

Monadnock Regional School District & SAU #93
School Board Agenda
May 2, 2023
In-Person MRMHS Library & Webinar Link 7:00 pm

Join Zoom Meeting:

<https://mrsd-org.zoom.us/j/89171091240?pwd=MTBTQUJuS29kRmlQRUZRcitFTDJBdz09>

ID: 89171091240 Passcode: 935511
(US) +1 301-715-8592 Passcode:935511

The public is encouraged to attend MRSD Board meetings.
Comments are welcome during the 'Public Comments' portions of the agenda.

"We collaborate not just to teach, but also to engage and educate every student in our district in an environment that is challenging, caring, and safe, while fostering lifelong learning."

1. CALL THE MEETING TO ORDER 6:30pm
2. **NON-PUBLIC RSA 91-A:3. II (c) - Manifest Hardship Hearing**
3. PUBLIC COMMENTS (15 minutes)
4. #celebrateMRSD
 - a. Teacher Appreciation Week
5. MATTERS FOR INFORMATION & DISCUSSION
 - a. Q3 Education Report
 - b. Federal Funds General Assurances
 - c. FY22 Audit Recap
 - d. CCC Regional Agreement
 - e. Preparing for Joint Meeting w/ Budget Committee on 5/16/23
 - f. Overview of Critical Staffing Shortages (State of NH Definitions + MRSD Current Status)
6. MATTERS THAT REQUIRE BOARD ACTION
 - a. * Rules for Board Member Remote Participation
 - b. * April 18, 2023 Minutes
 - d. * Manifest
 - e. * Budget Transfers
 - f. * Superintendent Search Process
 - g. * Charter & Goals: Finance/Facilities
 - h. * Charter & Goals: Policy
 - i. * Charter & Goals: Education
7. SETTING NEXT MEETING'S AGENDA
8. PUBLIC COMMENTS (15 minutes)
9. NON-PUBLIC SESSIONS under RSA 91-A:3. II as needed
 - a. RSA 91-A:3. II (c) - Superintendent Performance Evaluation
10. ADJOURNMENT

**Indicates an item requiring Board action. The order of the agenda is subject to change.*

SINGLE DISTRICT SCHOOL ADMINISTRATIVE UNITS

RSA 94-C:3 – Single District School Administrative Units; Exemption. Single district school administrative units shall be considered the same as a single school district and shall be exempt from meeting the requirements of this chapter, except that they shall provide superintendent services pursuant to RSA 194-C:4

NONPUBLIC SESSIONS

RSA 91-A:3– II. Only the following matters shall be considered or acted upon in nonpublic session:

- (a) **The dismissal, promotion, or compensation of any public employee** or the disciplining of such employee, or the investigation of any charges against him or her, unless the employee affected (1) has a right to a meeting and (2) requests that the meeting be open, in which case the request shall be granted.
- (b) The **hiring** of any person as a public employee.
- (c) Matters which, if discussed in public, would likely adversely affect the **reputation** of any person, other than a member of the public body itself, unless such person requests an open meeting.
- (d) Consideration of the **acquisition, sale, or lease of real or personal property** which, if discussed in public, would likely benefit a party or parties whose interests are adverse to those of the general community.
- (e) **Consideration or negotiation of pending claims or litigation** which has been threatened in writing or filed by or against the public body or any subdivision thereof, or by or against any member thereof because of his or her membership in such public body, until the claim or litigation has been fully adjudicated or otherwise settled.
- (i) Consideration of matters relating to the **preparation for and the carrying out of emergency functions**, including training to carry out such functions, developed by local or state safety officials that are directly intended to thwart a deliberate act that is intended to result in widespread or severe damage to property or widespread injury or loss of life.
- (j) **Consideration of confidential, commercial, or financial information** that is exempt from public disclosure under RSA 91-A:5, IV in an adjudicative proceeding pursuant to RSA 541 or RSA 541-A.
- (k) Consideration by a school board of entering into a **student or pupil tuition contract** authorized by RSA 194 or RSA 195-A,
- (l) **Consideration of legal advice provided by legal counsel**, either in writing or orally, to one or more members of the public body, even where legal counsel is not present.

CALENDAR OF UPCOMING MRSD MEETINGS:

5/9/2023	Finance & Facilities Committee	7:00 pm	SAU Conference Room
5/10/2023	Policy Committee	7:00 pm	SAU Conference Room
5/11/2023	Extra-Curricular Committee	6:00 pm	SAU Conference Room
5/16/2023	Joint School Board & Budget Committee	7:00 pm	MRMHS Library
5/23/2023	Budget Committee	7:00 pm	MRMHS Library

Meetings will be in person for all Board & Committee Members. The public is encouraged & welcome to attend either in person or through Zoom. Public comments are welcome in person during the ‘Public Comments’ portions of the agenda.

**** Please note: All Committee Meetings dates, times, and locations are posted in the SAU 93 Reception Lobby, on the MRSD website calendar, and in the schools and towns of MRSD. In the event of a snow day, the school board meeting will be planned for the following school day.****



March 30, 2023

James A. Sojka, CPA*

Sheryl A. Pratt, CPA**

Michael J. Campo, CPA, MACCY

Karen M. Lascelle, CPA, CVA, CFE

To the Members of the School Board
Monadnock Regional School District
600 Old Homestead Highway
Swanzy, NH 03446

Dear Members of the School Board:

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Monadnock Regional School District for the year ended June 30, 2022, and have issued our report thereon dated March 28, 2023. Professional standards require that we communicate to you the following information related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 28, 2022, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Monadnock Regional School District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you in our engagement letter dated April 28, 2022.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our Firm, as appropriate and our Firm, have complied with all relevant ethical requirements regarding independence.

We follow the AICPA Ethics Standard Rule 201 and in conjunction with the Firm's Quality Control Document, we annually review with all engagement staff potential conflicts and obtain an independence certification. In addition, we inquire on each engagement about potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

PLODZIK & SANDERSON, P.A.
Certified Public Accountants

193 North Main Street, Concord, New Hampshire, 03301 • 603-225-6996
www.plodzik.com

Significant Risks Identified

We have identified the following significant risks through our risk assessment procedures. These risks are identified universally in New Hampshire governmental entity audits performed by our firm. As a result of these risks the engagement team developed an audit approach that specifically addresses these significant risks:

- Management override of controls;
- Improper revenue recognition; and
- Impact of the COVID-19 pandemic.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Monadnock Regional School District is included in Note 1 to the financial statements. As described in Note 2-C to the financial statements, the Monadnock Regional School District changed accounting principles to change the way the School District reports leases, by adopting Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, in the fiscal year 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the capital asset useful lives is based on historical information and industry guidance. We evaluated the key factors and assumptions used to develop the capital asset useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability, deferred outflows and inflows of resources related to pensions are based on assumptions of future events, such as employment, mortality and estimates of value of reported amounts. We evaluated the key factors and assumptions used to develop the net pension liability, deferred outflows and inflows of resources related to pensions in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other postemployment benefit liability, deferred outflows and inflows of resources are based on the assumption of future events, such as employment, mortality, and healthcare cost trend, as well as estimates of the value of reported amounts. We evaluated key factors and assumptions used to develop the other postemployment benefits liability, deferred outflows and inflows of resources related to the other postemployment benefits in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.



Significant Unusual Transactions

There are no significant or unusual transactions identified during our audit.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Corrected and Uncorrected Misstatements

Adjustments proposed and approved were primarily of a routine nature which management expects the independent auditors to record as part of their year-end procedures. A list of these adjustments for all funds is attached to this letter.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 28, 2023.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Monadnock Regional School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Key Audit Matters

We have determined that there are no key audit matters to communicate.

Other Audit Matters, Findings, or Issues

In the normal course of our professional association with the Monadnock Regional School District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the School District, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Monadnock Regional School District's auditors.

Accounts Payable and Payroll Manifests

We noted during review of accounts payable and payroll manifests that not all were consistently signed by the majority of the school board. State statutes require at least the majority board signatures on each manifest. We recommend that the District adhere to State guidelines and obtain a majority of signatures on the accounts payable and payroll manifests.

Student Activity Disbursement Support – Gilsum and Troy

We noted during testing of disbursements over the student activity funds (specifically Gilsum and Troy), that some were lacking supporting documentation. Each disbursement of the student activity fund should be supported with an invoice, purchase order, receipt or other kind of supporting documentation in addition to the formal approval by the activity advisor and principal. We recommend that the school retain all applicable support for each disbursement.



Other Matters

Implementation of New GASB Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements.

GASB Statement No. 91, *Conduit Debt Obligations*, issued in May 2019, will be effective for the School District with its fiscal year ending June 30, 2023. This Statement will provide a single method of reporting conduit debt obligations and eliminate differences in practice.

GASB Statement No. 92, *Omnibus 2020*, issued in January 2020, will be effective for the School District with its fiscal year ended June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued in March 2020, will be effective for the School District with its fiscal year ended June 30, 2023. The objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued in May 2020, will be effective for the School District with its fiscal year ended June 30, 2023. The objectives of this Statement are to provide guidance on accounting and financial reporting for subscription-based information technology arrangements for government end users.

GASB Statement No. 99, *Omnibus 2021*, issued in April 2022, will be effective for the School District with its fiscal year ended June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*, issued in June 2022, will be effective for the School District with its fiscal year ended June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences*, issued in June 2022, will be effective for the School District with its fiscal year ended June 30, 2024. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

We applied certain limited procedures to the following, which is/are required supplementary information (RSI) that supplements the basic financial statements:

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



Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund schedules, and the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the members of the School Board and management of the Monadnock Regional School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully,



PLODZIK & SANDERSON

Professional Association

Attachment:

Gov Letter AJE Attachment



Client: **1076 - Monadnock Regional School District**
 Engagement: **2022 - Monadnock Regional School District**
 Period Ending: **0/30/2022**
 Trial Balance: **001.0000 - Government Fund Trial Balance**
 Workpaper: **910.0031 - Gov Letter AJE Attachment**
 Fund Level: **Fund**
 Index: **01, 02, 03, 04, 05, 70, 87**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
300.8100 To consolidate interfund balances per #300.8100				
02-0000-22500-00-00000	DEFAULT DTF		393,302.00	
05-0000-22501-00-00000	DTF GENERAL FUND		95,145.00	
02-0000-22501-00-00000	DTF GENERAL FUND			393,302.00
05-0000-22500-00-00000	DEFAULT DTF			95,145.00
Total			488,447.00	488,447.00
Adjusting Journal Entries JE # 2				
530.1010 To record change in deferred revenue for local grants and donations per #530.1010				
05-0000-41100-02-22020	Sue Bobbin Memorial Donation Revenue		1,435.00	
05-0000-41710-00-00000	2009 Athletics Revolving Fund/Gate Rec		3,989.00	
05-0000-41920-00-00020	HealthTrust Wellness MRMHS Revenue		500.00	
05-0000-41920-00-18983	MRMHS Robotics Grant Revenue		975.00	
05-0000-41920-01-00020	HealthTrust Wellness Mt Caesar		85.00	
05-0000-41920-01-12018	Healthy Monadnock School Champions MIC		1,009.00	
05-0000-41920-02-00020	HealthTrust Wellness Grant Culler		20.00	
05-0000-41920-03-00020	HealthTrust Wellness Grant Troy		88.00	
05-0000-41920-04-00020	Health Trust Wellness Grant Emerson		364.00	
05-0000-41920-04-00025	Alliance Energy STEM Grant		500.00	
05-0000-41920-06-00020	HealthTrust Wellness Grant Gilsom		289.00	
05-0000-43700-03-22011	USNH Wellness Mini-Grant Revenue		466.00	
05-0000-44510-09-00000	Wellness Programs - district		150.00	
05-0000-24690-00-00000	DEFERRED REVENUE			8,842.00
05-0000-41990-09-08000	Planet Aid revenue			1,028.00
Total			9,870.00	9,870.00
Adjusting Journal Entries JE # 3				
530.1010 To record clearly trivial entry to reconcile deferred revenue balance to client's grant summary per #530.1010				
05-0000-24890-00-00000	DEFERRED REVENUE		426.00	
05-1400-56100-09-08000	Project Graduation Expenditures - Planet Aid Funds			426.00
Total			426.00	426.00
Adjusting Journal Entries JE # 4				
530.9000 To transfer old balance relating to donations and local grants to the general fund per #530.9000				
01-0000-22500-00-00000	DEFAULT DTF		35,969.00	
05-4900-00000-00-00000	Transfer to General Fund		35,969.00	
01-3900-00000-00-00000	Transfer from Private Grants Fund			35,969.00
05-0000-22501-00-00000	DTF GENERAL FUND			35,969.00
Total			71,938.00	71,938.00
Adjusting Journal Entries JE # 5				
510.2110 To adjust student balances to actual				
04-0000-24200-00-00001	Accounts Payable - Students		1,952.00	
04-0000-41600-00-00001	Food Service Sales		1,285.00	
04-0000-11200-00-00001	Accounts Receivable - Students			3,237.00
Total			3,237.00	3,237.00
Adjusting Journal Entries JE # 6				
520.5100 To reverse prior year accounts receivable in the grants fund				
01-0000-11530-00-00000	OTHER RECEIVABLES		954,897.00	
02-0000-22501-00-00000	DTF GENERAL FUND		954,867.00	
01-0000-22500-00-00000	DEFAULT DTF			954,897.00
02-0000-11400-00-00000	INTERGOVERNMENT RECEIVABLES			954,867.00
Total			1,909,764.00	1,909,764.00
Adjusting Journal Entries JE # 7				
400.0010 To record client provided journal entry per #400.0010 (AUDIT ONLY)				
01-0000-24890-00-00000	DEFERRED REVENUES		204,507.00	
01-0000-43110-00-00002	Special Ed Differentiated Aid		373,244.00	
01-0000-41111-00-00001	Fitz Assess			204,507.00
01-0000-43230-00-00001	Catastrophic Aid			373,244.00
Total			577,751.00	577,751.00
Adjusting Journal Entries JE # 8				
300.8200 To record transfer to capital project fund for non-lapsing appropriation WA #3 per #300.8200				
01-5230-59300-90-06060	Trans to Cap Proj Fund-R&M Wrrnt Article		299,999.00	
03-0000-22500-00-00000	DEFAULT DTF		299,999.00	
01-0000-22500-00-00000	DEFAULT DTF			299,999.00
03-0000-45210-00-00000	Transfer From General Fund			299,999.00
Total			599,998.00	599,998.00
Adjusting Journal Entries JE # 9				
400.4200				

To reclassify nonspendable fund balance to agree to prepaid items per #400 4200			
01-0000-37700-00-00000	UNRESERVED BALANCE	4,933.00	
01-0000-37510-00-00000	Nonspendable Fund Balance		4,933.00
Total		4,933.00	4,933.00
Adjusting Journal Entries JE # 10			
To reclassify fund balance to committed for warrant articles approving the use of unassigned fund balance per #210,0030			
01-0000-37700-00-00000	UNRESERVED BALANCE	153,349.00	
01-0000-37530-00-20000	Committed Fund Balance		153,349.00
Total		153,349.00	153,349.00
Adjusting Journal Entries JE # 11			
To transfer additional funding to capital project fund for project deficit and include lapsed amount per #300.8200			
01-5230-59300-90-06060	Trans to Cap Proj Fund-R&M Wrrnt Article	126,996.00	
03-0000-22500-00-00000	DEFAULT DTF	126,996.00	
01-0000-22500-00-00000	DEFAULT DTF		126,996.00
03-0000-45210-00-00000	Transfer From General Fund		126,996.00
Total		253,992.00	253,992.00
Adjusting Journal Entries JE # 12			
To record Food Service Commodities			
04-2560-56200-01-00000	Supplies, Food	83,885.00	
04-0000-44566-00-00000	Fed Commodities		83,885.00
Total		83,885.00	83,885.00
Adjusting Journal Entries JE # 13			
To reverse prior year retainage and record current year retainage payable per #560,1010			
03-4500-54500-00-21002	MRMHS 4 Classroom Addition Construction	38,797.00	
03-0000-24320-00-00000	Retainage Payable		25,476.00
03-2620-54300-00-20002	FY20 WA #2 Tech Ed Addition Exp		13,321.00
Total		38,797.00	38,797.00
Adjusting Journal Entries JE # 14			
To consolidate fund balance accounts and reclassify assigned fund balance to agree to encumbrances per #400 4400			
01-0000-37530-00-10000	Assigned for Legal Contingency	392,381.00	
01-0000-37600-00-00000	Fund Bal Reserved for special purposes	1.00	
01-0000-37700-00-00000	UNRESERVED BALANCE	56,321.00	
01-0000-37530-00-00000	RESERVED FOR ENCUMBRANCES		448,702.00
01-0000-37550-00-00000	Reserve for Amts Voted		1.00
Total		448,703.00	448,703.00
Adjusting Journal Entries JE # 15			
To consolidate interfunds and pooled cash per #300.8100			
01-0000-11300-00-00000	INTERFUND REC - GENERAL	19,310.00	
01-0000-22502-00-00000	DTF FEDERAL GRANTS	163.00	
01-0000-22503-00-00000	DTF CONSTRUCTION PROJECTS	1,878,099.00	
03-0000-22500-00-00000	DEFAULT DTF	1,878,099.00	
04-0000-22501-00-00000	DTF GENERAL FUND	34,725.00	
01-0000-11306-00-00000	Interfund Receivable - Capital Projects		38,125.00
01-0000-22500-00-00000	DEFAULT DTF		1,639,073.00
01-0000-22504-00-00000	DTF FOOD SERVICE		160,728.00
01-0000-22505-00-00000	DTF PRIVATE GRANTS		59,646.00
03-0000-22501-00-00000	DTF GENERAL FUND		1,878,099.00
04-0000-22500-00-00000	DEFAULT DTF		34,725.00
Total		3,810,396.00	3,810,396.00
Adjusting Journal Entries JE # 16			
To reclassify overrun of basketball court project to income statement per #300.8100			
01-4200-54400-09-00000	Building Projects	18,785.00	
01-0000-22500-00-00000	DEFAULT DTF		18,785.00
Total		18,785.00	18,785.00
Adjusting Journal Entries JE # 17			
To record immaterial change in food service inventory. Also to adjust nonspendable fund balance			
04-0000-11700-00-00000	Inventory - Nutrition	1,708.00	
04-0000-37700-00-00000	UNRESERVED BALANCE	1,708.00	
04-0000-37510-00-00000	NONSPENDABLE FUND BALANCE		1,708.00
04-2560-56200-01-00000	Supplies, Food		1,708.00
Total		3,416.00	3,416.00
Adjusting Journal Entries JE # 18			
To adjust beginning fund balance to actual due to PY local revenue deposit			
04-0000-41600-00-00001	Food Service Sales	2,985.00	
04-0000-37700-00-00000	UNRESERVED BALANCE		2,985.00
Total		2,985.00	2,985.00
Adjusting Journal Entries JE # 19			
To reclassify accounts payable per #300 2110 (AUDIT ONLY)			
01-0000-11000-00-00000	CASH	1,261,028.00	
02-0000-22501-00-00000	DTF GENERAL FUND	26,443.00	
03-0000-22501-00-00000	DTF GENERAL FUND	267,213.00	
04-0000-22501-00-00000	DTF GENERAL FUND	5,981.00	
01-0000-22500-00-00000	DEFAULT DTF		26,443.00
01-0000-22503-00-00000	DTF CONSTRUCTION PROJECTS		267,213.00

01-0000-22504-00-00000	DTF FOOD SERVICE		5,981.00
01-0000-24200-00-00000	ACCOUNTS PAYABLE		961,391.00
02-0000-24200-00-00000	ACCOUNTS PAYABLE		26,443.00
03-0000-24200-00-00000	ACCOUNTS PAYABLE		10,536.00
03-0000-24300-00-00000	CONTRACTS PAYABLE		256,677.00
04-0000-24200-00-00000	ACCOUNTS PAYABLE		5,981.00
Total		1,560,665.00	1,560,665.00
Adjusting Journal Entries JE # 20			
To consolidate receivable accounts and reverse prior year food service receivable through interfund per #300 1310			
01-0000-11530-00-00000	OTHER RECEIVABLES	319,048.00	
04-0000-22501-00-00000	DTF GENERAL FUND	59,214.00	
01-0000-11400-00-00000	INTERGOVERNMENT RECEIVABLES		259,834.00
01-0000-22504-00-00000	DTF FOOD SERVICE		59,214.00
04-0000-11400-00-00000	INTERGOVERNMENT RECEIVABLES		59,214.00
Total		378,262.00	378,262.00
Adjusting Journal Entries JE # 21			
To adjust for clearly trivial accounts receivable balance from prior years and adjust old balance sheet items from prior years per #300 1310			
01-0000-21000-00-00000	Payroll Offset Account	12,654.00	
01-0000-11200-00-00000	ACCOUNTS RECEIVABLE		1,060.00
01-0000-11490-00-00000	Due From Trustees of Trust Funds		5,384.00
01-0000-11530-00-00000	OTHER RECEIVABLES		4,177.00
01-0000-41990-00-00000	Other Local Revenues		2,033.00
Total		12,654.00	12,654.00
Adjusting Journal Entries JE # 23			
To record transfer from general fund to absorb BASP fund deficit per #300 8200			
01-5222-59300-90-00000	Transfer to Federal/State Grant Fund	32,031.00	
01-0000-22500-00-00000	DEFAULT DTF		32,031.00
Total		32,031.00	32,031.00
Total Adjusting Journal Entries		10,464,284.00	10,464,284.00
Total All Journal Entries		10,464,284.00	10,464,284.00

MONADNOCK REGIONAL SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
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MONADNOCK REGIONAL SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
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Corrective Action Plan – Monadnock Regional School District



PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

To the Members of the School Board
Monadnock Regional School District
Swanzey, New Hampshire

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Monadnock Regional School District as of and for the year ended June 30, 2022, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of the Monadnock Regional School District, as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the general, grants, and food service funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The Monadnock Regional School District's 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Monadnock Regional School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

**Monadnock Regional School District
Independent Auditor's Report**

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Monadnock Regional School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Monadnock Regional School District's ability to continue as a going concern for a reasonable period of time.

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

Change in Accounting Principle

As discussed in Note 2-C to the financial statements, in the fiscal year 2022, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

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

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

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

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

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

***Monadnock Regional School District
Independent Auditor's Report***

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2023 on our consideration of the Monadnock Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Monadnock Regional School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Monadnock Regional School District's internal control over financial reporting and compliance.

Sheryl A. Platt, CPA

March 28, 2023
Concord, New Hampshire

PLODZIK & SANDERSON
Professional Association

MONADNOCK REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2022

As management of Monadnock Regional School District (the District), we offer readers of the District's annual financial statements this narrative discussion and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. This discussion and analysis is prepared in accordance with the provisions of the Governmental Accounting Standards Board Statement No. 34 (GASBS-34).

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

FINANCIAL HIGHLIGHTS

- The District's total net position for the year ending June 30, 2022, was (\$11,297,225). Net position increased by \$655,984, or 5.49%, between July 1, 2021 and June 30, 2022. The District's total net position consisted of \$13,847,540 in capital assets net of accumulated depreciation, \$1,284,511 in restricted net position and an unrestricted net position balance of (\$26,429,276).
- The District's total liabilities of \$31,581,060 consisted primarily of obligations (due in more than one year) for net pension liability totaling \$21,697,940.
- During the year, the District's expenses totaled \$34,369,081, with slightly more than 57% for instruction (\$19,744,703).
- Total revenues were \$35,025,065 and consisted of charges for services, operating and grants restricted for specific programs, and general revenues (consisting of local and state property tax assessments and grants and contributions not restricted to specific programs). Local and state assessments generate 46.8% of the District's revenue.
- The fiscal year end balances for the general fund were categorized as follows:
 - Committed = \$759,783
 - Assigned = \$133,447
 - Unassigned = \$1,724,935
 - Nonspendable = \$9,704
- Student enrollment decreased by 12 students. Enrollment totaled 1,618 as of October 1, 2020 and 1,606 as of October 1, 2021.

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

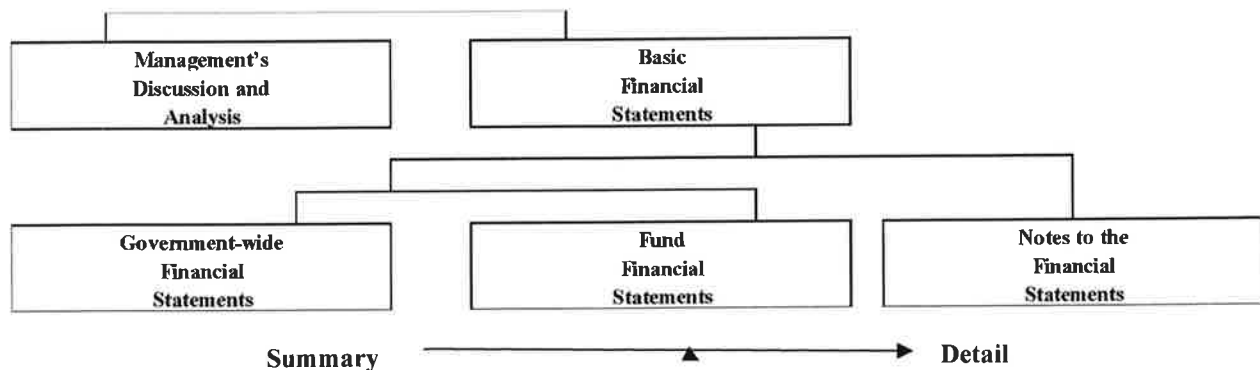
This discussion and analysis is intended to serve as an introduction to the District's annual financial report, which consists of basic financial statements, notes, and related financial/compliance information. Our annual financial report consists of four elements: 1) government-wide financial statements;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

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

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

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

Required Components of the Annual Financial Report
Figure 1



MONADNOCK REGIONAL SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2022**

Figure 2

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

MONADNOCK REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
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The remainder of this overview section of MD&A explains the structure and contents of each of the statements:

Government-wide Financial Statements

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements focus on the individual parts of the government and report the District's operations in more detail than the government-wide statements. Fund definitions are part of a state mandated uniform accounting system and chart of accounts for all New Hampshire school districts. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The District's funds are governmental funds. Only those governmental activities that are considered significant or "major" funds are reported in individual columns in the fund financial statements with combining schedules in the supplementary section to report the non-major funds.

The District's basic services are accounted for in the governmental funds and include the general, special revenue (federal grant, food service, before and after school, student activities and private grants) funds, and capital project fund.

Notes to the Financial Statements

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

MONADNOCK REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
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GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's net position totaled (\$11,297,225) at June 30, 2022, an increase of \$655,984 over the previous fiscal year.

The largest portion of the District's net position represents capital assets such as land, buildings, and equipment, less any related debt used to acquire those assets. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves generally cannot be used to liquidate these liabilities. A condensed version of the District's Statement of Net Position is shown below.

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

The School District's negative unrestricted net position is due to the fact in part that as of June 30, 2016, the School District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires the School District to report their proportionate share of the New Hampshire Retirement System's net pension liability based upon their plan contributions for the year. The New Hampshire Retirement System has a statutory funding schedule whose goal is to reach 100% plan funding by June 30, 2039.

Monadnock Regional School District Governmental Activities Summary of Net Position Two-Year Comparison				
	2022	2021	Change 2021-2022	% Change 2021-2022
Assets				
Current Assets	\$ 6,189,789	\$ 8,112,833	\$ (1,923,044)	-23.70%
Capital Assets	13,847,540	12,530,903	1,316,637	10.51%
Total assets	<u>20,037,329</u>	<u>20,643,736</u>	<u>(606,407)</u>	<u>-2.94%</u>
Deferred Outflows of Resources	<u>7,124,254</u>	<u>10,032,603</u>	<u>(2,908,349)</u>	<u>-28.99%</u>
Liabilities				
Other Liabilities	2,063,051	2,266,465	(203,414)	-8.97%
Long Term Liabilities	29,518,009	38,876,761	(9,358,752)	-24.07%
Total Liabilities	<u>31,581,060</u>	<u>41,143,226</u>	<u>(9,562,166)</u>	<u>-23.24%</u>
Deferred Inflows of Resources	<u>6,877,748</u>	<u>1,486,322</u>	<u>5,391,426</u>	<u>362.74%</u>
Net Position				
Net Investment in Capital Assets	13,847,540	12,530,903	1,316,637	10.51%
Restricted Net Position	1,284,511	2,386,808	(1,102,297)	-85.81%
Unrestricted Net Position	(26,429,276)	(26,870,920)	441,644	1.64%
Total Net Position	<u>\$ (11,297,225)</u>	<u>\$ (11,953,209)</u>	<u>\$ 655,984</u>	<u>5.49%</u>

MONADNOCK REGIONAL SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2022**

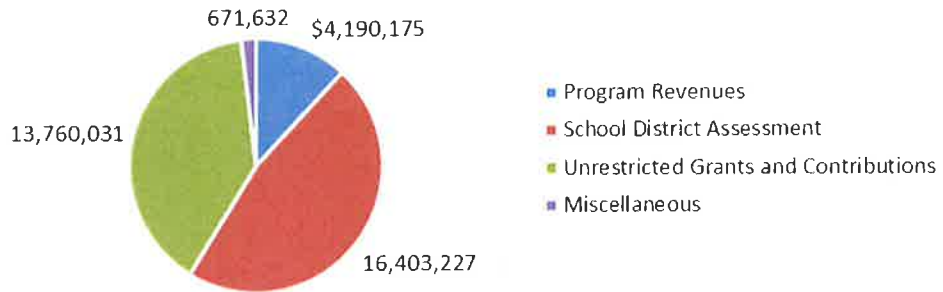
Statement of Activities

Total revenues of \$35 million exceeded expenditures of \$34.4 million. Under half (46.8%) of the District's total revenues come from the school district assessment while another 39.3% is derived from grants and contributions not restricted to specific programs. The District's expenses cover a range of services, the largest of which are school instruction (57.4% of total expenses) and operation and maintenance of plant services (9.15% of total expenses). Below is a condensed version of the District's Statement of Activities followed by charts showing the breakdown of the District's total expenses and revenues.

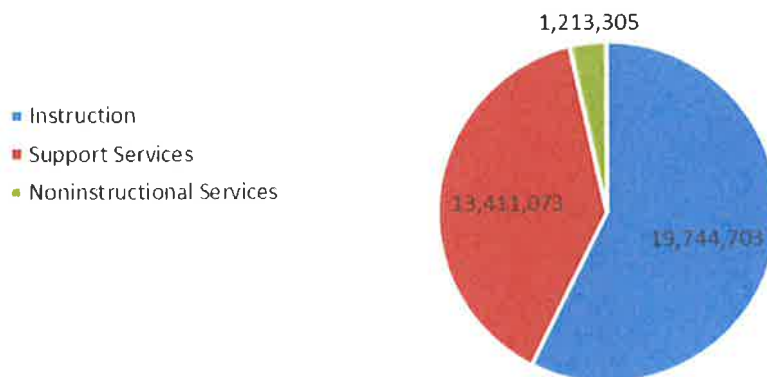
Monadnock Regional School District Governmental Activities Statement of Activities Two Year Comparison				
	June 30, 2022	June 30, 2021	Change	Change in %
Revenues				
Program Revenue				
Charges for Services	\$ 331,256	\$ 266,010	\$ 65,246	24.53%
Operating Grants & Contributions	3,858,919	3,268,159	590,760	18.08%
General Revenue				
School District Assessment	16,403,227	17,516,015	(1,112,788)	-6.35%
Unrestricted Grants and Contributions	13,760,031	14,888,214	(1,128,183)	-7.58%
Unrestricted Investment Income	6,894	7,176	(282)	-3.93%
Miscellaneous	664,738	393,859	270,879	68.78%
Total Revenues	<u>35,025,065</u>	<u>36,339,433</u>	<u>(1,314,368)</u>	<u>-3.62%</u>
Program Expenses				
Instruction	19,744,703	22,509,538	(2,764,835)	-12.28%
Support Services:				
Student	2,428,125	2,830,366	(402,241)	-14.21%
Instructional Staff	1,063,916	852,602	211,314	24.78%
General Administration	214,809	253,514	(38,705)	-15.27%
Executive Administration	388,608	389,377	(769)	-0.20%
School Administration	1,979,304	2,191,907	(212,603)	-9.70%
Business	756,547	904,217	(147,670)	-16.33%
Operation and Maintenance of Plant	3,145,309	3,445,607	(300,298)	-8.72%
Student Transportation	1,953,060	1,618,903	334,157	20.64%
Other	1,481,395	1,396,763	84,632	6.06%
Noninstructional Services	1,213,305	855,884	357,421	41.76%
Total Expenses	<u>34,369,081</u>	<u>37,248,678</u>	<u>(2,879,597)</u>	<u>-7.73%</u>
Change in Net Position	655,984	(909,245)	1,565,229	172.15%
Net Position, beginning	(11,953,209)	(11,043,964)	(909,245)	-8.23%
Net Position, ending	<u>\$ (11,297,225)</u>	<u>\$ (11,953,209)</u>	<u>\$ 655,984</u>	<u>5.49%</u>

MONADNOCK REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2022

Monadnock Regional School District
 Revenues Fiscal Year June 30, 2022



Monadnock Regional School District
 Expenses Fiscal Year June 30, 2022



MONADNOCK REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2022

INDIVIDUAL FUND FINANCIAL ANALYSIS

General Fund

The general fund is what most people think of as “the budget” since it provides the resources necessary to sustain the day-to-day activities, pays for all administrative and operating expenses and is largely supported by locally raised taxes. The general fund ended the fiscal year with an unassigned fund balance of \$1,724,935.

The general fund is supported by \$16.4 million from local assessments, and \$13.35 million from state sources. General fund expenditures are primarily for instruction (\$18.8 million) followed by support services (\$11.9 million).

COMMENTS ON GENERAL FUND BUDGET COMPARISONS

- General fund actual revenues totaling \$782,538 more than the budgeted revenues.
 - **Federal sources** totaling \$425,274 exceeded the budgeted amount by \$275,274 due to higher than anticipated Medicaid revenues.
 - **Other local revenues** totaling \$787,723 were more than budgeted by \$474,198 due to a refund from HealthTrust based on their surplus and indirect costs received.
- General fund expenditures, including encumbrances to the subsequent year, totaling \$30,945,601 were less than appropriations totaling \$31,922,436, including encumbrances from the prior year, by \$976,835 or (3%). Significant general fund budget variances occurred in these functions:
 - **Instruction** totaling \$18,771,353 is the largest expense of the District and was below budget by \$668,442 due to health insurance premium actual increases being less than projected (GMR), as well as several unfilled positions, and filling open positions with less expensive personnel.
 - **Student Support Services** totaling \$2,435,150 was under budget by \$99,246 due mostly to unfilled positions and lower health insurance premiums than budgeted.
 - **Operation and maintenance of plant** expenditures totaling \$2,435,230 was below budget by \$122,171 mostly due to a half-year vacancy in one position, and savings realized from changes in staffing.
 - **Student transportation services** totaling \$1,911,023 was below budget by \$83,788 due mostly to difficulty in hiring District van drivers, resulting in savings under wages, benefits and fuel, as well as savings under special education transportation contracted services.
 - **School administration** totaling \$1,893,374 was under budget by \$83,256 due in large part to an extended vacancy in one position as well as changes in staffing.

MONADNOCK REGIONAL SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2022**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

On June 30, 2022, the District reported capital assets of \$13,847,540 (net of accumulated depreciation), which consist of a broad range of capital assets, including land, buildings & improvements.

Monadnock Regional School District Governmental Activities Capital Assets Two Year Comparison				
	Governmental Activities		Increase (Decrease)	% Increase (Decrease)
	2022	2021		
Land	\$ 187,742	\$ 187,742	\$ -	0.00%
Construction in Progress	2,120,992	310,816	1,810,176	85.35%
Land Improvements	250,887	250,887	-	0.00%
Buildings & Building Improvements	24,328,912	24,328,912	-	0.00%
Vehicles	370,404	370,404	-	0.00%
Machinery and Equipment	711,264	641,559	69,705	10.86%
Total Historical Costs	27,970,201	26,090,320	1,879,881	7.21%
Total Accumulated Depreciation	(14,122,661)	(13,559,417)	(563,244)	4.15%
Net Capital Assets	<u>\$ 13,847,540</u>	<u>\$ 12,530,903</u>	<u>\$ 1,316,637</u>	<u>10.51%</u>

MONADNOCK REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2022

Long-Term Debt

The table below illustrates the long-term debt of the District as of June 30, 2022.

Monadnock Regional School District				
Governmental Activities				
Capital Assets				
Two Year Comparison				
	Governmental Activities		Increase (Decrease)	% Increase (Decrease)
	2022	2021		
Compensated Absences	\$ 674,580	\$ 762,812	\$ (88,232)	-11.57%
Net Pension Liability	21,697,940	31,084,802	(9,386,862)	-30.20%
Other Postemployment Benefits	7,145,489	7,029,147	116,342	1.66%
Total Long-Term Debt	\$ 29,518,009	\$ 38,876,761	\$ (9,358,752)	-24.07%

FUTURE BUDGETARY IMPLICATONS

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

Contacting the School District's Financial Management

This financial report is designed to provide a general overview of the District's finances, to comply with the finance-related laws and regulations, and to demonstrate the District's commitment to public accountability. If you have any questions about the report or would like to request additional information, contact Janel Morin, Business Administrator for Monadnock Regional School District located at 600 Old Homestead Hwy, Swanzey, NH 03446 or email jmorin@mrsd.org.

BASIC FINANCIAL STATEMENTS

EXHIBIT A
MONADNOCK REGIONAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,531,573
Investments	1,054,497
Accounts receivable	11,269
Intergovernmental receivable	1,561,184
Inventory	21,562
Prepaid items	9,704
Capital assets, not being depreciated	2,308,734
Capital assets, net of accumulated depreciation	11,538,806
Total assets	20,037,329
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	6,121,672
Amounts related to other postemployment benefits	1,002,582
Total deferred outflows of resources	7,124,254
LIABILITIES	
Accounts payable	1,022,814
Accrued salaries and benefits payable	744,508
Intergovernmental payable	255
Contracts payable	256,677
Retainage payable	38,797
Noncurrent obligations:	
Due within one year	25,037
Due in more than one year	29,492,972
Total liabilities	31,581,060
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - local grants and donations	47,714
Amounts related to pensions	6,548,158
Amounts related to other postemployment benefits	281,876
Total deferred inflows of resources	6,877,748
NET POSITION	
Net investment in capital assets	13,847,540
Restricted	1,284,511
Unrestricted	(26,429,276)
Total net position	\$(11,297,225)

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

EXHIBIT B
MONADNOCK REGIONAL SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2022

	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	\$ 19,744,703	\$ 263,576	\$ 1,474,239	\$ (18,006,888)
Support services:				
Student	2,428,125	-	167,974	(2,260,151)
Instructional staff	1,063,916	-	243,193	(820,723)
General administration	214,809	-	-	(214,809)
Executive administration	388,608	-	78,795	(309,813)
School administration	1,979,304	-	171,807	(1,807,497)
Business	756,547	-	16,790	(739,757)
Operation and maintenance of plant	3,145,309	175	50,462	(3,094,672)
Student transportation	1,953,060	-	35,697	(1,917,363)
Other	1,481,395	-	86,648	(1,394,747)
Noninstructional services	1,213,305	67,505	1,533,314	387,514
Total governmental activities	<u>\$ 34,369,081</u>	<u>\$ 331,256</u>	<u>\$ 3,858,919</u>	<u>(30,178,906)</u>
General revenues:				
School district assessment				16,403,227
Grants and contributions not restricted to specific programs				13,760,031
Interest				6,894
Miscellaneous				664,738
Total general revenues				<u>30,834,890</u>
Change in net position				655,984
Net position, beginning				<u>(11,953,209)</u>
Net position, ending				<u><u>\$ (11,297,225)</u></u>

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

EXHIBIT C-1
MONADNOCK REGIONAL SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2022

	General	Grants	Food Service	Capital Project Special Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,076,687	\$ -	\$ 398,313	\$ 842,215	\$ 214,358	\$ 3,531,573
Investments	1,054,497	-	-	-	-	1,054,497
Accounts receivable	-	-	11,269	-	-	11,269
Intergovernmental receivable	935,967	284,168	341,049	-	-	1,561,184
Interfund receivables	256,454	-	-	-	-	256,454
Inventory	-	-	21,562	-	-	21,562
Prepaid items	9,704	-	-	-	-	9,704
Total assets	\$ 4,333,309	\$ 284,168	\$ 772,193	\$ 842,215	\$ 214,358	\$ 6,446,243
LIABILITIES						
Accounts payable	\$ 960,677	\$ 27,714	\$ 23,887	\$ 10,536	\$ -	\$ 1,022,814
Accrued salaries and benefits payable	744,508	-	-	-	-	744,508
Intergovernmental payable	255	-	-	-	-	255
Interfund payable	-	256,454	-	-	-	256,454
Contracts payable	-	-	-	256,677	-	256,677
Retainage payable	-	-	-	38,797	-	38,797
Total liabilities	1,705,440	284,168	23,887	306,010	-	2,319,505
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - local grants and donations	-	-	-	-	47,714	47,714
FUND BALANCES						
Nonspendable	9,704	-	21,562	-	-	31,266
Restricted	-	-	726,744	536,205	-	1,262,949
Committed	759,783	-	-	-	-	759,783
Assigned	133,447	-	-	-	166,644	300,091
Unassigned	1,724,935	-	-	-	-	1,724,935
Total fund balances	2,627,869	-	748,306	536,205	166,644	4,079,024
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,333,309	\$ 284,168	\$ 772,193	\$ 842,215	\$ 214,358	\$ 6,446,243

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

EXHIBIT C-2
MONADNOCK REGIONAL SCHOOL DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2022

Total fund balances of governmental funds (Exhibit C-1)		\$ 4,079,024
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 27,970,201	
Less accumulated depreciation	<u>(14,122,661)</u>	13,847,540
Pension and other postemployment benefits (OPEB) related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources related to pensions	\$ 6,121,672	
Deferred inflows of resources related to pensions	(6,548,158)	
Deferred outflows of resources related to OPEB	1,002,582	
Deferred inflows of resources related to OPEB	<u>(281,876)</u>	294,220
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (256,454)	
Payables	<u>256,454</u>	-
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Compensated absences	\$ 674,580	
Net pension liability	21,697,940	
Other postemployment benefits	<u>7,145,489</u>	(29,518,009)
Net position of governmental activities (Exhibit A)		<u><u>\$ (11,297,225)</u></u>

EXHIBIT C-3
MONADNOCK REGIONAL SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022

	General	Grants	Food Service	Capital Project Special Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
School district assessment	\$ 16,403,227	\$ -	\$ -	\$ -	\$ -	\$ 16,403,227
Other local	789,288	-	67,506	-	146,094	1,002,888
State	13,354,831	-	18,458	-	-	13,373,289
Federal	425,274	2,305,531	1,514,856	-	-	4,245,661
Total revenues	<u>30,972,620</u>	<u>2,305,531</u>	<u>1,600,820</u>	<u>-</u>	<u>146,094</u>	<u>35,025,065</u>
EXPENDITURES						
Current:						
Instruction	18,771,353	1,474,239	-	-	330,522	20,576,114
Support services:						
Student	2,435,150	147,900	-	-	1,654	2,584,704
Instructional staff	822,348	243,193	-	-	-	1,065,541
General administration	214,632	-	-	-	177	214,809
Executive administration	322,555	78,795	-	-	-	401,350
School administration	1,893,374	171,807	-	-	-	2,065,181
Business	774,070	16,790	-	-	-	790,860
Operation and maintenance of plant	2,512,356	50,462	-	899,575	-	3,462,393
Student transportation	1,911,023	35,697	-	-	105	1,946,825
Other	1,118,499	86,648	-	-	-	1,205,147
Noninstructional services	-	-	1,211,158	-	-	1,211,158
Facilities acquisition and construction	113,920	-	-	910,601	-	1,024,521
Total expenditures	<u>30,889,280</u>	<u>2,305,531</u>	<u>1,211,158</u>	<u>1,810,176</u>	<u>332,458</u>	<u>36,548,603</u>
Excess (deficiency) of revenues over (under) expenditures	<u>83,340</u>	<u>-</u>	<u>389,662</u>	<u>(1,810,176)</u>	<u>(186,364)</u>	<u>(1,523,538)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	35,969	-	-	426,995	32,031	494,995
Transfers out	(459,026)	-	-	-	(35,969)	(494,995)
Total other financing sources (uses)	<u>(423,057)</u>	<u>-</u>	<u>-</u>	<u>426,995</u>	<u>(3,938)</u>	<u>-</u>
Net change in fund balances	(339,717)	-	389,662	(1,383,181)	(190,302)	(1,523,538)
Fund balances, beginning	2,967,586	-	358,644	1,919,386	356,946	5,602,562
Fund balances, ending	<u>\$ 2,627,869</u>	<u>\$ -</u>	<u>\$ 748,306</u>	<u>\$ 536,205</u>	<u>\$ 166,644</u>	<u>\$ 4,079,024</u>

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

EXHIBIT C-4
MONADNOCK REGIONAL SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2022

Net change in fund balances of total governmental funds (Exhibit C-3)		\$(1,523,538)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:		
Capitalized capital outlay	\$ 1,879,881	
Depreciation expense	<u>(563,244)</u>	1,316,637
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (494,995)	
Transfers out	<u>494,995</u>	-
Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Decrease in compensated absences payable	\$ 88,232	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	1,085,738	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>(311,085)</u>	862,885
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 655,984</u></u>

EXHIBIT D-1
MONADNOCK REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
School district assessment	\$ 16,403,227	\$ 16,403,227	\$ 16,403,227	\$ -
Other local	313,525	313,525	787,723	474,198
State	13,321,765	13,321,765	13,354,831	33,066
Federal	150,000	150,000	425,274	275,274
Total revenues	<u>30,188,517</u>	<u>30,188,517</u>	<u>30,971,055</u>	<u>782,538</u>
EXPENDITURES				
Current:				
Instruction	19,322,629	19,439,795	18,771,353	668,442
Support services:				
Student	2,721,591	2,534,396	2,435,150	99,246
Instructional staff	808,440	821,390	822,348	(958)
General administration	263,050	253,400	214,632	38,768
Executive administration	391,420	368,467	322,555	45,912
School administration	1,991,207	1,976,630	1,893,374	83,256
Business	855,747	818,301	774,070	44,231
Operation and maintenance of plant	2,473,211	2,557,401	2,435,230	122,171
Student transportation	1,967,111	1,994,811	1,911,023	83,788
Other	1,128,030	1,157,845	1,118,499	39,346
Facilities acquisition and construction	-	-	247,367	(247,367)
Total expenditures	<u>31,922,436</u>	<u>31,922,436</u>	<u>30,945,601</u>	<u>976,835</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,733,919)</u>	<u>(1,733,919)</u>	<u>25,454</u>	<u>1,759,373</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	35,969	35,969
Transfers out	(300,000)	(300,000)	(459,026)	(159,026)
Total other financing sources (uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>(423,057)</u>	<u>(123,057)</u>
Net change in fund balance	<u>\$ (2,033,919)</u>	<u>\$ (2,033,919)</u>	<u>(397,603)</u>	<u>\$ 1,636,316</u>
Increase in nonspendable fund balance			(4,933)	
Increase in committed fund balance			(153,348)	
Decrease in assigned fund balance (non-encumbrance)			246,900	
Unassigned fund balance, beginning			2,033,919	
Unassigned fund balance, ending			<u>\$ 1,724,935</u>	

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

EXHIBIT D-2
MONADNOCK REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (GAAP Basis)
Grants Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Federal	\$ 570,000	\$ 2,305,531	\$ 2,305,531	\$ -
EXPENDITURES				
Current:				
Instruction	570,000	1,474,239	1,474,239	-
Support services:				
Student	-	147,900	147,900	-
Instructional staff	-	243,193	243,193	-
Executive administration	-	78,795	78,795	-
School administration	-	171,807	171,807	-
Business	-	16,790	16,790	-
Operation and maintenance of plant	-	50,462	50,462	-
Student transportation	-	35,697	35,697	-
Other	-	86,648	86,648	-
Total expenditures	<u>570,000</u>	<u>2,305,531</u>	<u>2,305,531</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

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

EXHIBIT D-3
MONADNOCK REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (GAAP Basis)
Food Service Fund
For the Fiscal Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Other local	\$ -	\$ 67,506	\$ 67,506
State	100,000	18,458	(81,542)
Federal	300,000	1,514,856	1,214,856
Total revenues	<u>400,000</u>	<u>1,600,820</u>	<u>1,200,820</u>
EXPENDITURES			
Current:			
Noninstructional services	<u>400,000</u>	<u>1,211,158</u>	<u>(811,158)</u>
Net change in fund balance	<u>\$ -</u>	389,662	<u>\$ 389,662</u>
Fund balance, beginning		358,644	
Fund balance, ending		<u>\$ 748,306</u>	

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

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

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MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

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MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1-A Reporting Entity

In New Hampshire, each Town constitutes a school district, except school districts organized under special acts of the State legislature. The Monadnock Regional School District serves the communities of Gilsum, Fitzwilliam, Richmond, Roxbury, Swanzey, and Troy, New Hampshire and provides public as well as vocational education services for students in preschool through grade twelve.

The Monadnock Regional School District is a municipal corporation governed by an elected 13-member School Board. In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The School District has no component units to include in its reporting entity.

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

1-B Government-wide and Fund Financial Statements

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

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

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

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

In the governmental fund financial statements, expenditures are reported by character: instruction, support services, noninstructional, and facilities acquisition and construction. Current expenditures are subclassified by function and are for items such as salaries, grants, supplies, and services. Capital outlay includes expenditures for equipment, real property, or infrastructure.

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

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

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

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The School District reports the following major governmental funds:

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

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

Food Service Fund – accounts for the operation of the School District’s food service program.

Capital Project Fund (Special Projects)– the special projects capital project fund accounts for the activity pertaining to the renovation of the District’s schools.

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

1-D Cash and Cash Equivalents

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

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

1-E Investments

State statutes place certain limitations on the nature of deposits and investments available as follows:

New Hampshire law authorizes the School District to invest in the following type of obligations:

- Obligations of the United States government;
- The public deposit investment pool established pursuant to RSA 383:22;

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- Savings bank deposits; and
- 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.

Fair Value Measurement of Investments – In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, except for investments measured using the net asset value (NAV) as a practical expedient to estimate fair value, the School District categorizes the fair value measurements of its investments within the fair value hierarchy established by US GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

Level 1 – Inputs that reflect quoted prices (unadjusted) in active markets for identical assets and liabilities that the School District has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, including inputs in markets that are not considered to be active. Because they most often are priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency.

Level 3 – Unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative financial instruments.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In certain instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level of the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Investments are reported at fair value. If an investment is held directly by the School District and an active market with quoted prices exists, such as for domestic equity securities, the market price of an identical security is used to report fair value and is classified as Level 1. Corporate fixed income securities and certain government securities utilize pricing that may involve estimation using similar securities or trade dates and are classified in Level 2. Fair value for shares in registered mutual funds and exchange traded funds are based on published share prices and classified in Level 1.

Investments in Certain External Investment Pools – In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the School District held investments with the New Hampshire Public Deposit Investment Pool (NHPDIP). The NHPDIP measures all of its investments at amortized cost. There are no redemption restrictions and shares may be redeemed by the School District in accordance with the NHPDIP's information statement.

1-F Receivables

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

1-G Inventory

Inventories are valued at cost (first-in, first-out) which approximates market. The School District's inventories include various items consisting of food supplies and commodities. USDA commodities received from the Federal government are recorded at the value established by the Federal government using the average cost method. Inventorial items are recorded as expenditures when consumed at the schools (the consumption method). The nonspendable fund balance at the governmental fund level is a part of the amount of inventories at year-end to indicate the portion of the governmental fund balance that is nonspendable.

1-H Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and expensed as the items are used. This amount is also a part of nonspendable fund balance at year-end.

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1-I Capital Assets

Capital assets are reported in the government-wide financial statements, but are not reported in the fund financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation, if received on or before June 15, 2015. Donated capital assets received after June 15, 2015 are recorded at acquisition value. The School District has established a threshold of \$10,000 or more and an estimated useful life in excess of five years for capitalization of depreciable assets.

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

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

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

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

Capital Asset Class:	<u>Years</u>
Land improvements	25
Buildings and building improvements	10 - 40
Vehicles	5 - 10
Machinery and equipment	5 - 10

1-J Interfund Activities

Interfund activities are reported as follows:

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

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

1-K Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of June 30, 2022.

1-L Deferred Outflows/Inflows of Resources

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

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

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1-M Long-term Obligations

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

1-N Compensated Absences

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

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

1-O Defined Benefit Pension Plan

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

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

1-P Postemployment Benefits Other Than Pensions (OPEB)

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

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

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

1-Q Net Position/Fund Balances

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

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation.

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

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

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

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

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

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

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

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

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

1-R Use of Estimates

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

1-S Material Change in Classification

The accompanying financial statements reflect a change in classification from the prior year. Specifically, the food service fund which accounts for food services did qualify as a major fund for the current fiscal year. As such it was reclassified from the nonmajor governmental funds.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

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

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

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

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2022, \$2,033,918 of the beginning general fund unassigned fund balance was applied for this purpose. Additionally, \$1 was appropriated to fund the School District's capital reserve funds.

2-B Budgetary Reconciliation to GAAP Basis

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

Revenues and other financing sources:	
Per Exhibit D-1 (budgetary basis)	\$ 31,007,024
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
Interest earnings related to the blended expendable trust funds	1,565
Per Exhibit C-3 (GAAP Basis)	<u>\$ 31,008,589</u>
Expenditures and other financing uses:	
Per Exhibit D-1 (budgetary basis)	\$ 31,404,627
Adjustments:	
Basis difference:	
Encumbrances, beginning	77,126
Encumbrances, ending	(133,447)
Per Exhibit C-3 (GAAP basis)	<u>\$ 31,348,306</u>

2-C Accounting Change

Governmental Accounting Standards Board Statement No. 87, *Leases*, was implemented during fiscal year 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The school district has assessed all potential agreements that may be applicable for reporting under GASB Statement No. 87 and have determined that none of the agreements are applicable.

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DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The School District's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held by the School District's agent in the School District's name. The FDIC currently insures the first \$250,000 of the School District's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by collateral. As of year-end, the carrying amount of the School District's deposits was \$3,531,573 and the bank balances totaled \$3,791,681. Petty cash totaled \$235.

NOTE 4 – INVESTMENTS

Note 1-E describes statutory requirements covering the investment of the School District funds. The School District holds investments that are measured at amortized cost as follows:

Investments carried at amortized cost:	
NH Public Deposit Investment Pool	<u>\$ 1,054,497</u>

NOTE 5 – RECEIVABLES

Receivables at June 30, 2022, consisted of accounts and intergovernmental amounts arising from grants, school lunch program, and expendable trust funds held by the Town of Swanzey Trustees of Trust Funds for the School District. Receivables are recorded on the School District's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, consisted of the following:

	Balance, beginning	Additions	Retirements	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 187,742	\$ -	\$ -	\$ 187,742
Construction in progress	310,816	1,810,176	-	2,120,992
Total capital assets not being depreciated	<u>498,558</u>	<u>1,810,176</u>	<u>-</u>	<u>2,308,734</u>
Being depreciated:				
Land improvements	250,887	-	-	250,887
Buildings and building improvements	24,328,912	-	-	24,328,912
Vehicles	370,404	-	-	370,404
Machinery and equipment	641,559	69,705	-	711,264
Total capital assets being depreciated	<u>25,591,762</u>	<u>69,705</u>	<u>-</u>	<u>25,661,467</u>
Total capital assets	<u>26,090,320</u>	<u>1,879,881</u>	<u>-</u>	<u>27,970,201</u>
Less accumulated depreciation:				
Land improvements	(150,532)	(10,035)	-	(160,567)
Buildings and building improvements	(12,554,381)	(495,618)	-	(13,049,999)
Vehicles	(318,642)	(19,170)	-	(337,812)
Machinery and equipment	(535,862)	(38,421)	-	(574,283)
Total accumulated depreciation	<u>(13,559,417)</u>	<u>(563,244)</u>	<u>-</u>	<u>(14,122,661)</u>
Net book value, capital assets being depreciated	<u>12,032,345</u>	<u>(493,539)</u>	<u>-</u>	<u>11,538,806</u>
Net book value, all capital assets	<u>\$ 12,530,903</u>	<u>\$ 1,316,637</u>	<u>\$ -</u>	<u>\$ 13,847,540</u>

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

Instruction	\$ 20,201
Support services:	
Operation and maintenance of plant	524,259
Student transportation	6,331
Other	10,306
Non-instructional	2,147
Total depreciation expense	\$ 563,244

NOTE 7 – INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances consisting of overdrafts in pooled cash and budgetary transfers at June 30, 2022 are as follows:

Receivable Fund	Payable Fund	Amount
General	Grants	\$ 256,454

Interfund transfers during the year ended June 30, 2022 are as follows:

	Transfers In:			
	General Fund	Capital Projects Fund	Nonmajor Fund	Total
Transfers out:				
General fund	\$ -	\$ 426,995	\$ 32,031	\$ 459,026
Nonmajor fund	35,969	-	-	35,969
Total	\$ 35,969	\$ 426,995	\$ 32,031	\$ 494,995

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

NOTE 8 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources at June 30, 2022 consist of amounts related to pensions totaling \$6,121,672 and amounts related to OPEB totaling \$1,002,582. For further discussion on these amounts, see Notes 10 and 11, respectively.

Deferred inflows of resources at June 30, 2022 consist of the following:

	Governmental Activities	Nonmajor Governmental Funds
Local grants and donations received in advance of eligible expenditures being made	\$ 47,714	\$ 47,714
Amounts related to pensions, see Note 10	6,548,158	-
Amounts related to OPEB, see Note 11	281,876	-
Total deferred inflows of resources	\$ 6,877,748	\$ 47,714

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NOTE 9 – LONG-TERM LIABILITIES

Changes in the School District’s long-term liabilities consisted of the following for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year	Due In More Than One Year
Compensated absences	\$ 762,812	\$ -	\$ (88,232)	\$ 674,580	\$ 25,037	\$ 649,543
Pension related liability	31,084,802	-	(9,386,862)	21,697,940	-	21,697,940
Net other postemployment benefits	7,029,147	272,443	(156,101)	7,145,489	-	7,145,489
Total long-term liabilities	<u>\$38,876,761</u>	<u>\$ 272,443</u>	<u>\$ (9,631,195)</u>	<u>\$ 29,518,009</u>	<u>\$ 25,037</u>	<u>\$ 29,492,972</u>

NOTE 10 – DEFINED BENEFIT PENSION PLAN

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

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

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

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

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

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

Contributions – The System is financed by contributions from both the employees and the School District. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees are required to contribute 7% of earnable compensation. For fiscal year 2022, the School District contributed 19.48% for teachers and 13.75% for other employees. The contribution requirement for the fiscal year 2022 was \$2,662,773 which was paid in full.

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Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions- At June 30, 2022, the School District reported a liability of \$21,697,940 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2021, the School District's proportion was 0.49% which is the same as its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized pension expense of \$1,577,201. At June 30, 2022, 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	\$ 585,097	\$ 252,579
Net difference between projected and actual investment earnings on pension plan investments	-	6,068,417
Changes in assumptions	2,266,228	-
Differences between expected and actual experience	607,574	227,162
Contributions subsequent to the measurement date	2,662,773	-
Total	\$ 6,121,672	\$ 6,548,158

The \$2,662,773 reported as deferred outflows of resources related to pensions results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2022	\$ (483,864)
2023	(319,786)
2024	(345,908)
2025	(1,939,701)
Thereafter	-
Totals	\$ (3,089,259)

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

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

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

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

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Following is a table presenting target allocations and long-term rates of return for 2021:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return 2021
Large Cap Equities	22.50%	6.46%
Small/Mid Cap Equities	7.50%	1.14%
Total domestic equities	30.00%	
Int'l Equities (unhedged)	14.00%	5.53%
Emerging Int'l Equities	6.00%	2.37%
Total international equity	20.00%	
Core US Fixed Income	25.00%	3.60%
Private equity	10.00%	8.85%
Private debt	5.00%	7.25%
Total alternative investments	15.00%	
Real estate	10.00%	6.60%
Total	100.00%	

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

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2021	\$31,030,537	\$ 21,697,940	\$13,913,031

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

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

11-A New Hampshire Retirement System (NHRS)

Plan Description – The New Hampshire Retirement System (NHRS or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2019 Comprehensive Annual Financial Report, which can be found on the system’s website at www.nhrs.org.

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

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

Maximum medical subsidy rates paid during fiscal year 2021 were as follows:

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

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

Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2021, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2022, the School District contributed 1.54% for teachers and 0.31% for other employees. The contribution requirement for the fiscal year 2022 was \$174,366, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At June 30, 2022, the School District reported a liability of \$1,756,572 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The School District’s proportion of the net OPEB liability was based on a projection of the School District’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2021, the School District’s proportion was 0.44% which is the same as its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized OPEB expense of \$114,813. At June 30, 2022, 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	\$ 61	\$ -
Net difference between projected and actual investment earnings on OPEB plan investments	-	21,943
Differences between expected and actual experience	-	366
Contributions subsequent to the measurement date	174,366	-
Total	\$ 174,427	\$ 22,309

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The \$174,366 reported as deferred outflows of resources related to OPEB results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2022	\$ (5,324)
2023	(4,610)
2024	(5,168)
2025	(7,146)
Thereafter	-
Totals	<u>\$ (22,248)</u>

Actuarial Assumptions – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2020 and a measurement date of June 30, 2021. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

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

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

Long-term Rates of Return – The long-term expected rate of return on OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2021:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return 2021
Large Cap Equities	22.50%	6.46%
Small/Mid Cap Equities	7.50%	1.14%
Total domestic equities	30.00%	
Int'l Equities (unhedged)	14.00%	5.53%
Emerging Int'l Equities	6.00%	2.37%
Total international equity	20.00%	
Core US Fixed Income	25.00%	3.60%
Private equity	10.00%	8.85%
Private debt	5.00%	7.25%
Total alternative investments	15.00%	
Real estate	10.00%	6.60%
Total	100.00%	

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Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2021 was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2021	<u>\$ 1,909,533</u>	<u>\$ 1,756,572</u>	<u>\$ 1,623,488</u>

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

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

11-B Retiree Health Benefit Program

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

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

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

Benefits Provided – The School District provides postemployment healthcare benefits for certain eligible retirees. The School District provides medical benefits to its eligible retirees. The benefits are provided through the New Hampshire Health Trust.

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

Inactive employees or beneficiaries currently receiving benefit payments	11
Active employees	284
Total participants covered by OPEB plan	<u>295</u>

Total OPEB Liability – The School District’s total OPEB liability of \$5,388,917 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2020. The School District contracts with an outside actuary to complete the actuarial valuation and schedule of changes in the total OPEB liability. Detailed information can be found in the separately issued report through request of the School District business office.

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Actuarial Assumptions and Other Inputs – The total OPEB liability of \$5,388,917 in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	2.16%
Healthcare Cost Trend Rates:	
Current Year Trend	7.00%
Second Year Trend	6.50%
Decrement	0.50%
Ultimate Trend	4.04%
Year Ultimate Trend is Reached	2089
Salary Increases:	2.00%

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of June 30, 2021.

Mortality rates were based on the SOA RP-2014 Total Dataset Mortality with Scale MP-2020 (Base Rate 2006).

Changes in the Total OPEB Liability

	June 30,	
	2021	2022
Total OPEB liability, beginning of year	\$ 3,710,623	\$ 5,116,474
Changes for the year:		
Service cost	328,215	335,304
Interest	103,015	108,663
Assumption changes and difference between actual and expected experience	1,142,518	-
Benefit payments	(167,897)	(171,524)
Total OPEB liability, end of year	<u>\$ 5,116,474</u>	<u>\$ 5,388,917</u>

Sensitivity of the School District's OPEB Liability to Changes in the Discount Rate – The July 1, 2020 actuarial valuation was prepared using a discount rate of 2.16%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$5,024,635 or by 6.76%. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$5,756,868 or by 6.83%.

	Discount Rate		
	1% Decrease	Baseline 2.16%	1% Increase
Total OPEB Liability	<u>\$ 5,756,868</u>	<u>\$ 5,388,917</u>	<u>\$ 5,024,635</u>

Sensitivity of the School District's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The July 1, 2020 actuarial valuation was prepared using an initial trend rate of 7.00%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$6,146,101 or by 14.05%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$4,736,685 or by 12.10%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 7.00%	1% Increase
Total OPEB Liability	<u>\$ 4,736,685</u>	<u>\$ 5,388,917</u>	<u>\$ 6,146,101</u>

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OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2022, the School District recognized OPEB expense of \$542,167. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 828,155	\$ 29,719
Differences between expected and actual experience	-	229,848
Total	\$ 828,155	\$ 259,567

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

Fiscal Year Ending June 30,	
2023	\$ 99,462
2024	224,464
2025	224,464
2026	20,198
2027	-
Thereafter	-
Totals	\$ 568,588

NOTE 12 – COMMITMENTS

The School District entered into a construction contract during the fiscal year for a classroom addition to the Monadnock Regional High School. As of June 30, 2022, the School District had outstanding construction contracts totaling \$300,214 that will be financed from operating funds. Other significant commitments include encumbrances outstanding for the general fund.

NOTE 13 – ENCUMBRANCES

Encumbrances outstanding in the general fund at June 30, 2022 total \$133,447 for facilities acquisition and construction.

NOTE 14 – GOVERNMENTAL ACTIVITIES NET POSITION

Net position reported on the government-wide Statement of Net Position at June 30, 2022 include the following:

Net investment in capital assets:	
Net book value of all capital assets	\$ 13,847,540
Restricted:	
Food service	748,306
Capital projects	536,205
Total restricted	1,284,511
Unrestricted	(26,429,276)
Total net position	\$(11,297,225)

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NOTE 15 – GOVERNMENTAL FUND BALANCES

Governmental fund balances at June 30, 2022 consist of the following:

	General Fund	Food Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid items	\$ 9,704	\$ -	\$ -	\$ -	\$ 9,704
Inventory	-	21,562	-	-	21,562
Total nonspendable fund balance	<u>9,704</u>	<u>21,562</u>	<u>-</u>	<u>-</u>	<u>31,266</u>
Restricted:					
Food service	-	726,744	-	-	726,744
Capital projects	-	-	536,205	-	536,205
Total restricted fund balance	<u>-</u>	<u>726,744</u>	<u>536,205</u>	<u>-</u>	<u>1,262,949</u>
Committed:					
Expendable trust	606,434	-	-	-	606,434
Voted appropriations - March 2022	153,349	-	-	-	153,349
Total committed fund balance	<u>759,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>759,783</u>
Assigned:					
Encumbrances	133,447	-	-	-	133,447
Student activity funds	-	-	-	166,644	166,644
Total assigned fund balance	<u>133,447</u>	<u>-</u>	<u>-</u>	<u>166,644</u>	<u>300,091</u>
Unassigned					
	<u>1,724,935</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,724,935</u>
Total governmental fund balances	<u>\$2,627,869</u>	<u>\$ 748,306</u>	<u>\$ 536,205</u>	<u>\$ 166,644</u>	<u>\$ 4,079,024</u>

NOTE 16 – RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2022, the School District was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from July 1, 2021 to June 30, 2022 by Primex³, which retained \$2,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and for each property loss it is based upon the District's property schedule on file with Primex³. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In fiscal year 2021-22 the School District paid \$89,710 and \$91,159, respectively, to Primex for workers' compensation and property/liability. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

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

NOTE 17 – CONTINGENT LIABILITIES

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

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

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NOTE 18 – COVID-19

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

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

The ESF provided funds to the School District through the Elementary and Secondary School Emergency Relief Fund (ESSER). The objective of ESSER is to provide local education agencies with emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the nation. This funding was awarded to the School District under the ESSER I, II, and III grants, with the School District expending \$737,178 of this funding in the fiscal year 2022 and must be used for activities to prevent, prepare, and respond to the coronavirus.

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

NOTE 19 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through March 28, 2023, the date the June 30, 2022 financial statements were available to be issued, and noted no events occurred that require recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT E
MONADNOCK REGIONAL SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2022
Unaudited

Fiscal year-end	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
School District's: Proportion of the net pension liability	0.56%	0.53%	0.47%	0.49%	0.49%	0.48%	0.47%	0.49%	0.49%
Proportionate share of the net pension liability	\$ 24,202,647	\$ 19,883,581	\$ 18,749,375	\$ 26,290,891	\$ 23,967,726	\$ 23,292,771	\$ 22,644,159	\$ 31,084,802	\$ 21,697,940
Covered payroll (as of the measurement date)	\$ 15,808,949	\$ 14,885,505	\$ 13,794,972	\$ 14,596,228	\$ 14,726,521	\$ 14,383,276	\$ 14,290,091	\$ 14,902,082	\$ 15,551,406
Proportionate share of the net pension liability as a percentage of its covered payroll	153.09%	133.58%	135.91%	180.12%	162.75%	161.94%	158.46%	208.59%	139.52%
Plan fiduciary net position as a percentage of the total pension liability	59.81%	66.32%	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%

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

EXHIBIT F
MONADNOCK REGIONAL SCHOOL DISTRICT
Schedule of School District Contributions - Pensions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2022
Unaudited

Fiscal year-end	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contribution	\$ 1,398,322	\$ 1,718,542	\$ 1,587,820	\$ 1,770,390	\$ 1,785,366	\$ 2,044,539	\$ 2,048,011	\$ 2,249,111	\$ 2,662,773
Contributions in relation to the contractually required contributions	<u>(1,398,322)</u>	<u>(1,718,542)</u>	<u>(1,587,820)</u>	<u>(1,770,390)</u>	<u>(1,785,366)</u>	<u>(2,044,539)</u>	<u>(2,048,011)</u>	<u>(2,249,111)</u>	<u>(2,662,773)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll (as of the fiscal year)	<u>\$ 15,808,949</u>	<u>\$ 14,885,505</u>	<u>\$ 13,794,972</u>	<u>\$ 14,596,228</u>	<u>\$ 14,726,521</u>	<u>\$ 14,383,276</u>	<u>\$ 14,290,091</u>	<u>\$ 15,552,774</u>	<u>\$ 15,037,439</u>
Contributions as a percentage of covered payroll	8.85%	11.55%	11.51%	12.13%	12.12%	14.21%	14.33%	14.46%	17.71%

The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.
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MONADNOCK REGIONAL SCHOOL DISTRICT
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

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

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

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

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

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits E and F represent the actuarial determined costs associated with the School District's pension plan at June 30, 2022. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

EXHIBIT G
MONADNOCK REGIONAL SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of the Net Other Postemployment Benefits Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2022
Unaudited

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
School District's proportion of the net OPEB liability	0.53%	0.52%	0.40%	0.39%	0.44%	0.44%
School District's proportionate share of the net OPEB liability (asset)	\$ 2,553,716	\$ 2,382,450	\$ 1,820,433	\$ 1,732,222	\$ 1,912,673	\$ 1,756,572
School District's covered payroll (as of the measurement date)	\$14,596,228	\$14,726,521	\$14,383,276	\$14,290,091	\$14,902,082	\$15,551,406
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	17.50%	16.18%	12.66%	12.12%	12.83%	12.83%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%	11.06%

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

EXHIBIT H
MONADNOCK REGIONAL SCHOOL DISTRICT
Schedule of School District Contributions - Other Postemployment Benefits
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2022
Unaudited

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contribution	\$ 306,517	\$ 308,831	\$ 175,874	\$ 179,377	\$ 210,786	\$ 174,366
Contributions in relation to the contractually required contribution	(306,517)	(308,831)	(175,874)	(179,377)	(210,786)	(174,366)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll (as of the fiscal year)	\$ 14,596,228	\$ 14,726,521	\$ 14,383,276	\$ 14,290,091	\$ 15,552,774	\$ 15,037,439
Contributions as a percentage of covered payroll	2.10%	2.10%	1.22%	1.26%	1.36%	1.16%

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

EXHIBIT I
MONADNOCK REGIONAL SCHOOL DISTRICT
Schedule of Changes in the School District's Total Other Postemployment Benefits Liability and Related Ratios
For the Fiscal Year Ended June 30, 2022

	June 30,					
	2017	2018	2019	2020	2021	2022
OPEB liability, beginning of year	\$ 3,752,173	\$ 3,825,697	\$ 3,875,814	\$ 3,472,250	\$ 3,710,623	\$ 5,116,474
Changes for the year:						
Service cost	251,138	256,158	210,730	218,106	328,215	335,304
Interest	104,588	106,547	111,919	119,787	103,015	108,663
Assumption changes and difference between actual and expected experience	(117,336)	(138,203)	(630,058)	-	1,142,518	-
Benefit payments	(164,866)	(174,385)	(96,155)	(99,520)	(167,897)	(171,524)
OPEB liability, end of year	<u>\$ 3,825,697</u>	<u>\$ 3,875,814</u>	<u>\$ 3,472,250</u>	<u>\$ 3,710,623</u>	<u>\$ 5,116,474</u>	<u>\$ 5,388,917</u>
Covered payroll	<u>\$10,083,728</u>	<u>\$ 10,285,403</u>	<u>\$ 11,349,025</u>	<u>\$ 11,576,006</u>	<u>\$ 13,412,201</u>	<u>\$ 13,680,445</u>
Total OPEB liability as a percentage of covered payroll	37.94%	37.68%	30.60%	32.05%	38.15%	39.39%

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFITS LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

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

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

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

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

As required by GASB Statement No. 75, Exhibits G and H represent the actuarial determined costs associated with the School District's other postemployment benefits at June 30, 2022. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

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

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

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

As required by GASB Statement No. 75, Exhibit I represents the actuarial determined costs associated with the School District's other postemployment benefits at June 30, 2022. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
MONADNOCK REGIONAL SCHOOL DISTRICT
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2022

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 16,403,227	\$ 16,403,227	\$ -
Other local sources:			
Tuition	137,675	132,095	(5,580)
Investment earnings	5,000	5,329	329
Miscellaneous	170,850	650,299	479,449
Total from other local sources	<u>313,525</u>	<u>787,723</u>	<u>474,198</u>
State sources:			
Adequacy aid (grant)	10,751,158	10,751,188	30
Adequacy aid (tax)	2,208,517	2,208,517	-
Catastrophic aid	355,090	393,318	38,228
Vocational aid	7,000	1,808	(5,192)
Total from state sources	<u>13,321,765</u>	<u>13,354,831</u>	<u>33,066</u>
Federal sources:			
Medicaid	150,000	425,274	275,274
Other financing sources:			
Transfers in	-	35,969	35,969
Total revenues and other financing sources	30,188,517	<u>\$ 31,007,024</u>	<u>\$ 818,507</u>
Use of fund balance to reduce school district assessment	2,033,918		
Use of fund balance - appropriated	1		
Total revenues, other financing sources, and use of fund balance	<u>\$ 32,222,436</u>		

SCHEDULE 2
MONADNOCK REGIONAL SCHOOL DISTRICT
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2022

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
Instruction:					
Regular programs	\$ -	\$ 11,235,575	\$ 11,002,163	\$ -	\$ 233,412
Special programs	-	7,719,429	7,287,163	-	432,266
Vocational programs	-	68,000	55,893	-	12,107
Other programs	-	416,791	426,134	-	(9,343)
Total instruction	<u>-</u>	<u>19,439,795</u>	<u>18,771,353</u>	<u>-</u>	<u>668,442</u>
Support services:					
Student	-	2,534,396	2,435,150	-	99,246
Instructional staff	-	821,390	822,348	-	(958)
General administration	-	253,400	214,632	-	38,768
Executive administration	-	368,467	322,555	-	45,912
School administration	-	1,976,630	1,893,374	-	83,256
Business	-	818,301	774,070	-	44,231
Operation and maintenance of plant	77,126	2,557,401	2,512,356	-	122,171
Student transportation	-	1,994,811	1,911,023	-	83,788
Other	-	1,157,845	1,118,499	-	39,346
Total support services	<u>77,126</u>	<u>12,482,641</u>	<u>12,004,007</u>	<u>-</u>	<u>555,760</u>
Facilities acquisition and construction	<u>-</u>	<u>-</u>	<u>113,920</u>	<u>133,447</u>	<u>(247,367)</u>
Other financing uses:					
Transfers out	<u>-</u>	<u>300,000</u>	<u>459,026</u>	<u>-</u>	<u>(159,026)</u>
Total appropriations, expenditures, other financing uses, and encumbrances	<u>\$ 77,126</u>	<u>\$ 32,222,436</u>	<u>\$ 31,348,306</u>	<u>\$ 133,447</u>	<u>\$ 817,809</u>

SCHEDULE 3
MONADNOCK REGIONAL SCHOOL DISTRICT
Major General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2022

Unassigned fund balance, beginning		\$ 2,033,919
Changes:		
Unassigned fund balance used to reduce school district assessment		(2,033,918)
Unassigned fund balance appropriated for use in 2021-2022		(1)
2021-2022 Budget summary:		
Revenue surplus (Schedule 1)	\$ 818,507	
Unexpended balance of appropriations (Schedule 2)	817,809	
2021-2022 Budget surplus	<u>1,636,316</u>	
Increase in nonspendable fund balance		(4,933)
Increase in committed fund balance		(153,348)
Decrease in assigned fund balance (non-encumbrance)		<u>246,900</u>
Unassigned fund balance, ending		<u><u>\$ 1,724,935</u></u>

SCHEDULE 4
MONADNOCK REGIONAL SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2022

	Special Revenue Funds			Total
	Private Grants	Before and After School	Student Activities	
ASSETS				
Cash and cash equivalents	\$ 47,714	\$ -	\$ 166,644	\$ 214,358
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - local grants and donations	\$ 47,714	\$ -	\$ -	\$ 47,714
FUND BALANCES				
Assigned	-	-	166,644	166,644
Total deferred inflows of resources and fund balances	\$ 47,714	\$ -	\$ 166,644	\$ 214,358

SCHEDULE 5
MONADNOCK REGIONAL SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022

	Special Revenue Funds			Total
	Private Grants	Before and After	Student Activities	
REVENUES				
Other local	\$ 4,613	\$ 9,057	\$ 132,424	\$ 146,094
EXPENDITURES				
Current:				
Instruction	2,532	114,042	213,948	330,522
Support services:				
Student	1,654	-	-	1,654
General administration	-	177	-	177
Student transportation	-	105	-	105
Total expenditures	4,186	114,324	213,948	332,458
Excess (deficiency) of revenues over (under) expenditures	427	(105,267)	(81,524)	(186,364)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	32,031	-	32,031
Transfers out	(35,969)	-	-	(35,969)
Total other financing sources (uses)	(35,969)	32,031	-	(3,938)
Net change in fund balances	(35,542)	(73,236)	(81,524)	(190,302)
Fund balances, beginning	35,542	73,236	248,168	356,946
Fund balances, ending	\$ -	\$ -	\$ 166,644	\$ 166,644

SCHEDULE 6
MONADNOCK REGIONAL SCHOOL DISTRICT
Student Activity Funds
Combining Balance Sheet
June 30, 2022

	Student Activity Funds						Total
	Gilsum Elementary	Mt. Caesar Elementary	Emerson Elementary	Troy Elementary	Cutler Elementary	Monadnock Regional Middle/High	
ASSETS							
Cash and cash equivalents	\$ 4,861	\$ 7,162	\$ 18,161	\$ 3,961	\$ 24,314	\$ 108,185	\$166,644
FUND BALANCES							
Assigned	\$ 4,861	\$ 7,162	\$ 18,161	\$ 3,961	\$ 24,314	\$ 108,185	\$166,644

SCHEDULE 7
MONADNOCK REGIONAL SCHOOL DISTRICT
Student Activity Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022

	Student Activity Funds						Total
	Gilsum Elementary	Mt. Caesar Elementary	Emerson Elementary	Troy Elementary	Cutler Elementary	Monadnock Regional Middle/High	
REVENUES							
Other local	\$ 1,288	\$ 1,894	\$ 12,104	\$ 5,151	\$ 11,127	\$ 100,860	\$ 132,424
EXPENDITURES							
Current:							
Instruction	5,936	1,942	10,559	3,705	16,592	175,214	213,948
Net change in fund balances	(4,648)	(48)	1,545	1,446	(5,465)	(74,354)	(81,524)
Fund balances, beginning	9,509	7,210	16,616	2,515	29,779	182,539	248,168
Fund balances, ending	<u>\$ 4,861</u>	<u>\$ 7,162</u>	<u>\$ 18,161</u>	<u>\$ 3,961</u>	<u>\$ 24,314</u>	<u>\$ 108,185</u>	<u>\$ 166,644</u>

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



PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

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

Independent Auditor's Report

To the Members of the School Board
Monadnock Regional School District
Swanzey, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Monadnock Regional School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Monadnock Regional School District's basic financial statements, and have issued our report thereon dated March 28, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Monadnock Regional 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 Monadnock Regional School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Monadnock Regional School District's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to significant deficiencies.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs, as items 2022-001, 2022-002, and 2022-003 to be significant deficiencies.

Report on Compliance and Other Matters

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

Monadnock Regional School District
Report on Internal Control Over Financial Reporting and on Compliance and Other Matter Based on an
Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Management's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Monadnock Regional School District's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Monadnock Regional School District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

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

Sheryl A. Platt, CPA

March 28, 2023
Concord, New Hampshire

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

Independent Auditor's Report

To the Members of the School Board
Monadnock Regional School District
Swanzey, New Hampshire

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Monadnock Regional School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Monadnock Regional School District's major federal programs for the year ended June 30, 2022. The Monadnock Regional School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Monadnock Regional School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Monadnock Regional School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Monadnock Regional School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Monadnock Regional School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery

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

intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Monadnock Regional School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Monadnock Regional School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Monadnock Regional School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Monadnock Regional School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Sheryl A. Platt, CPA

March 28, 2023
Concord, New Hampshire

PLODZIK & SANDERSON
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SCHEDULE I
MONADNOCK REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:
Unmodified opinions on governmental activities, each major fund and aggregate remaining fund information.

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified? X yes ___ none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified? ___ yes X none reported

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

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

Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555/10.582	Child Nutrition Cluster
84.367	Supporting Effective Instruction State Grants

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

Auditee qualified as low-risk auditee? ___ yes X no

SCHEDULE I (Continued)
MONADNOCK REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

2022-001 Student Activity Funds – Student and District Activities (Significant Deficiency)

Criteria: In accordance with the implementation of GASB Statement. No 84, documented purposes for each subaccount in the student activity funds is necessary for proper financial reporting. Account activity considered School District activity should be broken out from the student activities. In order to properly implement this pronouncement, a description of all accounts within the student activity funds is necessary.

Condition: We noted that the School District does not have documented purposes for each subaccount of the student activity funds.

Cause: Unknown.

Effect: The noted GASB Statement has not been properly implemented.

Identification as Repeat Finding: As identified in Schedule III, Summary of Schedule of Prior Audit Findings, this is a repeat of finding 2021.002.

Recommendation: We recommend that the School District prepare a summary of all subaccounts within each student activity fund.

Views of Responsible Officials: Management's views and corrective action plan is included at the end of this report.

2022-002 Monadnock Regional Middle High School Student Activity Fund (Significant Deficiency)

Criteria: The following criteria was noted:

- Deposits should be made on a regular basis to ensure the deposits are not lost or stolen and to ensure that funds are available to be spent. Deposit slips should be obtained from the bank for each deposit and attached to the deposit form. When deposits are provided to the office, the deposit should be recounted and verified by the Administrative Assistant, and then signed by both the Activity Advisor and Administrative Assistant to verify the deposit is correct.
- Student groups should not be allowed to over expend their available balance.
- Bank reconciliations should be reviewed on a monthly basis for any old or unusual transactions. Stale checks should be cancelled and either have the check reissued, remit the funds to the State as unclaimed property, or be redeposited into the student activity fund.
- All true scholarship funds (those determined by a committee or have specific criteria for award) should be held by the Trustees of the Trust Funds of the designated Town of the School District.

Condition: Through testing the Middle High School Student Activity Fund the following was noted:

- We noted that deposits are not being made on a timely basis and bank deposit slips are not being retained. In addition, deposit forms are not being signed by the Activity Advisor and the Administrative Assistant to verify deposits are correct.
- Based on review of the student activity general ledger, we noted several of the student groups had deficit balances at the end of the year.

SCHEDULE I (Continued)
MONADNOCK REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

- During our review of the bank reconciliations, we noted numerous stale dated items on the outstanding check list, with some uncleared checks dating as far back as 2009. The reconciliation also shows two uncleared deposits from 2010.
- During our review of disbursements, we noted one payment related to a scholarship or award.

Cause: Unknown.

Effect: Misappropriation of assets could occur without management's knowledge and not be found in a timely manner for correction.

Identification as Repeat Finding: As identified in Schedule III, Summary of Schedule of Prior Audit Findings, this is a repeat of finding 2021.003.

Recommendation: We recommend the following:

- Deposits should be made at least weekly, or daily for large deposits. Deposit slips should be obtained for each deposit and attached to the deposit form. In addition, deposits should be recounted and verified by a second staff member with signature evidence.
- The School should take action to correct the deficit balances and payment requests should not be approved for subaccounts that would become a deficit.
- Scholarship or award accounts should be reviewed in order to determine what their purpose or origin is and remit these funds to the Trustees of Trust Funds to hold on behalf of the School District, if necessary.
- The School should regularly review the outstanding items on its bank reconciliation and take corrective action to fix these issues.

Views of Responsible Officials: Management's views and corrective action plan is included at the end of this report.

2022-003 Elementary Schools' Student Activity Funds (Significant Deficiency)

Criteria: Supporting documentation needs to be maintained for both deposits and disbursements. All disbursements should be supported by appropriate documentation, without proper documentation, payments should not be made out of the account. This includes the following:

- Payment request forms should be used for all disbursements from a student activity fund. The form should indicate the group that is requesting the payment, the reason for the payment, and the date. The form should be reviewed by the Administrative Assistant to ensure there are sufficient funds available and approved by the Principal before any purchases are to be made. Once the payment is made, the invoice or other supporting documentation should be attached to the payment request form.
- Deposit forms are an important component of the controls process for handling cash receipts. A deposit form should be completed by the Activity Advisor or individual collecting the funds. The form should indicate the date funds are received, the student group, the total amount received, a breakdown of cash and checks, the source of the funds, and should be signed by the Activity Advisor. The deposit form

SCHEDULE I (Continued)
MONADNOCK REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

should accompany the deposit when provided to the Administrative Assistant, who should recount and verify the deposit and initial the form that the deposit is correct and intact. Bank deposit slips should be obtained and attached to the deposit form.

In addition, subaccounts in the funds should not be allowed to over expend their available balances.

Condition: Our audit of elementary schools' student activity funds disclosed the following conditions:

- Troy Elementary School: One disbursement tested was missing supporting documentation. In addition, no payment request or deposit forms are being used.
- Gilsum STEAM Academy: One disbursement tested was missing supporting documentation. In addition, no payment request or deposit forms are being used.
- Cutler Elementary School: No deposit forms are being used.
- Emerson Elementary School: During review of deposits we were unable to determine if there was proper segregation of duties. The School does not retain deposit slips and no deposit forms were used stating who collected the money and who it was remitted to for deposit, so it cannot also be determined if funds are being deposited intact and in a timely manner.
- Mt. Caesar Elementary School: Payment request forms are not used for expenditure approval.

Cause: Unknown.

Effect: Misappropriation of assets could occur without management's knowledge and not be found in a timely manner for correction.

Identification as Repeat Finding: As identified in Schedule III, Summary of Schedule of Prior Audit Findings, this is a repeat of finding 2021.004.

Recommendation: We recommend that payment request and deposit forms be implemented by the schools. In addition, we recommend that no disbursements be approved and made without appropriate documentation.

Views of Responsible Officials: Management's views and corrective action plan is included at the end of this report.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

SCHEDULE II
MONADNOCK REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through the State of New Hampshire Department of Education				
CHILD NUTRITION CLUSTER				
School Breakfast Program	10.553	N/A	\$ -	\$ 363,415
National School Lunch Program	10.555	N/A	-	1,108,248
Fresh Fruit and Vegetable Program	10.582	N/A	-	43,193
<i>CLUSTER TOTAL</i>			<u>-</u>	<u>1,514,856</u>
U.S. DEPARTMENT OF EDUCATION				
Passed Through the State of New Hampshire Department of Education				
Title I Grants to Local Educational Agencies:				
Title I Part A	84.010	20210785	-	39,159
Title I Part A	84.010	20220075	-	497,916
<i>PROGRAM TOTAL</i>			<u>-</u>	<u>537,075</u>
SPECIAL EDUCATION CLUSTER				
Special Education Grants to States:				
IDEA	84.027	20211048	-	165,952
IDEA	84.027	20220391	-	323,309
COVID-19 - IDEA	84.027X	20220837	-	32,052
Special Education Preschool Grants:				
Preschool	84.173	20211048	-	11,079
Preschool	84.173	20220391	-	15,005
<i>CLUSTER TOTAL</i>			<u>-</u>	<u>547,397</u>
Twenty-First Century Community Learning Program:				
Twenty-First Century	84.287	20220110	-	164,894
Twenty-First Century - Emerson	84.287	20220111	-	77,780
Twenty-First Century - Troy	84.287	20220228	-	62,662
<i>PROGRAM TOTAL</i>			<u>-</u>	<u>305,336</u>
Rural Education	84.358	20211699	-	23,625
Supporting Effective Instruction State Grants:				
Title II Part A	84.367	20190117	-	14,681
Title II Part A	84.367	20200117	-	11,140
Title II Part A	84.367	20211441	-	80,814
Title II Part A	84.367	20220828	-	34,450
<i>PROGRAM TOTAL</i>			<u>-</u>	<u>141,085</u>
Student Support and Academic Enrichment Program:				
Title IVA	84.424	20204992	-	11,935
Title IVA	84.424	20211857	-	1,900
<i>PROGRAM TOTAL</i>			<u>-</u>	<u>13,835</u>
COVID-19 - Education Stabilization Fund:				
ESSER I	84.425D	20200821	-	21,427
ESSER II	84.425D	20211500	-	700,565
ESSER III	84.425U	20220569	-	11,495
COVID-19 - Homeless Children	84.425W	20220642	-	3,691
<i>PROGRAM TOTAL</i>			<u>-</u>	<u>737,178</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 3,820,387</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE III
MONADNOCK REGIONAL SCHOOL DISTRICT
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2022

FINANCIAL STATEMENT FINDINGS

2021-001 Revenue/Receivable Recording (Significant Deficiency)

Status: Corrected. No further action required.

2021-002 Student Activity Funds – Student and District Activities (Significant Deficiency)

Status: Uncorrected. During the review of student activity funds for fiscal year 2022, the District has not fully implemented GASB 84. This comment will be repeated as a significant deficiency in the current year's audit, see Schedule of Findings and Questioned Costs, item 2022-001.

2021-003 Monadnock Regional Middle High School Student Activity Funds (Significant Deficiency)

Status: Uncorrected. During the review of the student activity fund for fiscal year 2022, the District has not implemented proper controls over deposits and disbursements. This comment will be repeated as a significant deficiency in the current year's audit, see Schedule of Findings and Questioned Costs, item 2022-002.

2021-004 Elementary School's Student Activity Funds (Significant Deficiency)

Status: Uncorrected. During the review of the student activity funds for fiscal year 2022, the District has not implemented proper controls over deposits and disbursements. This comment will be repeated as a significant deficiency in the current year's audit, see Schedule of Findings and Questioned Costs, item 2022-003.

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Monadnock Regional School District under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Monadnock Regional School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Monadnock Regional School District.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Note 4. Food Donation

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities on the date received. For the fiscal year ended June 30, 2022, the value of food donations received was \$83,885.

APPENDIX



SAU 93

603-352-6955

600 Old Homestead Highway, Swanzey NH 03446

www.mrsd.org

March 28, 2023

Plodzik & Sanderson, PA
193 North Main Street
Concord, NH 03301

Re: Corrective Action Plan – FY22 Audit

2022-001 Student Activity Funds – Student and District Activities

Management Response: The District has been working to improve the processes involved with Student Activities. The District has made significant headway and has purposes for many of our student activity subaccounts. The District will prepare a summary of all remaining subaccounts within each student activity fund.

Estimated Completion Date: August 31, 2023

2022-002 Monadnock Regional Middle-High School Student Activity Fund

Management Response: The Business Office has been working to improve the processes involved with Student Activities at the Middle High School. These recommendations will help guide us in bringing these into compliance. The Business Office will schedule more regular meetings with the Middle-High School administration in order to stay on top of implementing the recommendations in the annual audit.

Estimated Completion Date: August 31, 2023

2022-003 Elementary Schools' Student Activity Funds

Management Response: The Business Office has been working to improve the processes involved with Student Activities at the elementary schools. The recommendations given in the FY21 audit have been implemented, however, based on the timing those improvements would not necessarily show until the FY23 audit since FY22 was almost over at the time. Significant improvement in this should be evident in the FY23 audit.

Estimated Completion Date: August 31, 2023

Contact Person: Janel Morin, Business Administrator

Contact Information: Telephone: 603-903-6956; Email: jmorin@mrsd.org

Lisa A. Witte, C.A.G.S.
Superintendent of Schools
lwitte@mrsd.org
ext. 6977

Jeremy Rathbun, C.A.G.S.
Assistant Superintendent
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Catherine Woods, C.A.G.S.
Director of Student Services
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ext. 6967

Janel Morin, MBA
Business Administrator
jmorin@mrsd.org
ext. 6956

Adopt Ed 1304.02, cited and to read as follows:

PART Ed 1304 REGIONAL CTE MANAGEMENT ~~ADVISORY COMMITTEES~~

Ed 1304.02 Regional Career and Technical Education Agreements (RCTEA).

(a) The receiving boards and sending boards within a career and technical education (CTE) region shall submit to the department an agreement signed by the chairs of each of the sending and receiving district boards every 4 years, no later than the last day of December of the year preceding the first school calendar year of implementation.

(b) The agreement shall include:

(1) Identification of each sending district and each receiving district comprising the CTE center and identification of each district as either a sending district, receiving district, or whether the district is both a sending and receiving district;

(2) The method by which CTE seats are apportioned to each sending and receiving district including provisions for the apportionment of seats for chartered public school, non-public school, and home-schooled students residing in the sending district consistent with RSA-E:2, VIII(b);

(3) A statement of calendar alignment among the sending and receiving districts, including no more than 10 instructional days, following Labor Day of each calendar year, out of alignment among all signatories or provisions for waiver by the commissioner of dissimilar days for extenuating or emergency purposes;

(4) A statement of agreement to minimize schedule conflicts through the alignment of district level and program schedules, with the goal to better support CTE students with as many hours as possible to fulfill their program requirements; and

(5) A statement of how sending and receiving districts shall coordinate granting full or partial credit for academic and graduating credits by a sending district when a student demonstrates competency in academic or elective subject areas as determined by evidence provided to a sending district by a receiving district;

(6) Provisions for:

a. Any prerequisites for participation in CTE programs;

b. Assurances that any prerequisites are incorporated into the program of studies of each sending and receiving district; and

c. Ensuring that students are appropriately advised of any prerequisites for any CTE program participation;

(7) A plan for sending and regional schools to provide tuition and transportation for any student from a sending district who wishes to attend a CTE program consistent with RSA 188-E:6, RSA 188-E:7, and RSA 188-E:8; and

(8) A requirement that, no more than once during the term of the RCTEA, the CTE Director(s) determine whether a report addressing any constraints in funding for tuition and transportation that need to be addressed to continue the CTE program(s) should be submitted to the commissioner pursuant to RSA 188-E:1-a, V.

(d) In the case of any local education agency (LEA) that is not a school district, including, but not limited to Pinkerton Academy, the consortium of sending districts formed for the purpose of receiving Federal Perkins funds for CTE shall act as the sending district(s) for the region in which the LEA is located.

(e) A region may request an annual calendar alignment waiver in the case of a region with more than 10 instructional days out of alignment. A waiver request shall:

(1) Provide an outline of the process needed to plan and reach no more than 10 days out of calendar alignment, including:

- a. Proposed action;
- b. Person(s) responsible; and
- c. Anticipated completion date;

(2) Be outlined in an appendix to the agreement and labeled as "Appendix A"; and

(3) No waiver shall be extended beyond July 1, 2026.

(e) Students enrolled in districts not entering into regional agreements may attend designated career and technical education centers or designated career and technical education programs in the region of normal attendance if space allows after annual enrollment is finalized.

(f) Students enrolled in or residing in a district that has not entered into a regional agreement shall be reimbursed by the department for tuition and transportation.

(g) Non-public, public chartered school, or home-schooled students residing in a region of normal attendance may attend designated career and technical education centers or designated career and technical programs in the region in a manner not more restrictive than the policy governing school district resident students, pursuant to RSA 193:1-c.

Cheshire Career Center - Keene School District Conflict Calendar 2023-24

(Schools FM: Fall Mountain K: Keene M: Monadnock)

August (FM:0 K:2 M:0)						February (FM:15 K:16 M:15)					
M	T	W	Th	F	Conflict Notes	M	T	W	Th	F	Conflict Notes
	X 1	X 2	X 3	X 5					1	2	2: No FM
X 7	X 8	X 9	X 10	X 11		5	6	7	8	9	9: No M
X 14	X 15	X 16	X 17	X 18		12	13	14	15	16	
X 21	X 22	O 23	W 24	W 25		X 19	X 20	X 21	X 22	X 23	
W 28	W 29	30	31			26	27	28	29		
September (FM:19 K:20 M:20)						March (FM:19 K:20 M:18)					
M	T	W	T	F	Conflict Notes	M	T	W	Th	F	Conflict Notes
				1						1	
X 4	5	6	7	8		4	5	6	7	8	
11	12	13	14	15		11	12	13	14	15	12: No M
18	19	20	21	22	22: No FM	18	19	20	ER 21	W 22	20: SAT Day
25	26	27	28	29		25	26	27	28	29	
October (FM:17 K:21 M:20)						April (All:17)					
M	T	W	Th	F	Conflict Notes	M	T	W	Th	F	Conflict Notes
2	3	4	5	ER 6		1	2	3	4	5	
X 9	10	11	12	13		8	9	10	11	12	
16	17	18	19	20	19 & 20: No FM	15	16	17	18	19	
23	24	25	26	27		X 22	X 23	X 24	X 25	X 26	
30	31				31: No FM	29	30				
November (All: 17)						May (FM:20 K:22 M:21)					
M	T	W	Th	F	Conflict Notes	M	T	W	Th	F	Conflict Notes
		1	2	3				1	2	3	
6	W 7	8	9	X 10		6	7	8	9	10	
13	14	15	16	17		13	14	15	16	17	17: No FM
20	21	X 22	X 23	X 24		20	21	22	23	ER 24	
27	28	29	30			X 27	28	29	30	31	
December (FM:14 K:15 M:14)						June (FM:8 K:10 M:7)					
M	T	W	Th	F	Conflict Notes	M	T	W	Th	F	Conflict Notes
				1		3	4	5	6	7	
4	5	6	7	W 8		10	11	12	13	14	12: No M, 13 & 14: No sending
11	12	13	14	15		W 17					
18	19	20	21	ER							
X	X	X	X	X							
January (FM:19 K:20 M:20)											
M	T	W	Th	F	Conflict Notes						
X 1	2	3	4	5							
8	9	10	11	12							
X 15	16	17	18	19	18 & 19 No FM (S1 finals)						
22	23	W 24	25	26	22: No FM						
29	30	31									

Conflict Days
FM:15
Monadnock:9
Conflict Days: 18

X	Holiday, no school
W	Workshop, no school
ER	Early Release (Conflict Day)
	Semester Start/End
	Conflict Day

Programs

Programs	23-24				22-23				21-22			
	KHS	MRHS	FMRHS	Conval	KHS	MRHS	FMRHS	Conval	KHS	MRHS	FMRHS	Conval
Auto Tech I	21	7	3		19	6	11		16	11	7	
Auto Tech II	8	4	5		9	4	2		8	1	2	
Child Development	57				63				19	8	2	
Careers in Education I	25	1			13	4	3		11			
Careers in Education II	10	3			17	3			5	6	2	
Constr Trades I	23	2	2		23	1	10		9			
Constr Trades II	16	2			6	4			4	6		
Cosmetology I	15	6		4	16	2	5	3	17		1	3
Cosmetology II	11	2	2	2	8	3			12	2	4	
Culinary Arts I	29	3	2		44	3	1		39			
Culinary Arts II	13	4	1		16		2		13		2	
Fire Science	13	2			2	3	1		7	3	1	
EMT	3	3			14		1		9		5	
Health Science I	17	2	2		17	7	5		17	1	1	
Health Science II	11	2			13		2		21	4		
Intro to Horticulture	43				27				9			
Horticulture I	22	4			28	2			5	4	1	
Horticulture II	8	2			3	5			16	2		
Intro to TV/Studio	21				29				10	0	2	
TV & Film I	18				22		1		13	1	1	
TV & Film II	18				7		1		14	1		
Intro to IT Networking	29				9				13			
IT and Networking 1 and 2	8	1	3/3		12		1		6			
Cyber Security	0				5				20	3	2	
Intro to Machine shop	22				29				20	3	2	
Manufacturing I	2	4			11	1			22		3	
Manufacturing II	4				10				16			
Course Name - Semester									41			

Programs

	23-24				22-23				21-22			
	KHS	MRHS	FMRHS	Conval	KHS	MRHS	FMRHS	Conval	KHS	MRHS	FMRHS	Conval
Computer Programming 1	20	2			19	10	1		23			
Computer Programming II	10	5			21	1	2		19			
Drafting	44				30				7		1	
Pre-Engineering and CAD	18				22				3			
Fundamentals of Engineering	15				13				7			
Drafting & Design Applied	12		2		12				8			
Drafting & Design Adv.	10				4				8		1	
Intro to Marketing	76		1						43		1	
Sports and Entertainment	14		1		47				13			
Marketing I	13	1			28				10			
Marketing II	24	2			15				10			
Intro to Business	93				10		1		51			
Entrepreneurship	12				36				12			
Financial Literacy	71				17				10			
Principles of Finance	17				52				17			
Business Tech App.	10				3				4			
Accounting I	16				14				21			
Accounting II	9				9				18			
Woodworking	178				175				5			
Advanced Woodworking	9				45				76			
Foods and Nutrition	162				167				29			
Eating on Your Own	68				74				78			
Career Connections	94				148				56			
Digital Connections	167				209				282			
	1609	64	24	7	1642	59	50	3	1222	59	41	3

Programs

23-24

22-23

21-22

KHS

MRHS

FMRHS

Conval

KHS

MRHS

FMRHS

Conval

KHS

MRHS

FMRHS

Conval

TOTAL

1704

1754

1325

<u>Program Completers</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23 on track</u>	<u>WBL 20-21</u>	<u>WBL 21-22</u>	<u>WBL 22-23</u>
Accounting	13	5	8	0	0	0
Auto	8	8	12	2	1	42
CIE	17	3	14	11	2	28
Cosmetology	7	11	12	0	0	37
Comp Programming	12	14	21	0	0	0
Const.	6	6	5	1	0	30
IT Networking	4	4	0	1	0	0
Engineering	1	8	0	1	0	0
Culinary	3	5	14	2	3	56
EMT	3	11	12	0	0	13
Fire Science	5	9	5	0	0	5
Health Science	11	16	2	11	16	23
Horticulture	5	3	2	0	0	23
Marketing	10	9	14	4	9	53
Manufacturing	3	11	6	11	7	6
TV & Film	3	4	7	0	0	30
Totals	111	127	134	44	38	341

55 Out of school

Total Vacancies 2023/24		Count	Current Vacancies 2023/24		Count	2022/23 Vacancies as of 2/25/2023		Count
Paraprofessional	11		Paraprofessional	10		Paraprofessional	9	
Special Ed Teacher	6		Special Ed Teacher	5		Special Ed Teacher	3	
Elementary Teacher	5		Elementary Teacher	2		Elementary Teacher	2	
Nurse	2		Nurse	1		Grant - School Counselor (.5)	1	
School Psychologist	2		School Psychologist	2		Reading Specialist	1	
Social Worker	2		Social Worker	2		Nurse	1	
Grant - School Counselor (.5)	1		Grant - School Counselor (.5)	1				
Reading Specialist	1		Reading Specialist	1		We are no longer updating the 2022/23 list as we have transitioned to and are now hiring for the 2023/24 school year		
Woodworking Teacher	1		Woodworking Teacher	1				
Speech Pathologist	1		Speech Pathologist	1				
School Psychologist (.5)	1		School Psychologist (.5)	1				
Math Teacher	3		Math Teacher	2				
Assistant Principal	1		Assistant Principal	0				
English Teacher	2		English Teacher	1				
Buildings & Grounds	2		Buildings & Grounds	2				
School Counselor	2		School Counselor	1				
Art Teacher	1		Art Teacher	1				
4/24/2023	44		4/24/2023	34		2/25/2023	17	

Monadnock Regional School District (MRSD)
School Board Meeting Minutes
April 18, 2023
MRMHS Library/Zoom, Swanzey, NH

Members Present: Kristen Noonan, Eric Stanley, Jeff Cesaitis, Betty Tatro, Lisa Steadman and Stephanie Lawlor. **Absent:** Scott Peters, Dan LeClair, Brian Bohannon, Cheryl McDaniel-Thomas, Nick Mosher, Jennifer Strimbeck and Edmond LaPlante

Administration Present: J. Rathbun, Assistant Superintendent and J. Morin, Business Administrator.

1. **CALL THE MEETING TO ORDER:** L. Steadman called the meeting to order at 7:00 PM.
2. **PUBLIC COMMENTS:** There were no public comments.
3. **#CelebrateMRSD:** J. Rathbun mentioned there will be a MRMHS Career Fair on April 20, 2023 from 8:30 AM-11:10 AM. H. Stanley and J. Leclerc are sending an invite to the Board.

J. Rathbun reported he attended the Ecology School as he has done for many years. There were 103 6th graders from the District. This is an opportunity for the students and teachers to get together. He would like to thank the Board for supporting this activity.

Career Awards Night at Pappagallos is coming up and if Board Members would like to attend please RSVP.

4. **MATTERS FOR INFORMATION & DISCUSSION:**
 - a. **Q3 Education Report:** J. Rathbun will report on the Q3 data at the next meeting.
 - b. **FY22 Audit Recap:** J. Morin is not in attendance. The Board will review the audit at the next meeting. (J. Morin arrived later in this meeting and will explain the Audit at the next meeting.)
 - c. **Superintendent Performance Evaluation:** L. Steadman commented that it is important for all of the Board Members to weigh in on the evaluation. She would ask the members who have not responded to do so.
 - d. **Superintendent Search Process:** L. Steadman reported that the NHSBA has offered their services for the Superintendent Search Process. The proposal is available, please review and bring any suggested edits to the next meeting. The Board will be asked to vote on the proposed draft at the next meeting.
 - e. **2023/24 Budget Calendar (Draft in packet):** The calendar was reviewed. The

Board and the Budget Committee have agreed on a Spring Joint Meeting. The meeting will be held on May 16, 2023.

f. Board Member Stipends: L. Steadman explained that the Board stipends had been brought up a few times. Currently each member receives a \$1000.00 stipend and the Chair receives a \$1200.00 stipend. She mentioned that there are other boards who receive \$500.00 stipends. She asked if there was any discussion. B. Tatro asked if participation should be a factor. S. Lawlor said yes. We are in attendance. L. Steadman asked if there was a proposal. E. Stanley commented on the reason for missing the meetings. He commented that if you are at a school function you should not be penalized. K. Noonan said it is tricky with some members at school functions and others who do not participate at all. She commented on the amount of work to determine the stipend based on being present at Board Meetings and committee meetings. J. Cesaitis said he does not feel that this is a big deal since we have the information on attendance. We could ask for more information. It was suggested to change the stipend payment date. B. Tatro suggested paying an amount for each Board Meeting but maybe not the committee meetings. L. Steadman said she would entertain a motion to increase the Chairs stipend while he is not in attendance. **MOTION:** K. Noonan **MOVED** to increase the stipend amount for the Board Chair from \$1200.00 to \$1500.00. **SECOND:** S. Lawlor. **VOTE:** 5.487/0/1.098/6.415. **Motion passes.** The Board Chair will receive his new stipend amount of \$1500.00 in December of 2023. This issue will be on the next meeting's agenda.

g. Rules for Board Member Remote Participation: K. Noonan commented that if a member would like to participate on the phone or remote they should have a good reason and be allowed to vote. It should be up to the Chair in order to allow privacy. J. Cesaitis said that is a slippery slope. E. Stanley said it should not be the discretion of the Board. There should be a 24-hour notice to the Chair. If the person does not like the Chair's decision go to the Board. L. Steadman asked if the reason for their absence and remote or phone is approved can they vote and discuss. E. Stanley commented we are trying to avoid people from staying home because it is easier. J. Cesaitis said this is personal privacy. We should not hear the reason and the Chair should not know either. E. Stanley said no one is saying that. There are people who have not been here multiple times and we do not have a quorum. Give the Chair the discretion and allow members to actively participate remotely. It was commented that if the Board Member does not like the decision of the Chair they may appeal at the beginning of the next meeting. **MOTION:** L. Steadman **MOVED** that Board Members who are remote cannot vote or discuss unless the Chair approves their in person absence. **SECOND:** S. Lawlor. **DISCUSSION:** J. Cesaitis does not agree. B. Tatro commented that the State requires a quorum. It was commented that there is a legislature that will allow Board Meetings to be remote. **J. Morin arrives.** L. Steadman said that the resolution did pass and if it comes up to the Legislature they will support it. **VOTE:** 4.356/2.229/6.415. **Motion passes.**

h. Assurance Documents: L. Witte emailed the General Assurances to the Board. There is no vote. This is a required notification. The General Assurances and the Grant Assurances were reviewed by the Board. J. Rathbun explained the federal grants to the Board.

5. MATTERS THAT REQUIRE BOARD ACTION:

a. April 4, 2023 Meeting Minutes: MOTION: K. Noonan **MOVED** to approve the April 4, 2023 Public Meeting Minutes as edited. **SECOND:** S.Lawlor **VOTE:** 5.453/0/1.132/6.415. **Motion passes. MOTION:** K. Noonan **MOVED** to approve the April 4, 2023 Non-Public Meeting Minutes as presented. **SECOND:** S. Lawlor. **VOTE:** 5.590/0/.995/6.415. **Motion passes.**

b. Manifest: MOTION: E.Stanley **MOVED** to approve the manifest in the amount of \$1,162,999.18 as presented by the administration. **SECOND:** J. Cesaitis **VOTE:** 6.585/0/0/6.415. **Motion passes.**

c. Budget Transfer: MOTION: K. Noonan **MOVED** to approve the budget transfer in the amount of \$44,385.00 as requested by L. Spencer and presented by administration to upgrade PC's in CAD Lab to support updated curriculum. **SECOND:** B. Tatro. **VOTE:** 6.585/0/0/6.415. **Motion passes.**

d. Teacher Appreciation Week: It was mentioned to cater a meal for the entire staff at all of the school for Staff Appreciation. K. Noonan committed that you would need an amount for the motion. L. Steadman suggested stating an amount and making a motion. J. Rathbun explained that it would be more than what is normally spent. He also mentioned that the kitchen staff will not be able to do anything for Staff Appreciation Week because they are short staffed. J. Morin explained there is \$3483.00 in the School Board line in which this comes out of. The Board usually spends \$3000.00. S. Lawlor suggested swag and a dessert. J. Rathbun said it would not be possible for the kitchen staff to help with that. K. Noonan suggested the Board Members in each town help with the dessert. J. Rathbun explained the PTOs and principals are very helpful and appreciative of their staff. J. Rathbun commented that Staff Appreciation Week is very big here. **MOTION:** K.Noonan **MOVED** to ask the administration to provide appropriate swag for all staff for Staff Appreciation Week. **SECOND:** B. Tatro. **DISCUSSION:** K. Noonan commented that she wished the Board could do more. She really appreciates the staff. **VOTE:** 6.585/0/0/6.415. **Motion passes.**

e. FY24 MRMHS Roof Bids: J. Morin presented 3 bids to the Board for the repair of the roof at the MS/HS. **MOTION:** K. Noonan **MOVED** to approve the bid in the amount of \$317,345.00 presented by Melanson Company for the repair of the roof over the old section of the tech ed.room, the kitchen and the classrooms that butt the auditorium. **SECOND:** J. Cesaitis. **VOTE:** 6.585/0/0/6.415. **Motion passes.**

f. Charter & Goals: Finance/Facilities: The Finance/Facilities did not meet.

g. Charter & Goals: Policy: The Policy Committee did not meet.

h. Charter & Goals: Extracurricular: The ECC did meet and presented their Charter and Goals to the Board for approval. **MOTION:** E.Stanley **MOVED** to accept the ECC Charter as presented. **SECOND:** B. Tatro. **VOTE:** 6.585/0/0/6.415. **Motion passes.** E. Stanley read the ECC Goals to the Board. S.Lawlor asked if there were any Special Ed. PE or clubs for the students. E. Stanley said he was not sure but anyone can propose a club. We will look at any

club. J. Morin explained there are Special Olympics. E. Stanley also mentioned our students participate in unified sports with other districts.

6. Setting Next Meeting's Agenda:

- 1. Board Stipends**
- 2. Q3 Report**
- 3. Policy Charter-Goals**
- 4. Finance/Facilities Charter-Goals**
- 5. Superintendent's Search Committee**
- 6. Superintendent's Evaluation**
- 7. Update Report on Active Shooting/Training with students and teachers. J.**

Rathbun explained that would have to be discussed in a non-public session.

7. Public Comments: There were no Public Comments.

8. 8:01 PM: Motion to Enter into Non-Public Session under RSA 91-A:3, II (b) The hiring of any person as a public employee: MOTION: K. Noonan **MOVED** to enter into Non-Public Session under RSA 91-A:3, II (b) The hiring of any person as a public employee. **SECOND:** J. Cesaitis **VOTE:** 6.585/0/0/6.415. **Motion passes.**

9. 8:06 PM: Motion to Enter into Non-Public Session under RSA 91-A:3, II (c) Matters which, if discussed in public, would likely adversely affect the reputation of any person, other than a member of the public body itself, unless such person requests an open meeting: MOTION: K. Noonan **MOVED** to enter into Non-Public Session under RSA 91-A:3,II (c) Matters which, if discussed in public, would likely adversely affect the reputation of any person, other than a member of the public body itself, unless such person requests an open meeting. **SECOND:** B. Tatro. **VOTE:** 6.585/0/0/6.415. **Motion passes.**

10. ADJOURNMENT: MOTION: K. Noonan **MOVED** to adjourn the meeting at 8:09 PM. **SECOND:** S. Lawlor **VOTE:** 6.585/0/0/6.415. **Motion passes.**

Respectfully submitted,

Laura L. Aivaliotis
Recording Secretary

VOTING KEY:Yes/No/Abstain/Absent

**Monadnock Regional School District
School Board Meeting Minutes
Non-Public Session (Not Yet Approved)
April 18, 2023
MRMHS Library/Zoom, Swanzey, NH**

Members Present: Kristen Noonan, Eric Stanley, Jeff Cesaitis, Betty Tatro, Lisa Steadman and Stephanie Lawlor. **Absent:** Jennifer Strimbeck, Scott Peters, Brian Bohannon, Dan LeClair, Cheryl McDaniel-Thomas, Nick Mosher and Edmond LaPlante

Administration Present: J. Rathbun, Assistant Superintendent and J. Morin, Business Administrator.

8:01PM Non-Public Session RSA 91-A:3 II (b) The hiring of any person as a public employee:

Issue #1: Retirement: MOTION: K. Noonan **MOVED** to approve the retirement of Pat Wielosinski as of August 2024 and Sharon Duquette as of June 2024 and as presented by J. Rathbun. **SECOND:** S. Lawlor. **VOTE:** 6.585/0/0/6.415. **Motion passes.**

Issue #2: Intermittent Unpaid Leave: MOTION: J. Cesaitis **MOVED** to support the recommendation from the administration and approve the 5 days of unpaid intermittent leave for Rachael Visconti and Monique Rieth. **SECOND:** S. Lawlor. **VOTE:** 5.487/0/1.098/6.415. **Motion passes.**

Issue #3: FYI Resignation: Lacy Faulkner has resigned as the Middle School Math teacher effective June 30, 2023.

MOTION: K. Noonan **MOVED** to leave Non-Public Session. **SECOND:** S. Lawlor **VOTE:** 6.585/0/0/6.415 **Motion passes.**

Respectfully submitted,

**Laura L. Aivaliotis
Recording Secretary**

**Monadnock Regional School District
School Board Meeting Minutes
Non-Public Session
April 18, 2023
MRMHS Library/Zoom, Swanzey, NH**

Members Present: Kristen Noonan, Eric Stanley, Lisa Steadman, Jeff Cesaitis, Betty Tatro and Stephanie Lawlor. **Absent:** Jennifer Strimbeck, Scott Peters, Edmond LaPlante, Brian Bohannon, Cheryl McDaniel-Thomas, Dan LeClair and Nick Mosher.

Administration Present: J. Rathbun, Assistant Superintendent and J. Morin, Business Administrator.

8:06 PM Non-Public Session RSA 91-A:3 II (c) Matters which, if discussed in public, would likely adversely affect the reputation of any person, other than a member of the public body itself, unless such person requests an open meeting.

Issue # 1: J. Rathbun explained Shena Bellerose was not on the initial Certified Staff nominations due to certification. She has since been fully certified. **MOTION:** K. Noonan **MOVED** to accept the nomination of Shena Bellerose as presented by J. Rathbun. **SECOND:** S. Lawlor. **VOTE:** 6.585/0/0/6.415. **Motion passes.**

MOTION: K. Noonan **MOVED** to leave Non-Public Session. **SECOND:** S. Lawlor **VOTE:** 6.585/0/0/6.415. **Motion passes.**

Respectfully submitted,

**Laura L. Aivaliotis
Recording Secretary**

**May 2, 2023 School Board Meeting
Budget Transfers**

Budget Transfers

1. Requested by: Lisa Spencer, Principal of MRMHS
 - From: 01.1100.51100.00.00000 Regular Instruction Salaries \$29,440
 - To: 01.2690.54900.00.00000 Other Purchased Property Svcs \$29,440
 - Amount: \$29,440
 - Reason: Purchase and installation of Air Quality Sensors at MRMHS.

2. Requested by: Lori Stevens, Emerson Principal & Janel Morin, Business Administrator
 - ◆ From: 01.1200.51120.04.00000 Special Education Para \$18,250
 - 01.1200.52220.04.00000 Special Education Fica \$ 1,400
 - 01.1200.52310.04.00000 Special Education N/T Retire \$ 1,009
 - ◆ To: 01.1100.51120.04.00000 Regular Instructional Para \$18,250
 - 01.1100.52220.04.00000 Regular Instruction Fica \$ 1,400
 - 01.1100.52310.04.00000 Regular Instruction N/T Retire \$ 1,009
 - ◆ Amount: \$20,659
 - ◆ Reason: Paraprofessional is supporting Kindergarten, not related to Special Ed

3. Requested by: Janel Morin, Business Administrator
 - ◆ From: 01.1200.52110.04.00000 Special Education Health Ins \$11,100
 - ◆ To: 01.2620.52110.04.00000 Buildings & Grounds Health Ins \$11,100
 - ◆ Amount: \$11,100
 - ◆ Reason: Change in position/staffing, needed to move benefits with the person.

Monadnock Regional School District

Education/Technology Committee Charter

Board Last Approved: m/dd/yyyy

The purpose of the Education/Technology Committee is to develop and support the following initiatives:

1. To review and develop long-term educational planning such as curriculum material selection, assessment methods, and staffing strategies. Provide recommendations to the full school board to continuously align district policies IA (Instructional Goals) and IJ (Instructional Resources) with the board's long-term education vision
2. To continuously review and draft changes to policy book I (Instruction), as well as policies specific to the use of technology, and forward those drafts as recommendations to the Policy Committee
3. To review and maintain the district's strategic technology plan, ensure that:
 - a. Current technology honors legal requirements (state, federal),
 - b. All Students and Employees have modern, useful tools (including technology)
4. To hear and review requests from the Administration, Students, Employees, and general public related to education or technology proposals and strategies

Education Committee Goals for 2023/24

Board Approved **m/dd/yyyy**

1. In time for the July School Board meeting, interview Administration and document the current district educational strategy
2. At the July School Board meeting, present the board with a proposed structure for documenting long-term educational strategies
3. At the second September School Board meeting, present the board with a proposed 5 year plan for at least one educational strategy
 - a. Include estimates for the 2024/25 proposed budget (if needed)
4. At the first February School Board meeting, present the board with at least one additional 5 year plan for an educational strategy