

BROOKLINE SCHOOL DISTRICT

FINANCIAL REPORT

AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

**BROOKLINE SCHOOL DISTRICT
FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

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Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S REPORT

To the Members of the School Board
Brookline School District
Brookline, New Hampshire

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brookline School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Brookline School District as of June 30, 2020, and the respective changes in financial position thereof, and

the budgetary comparisons for the General Fund and Grants Fund for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and OPEB schedules on pages 3-10 and 38-41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brookline School District's basic financial statements. The combining nonmajor and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Roberts & Heine, PLLC

Concord, New Hampshire
April 2, 2021

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2020**

This section of the Brookline School District annual financial report presents our discussion and analysis of the district's financial performance during the fiscal year that ended June 30, 2020. Responsibility for the accuracy of the data, and the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material performance as a whole. With this in mind, please also refer to the district's financial statements, which immediately follow this section. The MDA is an element of required supplementary information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999.

The District administration is responsible for establishing an accounting and internal control structure designed to ensure that the physical, data, informational, intellectual, and human resource assets of the District are protected from loss, theft and misuse, and to ensure that adequate accounting information is maintained and reported in conformity with generally accepted accounting principles (GAAP). Management also strives to ensure these assets are put to good and effective use. The internal control structure is designed to provide reasonable assurance that these objectives are attained.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district:

1. The first two basic financial statements provide both short-term and long-term information about the district's overall financial status.
2. The remaining basic financial statements are fund financial statements that focus on individual parts of the district, reporting the district's operations in more detail than the district-wide statements. The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The basic financial statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the district's budget for the year. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

DISTRICT-WIDE STATEMENTS

The district-wide statements report information about the district as a whole. The statement of net position includes all of the district's assets and liabilities, except for capital assets. All of the current year's revenues and expense are accounted for in the statement of activities regardless of when cash is received or paid. Net position – the difference between the district's assets and liabilities – is one way

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2020**

to measure the district's financial health or position. The district-wide statements present an aggregate view of the finances of the school district by answering the question, "How did the school district do financially during the 2019-20 school year?" These statements report all assets and liabilities using the accrual basis of accounting used by most private-sector enterprises. The accrual basis takes into account all of the district's current-year revenues and expenses regardless of when they were paid or received.

In the district-wide financial statements the district's activities are listed as governmental activities, which includes most of the district's basic service, such as regular and special education, transportation, and administration. Property taxes and state revenue finance most of the activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the district's most significant funds – not the district as a whole. Funds are accounting devices the district uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. The district establishes other funds to control and manage money for particular purposes (like repaying long-term debts) or to show that it is properly using certain revenues (like federal grants).

The district has two types of funds:

- Governmental funds – Most of the district's basic services are included in governmental funds, which generally focus on (1) how cash (and other financial assets that can be readily converted to cash) flows in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. This information does not encompass the additional long-term focus of the district-wide statements. We provide additional information with the governmental funds statements that explain the relationship (or differences) between them. An annual appropriation budget is adopted for governmental funds. A budgetary comparison has been provided for the General and Grant funds to demonstrate compliance with this budget.
- Fiduciary Funds – The district is the trustee, or fiduciary, for assets that belong to others, such as the student activities funds. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the district's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in the fiduciary net position. These activities are not included in the district-wide financial statements because the district cannot use these assets to finance its operations.

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2020**

Notes to the Basic Financial Statements

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

Government-Wide Financial Analysis

Brookline School District

Statement of Net Position

Change in net position for fiscal year 2020 compared to fiscal year 2019:

	2019	2020	Increase (Decrease)	% Increase (Decrease)
Assets				
Current and Other Assets	803,720	1,144,845	341,125	42.44%
Capital Assets	5,674,412	5,545,215	(129,197)	-2.28%
Total Assets	6,478,132	6,690,060	211,928	3.27%
Deferred Outflow of Resources	1,869,299	1,521,449	(347,850)	-18.61%
Liabilities				
Long-term Liabilities Outstanding	8,578,606	8,262,415	(316,191)	-3.69%
Other Liabilities	377,226	107,006	(270,220)	-71.63%
Total Liabilities	8,955,832	8,369,421	(586,411)	-6.55%
Deferred Inflows of Resources	378,738	328,998	(49,740)	-13.13%
Net Position				
Net Investment in Capital Assets	5,372,319	5,440,215	67,896	1.26%
Restricted	33,579	33,618	39	0.12%
Unrestricted	(6,393,037)	(5,960,743)	432,294	-6.76%
Total Net Position	(987,139)	(486,910)	500,229	-50.67%

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2020**

Statement of Activities

Change in fund revenue and expenses for fiscal year 2020 compared to fiscal year 2019:

Revenues:	2019	2020	\$ Change	% Change
Program Revenues:				
Charges for Services	381,856	279,833	(102,023)	-26.72%
Operating Grants and Contributions	273,519	276,009	2,490	0.91%
Capital Grants and Contributions	123,642	110,183	(13,459)	-10.89%
General Revenues:				
Assessment	6,546,967	6,880,749	333,782	5.10%
Grants and Contributions	2,354,870	2,469,291	114,421	4.86%
Miscellaneous	82,263	23,311	(58,952)	-71.66%
Total Revenues	9,763,117	10,039,376	276,259	2.83%
Program Expenses:				
Instruction	4,315,412	3,944,319	(371,093)	-8.60%
Student Support	630,891	671,734	40,843	6.47%
Instructional Staff	254,156	225,675	(28,481)	-11.21%
General Administration	33,840	41,579	7,739	22.87%
Executive Administration	279,152	302,679	23,527	8.43%
School Administration	447,543	450,736	3,193	0.71%
Operation and Maintenance of Plant	650,827	623,185	(27,642)	-4.25%
Student Transportation	411,218	448,391	37,173	9.04%
Other	2,240,882	2,589,000	348,118	15.53%
Non-instructional Services	174,225	167,215	(7,010)	-4.02%
Facilities Acquisition and Construction	-	640	640	
Interest on Long-Term Debt	289,674	73,994	(215,680)	-74.46%
Total Expenses	9,727,820	9,539,147	(188,673)	-1.94%
Change in Net Position	35,297	500,229	464,932	1317.20%
Net Position - Beginning	(1,022,436)	(987,139)	35,297	-3.45%
Restatement	-			
Net Position - Ending	(987,139)	(486,910)	500,229	-50.67%

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2020**

School District Activities

Specific areas of variance are evidenced above in the change in net position. Some larger variances are due to the following:

Revenues – In FY20 the district received \$276,259 more in revenue than in FY19. In addition to the tax assessment revenue increase of \$333,782, the district's other major revenue sources show the following increases or decreases from FY19:

- Pre-school, Non-resident and Kindergarten tuition – Decrease of \$75K which is primarily an effect of remote learning
- Kindergarten Aid Revenue – Now included in Adequacy Aid
- Adequacy grant/tax – Increase of \$550K (Adequacy Aid is a state aid program and is based on the average daily membership (ADM) of resident students)
- Building Aid – Decrease of \$2,500 (School Building Aid is a program through which the State of New Hampshire provides financial assistance to local school districts for the construction or substantial renovation of educational facilities for grades K-12)
- Special Education Aid – Increase of \$8K (This is state aid based on approved expenses for special education students after the district pays the first \$55,000 per student. The revenue is received the year after the expenses are incurred.
- Medicaid – Decrease of \$12K (These are federal funds coming from the state of NH for reimbursable costs to Medicaid approved students)
- Food Service – Decrease of \$49K which is primarily an effect of remote learning in the spring of 2020. (This includes local sales as well as federal and state funding)
- Grants – Decrease of \$52K (Grant funding includes Title IIA and IDEA federal programs. Title IIA supports effective instruction and IDEA supports special education programs based on the number of special education students)

Expenditures – Expenditures were lower in FY20 than in FY19 by \$188,673. The decrease is primarily attributed to the effects of remote learning in the spring. The largest decreases come from the following categories:

- Salary and corresponding benefits – unfilled positions or hiring at a lower costs
- Contracted special ed services
- Out-of-District tuition and related services
- Heating costs
- Facility improvements
- Interest on Long-term debt (paid off Bond for CSDA improvements)

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2020**

General Fund Budgetary Highlights

Revenue	Budget	Actual	Variance
School District Assessment	6,880,749	6,880,749	-
Other Local	223,600	185,436	(38,164)
State	2,569,970	2,574,135	4,165
Federal	-	13,192	13,192
Total Revenues	9,674,319	9,653,512	(20,807)
Use of Fund Balance to reduce school district assessment & other funding	128,414		
Total Revenues and Use of Fund Balance	9,802,733		

Revenues

Revenue reduction recognized by the Brookline School District's general fund amounted to -\$20,870 less than was budgeted, as detailed in the chart above. The school district assessment is determined by the town's district meeting vote so actual revenue equals the budget.

- "Other Local" revenue includes impact fees, interest, facilities use revenue and tuition. Tuition consists of Pre-school, Kindergarten and Non-resident. This is what primarily accounts for the deduction in revenue.
- "State" revenue includes the adequacy grant and education tax, building aid and special education aid
- "Federal" revenue includes Medicaid funds which came in higher than expected

Expenditures	Budget	Actual	Variance
Instruction	3,982,241	3,646,532	335,709
Student & Instructional Support	935,481	853,889	81,592
General, Executive & School Admin	847,580	795,556	52,024
Operation & Maintenance of Plant	608,928	687,600	(78,672)
Student Transportation	524,542	448,391	76,151
Other Support Services	2,428,186	2,331,145	97,041
Debt Service	475,775	475,775	-
Total Appropriation & Expenditures	9,802,733	9,238,888	563,845

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2020**

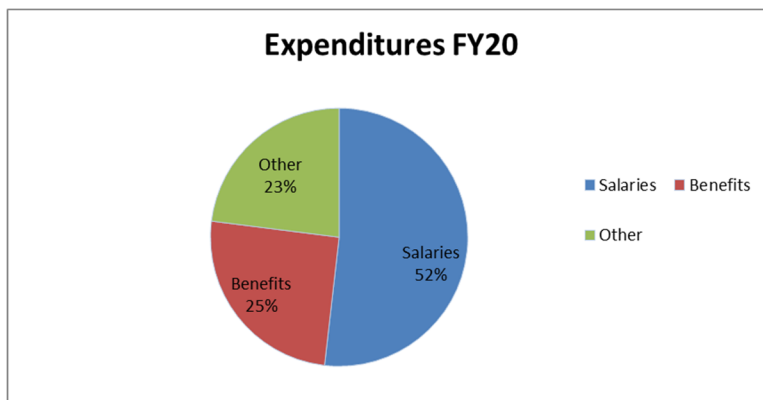
Expenditures

Expenditures recognized by the Brookline School District's general fund amounted to \$563,845 less than was budgeted, as detailed in the chart above. The general fund expenditure surplus can primarily be attributed to the effects of remote learning in these specific areas:

- Savings in professional development
- Savings in benefits
- Savings in Transportation
- Note: The contingency fund of \$25,000 was untouched

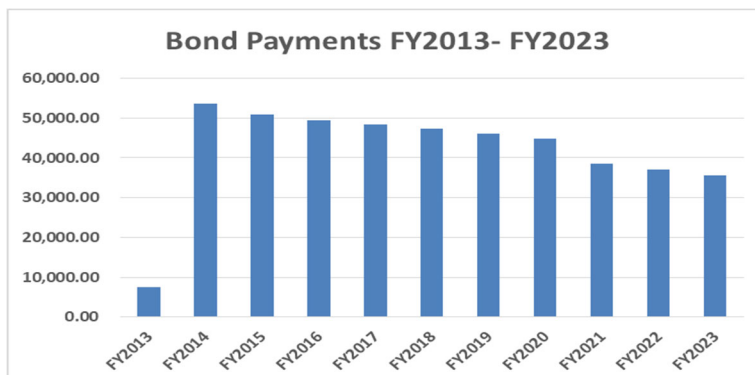
Brookline School District Activities

The district's expenses are predominately salaries and benefits which are illustrated below. "Other" expenses account for contracted services, transportation, operation & maintenance of plant, debt service, and general operational materials. The disbursement of cost has remained fairly consistent with prior fiscal year (FY19) expenditures (60 % salary, 16% other, 24% benefits).



DEBT ADMINISTRATION

The Brookline School District carries debt for roof repair of Captain Samuel Douglas Academy.



**BROOKLINE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2020**

OTHER DISCUSSION

The district's financial status is sound. Being that the majority of cost is associated to salary and benefits the budget is rather predictable from year to year. Alternative methods to provide access to reserve/contingency funds should be explored to ensure availability for funds should revenues fall below estimates or significant expenses arise throughout the course of the year.

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Administrator at SAU #41, 4 Lund Lane, Brookline, NH 03049, by telephone at 603-324-5999, or via email at kelly.seeley@sau41.org.

BASIC FINANCIAL STATEMENTS

EXHIBIT 1
BROOKLINE SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 601,212
Intergovernmental receivables	520,569
Other receivables	4,822
Inventory	12,953
Prepaid items	5,289
Capital assets, net of accumulated depreciation:	
Land improvements	29,048
Buildings and building improvements	5,456,406
Machinery, equipment and vehicles	59,761
Total assets	<u>6,690,060</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	1,424,242
Deferred amounts related to OPEB	97,207
Total deferred outflows of resources	<u>1,521,449</u>
LIABILITIES	
Accounts payable	41,860
Accrued salaries and benefits	20,333
Intergovernmental payable	43,247
Accrued interest payable	1,566
Noncurrent obligations:	
Due within one year:	
Bond payable	35,000
Unamortized bond premium	2,210
Compensated absences payable	2,351
Termination benefits payable	36,053
Due in more than one year:	
Bond payable	70,000
Unamortized bond premium	4,420
Termination benefits payable	286,193
Net pension liability	6,948,026
Other postemployment benefits liability	878,162
Total liabilities	<u>8,369,421</u>
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	25,106
Deferred amounts related to pensions	247,438
Deferred amounts related to OPEB	56,454
Total deferred inflows of resources	<u>328,998</u>
NET POSITION	
Net investment in capital assets	5,440,215
Restricted for endowments:	
Nonexpendable	31,601
Expendable	2,017
Unrestricted	(5,960,743)
Total net position	<u>\$ (486,910)</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT 2
BROOKLINE SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2020

		Program Revenues			Net (Expense)
			Operating	Capital	Revenue and
		Charges for	Grants and	Grants and	Changes In
	Expenses	Services	Contributions	Contributions	Net Position
Governmental activities:					
Instruction	\$ 3,944,319	\$ 176,809	\$ 267,520	\$ -	\$ (3,499,990)
Support services:					
Student	671,734	-	-	-	(671,734)
Instructional staff	225,675	-	6,130	-	(219,545)
General administration	41,579	-	-	-	(41,579)
Executive administration	302,679	-	-	-	(302,679)
School administration	450,736	-	-	-	(450,736)
Operation and maintenance of plant	623,185	910	-	65,747	(556,528)
Student transportation	448,391	-	-	-	(448,391)
Other	2,589,000	-	-	-	(2,589,000)
Non-instructional services	167,215	102,114	2,359	-	(62,742)
Facilities acquisition and construction	640	-	-	-	(640)
Interest on long-term debt	73,994	-	-	44,436	(29,558)
Total governmental activities	<u>\$ 9,539,147</u>	<u>\$ 279,833</u>	<u>\$ 276,009</u>	<u>\$ 110,183</u>	<u>(8,873,122)</u>
General revenues:					
School district assessment					6,880,749
Grants and contributions not restricted to specific programs					2,469,291
Miscellaneous					23,311
Total general revenues					<u>9,373,351</u>
Change in net position					500,229
Net position, beginning					(987,139)
Net position, ending					<u>\$ (486,910)</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT 3
BROOKLINE SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2020

	General	Grants	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 501,292	\$ -	\$ 99,920	\$ 601,212
Receivables, net of allowance for uncollectibles:				
Accounts	4,822	-	-	4,822
Intergovernmental	331,618	154,166	34,785	520,569
Interfund receivable	129,072	-	-	129,072
Inventory	-	-	12,953	12,953
Prepaid items	5,289	-	-	5,289
Total assets	<u>\$ 972,093</u>	<u>\$ 154,166</u>	<u>\$ 147,658</u>	<u>\$ 1,273,917</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 16,740	\$ 23,125	\$ 1,995	\$ 41,860
Accrued salaries and benefits	20,333	-	-	20,333
Intergovernmental payable	41,278	1,969	-	43,247
Interfund payable	-	129,072	-	129,072
Total liabilities	<u>78,351</u>	<u>154,166</u>	<u>1,995</u>	<u>234,512</u>
Deferred inflows of resources:				
Deferred revenue	<u>-</u>	<u>93,353</u>	<u>25,106</u>	<u>118,459</u>
Fund balances:				
Nonspendable	5,289	-	44,554	49,843
Restricted	-	-	2,017	2,017
Committed	368,207	-	73,986	442,193
Assigned	115,952	-	-	115,952
Unassigned	404,294	(93,353)	-	310,941
Total fund balances	<u>893,742</u>	<u>(93,353)</u>	<u>120,557</u>	<u>920,946</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 972,093</u>	<u>\$ 154,166</u>	<u>\$ 147,658</u>	<u>\$ 1,273,917</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT 4
BROOKLINE SCHOOL DISTRICT
Reconciliation of Total Governmental Fund Balances to the Statement of Net Position
June 30, 2020

Total fund balances of governmental funds (Exhibit 3)		\$	920,946
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Cost	\$	9,648,734	
Less accumulated depreciation		(4,103,519)	
			5,545,215
Revenues that are not available to pay for current period expenditures are deferred in the funds.			
Unavailable grant revenue			93,353
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.			
Receivables	\$	(129,072)	
Payables		129,072	
			-
Interest on long-term debt is not accrued in governmental funds.			(1,566)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Bond payable	\$	105,000	
Unamortized bond premium		6,630	
Compensated absences payable		2,351	
Termination benefits payable		322,246	
Net pension liability		6,948,026	
Other postemployment benefits liability		878,162	
			(8,262,415)
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.			
Deferred outflows of resources related to pensions	\$	1,424,242	
Deferred outflows of resources related to OPEB		97,207	
Deferred inflows of resources related to pensions		(247,438)	
Deferred inflows of resources related to OPEB		(56,454)	
			1,217,557
Net position of governmental activities (Exhibit 1)		\$	(486,910)

The notes to the financial statements are an integral part of this statement.

EXHIBIT 5
BROOKLINE SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020

	General	Grants	Other Governmental Funds	Total Governmental Funds
REVENUES				
School district assessment	\$ 6,880,749	\$ -	\$ -	\$ 6,880,749
Other local	185,543	-	125,419	310,962
State	2,574,135	4,495	2,359	2,580,989
Federal	13,192	186,509	35,068	234,769
Total revenues	<u>9,653,619</u>	<u>191,004</u>	<u>162,846</u>	<u>10,007,469</u>
EXPENDITURES				
Current:				
Instruction	3,637,177	166,930	28,168	3,832,275
Support services:				
Student	669,694	2,040	-	671,734
Instructional staff	182,943	41,969	763	225,675
General administration	41,579	-	-	41,579
Executive administration	302,679	-	-	302,679
School administration	448,495	320	-	448,815
Operation and maintenance of plant	682,396	11,652	-	694,048
Student transportation	448,391	-	-	448,391
Other	2,331,145	-	-	2,331,145
Non-instructional services	-	-	164,979	164,979
Debt service:				
Principal	188,253	-	-	188,253
Interest	287,522	-	-	287,522
Total expenditures	<u>9,220,274</u>	<u>222,911</u>	<u>193,910</u>	<u>9,637,095</u>
Net change in fund balances	433,345	(31,907)	(31,064)	370,374
Fund balances, beginning, as restated, see Note III.D.	460,397	(61,446)	151,621	550,572
Fund balances, ending	<u>\$ 893,742</u>	<u>\$ (93,353)</u>	<u>\$ 120,557</u>	<u>\$ 920,946</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT 6
BROOKLINE SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2020

Net change in fund balances of total governmental funds (Exhibit 5)		\$ 370,374
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capitalized capital outlay in the current period.		
Capitalized capital outlay	\$ 76,244	
Depreciation expense	(205,441)	
		(129,197)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in governmental funds.		
Change in unavailable grant revenue		31,907
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position.		
Principal repayment of bond	\$ 188,253	
Amortization of bond premium	2,210	
		190,463
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 governmental funds.		
Decrease in accrued interest expense	\$ 211,318	
Decrease in compensated absences payable	680	
Decrease in termination benefits payable	82,539	
Change in OPEB related balances	87,461	
		381,998
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense.		
School District pension contributions	\$ 639,132	
Cost of benefits, net of employee contributions	(984,448)	
		(345,316)
Change in net position of governmental activities (Exhibit 2)		<u>\$ 500,229</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT 7
BROOKLINE SCHOOL DISTRICT
General Fund
Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
School district assessment	\$ 6,880,749	\$ 6,880,749	\$ -
Other local	223,600	185,436	(38,164)
State	2,569,970	2,574,135	4,165
Federal	-	13,192	13,192
Total revenues	<u>9,674,319</u>	<u>9,653,512</u>	<u>(20,807)</u>
EXPENDITURES			
Current:			
Instruction	3,982,241	3,646,532	335,709
Support services:			
Student	728,800	670,157	58,643
Instructional staff	206,681	183,732	22,949
General administration	56,425	41,579	14,846
Executive administration	302,679	302,679	-
School administration	488,476	451,298	37,178
Operation and maintenance of plant	608,928	687,600	(78,672)
Student transportation	524,542	448,391	76,151
Other	2,428,186	2,331,145	97,041
Debt service:			
Principal	188,253	188,253	-
Interest	287,522	287,522	-
Total expenditures	<u>9,802,733</u>	<u>9,238,888</u>	<u>563,845</u>
Excess (deficiency) of revenues over (under) expenditures	(128,414)	414,624	543,038
Other financing uses:			
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (228,414)</u>	314,624	<u>\$ 543,038</u>
Decrease in nonspendable fund balance		2,927	
Unassigned fund balance, beginning		107,181	
Unassigned fund balance, ending		<u>\$ 404,294</u>	

The notes to the financial statements are an integral part of this statement.

EXHIBIT 8
BROOKLINE SCHOOL DISTRICT
Grants Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (GAAP Basis)
For the Fiscal Year Ended June 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
State	\$ -	\$ 4,495	\$ 4,495
Federal	180,000	186,509	6,509
Total revenues	180,000	191,004	11,004
EXPENDITURES			
Current:			
Instruction	150,000	166,930	(16,930)
Support services:			
Student	1,000	2,040	(1,040)
Instructional staff	29,000	41,969	(12,969)
School administration	-	320	(320)
Operation and maintenance of plant	-	11,652	(11,652)
Total expenditures	180,000	222,911	(42,911)
Net change in fund balance	\$ -	(31,907)	\$ (31,907)
Fund balance, beginning, as restated, see Note III.D.		(61,446)	
Fund balance, ending		\$ (93,353)	

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

I. Summary of Significant Accounting Principles

I.A. Introduction

The accounting and reporting framework and the more significant accounting principles and practices of the Brookline School District (the School District) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the School District's financial activities for the fiscal year ended June 30, 2020.

I.B. Financial Reporting Entity – Basis of Presentation

I.B.1. *Entity Defined*

The Brookline School District is a municipal corporation governed by a school board consisting of five members elected by the voters. These financial statements present the financial position and activity of the primary government. Component units are organizations for which the primary government is financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete. Based on the stated criteria, the School District's financial statements do not include any component units.

I.B.2. *Government-Wide and Fund Financial Statements*

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the School District as a whole. Individual funds are not displayed.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report tuition, fees, and other charges for the School District's services; (2) operating grants and contributions, which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which finance the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. The school district assessment from the town, unrestricted state aid and revenue from other sources not properly included with program revenues are reported as general revenues.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

Fund Financial Statements

Fund financial statements are provided for governmental funds. Major individual, governmental funds are reported in separate columns with a composite column for nonmajor funds.

I.B.3. *Measurement Focus, Basis of Accounting and Financial Statement Presentation*

The financial statements of the School District are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The School District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Reimbursements are reported as reductions to expenses. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenues susceptible to accrual are the school district assessment from the town, tuition, investment income and federal and state grants. In general, other revenues are recognized when cash is received.

I.B.4. *Fund Types and Major Funds*

Governmental Funds

The School District reports the following major governmental funds:

General Fund – Reports as the primary fund of the School District. This fund is used to account for all financial resources not reported in other funds.

Grants Fund – Reports as a special revenue fund and accounts for the revenues and expenditures of the School District's federal grant programs.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

The School District also reports four nonmajor governmental funds: food service, student activities, other special revenue, and permanent.

I.C. Assets, Liabilities, and Net Position or Fund Equity

I.C.1. Cash and Investments

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

Investments are stated at fair value based on quoted market prices.

New Hampshire law authorizes the School District to invest in obligations of the United States government; the public deposit investment pool established pursuant to RSA 383:22; savings bank deposits; prime bankers' acceptances; or certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the state treasurer.

Any person who directly or indirectly receives any such funds or monies for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the School District. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

I.C.2. Inventory and Prepaid Items

Inventory is valued at cost using the first-in/first-out (FIFO) method. The inventory of governmental funds is recorded as expenditures when consumed rather than when purchased.

Prepaid items are payments to vendors that benefit future reporting periods and are reported on the consumption basis. Such items are similarly reported in government-wide and fund financial statements.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

I.C.3. Capital Assets and Depreciation

The School District's capital assets with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Donated assets are stated at acquisition value on the date donated. The School District capitalizes assets with cost of \$10,000 or more and an estimated useful life of one year or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follow:

	<u>Years</u>
Land improvements	20
Buildings and building improvements	50-115
Machinery, equipment and vehicles	15-20

I.C.4. Deferred Outflows/Inflows of Resources

Although certain revenues and expenditures are measurable, they are not available or recognized, because the activity represents a consumption or acquisition of equity that applies to a future period and so will not be recognized as an outflow or inflow of resources until then.

Deferred inflows of resources in the governmental fund financial statements represent reimbursements on grant expenditures not yet received; parent deposits for the fiscal year 2021 kindergarten program; and donated commodities that are held in inventory to be used in the subsequent year. In addition to these, deferred outflows and inflows of resources in the governmental activities consist of resources related to pensions and OPEB that will be recognized in a subsequent period.

I.C.5. Long-Term Debt

In the government-wide financial statements, outstanding debt is reported as liabilities. The balance of long-term debt is not reported in the governmental funds.

I.C.6. Compensated Absences

Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums. Support staff employees are entitled to a portion of their sick leave upon termination.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

Compensated absences are reported as accrued in the government-wide financial statements. Governmental funds report only matured compensated absences payable to currently terminated employees which are included in wages and benefits expenditures.

I.C.7. Termination Benefits

Teachers are entitled to a retirement incentive after meeting certain employment requirements. Termination benefits are reported as accrued in the government-wide financial statements. Governmental funds report only matured termination benefits payable to currently terminated employees which are included in wages and benefits expenditures.

I.C.8. Equity

The government-wide statement of net position reports net position in the following components:

- Net investment in capital assets, which is computed as the total capital assets less accumulated depreciation, net of outstanding debt used to acquire those assets.
- Restricted for endowments, which consists of the expendable and nonexpendable portions of endowments held by the Town of Brookline Trustees of Trust Funds for School District purposes.
- Unrestricted, which consists of the remaining balance of net position.

The governmental funds report the following components of fund balance:

- Nonspendable, which represents the balance of inventory reported in the Food Service Fund; expenditures paid in advance for contracted services, staff courses and summer events reported in the General Fund; and the principal portion of endowments for school purposes in the Permanent Fund.
- Restricted, which represents the expendable portion of the endowment for school purposes held by the Town of Brookline Trustees of Trust Funds.
- Committed, which represents the balance of the expendable trust funds established by School District Meeting for special education and support services (maintenance), whose purpose can only be changed by vote of the same, and the positive balances of special revenue funds.
- Assigned, which represents encumbrances for instruction, support services, and building improvements, authorized by approved purchase orders.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

- Unassigned, which represents the fund balance in the General Fund in excess of that classified as nonspendable, restricted, committed or assigned; and the deficit fund balance in the Grants Fund.

I.C.9. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

II. Stewardship, Compliance and Accountability

II.A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all major governmental funds. Unless encumbered, all appropriations lapse at year-end. The School District is required to use beginning unassigned fund balance to balance the budget. In the fiscal year 2020, \$103,414 of the fund balance from the fiscal year 2019 was so used, and \$125,000 was appropriated from surplus.

Encumbrance accounting is employed by the governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as assigned fund balance and do not constitute expenditures or liabilities because the assignments will be added to the appropriations voted for the subsequent year.

Revenues are budgeted by source. Expenditures are budgeted by functions as follow: instruction, student support, instructional staff, general administration, executive administration, school administration, operation and maintenance of plant, student transportation, other support services, non-instructional services, and debt service. Management can transfer appropriations among budget line items as necessary, but the total expenditures cannot legally exceed the total appropriations unless permission is received from the Commissioner of Education.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

II.B. Reconciliation of Budgetary Basis to GAAP

General Fund

Revenues:	
Per Exhibit 7 (budgetary basis)	\$ 9,653,512
Adjustment:	
Perspective difference:	
Revenues of expendable trust fund	107
Per Exhibit 5 (GAAP basis)	<u>\$ 9,653,619</u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 9,338,888
Adjustments:	
Basis difference:	
Encumbrances, beginning	20,454
Encumbrances, ending	(115,952)
Perspective difference:	
Transfer to expendable trust fund	(100,000)
Expenditures of expendable trust fund	76,884
Per Exhibit 5 (GAAP basis)	<u>\$ 9,220,274</u>

For the Grants Fund, there is no difference between the budgetary basis and GAAP.

II.C. Deficit Fund Balance

The Grants Fund ending the year with an unassigned deficit of \$93,353, which results from deferring grant revenue that is not received within sixty days of year-end in accordance with GAAP.

III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. Receivables

Significant receivables consist of reimbursements and intergovernmental amounts arising from Medicaid, grants, reimbursements from other school districts for shared services and the trust funds being in the custody of the Town of Brookline trustees of trust funds

Receivables are recorded on the School District's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a

BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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JUNE 30, 2020

reasonable, systematic method of determining their existence, completeness, valuation and collectability.

III.A.2. Capital Assets

Changes in Capital Assets

The following table provides a summary of changes in capital assets:

	Balance, beginning	Additions	Balance, ending
At cost:			
Not being depreciated:			
Construction in progress	\$ 30,767	\$ (30,767)	\$ -
Being depreciated:			
Land improvements	243,412	9,488	252,900
Buildings and building improvements	9,218,189	91,241	9,309,430
Machinery, equipment and vehicles	80,122	6,282	86,404
Total capital assets being depreciated	9,541,723	107,011	9,648,734
Total all capital assets	9,572,490	76,244	9,648,734
Less accumulated depreciation:			
Land improvements	(214,703)	(9,149)	(223,852)
Buildings and building improvements	(3,660,933)	(192,091)	(3,853,024)
Machinery, equipment and vehicles	(22,442)	(4,201)	(26,643)
Total accumulated depreciation	(3,898,078)	(205,441)	(4,103,519)
Net book value, capital assets being depreciated	5,643,645	(98,430)	5,545,215
Net book value, all capital assets	\$ 5,674,412	\$ (129,197)	\$ 5,545,215

Depreciation Expense

Depreciation expense was charged to functions of the School District as follows:

Instruction	\$ 195,263
Support services:	
School administration	1,921
Operation and maintenance of plant	6,021
Non-instructional services	2,236
Total depreciation expense	<u>\$ 205,441</u>

BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

III.B. Long-Term Liabilities

General obligation bonds are approved by the voters and repaid with general revenues (property taxes). They are backed by the full faith and credit of the School District. Long-term liabilities are as follow:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at June 30, 2020	Current Portion
General obligation bond payable:						
CSDA roof renovations	\$ 386,400	2013	2023	2.32	\$ 105,000	\$ 35,000
Unamortized bond premium					6,630	2,210
Compensated absences payable:						
Accrued vacation leave					2,351	2,351
Termination benefits payable					322,246	36,053
Net pension liability					6,948,026	-
Other postemployment benefits liability					878,162	-
					<u>\$ 8,262,415</u>	<u>\$ 75,614</u>

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2020:

	General Obligation Bond Payable	Unamortized Bond Premium	Compensated Absences Payable	Termination Benefits Payable	Net Pension Liability	Other Postemployment Benefits Liability	Total
Balance, beginning	\$ 293,253	\$ 8,840	\$ 3,031	\$ 404,785	\$ 6,904,304	\$ 964,393	\$ 8,578,606
Additions	-	-	-	-	43,722	-	43,722
Reductions	(188,253)	(2,210)	(680)	(82,539)	-	(86,231)	(359,913)
Balance, ending	<u>\$ 105,000</u>	<u>\$ 6,630</u>	<u>\$ 2,351</u>	<u>\$ 322,246</u>	<u>\$ 6,948,026</u>	<u>\$ 878,162</u>	<u>\$ 8,262,415</u>

Debt Service Requirements to Maturity

The annual debt service requirements to maturity for bonded debt as of year-end are as follow:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 35,000	\$ 3,500	\$ 38,500
2022	35,000	2,100	37,100
2023	35,000	700	35,700
Totals	<u>\$ 105,000</u>	<u>\$ 6,300</u>	<u>\$ 111,300</u>

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

III.C. Payments within the Reporting Entity

Generally, outstanding balances between funds reported as “interfund receivables/payables” include outstanding charges by one fund to another for goods or services, subsidy commitments outstanding at year-end, or other miscellaneous amounts. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is also reported as “interfund receivables/payables.” The interfund amount of \$129,072 due to the General Fund represents an overdraft of pooled cash from the Grants Fund.

III.D. Equity Restatement

The beginning equity position was restated as follows:

	Grants Fund
To record unavailable grant revenue	\$ (61,446)
Fund balance, as previously reported	-
Fund balance, as restated	<u>\$ (61,446)</u>

III.E. Components of Fund Balance

The components of fund balance, as described in Note I.C.8., are classified for the following purposes:

	General Fund	Grants Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:				
Endowment	\$ -	\$ -	\$ 31,601	\$ 31,601
Inventory	-	-	12,953	12,953
Prepaid items	5,289	-	-	5,289
Total nonspendable	<u>5,289</u>	<u>-</u>	<u>44,554</u>	<u>49,843</u>
Restricted for support services	<u>-</u>	<u>-</u>	<u>2,017</u>	<u>2,017</u>
Committed for:				
Instruction	250,117	-	8,610	258,727
Support services	40,000	-	49,402	89,402
Operation and maintenance of plant	78,090	-	-	78,090
Non-instructional services	-	-	15,974	15,974
Total committed	<u>368,207</u>	<u>-</u>	<u>73,986</u>	<u>442,193</u>
Assigned to:				
Instruction	9,355	-	-	9,355
Support services	4,055	-	-	4,055
Operation and maintenance of plant	102,542	-	-	102,542
Total assigned	<u>115,952</u>	<u>-</u>	<u>-</u>	<u>115,952</u>
Unassigned	<u>404,294</u>	<u>(93,353)</u>	<u>-</u>	<u>310,941</u>
Total fund balances	<u>\$ 893,742</u>	<u>\$ (93,353)</u>	<u>\$ 120,557</u>	<u>\$ 920,946</u>

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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JUNE 30, 2020**

IV. Other Information

IV.A. Risk Management

The School District's risk management activities are reported with governmental activities and recorded in the general fund. During the fiscal year, the School District was a member of the New Hampshire Public Risk Management Exchange (Primex) Workers' Compensation and Property/Liability Programs. These programs are considered public entity risk pools, currently operating as common risk management and insurance programs for member governmental entities.

The Primex Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSA 5-B and RSA 281-A. Workers compensation and property/liability coverage runs from July 1 to June 30. Primex provided property and employer's liability coverage in varying amounts and statutory coverage for workers' compensation.

Contributions paid for fiscal year 2020 to be recorded as an insurance expenditure/expense totaled \$20,357 for property liability, and \$20,210 for workers' compensation coverage. There were no unpaid contributions for the year ended June 30, 2020. The School District also paid \$3,863 for unemployment compensation for the fiscal year. The member agreement permits Primex to make additional assessments to members should there be a deficiency in assets to meet its liabilities. At this time, Primex foresees no likelihood of any additional assessments for past years.

IV.B. Retirement Pensions

The New Hampshire Retirement System (NHRS) is a multiple-employer, cost-sharing, contributory public employee defined benefit plan qualified under section 401(a) of the Internal Revenue Code, and funded through a trust which is exempt from tax under Internal Revenue Code section 501(a). The NHRS provides service, disability, death and vested retirement benefits for employees and their beneficiaries. The New Hampshire Legislature establishes the provisions for benefits and contributions. The NHRS issues a separate financial report that is available at www.nhrs.org or by contacting the NHRS at 54 Regional Drive, Concord, NH 03301.

Both the members and the School District make contributions to the NHRS. Member rates of contribution are set by the Legislature. Employer rates are determined by the NHRS trustees based on an actuarial valuation. The rate of contribution is 7% of gross earnings for all employees. The rates of contribution from the School District were 17.36% for teachers and 11.38% for other employees. Employer contributions from the School District during the fiscal years 2018, 2019 and 2020 were \$605,730, \$626,186 and 639,132 respectively. The amounts were paid on a monthly basis as due.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

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

At June 30, 2020, the School District reported a liability of \$6,948,026 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities and school districts, actuarially determined. As of June 30, 2019, the School District's proportion was 0.1444%, which was an increase of 0.001% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized pension expense of \$984,448. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 497,401	\$ 41,281
Net differences between projected and actual earnings on pension plan investments	-	56,755
Changes of assumptions	249,292	-
Differences between expected and actual experience	38,417	149,402
School District contributions subsequent to the measurement date	639,132	-
	<u>\$ 1,424,242</u>	<u>\$ 247,438</u>

The School District reported \$639,132 as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

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

Year Ended June 30,	
2021	\$ 356,943
2022	47,944
2023	109,416
2024	23,369
	<u>\$ 537,672</u>

Actuarial Assumptions

The total pension liability was determined using the actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry-Age Normal.
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	19 years, beginning July 1, 2020
Asset Valuation Method	5-year smoothed market for funding purposes, 20% corridor
Price Inflation	2.5% per year
Wage inflation	3.25% per year
Municipal Bond Rate	3.13% per year
Salary increases	5.6% average, including inflation
Investment rate of return	7.25% net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of the most recent actuarial experience study, which was for the period of July 1, 2010 to June 30, 2015.

Mortality rates were based on the RP-2014 Healthy Annuitant and Employee generational mortality tables for males and females with credibility adjustments, adjusted for fully generational mortality improvements using Scale MP-2015, based on the last experience study.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School District's proportionate share of net pension liability	\$ 9,303,694	\$ 6,948,026	\$ 5,001,086

Other actuarial assumptions, as well as detailed information about the pension plan's fiduciary net position, are available in the separately issued NHRS report.

IV.C. Contingent Liabilities

The School District has received federal and state grants for specific purposes that are subject to review and possible audit by the grantor or pass-through agencies. Any such audit may result in a requirement to reimburse the grantor agency for costs disallowed. The School District feels that the chance of disallowance is unlikely, and if it should occur, that the amount would not be material.

IV.D. Other Postemployment Benefits

Plan Description

Benefits provided to retirees follow New Hampshire Revised Statutes Annotated 100-A:50 (Medical Insurance Coverage). This statute states that the School District "shall permit its employees upon retirement to continue to participate in the same medical insurance or health care group or plan as its active employees. Retired employees shall be deemed to be part of the same group as active employees of the same employer for purposes of determining medical insurance premiums. Coverage for spouses, other family members and beneficiaries of retirees shall also be permitted to the extent that coverage is provided for the spouses, other family members and beneficiaries of active employees ..." In addition, the statute states "Each political subdivision, as employer, may elect to pay the full cost of group medical insurance or health care coverage for its retirees, or may require each retiree to pay any part or all of the cost of the retiree's participation."

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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The School District offers postemployment medical benefits to School District retirees and their covered dependents. The School District offers coverage as follows:

- Employees hired before July 1, 2011: retire after (1) attaining age 60 or (2) attaining age 50 with 10 or more years of service or (3) age plus service is at least 70 with 20 or more years of service
- Employees hired on or after July 1, 2011: retire after (1) attaining age 65 or (2) attaining age 60 with 30 or more years of service

Medical coverage continues to the spouse after the death of the retiree, provided the spouse makes the required contributions. Dental and life insurance benefits are not offered to retirees. The current monthly medical premium rates are as follow:

<u>Non-Medicare Plans</u>	<u>Individual</u>	<u>2-Person</u>
AB10IPDED(07L)-RX10/20/45/3K(L)	\$930.92	\$1,861.85
ABSOS20/40/1KDED(07L)	\$724.11	\$1,448.21
BC3T10(07L)-RX10/20/45/3K(L)	\$1,020.89	\$2,041.78

Currently, there are 93 active and retired employees that receive health benefits from the School District. The School District recognizes the cost of providing health insurance annually as expenditures in the General Fund as payments are made. For the year ended June 30, 2020, the School District recognized nothing for its share of insurance premiums for currently enrolled retirees.

With the medical insurance subsidy plan, there is a payment made by the NHRS to the former employer or its insurance administrator toward the cost of health insurance for the qualified retiree, his/her qualified spouse, and dependent children with disability who are living in the retiree's household and being cared for by the retiree. If the health insurance premium is less than the medical subsidy amount, then only the premium amount is paid by the NHRS. If the insurance premium is more than the medical subsidy amount, then the retiree or other qualified person is responsible for paying the balance of the premium. Benefits are based on age, creditable service, and retirement or hire dates. This plan is closed to new entrants.

Total OPEB Liability

The School District's total OPEB liability of \$878,162 consists of \$270,615 for the implicit rate subsidy that was determined by an actuarial valuation as of July 1, 2019 and \$607,547 for the medical insurance subsidy that was determined by an actuarial valuation as of July 1, 2019, rolled forward to the measurement date using actuarial assumptions, applied to all periods included in the measurement.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions and inputs:

Implicit rate subsidy:

Discount Rate: 2.21%, compounded annually, for the measurement as of June 30, 2020

Actuarial Cost Method: Entry Age Normal. The costs of each employee's postemployment benefits are allocated as a level basis over the earnings of the employee between date of hire and assumed exit age.

Amortization Method: Level dollar amount over thirty (30) years on an open amortization period for pay-as-you-go funding

Heath Care Costs Trend Rates:	<u>Year</u>	<u>Trend</u>
	1	7.00%
	2	6.55%
	3	6.10%
	4	5.65%
	5	5.20%
	Ultimate	4.00%

Mortality Rates: Pre-Retirement: RP-2014 Employees Mortality Tables for males and females projected with generational mortality improvement using scale MP-2015

Post-Retirement: RP-2014 Healthy Annuitant Mortality Tables for males and females, projected with a generational mortality improvement using scale MP-2015

Inflation: 2.4 percent, based on the 2020 Social Security Trustees Report published April 22, 2020

The assumptions used for the medical insurance subsidy were the same as those used to calculate the pension liability, as previously noted.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

Discount Rate

The discount rate was based on the *Bond Buyer 20-Bond General Obligation Index* based on a tax-exempt, high-quality municipal bond rate.

Healthcare Cost Trend Rates

Healthcare cost trend assumptions begin at current levels and grade down over a period of years to a lower level equal to some real rate plus inflation. Trend rates after Year 5 grade down to the ultimate rate utilizing the *Society of Actuaries Getzen Medical Trend Model*. The ultimate trend rate is reached in 2075. The principal components of health trends are medical inflation, deductible erosion, cost shifting, utilization, technology and catastrophic claims. The overall effect of these components are expected to decline year by year.

Sensitivity of Total OPEB Liability

Assumptions and methods used to determine the total OPEB liability are sensitive to changes in the discount rate and healthcare trend rates. The following presents the total OPEB liability calculated using the current discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher.

Implicit Rate Subsidy

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
School District's total OPEB liability	\$ 287,783	\$ 270,615	\$ 254,130

Medical Rate Subsidy

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School District's total OPEB liability	\$ 658,977	\$ 607,547	\$ 562,858

BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

The following presents the total OPEB liability calculated using the current healthcare trend rate of 7.0%, as well as what the total OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate.

	1% Decrease (6.0%)	Current Healthcare Cost Trend Rate (7.0%)	1% Increase (8.0%)
School District's total OPEB liability	\$ 241,975	\$ 270,615	\$ 304,140

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

For the year ended June 30, 2020, the School District recognized OPEB expense of \$952,628. At year-end, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 379	\$ -
Net differences between projected and actual earnings on pension plan investments	-	683
Changes in assumptions	28,300	2,648
Differences between expected and actual experience	-	53,123
School District contributions subsequent to the measurement date	68,528	-
	<u>\$ 97,207</u>	<u>\$ 56,454</u>

The School District reported \$68,528 as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date, which will be recognized as a reduction of the OPEB liability in fiscal year 2021.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

The other amounts recognized as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follow:

Year Ended June 30,	
2021	\$ (6,945)
2022	(6,267)
2023	(5,287)
2024	(5,224)
2025	(4,052)
	<u>\$ (27,775)</u>

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT 9
BROOKLINE SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of the Net Pension Liability
New Hampshire Retirement System

For the Year Ended June 30,	School District's Proportion of Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered- Employee Payroll	School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.1320%	\$ 5,681,386	\$ 3,633,782	156.35%	59.81%
2015	0.1324%	\$ 4,969,879	\$ 3,649,101	136.19%	66.32%
2016	0.1285%	\$ 5,090,605	\$ 3,574,549	142.41%	65.47%
2017	0.1252%	\$ 6,656,679	\$ 3,719,911	178.95%	58.30%
2018	0.1273%	\$ 6,262,054	\$ 3,965,026	157.93%	62.66%
2019	0.1434%	\$ 6,904,304	\$ 4,110,763	167.96%	64.73%
2020	0.1444%	\$ 6,948,026	\$ 4,126,712	168.37%	65.59%

The note to the required supplementary information is an integral part of this schedule.

EXHIBIT 10
BROOKLINE SCHOOL DISTRICT
Schedule of the School District's Pension Contributions
New Hampshire Retirement System

For the Year Ended June 30,	Contractually Required Contribution	Contribution in Relation to the Contractually Required Contribution	Contribution Deficiency	School District's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2014	\$ 503,143	\$ (503,143)	\$ -	\$ 3,633,782	13.85%
2015	\$ 505,609	\$ (505,609)	\$ -	\$ 3,649,101	13.86%
2016	\$ 544,755	\$ (544,755)	\$ -	\$ 3,574,549	15.24%
2017	\$ 566,980	\$ (566,980)	\$ -	\$ 3,719,911	15.24%
2018	\$ 605,730	\$ (605,730)	\$ -	\$ 3,965,026	15.28%
2019	\$ 626,186	\$ (626,186)	\$ -	\$ 4,110,763	15.23%
2020	\$ 639,132	\$ (639,132)	\$ -	\$ 4,126,712	15.49%

The note to the required supplementary information is an integral part of this schedule.

EXHIBIT 11
BROOKLINE SCHOOL DISTRICT
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios

	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
Total OPEB liability:				
Service cost	\$ 19,346	\$ 19,550	\$ 19,936	\$ 50,067
Interest	12,249	12,500	10,340	7,249
Changes of assumptions	24,447	7,226	(4,748)	(10,482)
Benefit payments	(5,707)	(18,451)	(15,251)	(13,046)
Change in proportion of medical subsidy	(136,566)	(144,393)	775,314	-
Net change in total OPEB liability	(86,231)	(123,568)	785,591	33,788
Total OPEB liability, beginning	964,393	1,087,961	302,370	268,582
Total OPEB liability, ending	<u>\$ 878,162</u>	<u>\$ 964,393</u>	<u>\$ 1,087,961</u>	<u>\$ 302,370</u>
Covered payroll	\$ 4,336,197	\$ 4,110,763	\$ 4,765,960	\$ 4,671,671
Total OPEB liability as a percentage of covered payroll	20.25%	23.46%	22.83%	6.47%
School District's proportion of OPEB liability for the medical subsidy	0.1386%	0.1378%	0.1696%	n/a

The note to the required supplementary information is an integral part of this schedule.

EXHIBIT 12
BROOKLINE SCHOOL DISTRICT
Schedule of Changes in the School District's OPEB Contributions

	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
Actuarially determined contribution	\$ 99,486	\$ 98,923	\$ 30,276	\$ 48,457
Contributions in relation to the actuarially determined contribution	(68,123)	(79,405)	(15,251)	(13,002)
Contribution deficiency	<u>\$ 31,363</u>	<u>\$ 19,518</u>	<u>\$ 15,025</u>	<u>\$ 35,455</u>
Covered-employee payroll	\$4,336,197	\$4,110,763	\$4,765,960	\$4,671,671
Contributions as a percentage of covered-employee payroll	2.29%	2.41%	0.64%	1.04%

The note to the required supplementary information is an integral part of this schedule.

**BROOKLINE SCHOOL DISTRICT
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

The Pension and OPEB schedules are meant to present related information for ten years. Because this is the sixth year that the School District has presented the pension information, and the third year for the OPEB information, only seven years and four years, respectively, are presented. An additional year's information will be added each year until there are ten years shown.

COMBINING NONMAJOR AND INDIVIDUAL FUND SCHEDULES

EXHIBIT 13
BROOKLINE SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2020

	Special Revenue Funds			Permanent	
	Food	Student	Other	Fund	Total
	Service	Activities			
ASSETS					
Cash and cash equivalents	\$ 41,908	\$ 8,610	\$ 49,402	\$ -	\$ 99,920
Intergovernmental receivable	1,167	-	-	33,618	34,785
Inventory	12,953	-	-	-	12,953
Total assets	<u>\$ 56,028</u>	<u>\$ 8,610</u>	<u>\$ 49,402</u>	<u>\$ 33,618</u>	<u>\$ 147,658</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	<u>\$ 1,995</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,995</u>
Deferred inflows of resources:					
Unearned revenue	<u>25,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,106</u>
Fund balances:					
Nonspendable	12,953	-	-	31,601	44,554
Restricted	-	-	-	2,017	2,017
Committed	15,974	8,610	49,402	-	73,986
Total fund balances	<u>28,927</u>	<u>8,610</u>	<u>49,402</u>	<u>33,618</u>	<u>120,557</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 56,028</u>	<u>\$ 8,610</u>	<u>\$ 49,402</u>	<u>\$ 33,618</u>	<u>\$ 147,658</u>

EXHIBIT 14
BROOKLINE SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2020

	Special Revenue Funds			Permanent	
	Food Service	Student Activities	Other	Fund	Total
REVENUES					
Local	\$ 102,114	\$ 7,966	\$ 15,300	\$ 39	\$ 125,419
State	2,359	-	-	-	2,359
Federal	35,068	-	-	-	35,068
Total revenues	<u>139,541</u>	<u>7,966</u>	<u>15,300</u>	<u>39</u>	<u>162,846</u>
EXPENDITURES					
Current:					
Instruction	-	19,052	9,116	-	28,168
Support services:					
Instructional staff	-	-	763	-	763
Non-instructional services	164,979	-	-	-	164,979
Total expenditures	<u>164,979</u>	<u>19,052</u>	<u>9,879</u>	<u>-</u>	<u>193,910</u>
Net change in fund balances	(25,438)	(11,086)	5,421	39	(31,064)
Fund balances, beginning	54,365	19,696	43,981	33,579	151,621
Fund balances, ending	<u>\$ 28,927</u>	<u>\$ 8,610</u>	<u>\$ 49,402</u>	<u>\$ 33,618</u>	<u>\$ 120,557</u>

EXHIBIT 15
BROOKLINE SCHOOL DISTRICT
General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2020

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 6,880,749	\$ 6,880,749	\$ -
Other local sources:			
Tuition	210,000	148,317	(61,683)
Investment earnings	600	11,237	10,637
Impact fees	13,000	21,010	8,010
Rental of property	-	910	910
Miscellaneous	-	3,962	3,962
Total from other local sources	223,600	185,436	(38,164)
State sources:			
Adequacy aid (grant)	1,908,595	1,908,595	-
Adequacy aid (tax)	560,696	560,696	-
School building aid	44,436	44,436	-
Catastrophic aid	56,243	60,408	4,165
Total from state sources	2,569,970	2,574,135	4,165
Federal sources:			
Medicaid	-	13,192	13,192
Total revenues	9,674,319	\$ 9,653,512	\$ (20,807)
Use of fund balance	228,414		
Total revenues and use of fund balance	\$ 9,902,733		

EXHIBIT 16
BROOKLINE SCHOOL DISTRICT
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2020

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
Instruction:					
Regular programs	\$ -	\$ 2,689,408	\$ 2,520,991	\$ 8,600	\$ 159,817
Special programs	-	1,292,834	1,116,186	755	175,893
Total instruction	-	3,982,242	3,637,177	9,355	335,710
Support services:					
Student	-	728,799	669,694	463	58,642
Instructional staff	-	206,680	182,943	789	22,948
General administration	-	56,425	41,579	-	14,846
Executive administration	-	302,679	302,679	-	-
School administration	-	488,476	448,495	2,803	37,178
Operation and maintenance of plant	20,454	608,928	605,512	102,542	(78,672)
Student transportation	-	524,543	448,391	-	76,152
Other	-	2,428,186	2,331,145	-	97,041
Total support services	20,454	5,344,716	5,030,438	106,597	228,135
Debt service:					
Principal	-	188,253	188,253	-	-
Interest	-	287,522	287,522	-	-
Total debt service	-	475,775	475,775	-	-
Other financing uses:					
Transfers out	-	100,000	100,000	-	-
Total encumbrances, appropriations, expenditures and other financing uses	\$ 20,454	\$ 9,902,733	\$ 9,243,390	\$ 115,952	\$ 563,845

EXHIBIT 17
BROOKLINE SCHOOL DISTRICT
General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2020

Unassigned fund balance, beginning		\$ 107,181
Changes:		
Fund balance used to reduce school district assessment		(103,414)
Fund balance appropriated		(125,000)
Budget summary:		
Revenue shortfall (Exhibit 15)	\$ (20,807)	
Unexpended balance of appropriations (Exhibit 16)	563,845	
Budget surplus		543,038
Decrease in nonspendable fund balance		2,927
Increase in committed fund balance		(20,438)
Unassigned fund balance, ending		\$ 404,294



Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S COMMUNICATION TO MANAGEMENT

To the Members of the School Board
Brookline School District
Brookline, New Hampshire

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brookline School District as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Brookline School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

This communication is intended solely for the information and use of management, the school board, and others within the Brookline School District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Roberts & Greene, PLLC

Concord, New Hampshire
April 2, 2021