Governmental Funds	Total	
General Fund	$ -	$ 140,060	$ 177,530	$ 317,590	(1)
Nonmajor Governmental Funds	14,155	-	-	14,155	(2)
Total	$ 14,155	$ 140,060	$ 177,530	$ 331,745	

(1) Transfer to capital projects for BAN paydown; transfer to nonmajor for regional transportation reserve

(2) Transfer to general fund to close out grant accounts and supplement the operating budget

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

		Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:					
Capital assets being depreciated:					
Buildings and improvements	*	55,294,039	169,423	-	55,463,462
Machinery and Equipment	*	5,173,829	197,348	-	5,371,177
Vehicles	*	82,486	-	-	82,486
Total capital assets being depreciated		60,550,354	366,771	-	60,917,125
Less accumulated depreciation for:					
Buildings and improvements	*	(6,222,813)	(1,456,961)	-	(7,679,774)
Machinery and Equipment	*	(4,899,962)	(150,399)	-	(5,050,361)
Vehicles	*	(42,136)	(13,599)	-	(55,735)
Total accumulated depreciation		(11,164,911)	(1,620,959)	-	(12,785,870)
Total capital assets being depreciated, net		49,385,443	(1,254,188)	-	48,131,255
Governmental activities capital assets, net		$ 49,385,443	$ (1,254,188)	$ -	$ 48,131,255

* Beginning balances were reclassified for the current year presentation.

Depreciation expense was charged to the operations and maintenance functional line item.

E. Temporary Debt

The District is authorized to borrow on a temporary basis to fund the following:

Current Operating Costs – Prior to the collection of revenues, expenditures may be financed through the issuance of revenue anticipation notes ("RANs").

Capital Projects and Other Approved Costs – Projects may be temporarily funded through the issuance of bond anticipation notes ("BANS") or grant anticipation notes ("GANs"). In certain cases, prior to the issuance of these temporary notes, the governing body must take the necessary legal steps to authorize the issuance of the general obligation bonds. Temporary notes may not exceed the aggregate amount of bonds authorized or the grant award amount.

Temporary notes are general obligations of the District and carry maturity dates not in excess of one year and are interest bearing and will be paid through future issuance of general obligation bonds.

The District had the following notes outstanding for the year ended June 30, 2020:

Type	Interest Rate	Maturity Date	Beginning Balance	Additions	Retirements	Ending Balance
BAN	2.80%	matured	$ 1,500,000	$ -	$ (1,500,000)	$ -
BAN	1.85%	10/16/20	-	124,500	-	124,500
Total Short Term Notes Payable			$ 1,500,000	$ 124,500	$ (1,500,000)	$ 124,500

F. Long-term Obligations

Bond and Note Indebtedness - The District issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and notes have been issued for both governmental activities. Additionally, the District incurs various other long-term obligations relative to associated personnel costs.

State law permits the District, under the provisions of Chapter 44, Section 10, to authorize indebtedness up to a limit of 5 percent of its equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." In addition, a District may authorize debt in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit

The following reflects the current year activity in the long-term liability accounts:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
Governmental Activities:					
Bond and note indebtedness	$ 23,200,000	$ -	$ (1,200,000)	$ 22,000,000	$ 1,100,000
Capital leases obligations	17,811	-	(17,811)	-	-
Compensated absences	510,677	300,850	(51,068)	760,459	76,046
Net other postemployment benefits liability *	51,306,868	22,008,599	(7,096,993)	66,218,474	-
Net pension liability	12,139,781	2,784,137	(3,442,767)	11,481,151	-
Total Governmental Activities	$ 87,175,137	$ 25,093,586	$(11,808,639)	$ 100,460,084	$ 1,176,046

*As restated. See Note IV.

The District's long-term liabilities will be liquidated from the general fund.

The following is a summary of outstanding long-term debt obligations for the year ended June 30, 2020:

Description of Issue	Interest Rate	Beginning Balance	Additions	Maturities	Ending Balance
Governmental Activities					
General Obligation Bonds	3.25 - 5.0%	$ 23,200,000	$ -	$ (1,200,000)	$ 22,000,000
Total Governmental Activities		$ 23,200,000	$ -	$ (1,200,000)	$ 22,000,000

Future Debt Payoffs - Payments on outstanding bonds and notes due in future years consist of the following:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2021	$ 1,100,000	$ 884,125	$ 1,984,125
2022	1,100,000	834,625	1,934,625
2023	1,100,000	779,625	1,879,625
2024	1,100,000	724,625	1,824,625
2025	1,100,000	669,625	1,769,625
2026-2030	5,500,000	2,604,250	8,104,250
2031-2035	5,500,000	1,571,625	7,071,625
2036-2040	5,500,000	498,438	5,998,438
Total	$ 22,000,000	$ 8,566,938	$ 30,566,938

Authorized and Unissued Debt – At June 30, 2020, the District had authorized and unissued debt totaling $34,076,685 for school construction.

III. Other Information

A. Retirement System

Plan Description – The District contributes to the Barnstable County Retirement Association (the System), a cost-sharing multiple-employer defined benefit pension plan established under Chapter 32 of the Commonwealth of Massachusetts General Laws (MGL) and administered by the Barnstable County Retirement Board. Stand-alone audited financial statements for the year ended December 31, 2019 were issued and may be obtained by writing to the Barnstable County Retirement Association, 750 Attucks Lane, Hyannis MA 02601.

Membership – Membership in the System as of December 31, 2019, was as follows:

Retired participants and beneficiaries receiving benefits	3,326
Inactive participants entitled to a return of their employee contributions	654
Inactive participants with a vested right to a deferred or immediate benefit	133
Active participants	4,799
Total	8,912

Benefit Terms – The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund directly. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

Membership in the System is mandatory for all full-time employees and non-seasonal, part-time employees who, in general, regularly work more than twenty hours per week. Members of the System do not participate in the federal Social Security retirement system.

Massachusetts contributory retirement system benefits are uniform from retirement system to retirement system. The System provides for retirement allowance benefits up to a maximum of 80% of a participant's highest three-year or five-year average annual rate of regular compensation, depending on the participant's date of hire. Benefit payments are based upon a participant's age, length of creditable service, level of compensation and job classification.

Contributions Requirements – The System has elected provisions of Chapter 32, Section 22D (as amended) of Massachusetts General Laws, which require that a funding schedule be established to fully fund the pension plan by June 30, 2040. Under provisions of this law, participating employers are assessed their share of the total retirement cost based on the entry age, normal actuarial cost method.

The District contributed $1,010,360 to the System in fiscal year 2020, which was the actuarially determined contribution requirement for the fiscal year and represented 21.41% of covered payroll.

Net Pension Liability – At June 30, 2020, the District reported a liability of $11,481,151 for its proportionate share of the net pension liability. The net pension liability was measured as of

December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020.

The District's proportion of the net pension liability is based on a projection of the District's long-term share of contributions to the System relative to the projected contributions of all employers. The District's proportion was approximately 1.528% at December 31, 2019.

Actuarial Valuation – The measurement of the System's total pension liability is developed by an independent actuary. The latest actuarial valuation was performed as of January 1, 2020 and included the following significant assumptions:

Investment rate of return	Full prefunding: 7.15% per year, net of investment expenses
Discount Rate	7.150%
Inflation	3.00%
Salary Increases	3.25%
Cost of Living Adjustment	3% of first $18,000
Pre-Retirement Mortality	RP-2014 Employee Mortality Table projected generationally with Scale MP - 2017
Post-Retirement Mortality	RP-2014 Healthy Annuitant Mortaility Table projected generationally with Scale MP-2017
Disabled Mortality	RP-2014 Healthy Annuitant Mortaility Table set forward one year projected generationally with Scale MP-2017

There was one significant change in assumption between fiscal year 2020 and 2019 which related to the decrease in discount rate from 7.375% to 7.15%.

Pension Expense – The District recognized $1,342,831 in pension expense in the statement of activities in fiscal year 2020.

Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2020, the 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
Differences between expected and actual earnings	$ -	$ 686,130
Changes in assumptions	1,334,762	-
Changes in proportion differences	106,544	-
Differences between expected and actual experience	-	96,776
Changes in proportion differences	-	250,162
	$ 1,441,306	$ 1,033,068

The deferred outflows of resources and deferred inflows of resources are expected to be recognized in the District's pension expense as follows:

Year Ended June 30,	Amount
2021	$ 32,173
2022	102,598
2023	336,685
2024	(173,461)
2025	110,243
Total	$ 408,238

Discount Rate – The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed plan member contributions were made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates and the member rate.

Based on those assumptions, the Retirement System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocations and best estimates of arithmetic real returns for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected Investment Rate of Return
Domestic Equity	21.00%	6.15%
International Equity	13.00%	6.78%
International Emerging M	5.00%	8.65%
Core fixed income	15.00%	1.11%
High Yield Fixed Income	8.00%	3.51%
Real Estate	10.00%	4.33%
Commodities	4.00%	4.13%
Hedge Fund, GTAA, Ris	11.00%	3.19%
Private Equity	13.00%	9.99%
	100.00%	
Real rate of return		5.375%

Sensitivity Analysis – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15% as well as the District's proportionate share of the net pension liability using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Discount Rate			
	Current Rate	1% lower	Current	1% greater
Net Pension Liability	7.150%	$ 15,098,298	$11,481,151	$8,442,331

B. Massachusetts Teachers' Retirement System

Teachers and certain administrative employees of the District's school department participate in the Massachusetts Teachers' Retirement System ("MTRS"), a cost-sharing multiple employer defined benefit pension plan. MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. Like the Retirement System, MTRS was established under Chapter 32 of Massachusetts General Laws. The Commonwealth's legislature has the authority to amend or modify the MTRS's funding policies.

The Commonwealth is a nonemployer contributor to the MTRS and is legally responsible by statute for all actuarially determined employer contributions and future benefit requirements of the MTRS. Therefore, the District is considered to be in a special funding situation as defined by GASB Statement No. 68, Accounting and Financial Reporting for Pensions.

For the year ended June 30, 2020, (measured as of June 30, 2019) the Commonwealth contributed $3,461,285 to the MTRS on behalf of the District. The District's proportionate share of the collective MTRS net pension liability at this reporting date was 0.239749%, which was based on the actual, actuarially determined contribution made by the Commonwealth on behalf of the District as a percentage of the total annual contribution made by the Commonwealth on behalf of all employers.

The table below presents the District's proportionate share of the following:

	Commonwealth Portion	Paid (or assumed) On Behalf of the District	District Portion
Net Pension Liability	$ 60,450,445	$ 60,450,445	$ -
Pension Expense	7,330,666	7,330,666	-

The District recognized $7,330,666 in intergovernmental revenue and pension expense relative to this arrangement.

C. Other Postemployment Benefits

The District administers a single employer defined benefit healthcare plan (the "OPEB Plan"). The OPEB Plan provides health, dental and life insurance benefits (other postemployment benefits) to current and future retirees, their dependents and beneficiaries in accordance with Section 20 of Massachusetts General Law Chapter 32B.

Specific benefit provisions and contribution rates are established by collective bargaining agreements, state law and District ordinance. All benefits are provided through the District's premium-based insurance program. The OPEB Plan does not issue a stand-alone financial report and is presented as a fiduciary fund in the District's financial statements.

OPEB Plan disclosures that impact the District's net OPEB liability using a measurement date of June 30, 2020, are summarized as follows:

Employees Covered by Benefit Terms – The following employees were covered by the benefit terms as of the July 1, 2018 actuarial valuation date:

Active employees	273
Inactive employees	115
Total	388

Contributions – The contribution requirements of Plan members and the District are established and may be amended by the District, through negotiation with the District employee unions. Retirees contribute 30 percent of the calculated contribution through pension benefit deductions. The remainder of the cost is funded by the District. The District currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis plus additional contributions which vary annually. The costs of administering the Plan are paid by the District. For the year ended June 30, 2020, the District's average contribution rate was 6.4% of covered payroll.

Net OPEB Liability – The District's net OPEB liability was measured as of June 30, 2020, using an actuarial valuation as of June 30, 2020. The components of the net OPEB liability of the District were as follows:

Total OPEB Liability	$ 66,848,800
Plan fiduciary net position	(630,326)
Net OPEB liability	$ 66,218,474
Plan fiduciary net position as a percentage of the total OPEB liability	0.9%

The total OPEB liability in the most recent actuarial valuation was determined using the following key actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	7.00%
Discount Rate	2.21%
Inflation	3.25%
Health Care Trend Rate	7.00% > 4.50%
Salary Increases	3.25%
Pre-Retirement Mortality	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2017 for males and females Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females
Post-Retirement Mortality	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2017 for males and females Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females
Disabled Mortality	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2017 for males and females, set forward 1 year Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally set forward 4 years with scale BB2D from 2014
Actuarial Cost Method	Individual Entry Age Normal

Discount Rate – The discount rate used to measure the total OPEB liability was 2.21%. The only key change in assumptions from the prior year was the decrease of this discount rate from 3.50%.

Long Term Expected Rate of Return – The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return were as reflected in the following table and are part of the District's OPEB investment policy:

Asset Class	Target Allocation	Expected Investment Rate of Return
Domestic Equity	20.00%	6.15%
International developed markets equ	20.00%	6.78%
International emerging markets equi	5.00%	8.65%
Core fixed income	10.00%	1.11%
High yield fixed income	10.00%	3.51%
Real estate	10.00%	4.33%
Commodities	10.00%	4.13%
Hedge fund, GTAA, Risk parity	10.00%	3.19%
Private equity	5.00%	9.99%
	100.00%	

Sensitivity Analyses – The following presents the District's net OPEB liability as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate as well as if the healthcare cost trend rates are 1% lower or higher than the current healthcare cost trend rates:

	Discount Rate			
	Current Rate	1% lower	Current	1% greater
Net OPEB Liability	2.21%	$ 79,631,703	$ 66,218,474	$ 55,731,943

	Health Care Rate			
	Current Rate	1% lower	Current	1% greater
Net OPEB Liability	7.00% > 4.50%	$ 53,677,542	$ 66,218,474	$ 82,871,382

Changes in the Net OPEB Liability – The following table summarizes the changes in the net OPEB liability:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2019	$51,821,914	$ 515,046	$ 51,306,868
Changes for the year:			
Service cost	2,386,125	-	2,386,125
Interest	1,866,617	-	1,866,617
Changes in assumptions	12,189,418	-	12,189,418
Differences between actual and expected experience	(337,000)	-	(337,000)
Employer contributions	-	1,178,274	(1,178,274)
Investment income		15,280	(15,280)
Benefit payments withdrawn from trust	-	(1,078,274)	1,078,274
Benefit payments	(1,078,274)	-	(1,078,274)
Net changes	15,026,886	115,280	14,911,606
Balances at June 30, 2020	$66,848,800	$ 630,326	$ 66,218,474

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – The District recognized OPEB expense of $6,103,694.

Deferred outflows of resources and deferred inflows of resources related to OPEB were reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 13,628,051	$ 2,421,317
Net differences between projected and actual investment earnings	15,503	
Differences between actual and expected experience	2,261,351	-
	$ 15,904,905	$ 2,421,317

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

June 30	
2021	$ 1,890,504
2022	1,892,216
2023	1,895,216
2024	1,893,950
2025	2,494,425
thereafter	3,417,277
	$ 13,483,588

OPEB Plan disclosures that impact the District's net OPEB liability under GASB 74 as of June 30, 2020, are summarized in this section except disclosures under GASB 74 that are identical to GASB 75 are not repeated.

Investment Custody – In accordance with Massachusetts General Laws, the District Treasurer is the custodian of the OPEB Plan and since the District has not designated a Board of Trustees, the District Treasurer is also the Trustee and as such is responsible for the general supervision of the management, investment and reinvestment of the OPEB Plan assets. OPEB Plan assets may be invested and reinvested by the custodian consistent with the prudent investor rule established in Chapter 203C and may, with the approval of the State Retiree Benefits Trust Fund Board of Trustees, be invested in the State Retiree Benefits Trust Fund established in Section 24 of Chapter 32A. OPEB Plan assets must be segregated from other funds and not be subject to the claims of any general creditor of the District.

Investment Rate of Return – For the year ended June 30, 2020 the annual money-weighted rate of return on investments, net of investment expense, was 2.67%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Risk Financing

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

The Town participates in a health insurance risk pool administered by the Cape Cod Municipal Health Group (the Group). The Group offers a variety of premium based health plans to its members with each participating governmental unit charged a premium for coverage based on rates established by the Group. In the event the Group is terminated, the District would be obligated to pay its proportionate share of a deficit, should one exist.

E. Contingencies

The District is party to certain legal claims, which are subject to many uncertainties, and the outcome of individual litigation matters is not always predictable with assurance. Although the amount of liability, if any, at June 30, 2020, cannot be determined, management believes that any resulting liability, if any, should not materially affect the basic financial statements of the District at June 30, 2020.

Grant Compliance - Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

F. Implementation of New GASB Pronouncements

Current Year Implementations –

None

Future Year Implementations

In January 2017, the GASB issued GASB Statement No. 84, *Fiduciary Activities*. The objective of the Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. As amended, the provisions of this Statement are effective for financial reporting periods beginning after December 15, 2019 (fiscal year 2021). The District is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This Statement redefines the manner in which long-term leases are accounted and reported. As amended, the provisions of this Statement are effective for financial reporting periods beginning after June 15, 2021 (fiscal year 2022). The District is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2018, the GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement establishes accounting requirements for interest costs incurred before the end of a construction period. As amended, the provisions of this Statement are effective for financial reporting periods beginning after December 15, 2020 (fiscal year 2022). The District is currently evaluating whether adoption will have a material impact on the financial statements.

In August 2018, the GASB issued GASB Statement No. 90, *Majority Equity Interest – An Amendment of GASB Statements No. 14 and No. 61*. The objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information

for certain component units. As amended, the provisions of this Statement are effective for financial reporting periods beginning after December 15, 2019 (fiscal year 2021). The District is currently evaluating whether adoption will have a material impact on the financial statements.

In May 2019, the GASB issued GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to standardize the reporting of conduit debt obligations by issuers by clarifying the existing definition of conduit debt obligation, among other matters. As amended, the provisions of this Statement are effective for financial reporting periods beginning after December 15, 2021 (fiscal year 2023). The District is currently evaluating whether adoption will have a material impact on the financial statements.

In March 2020, the GASB issued GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate. As amended, the provisions of this Statement are effective for financial reporting periods beginning after June 15, 2021 (fiscal year 2023). The District is currently evaluating whether adoption will have a material impact on the financial statements.

In March 2020, the GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issued related to public-private and public-public partnership arrangements. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2024). The District is currently evaluating whether adoption will have a material impact on the financial statements.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* The objective of this Statement is to address accounting for subscription-based information technology arrangements to government end users based on the standards established in Statement No. 87, as amended. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2024). The District is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32.* The objective of this Statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2021 (fiscal year 2023). The District is currently evaluating whether adoption will have a material impact on the financial statements.

IV. Prior Period Restatements

The District updated its beginning net OPEB liability which caused a decrease in the District's governmental activities net position reported at June 30, 2019. The District also reclassified two funds as major funds which changes the reported governmental fund balances at June 30, 2019.

The impact is illustrated in the table below:

	Governmental Activities
Prior year as presented	$ (25,523,849)
Restate Net OPEB liability	(3,344,158)
As restated	$ (28,868,007)

	School Choice	Capital Projects	Nonmajor Governmental
Prior year as presented	$ -	$ -	$ 1,437,286
Reclassify major funds	500,660	(264,562)	(236,098)
As restated	$ 500,660	$ (264,562)	$ 1,201,188

MONOMOY REGIONAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS
YEAR ENDED JUNE 30, 2020

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
(dollar amounts are in thousands)

	Year Ended June 30,					
	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	1.528%	1.536%	1.536%	1.506%	1.571%	1.658%
District's proportionate share of the net pension liability (asset)	$ 11,481	$ 12,137	$ 10,450	$ 10,582	$ 9,894	$ 9,358
District's covered-employee payroll	$ 4,700	$ 4,559	$ 4,371	$ 4,261	$ 4,357	$ 4,348
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	244.3%	266.2%	239.1%	248.3%	227.1%	215.2%
Plan fiduciary net position as a percentage of the total pension liability	62.34%	57.60%	61.90%	57.30%	58.10%	60.40%

SCHEDULE OF THE DISTRICT CONTRIBUTIONS TO PENSION PLAN
(dollar amounts are in thousands)

	Year Ended June 30,					
	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 1,010	$ 965	$ 917	$ 854	$ 849	$ 866
Contributions in relation to the actuarially determined contribution	1,010	965	917	854	849	866
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 4,700	$ 4,559	$ 4,371	$ 4,261	$ 4,357	$ 4,348
Contributions as a percentage of covered-employee payroll	21.49%	21.17%	20.98%	20.04%	19.49%	19.92%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditors' report.

MONOMOY REGIONAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS
YEAR ENDED JUNE 30, 2020

SCHEDULE OF THE COMMONWEALTH'S COLLECTIVE SHARE OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHER'S RETIREMENT SYSTEM
(dollar amounts are in thousands)

	Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
Commonwealth's proportion of the collective net pension liability (asset)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
District's proportion of the collective net pension liability (asset)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Commonwealth's proportionate share of the net pension liability (asset)	$25,214,020	$ 23,711,289	$ 22,885,391	$ 22,357,928	$ 20,489,643	$ 15,896,354
Commonwealth's actuarially determined contribution	$1,443,710	$ 1,314,783	$ 1,235,515	$ 1,124,583	$ 1,021,930	$ 937,379

Contributions to MTRS are the responsibility of the Commonwealth of Massachusetts.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditor's report.

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

	Year Ended June 30,			
	2020	2019	2018	2017
Total OPEB liability:				
Service cost	$ 2,386,125	$ 2,164,970	$ 2,136,258	$ 2,491,755
Interest	1,866,617	1,518,734	1,410,969	1,184,692
Differences between expected and actual experience	(337,000)	3,058,566	-	-
Changes of assumptions	12,189,418	6,430,965	(1,340,246)	(4,842,633)
Benefit payments	(1,078,274)	(907,438)	(248,575)	(620,645)
Net change in total OPEB liability	15,026,886	12,265,797	1,958,406	(1,786,831)
Total OPEB liability - beginning of year	51,821,914	39,556,117	37,597,711	39,384,542
Total OPEB liability - end of year (a)	$ 66,848,800	$ 51,821,914	$ 39,556,117	$ 37,597,711
Plan fiduciary net position:				
Contributions - employer	$ 1,178,274	$ 1,017,306	$ 748,646	$ 720,645
Net investment income	15,280	24,190	35,670	20,769
Benefit payments	(1,078,274)	(907,438)	(648,574)	(620,645)
Net change in Plan fiduciary net position	115,280	134,058	135,742	120,769
Plan fiduciary net position - beginning of year	515,046	380,988	245,246	124,477
Plan fiduciary net position - end of year (b)	$ 630,326	$ 515,046	$ 380,988	$ 245,246
Net OPEB liability - end of year (a) - (b)	$ 66,218,474	$ 51,306,868	$ 39,175,129	$ 37,352,465
Plan fiduciary net position as a percentage of the total OPEB liability	0.94%	0.99%	0.96%	0.65%
Covered-employee payroll	$ 18,500,000	$ 18,000,000	$ 17,500,000	$ 17,000,000
Net OPEB liability as a percentage of covered-employee payroll	357.94%	285.04%	223.86%	219.72%

Note: This 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 in which information is available.

See independent auditors' report.

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

	Year Ended June 30,			
	2020	2019	2018	2017
Actuarially-determined contribution	$ 2,860,719	$ 2,770,672	$ 2,209,910	$ 2,135,179
Contributions in relation to the actuarially-determined contribution	(1,178,274)	(1,017,306)	(748,646)	(720,645)
Contribution deficiency (excess)	$ 1,682,445	$ 1,753,366	$ 1,461,264	$ 1,414,534
Covered-employee payroll	$ 18,500,000	$ 18,000,000	$ 17,500,000	$ 17,000,000
Contribution as a percentage of covered-employee payroll	6.37%	5.65%	4.28%	4.24%
Valuation Date	July 1, 2018	July 1, 2018	July 1, 2016	July 1, 2016
Amortization Period	30 years	30 years	30 years	30 years
Investment rate of return	7.00%	7.00%	7.00%	7.00%
Single Equivalent Discount Rate	2.21%	3.50%	3.45%	3.13%
Inflation	2.21%	3.50%	3.87%	3.58%
Healthcare cost trend rates	3.25%	3.25%	3.50%	3.50%
Salary increases	3.25%	3.25%	3.25%	3.25%
Actuarial Cost Method	7.5% > 4.0%	7.5% > 4.0%	7.5% > 4.0%	7.5% > 4.0%
Asset Valuation Method	Market Value of Assets as of Reporting Date (for all years presented)			

SCHEDULE OF INVESTMENT RETURNS
LAST 10 FISCAL YEARS

	Year Ended June 30,			
	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	2.67%	5.40%	11.39%	11.23%

Note: 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 in which information is available.

See independent auditors' report.

MONOMOY REGIONAL SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual		Actual	Variance
	Original Budget	Final Budget	Budgetary Amounts	Encumbrances	Budgetary Adjusted	Positive (Negative)
REVENUES						
Member community assessments	$ 35,782,301	$ 35,782,301	$ 35,782,301	$ -	$ 35,782,301	$ -
Intergovernmental	4,398,119	4,398,119	4,598,306	-	4,598,306	200,187
Investment income	7,500	7,500	97,279	-	97,279	89,779
Other revenues	13,562	13,562	21,049	-	21,049	7,487
Total Revenues	40,201,482	40,201,482	40,498,935	-	40,498,935	297,453
EXPENDITURES						
Administrative operations	1,111,130	1,132,353	1,055,177	12,000	1,067,177	65,176
Instructional services	19,556,951	20,107,124	19,757,663	34,128	19,791,791	315,333
Other school services	2,784,218	2,606,102	2,315,832	929	2,316,761	289,341
Operations and maintenance	3,866,188	3,952,917	3,653,496	39,158	3,692,654	260,263
Fringe benefits	7,227,583	7,153,056	6,967,788	144,922	7,112,710	40,346
Tuitions and school assessments	3,699,790	3,285,848	3,262,343	-	3,262,343	23,505
Debt service	2,257,343	2,173,055	2,173,055	-	2,173,055	-
Capital Acquisitions	305,000	313,460	305,000	-	305,000	8,460
Total Expenditures	40,808,203	40,723,915	39,490,354	$ 231,137	39,721,491	1,002,424
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	14,155		14,155	14,155
Transfers Out	-	(84,288)	(372,025)		(372,025)	(287,737)
Total Other Financing Sources (Uses)	-	(84,288)	(357,870)		(357,870)	(273,582)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(606,721)	(606,721)	$ 650,711		$ 419,574	$1,026,295
OTHER BUDGETARY ITEMS:						
Prior year encumbrances	56,721	56,721				
Use of excess and deficiency	550,000	550,000				
Total Other Budgetary Items	606,721	606,721				
	$ -	$ -				

See accompanying notes to basic financial statements.

MONOMOY REGIONAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2020

I. Budgetary Basis of Accounting

An annual budget is legally adopted for the General Fund by the School Committee. Subsequent to the School Committee's approval, the budget is presented to member Districts. The budget is accepted by majority District Meeting approval by both of the District's members. Increases in the budget subsequent to the approval of the annual budget require majority Committee approval. At the close of each fiscal year, unencumbered appropriation balances lapse or reverts to unassigned fund balance.

The District adopts an annual budget for the general fund in conformity with the guidelines described above. The School Business Manager has the responsibility to ensure that budgetary control is maintained in the manner in which the appropriations were voted. Budgetary control is exercised through the District's accounting system.

Budgetary-to-GAAP Reconciliation – The District's general fund is prepared on a basis of accounting other than GAAP to confirm to the Uniform Municipal Accounting System basis of accounting as prescribed by the Massachusetts Department of Revenue. A reconciliation of the budgetary-basis to GAAP-basis results for the General Fund for the fiscal year ended June 30, 2020, is as follows:

	Basis of Accounting Differences	Fund Perspective Differences	Total
Revenues on a budgetary basis			$ 40,498,935
On-behalf payments	$ 7,330,666	$ -	7,330,666
Stabilization revenue	-	177	177
Revenues on a GAAP basis	$ 7,330,666	$ 177	$ 47,829,778
Expenditures on a budgetary basis			$ 39,490,354
On-behalf payments	$ 7,330,666	$ -	7,330,666
Transfer recognition of agency activity	-	54,435	54,435
Stabilization expense	-	13,712	13,712
Expenditures on a GAAP basis	$ 7,330,666	$ 68,147	$ 46,889,167
Net transfers on a budgetary basis			$ (357,870)
Transfer recognition of agency activity	$ -	$ 54,435	54,435
Net transfers on a GAAP basis	$ -	$ 54,435	$ (303,435)

Appropriations Deficits – During the fiscal year ended, there were no legal deficits. Legal deficits only occur when total expenditures exceed total appropriations and not by individual category.