

HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT

FINANCIAL REPORT

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

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
FINANCIAL REPORT
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JUNE 30, 2021**

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Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S REPORT

To the Members of the School Board
Hollis-Brookline Cooperative School District
Hollis, New Hampshire

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and OPEB information on pages 3-13 and 41-45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational and economic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hollis-Brookline Cooperative School District's basic financial statements. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2022 on our consideration of the Hollis-Brookline Cooperative School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the School District's internal control over financial reporting and compliance.

Roberts & Heene, PLLC

Concord, New Hampshire
March 22, 2022

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2021**

This section of the Hollis-Brookline School District annual financial report presents our discussion and analysis of the district's financial performance during the fiscal year that ended June 30, 2021. Responsibility for the accuracy of the data, and the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material performance as a whole. With this in mind, please also refer to the district's financial statements, which immediately follow this section. The MD&A is an element of required supplementary information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

DISTRICT-WIDE STATEMENTS

The district-wide statements report information about the district as a whole. The statement of net position includes all of the district's assets and liabilities, except for capital assets. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. Net position – the difference between the district's assets and liabilities – is one way to measure the district's financial health or position. The district-wide statements present an aggregate view of the finances of the school district by answering the question, "How did the school district do

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2021**

financially during the 2020-2021 school year?” These statements report all assets and liabilities using the accrual basis of accounting used by most private-sector enterprises. The accrual basis takes into account all of the district’s current-year revenues and expenses regardless of when they were paid or received.

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

FUND FINANCIAL STATEMENTS

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

The district has two types of funds:

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

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2021**

Notes to the Basic Financial Statements

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

Government-Wide Financial Analysis

Hollis-Brookline Cooperative School District

Statement of Net Position

Change in net position for fiscal year 2021 compared to fiscal year 2020

	2020	2021	Increase (Decrease)	% Increase (Decrease)
Assets				
Current and Other Assets	3,746,756	4,692,086	945,330	25.23%
Capital Assets	19,205,880	19,427,031	221,151	1.15%
Total Assets	22,952,636	24,119,117	1,166,481	5.08%
Deferred Outflow of Resources	3,623,156	6,853,292	3,230,136	89.15%
Liabilities				
Long-term Liabilities Outstanding	23,379,677	28,415,826	5,036,149	21.54%
Other Liabilities	397,337	332,962	(64,375)	-16.20%
Total Liabilities	23,777,014	28,748,788	4,971,774	20.91%
Deferred Inflows of Resources	640,607	363,199	(277,408)	-43.30%
Net Position				
Net Investment in Capital Assets	14,979,686	15,830,234	850,548	5.68%
Restricted	569,646	559,036	(10,610)	-1.86%
Unrestricted	(13,391,161)	(14,528,848)	(1,137,687)	8.50%
Total Net Position	2,158,171	1,860,422	(297,749)	-13.80%

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2021**

**Hollis-Brookline Cooperative School District
Statement of Activities**

Change in fund revenues and expenses for fiscal year 2021 compared to fiscal year 2020

Revenues:	2020	2021	\$ Change	% Change
Program Revenues:				
Charges for Services	405,044	112,738	(292,306)	-72.17%
Operating Grants and Contributions	1,342,247	1,856,671	514,424	38.33%
Capital Grants and Contributions	376,362	670,646	294,284	78.19%
General Revenues:				
Assessment	16,833,675	16,027,029	(806,646)	-4.79%
Grants and Contributions	5,392,541	5,990,574	598,033	11.09%
Miscellaneous	52,720	78,958	26,238	49.77%
Total Revenues	24,402,589	24,736,616	334,027	1.37%
Program Expenses:				
Instruction	11,339,744	10,958,031	(381,713)	-3.37%
Student Support	1,686,068	1,323,793	(362,275)	-21.49%
Instructional Staff	564,122	603,404	39,282	6.96%
General Administration	122,769	84,493	(38,276)	-31.18%
Executive Administration	878,364	910,255	31,891	3.63%
School Administration	981,761	1,018,556	36,795	3.75%
Operation and Maintenance of Plant	1,265,456	1,578,965	313,509	24.77%
Student Transportation	929,200	797,723	(131,477)	-14.15%
Other	5,858,120	7,293,372	1,435,252	24.50%
Non-instructional Services	338,721	333,083	(5,638)	-1.66%
Facilities Acquisition and construction	54,923	10,697	(44,226)	-80.52%
Interest on Long-Term Debt	183,876	131,182	(52,694)	-28.66%
Total Expenses	24,203,124	25,043,554	840,430	3.47%
Change in Net Position	199,465	(306,938)		
Net Position - Beginning	1,958,706	2,167,360	208,654	10.65%
Restatement				
Net Position - Ending	2,158,171	1,860,422	(297,749)	-13.80%

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2021**

Revenues:

In FY 2021 the district received \$334,027 more revenue than in FY 2020. Details on the major revenue sources are listed below.

Increases in revenue from FY 2020 to FY 2021

- Adequacy Aid grant (+ \$ 598K)
 - Adequacy Aid is a state aid program, and is based on the average daily membership of resident students.
- Impact Fees (+ \$ 24K)
 - Impact fees are charges assessed by the local government to help pay for public facilities such as schools, and passed onto the school district as a source of revenue.
- Building Aid (+ \$ 8K)
 - School Building Aid is a program through which the State of New Hampshire provides financial assistance to local school districts for the construction or substantial renovation of educational facilities for grades K-12.
- Grants (including Title II and IDEA) (+ \$ 93K)
 - Title II is a Dept. of Education grant program that provides supplemental funding to help support effective instruction.
 - IDEA = Individuals with Disabilities Education Act. These are federal funds based on the number of special education students.
- Medicaid (+ \$ 84K)
 - These are federal funds, coming from the state of NH, for reimbursable costs to Medicaid approved students.
- Tuition (+ \$ 15K)
 - Non-resident students paying for tuition to either the Middle School or High School
- Miscellaneous Revenue (+ \$73K)
 - Includes “pay to play” athletic fees, facility use fees, and vocational education reimbursements from the State of NH.

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2021**

Decreases in revenue from FY 2020 to FY 2021

- Local Property Tax Assessments (- \$807K)
 - The assessment revenue is based on what the district approves at its annual meeting.
- Special Education aid (- \$111K)
 - This is state aid based on approved expenses for special education students after the district pays the first \$55,000 per student. The revenue is received the year after the expenses are incurred.

Food Service Revenue

The district's food service revenue in FY 2021 decreased slightly (\$6K).

Expenditures:

Expenditures in FY 2021 were \$840,430 higher in FY 2021 than in FY 2020. Categories with some of the largest variances are listed below.

SAVINGS

(FY21 Expenses lower than previous year)

- Transportation expenses for Vocation Education, Special Education, and Athletics primarily due to Covid-19 pandemic.
- Special Education Out of District Tuition expenses
- Special education contracted services
- Savings in salaries and benefits due to vacant/unfilled positions or positions replaced at a lower salary
- Retirement benefits
- Heating oil

INCREASED EXPENSES

- Salary increases and corresponding benefits
- Bus transportation Regular Ed annual increase
- Additional staff hired due to Covid-19 pandemic
- Health Insurance (due to higher rates and new enrollments)
- Supplies for the response to Covid-19
- Athletic stipends (due to FY20 reduced number of coaching positions due to Covid-19)
- Additional and replacement computer equipment—planned per technology plan

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2021**

General Fund Budgetary Highlights

Revenue Budget

Revenue	FY21 Budget	Actual	Variance
School District Assessment	16,027,029	16,027,029	-
Other Local	114,000	239,933	125,933
State	6,564,349	6,668,939	104,590
Federal	-	107,059	107,059
Total Revenues	22,705,378	23,042,960	337,582
Use of Fund Balance to reduce school district assessment & other funding	1,225,088		
Total Revenues and Use of Fund Balance	23,930,466		

Revenue recognized by the Hollis Brookline Cooperative School District’s general fund amounted to \$337,582 more than budgeted, as detailed in the chart above. The primary increase in general fund revenue came from two sources:

- Special education aid, where the district received over \$104K greater than budget.
- Medicaid, where the district received over \$107K greater than budget.

An explanation of what comprises local, state, and federal revenue is the following:

- “Other Local” revenue includes vocational education revenue, impact fees, interest, and non-resident tuition.
- “State” revenue includes the adequacy grant, building aid, impact fees, and special education aid.
- “Federal” revenue includes Medicaid funds.

** All revenue sources are explained in greater detail on pages 7 and 8.

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2021**

Expense Budget

<u>Expenditures</u>	FY21 Budget	Actual	Budget less Actual
Instruction	10,875,367	9,902,122	973,245
Student & Instructional Support	2,250,099	1,946,369	303,730
General, Executive & School Admin	2,173,142	2,015,016	158,126
Operation & Maintenance of Plant	1,551,512	1,774,943	(223,431)
Student Transportation	1,117,326	797,723	319,603
Other Support Services	5,152,792	5,004,040	148,752
Debt Service	810,228	796,568	13,660
Total Appropriation & Expenditures	23,930,466	22,236,781	1,693,685

The general fund expenditure surplus as compared to the budget can be attributed to the following items. [The general fund surplus can be primarily attributed to the effects of Covid-19 unless otherwise noted.]

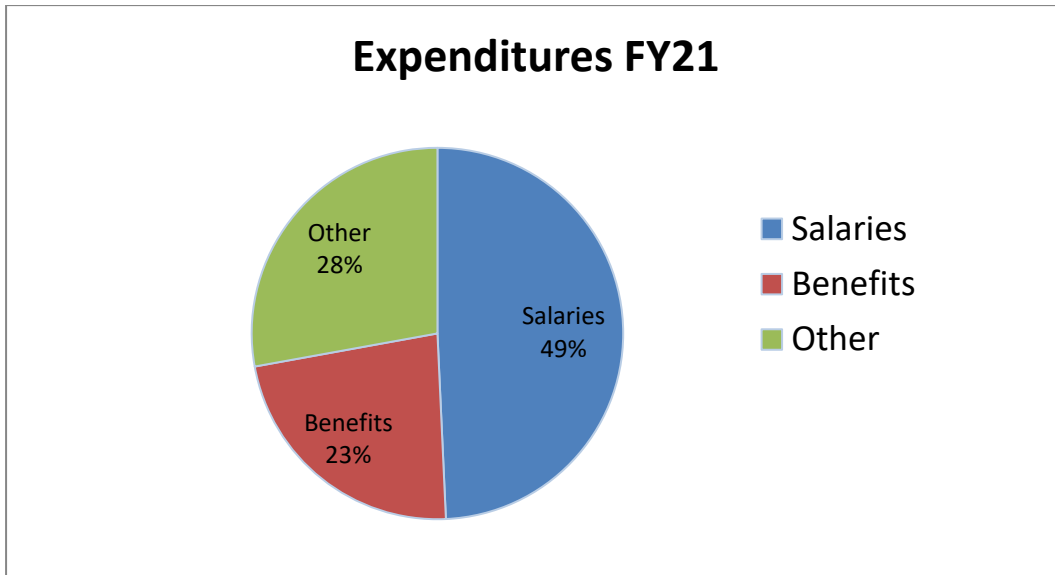
- Hiring savings and salary adjustments
- Savings in special education tuition and out of district services
- Savings in athletics and extra-curricular activities
- Fewer out of district contracted services
- Savings in teacher professional development stipends and reimbursements
- Benefits (insurance, retirement, taxes) were all under budget due to hiring savings
- Savings in “debt service” due to refinancing at a lower rate

The only expense category over-budget was in operation & maintenance of plant. This was due to the encumbrance of funds for the following school board approved expenses: replacing sections of both the HBMS and the HBHS roofs, a study of energy/enrollment related improvements, and HBHS main entry renovations.

HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2021

Break-down of Costs

Salaries and benefits make up 2/3 of the total district's expenses, which is illustrated in the chart below. "Other" expenses account for contracted services, transportation, operation & maintenance of buildings, debt service, and general operational materials. The disbursement of costs has remained fairly consistent with the prior fiscal year (FY20) expenditures: 47% salary, 30% other, 23% benefits.



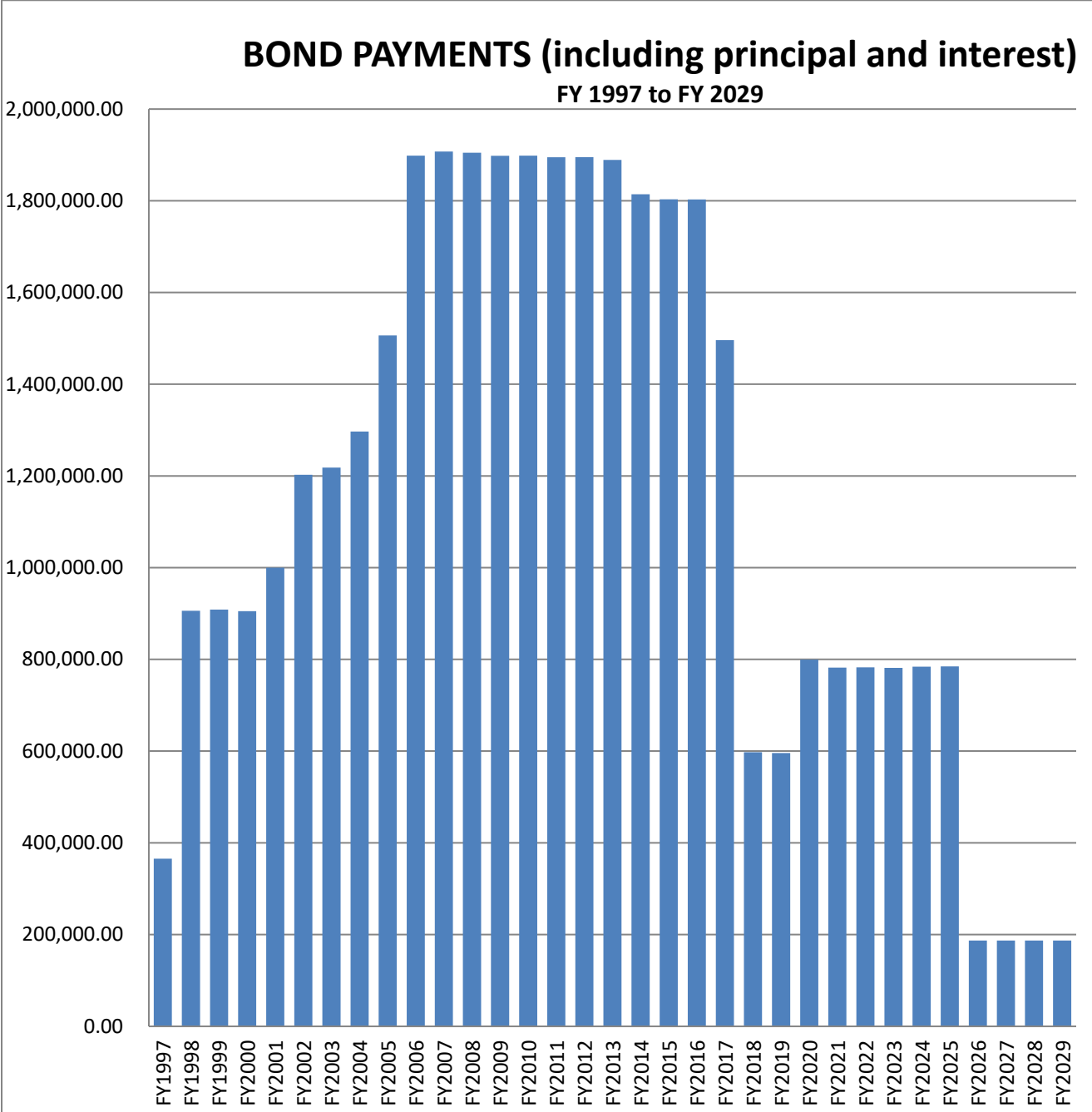
Capital Assets

The Hollis Brookline Cooperative School District's investment in capital assets for its governmental activities as of June 30, 2021, totals \$19,427,031, net of accumulated depreciation. These assets include construction in progress, land improvements, buildings, machinery, vehicles and equipment.

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
 MANAGEMENT DISCUSSION AND ANALYSIS
 FISCAL YEAR ENDING JUNE 30, 2021**

DEBT ADMINISTRATION

Currently, the District carries debt on two bonds. The renovation of the Hollis Brookline Middle School 2004 bond for \$7,703,400 will expire in August 2024. The high school turf athletic field bond was originally issued on 12/17/18, for \$1,660,000, and then refinanced in 2021 at a lower interest rate, maturing in August 2028.



**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2021**

OTHER DISCUSSION

The district's financial status is sound. Being that the majority of cost is associated with salary and benefits, the budget is rather predictable from year to year. The district adopted for the 2013-2014 fiscal year the ability to retain fund balance for emergency expenditures and over-expenditures. This tool has greatly improved the financial position of the district to deal with unexpected costs that may arise during the course of operations. Were a situation to arise prior to the adoption of this mechanism, the district would have had to rely on excess revenues or additional taxation.

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

BASIC FINANCIAL STATEMENTS

EXHIBIT 1
HOLLIS-BROKLINE COOPERATIVE SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,790,639
Intergovernmental receivables	1,840,700
Other receivables	861
Inventory	9,597
Prepaid items	50,289
Capital assets, not being depreciated:	
Construction in progress	2,092,355
Capital assets, net of accumulated depreciation:	
Land improvements	390,055
Buildings and building improvements	16,660,820
Machinery, equipment and vehicles	283,801
Total assets	24,119,117
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	6,602,370
Deferred amounts related to OPEB	250,922
Total deferred outflows of resources	6,853,292
LIABILITIES	
Accounts payable	187,411
Accrued salaries and benefits	59,012
Intergovernmental payable	20,183
Accrued interest payable	66,356
Noncurrent obligations:	
Due within one year:	
Bond and note outstanding	673,642
Capital lease payable	13,188
Compensated absences payable	8,548
Due in more than one year:	
Bond and note outstanding	2,896,077
Capital lease payable	13,890
Compensated absences payable	8,844
Termination benefits payable	499,013
Net pension liability	22,079,478
OPEB liability	2,223,146
Total liabilities	28,748,788
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	36,444
Deferred amounts related to pensions	237,070
Deferred amounts related to OPEB	89,685
Total deferred inflows of resources	363,199
NET POSITION	
Net investment in capital assets	15,830,234
Restricted for endowments:	
Nonexpendable	329,027
Expendable	197,861
Restricted for other purposes	32,148
Unrestricted	(14,528,848)
Total net position	\$ 1,860,422

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

EXHIBIT 2
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2021

	Expenses	Program Revenues			Net (Expense) Revenue and Changes In Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 10,958,031	\$ 76,197	\$ 1,471,755	\$ -	\$ (9,410,079)
Support services:					
Student	1,323,793	-	-	-	(1,323,793)
Instructional staff	603,404	-	-	-	(603,404)
General administration	84,493	-	-	-	(84,493)
Executive administration	910,255	-	-	-	(910,255)
School administration	1,018,556	-	-	-	(1,018,556)
Operation and maintenance of plant	1,578,965	-	-	199,362	(1,379,603)
Student transportation	797,723	-	-	-	(797,723)
Other	7,293,372	-	88,761	71,284	(7,133,327)
Non-instructional services	333,083	36,541	296,155	-	(387)
Facilities acquisition and construction	10,697	-	-	400,000	389,303
Interest on long-term debt	131,182	-	-	-	(131,182)
Total primary government	<u>\$ 25,043,554</u>	<u>\$ 112,738</u>	<u>\$ 1,856,671</u>	<u>\$ 670,646</u>	<u>(22,403,499)</u>
General revenues:					
School district assessment					16,027,029
Grants and contributions not restricted to specific programs					5,990,574
Miscellaneous					78,958
Total general revenues					<u>22,096,561</u>
Change in net position					(306,938)
Net position, beginning, as restated, see Note III.D.					2,167,360
Net position, ending					<u>\$ 1,860,422</u>

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

EXHIBIT 3
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2021

	General	Grants	Permanent	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,303,439	\$ -	\$ -	\$ 487,200	\$ 2,790,639
Receivables, net of allowance for uncollectibles:					
Accounts	861	-	-	-	861
Intergovernmental	1,064,738	178,513	526,888	70,561	1,840,700
Interfund receivable	173,513	-	-	-	173,513
Inventory	-	-	-	9,597	9,597
Prepaid items	50,289	-	-	-	50,289
Total assets	<u>\$ 3,592,840</u>	<u>\$ 178,513</u>	<u>\$ 526,888</u>	<u>\$ 567,358</u>	<u>\$ 4,865,599</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 187,155	\$ -	\$ -	\$ 256	\$ 187,411
Accrued salaries and benefits	57,730	-	-	1,282	59,012
Intergovernmental payable	12,520	5,000	-	2,663	20,183
Interfund payable	-	173,513	-	-	173,513
Total liabilities	<u>257,405</u>	<u>178,513</u>	<u>-</u>	<u>4,201</u>	<u>440,119</u>
Deferred inflows of resources:					
Deferred revenue	-	-	-	36,444	36,444
Fund balances:					
Nonspendable	50,289	-	329,027	9,597	388,913
Restricted	-	-	197,861	32,148	230,009
Committed	568,113	-	-	484,968	1,053,081
Assigned	626,393	-	-	-	626,393
Unassigned	2,090,640	-	-	-	2,090,640
Total fund balances	<u>3,335,435</u>	<u>-</u>	<u>526,888</u>	<u>526,713</u>	<u>4,389,036</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,592,840</u>	<u>\$ 178,513</u>	<u>\$ 526,888</u>	<u>\$ 567,358</u>	<u>\$ 4,865,599</u>

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

EXHIBIT 4
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
Reconciliation of Total Governmental Fund Balances to the Statement of Net Position
June 30, 2021

Total fund balances of governmental funds (Exhibit 3)		\$ 4,389,036
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$ 37,195,195	
Less accumulated depreciation	<u>(17,768,164)</u>	19,427,031
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	\$ (173,513)	
Payables	<u>173,513</u>	-
Interest on long-term debt is not accrued in governmental funds.		
		(66,356)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bond and note outstanding	\$ 3,569,719	
Capital lease payable	27,078	
Compensated absences payable	17,392	
Termination benefits payable	499,013	
Net pension liability	22,079,478	
OPEB liability	<u>2,223,146</u>	(28,415,826)
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	\$ 6,602,370	
Deferred outflows of resources related to OPEB	250,922	
Deferred inflows of resources related to pensions	(237,070)	
Deferred inflows of resources related to OPEB	<u>(89,685)</u>	6,526,537
Net position of governmental activities (Exhibit 1)		<u><u>\$ 1,860,422</u></u>

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

EXHIBIT 5
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	General	Grants	Permanent	Other Governmental Funds	Total Governmental Funds
REVENUES					
School district assessment	\$ 16,027,029	\$ -	\$ -	\$ -	\$ 16,027,029
Other local	240,303	-	64,592	634,845	939,740
State	6,668,939	71,284	-	4,281	6,744,504
Federal	107,059	626,410	-	291,874	1,025,343
Total revenues	<u>23,043,330</u>	<u>697,694</u>	<u>64,592</u>	<u>931,000</u>	<u>24,736,616</u>
EXPENDITURES					
Current:					
Instruction	9,899,482	370,397	-	641,309	10,911,188
Support services:					
Student	1,319,686	3,840	-	267	1,323,793
Instructional staff	598,731	93,777	-	-	692,508
General administration	84,493	-	-	-	84,493
Executive administration	910,255	-	-	-	910,255
School administration	1,019,573	-	-	-	1,019,573
Operation and maintenance of plant	1,588,414	229,680	-	-	1,818,094
Student transportation	797,723	-	-	-	797,723
Other	5,004,040	-	-	-	5,004,040
Non-instructional services	-	-	-	332,045	332,045
Debt service:					
Principal	681,217	-	-	-	681,217
Interest	115,351	-	-	-	115,351
Facilities acquisition and construction	598	-	-	70,079	70,677
Total expenditures	<u>22,019,563</u>	<u>697,694</u>	<u>-</u>	<u>1,043,700</u>	<u>23,760,957</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,023,767</u>	<u>-</u>	<u>64,592</u>	<u>(112,700)</u>	<u>975,659</u>
Other financing sources (uses):					
Transfers in	4,599	-	-	524	5,123
Transfers out	-	-	(5,123)	-	(5,123)
Total other financing sources and uses	<u>4,599</u>	<u>-</u>	<u>(5,123)</u>	<u>524</u>	<u>-</u>
Net change in fund balances	1,028,366	-	59,469	(112,176)	975,659
Fund balances, beginning, as restated, see Note III.D.	2,307,069	-	467,419	638,889	3,413,377
Fund balances, ending	<u>\$ 3,335,435</u>	<u>\$ -</u>	<u>\$ 526,888</u>	<u>\$ 526,713</u>	<u>\$ 4,389,036</u>

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

EXHIBIT 6
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2021

Net change in fund balances of total governmental funds (Exhibit 5)		\$ 975,659
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Capitalized capital outlay	\$ 939,027	
Depreciation expense	<u>(717,876)</u>	221,151
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	\$ (5,123)	
Transfers out	<u>5,123</u>	-
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current resources of governmental funds. Neither transaction, however, has any effect on net position.		
Issuance of long-term debt	\$ (51,780)	
Principal repayment of bond and note	668,655	
Principal repayment of capital lease	<u>12,522</u>	629,397
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ 35,989	
Increase in compensated absences payable	(237)	
Decrease in termination benefits payable	120,435	
Increase in OPEB related balances	<u>(108,187)</u>	48,000
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense.		
School District pension contributions	\$ 1,566,263	
Cost of benefits, net of employee contributions	<u>(3,747,408)</u>	(2,181,145)
Change in net position of governmental activities (Exhibit 2)		<u><u>\$ (306,938)</u></u>

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

EXHIBIT 7
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
General Fund
Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
School district assessment	\$ 16,027,029	\$ 16,027,029	\$ -
Other local	114,000	239,933	125,933
State	6,564,349	6,668,939	104,590
Federal	-	107,059	107,059
Total revenues	<u>22,705,378</u>	<u>23,042,960</u>	<u>337,582</u>
EXPENDITURES			
Current:			
Instruction	10,875,367	9,902,122	973,245
Support services:			
Student	1,458,618	1,319,686	138,932
Instructional staff	791,481	626,683	164,798
General administration	166,300	91,961	74,339
Executive administration	910,255	910,255	-
School administration	1,096,587	1,012,800	83,787
Operation and maintenance of plant	1,551,512	1,774,943	(223,431)
Student transportation	1,117,326	797,723	319,603
Other	5,152,792	5,004,040	148,752
Debt service:			
Principal	681,217	681,217	-
Interest	129,011	115,351	13,660
Total expenditures	<u>23,930,466</u>	<u>22,236,781</u>	<u>1,693,685</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,225,088)</u>	<u>806,179</u>	<u>2,031,267</u>
Other financing sources (uses):			
Transfers in	-	4,599	4,599
Transfers out	(292,000)	(265,390)	26,610
Total other financing sources and uses	<u>(292,000)</u>	<u>(260,791)</u>	<u>31,209</u>
Net change in fund balance	<u>\$ (1,517,088)</u>	545,388	<u>\$ 2,062,476</u>
Increase in nonspendable fund balance		(504)	
Decrease in committed fund balance		127,000	
Unassigned fund balance, beginning		<u>1,418,756</u>	
Unassigned fund balance, ending		<u>\$ 2,090,640</u>	

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

EXHIBIT 8
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
Grants Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (GAAP Basis)
For the Fiscal Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
State	\$ -	\$ 71,284	\$ 71,284
Federal	260,000	626,410	366,410
	<u>260,000</u>	<u>697,694</u>	<u>437,694</u>
EXPENDITURES			
Current:			
Instruction	260,000	370,397	(110,397)
Support services:			
Student	-	3,840	(3,840)
Instructional staff	-	93,777	(93,777)
Operation and maintenance of plant	-	229,680	(229,680)
Total expenditures	<u>260,000</u>	<u>697,694</u>	<u>(437,694)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning		-	
Fund balance, ending		<u>\$ -</u>	

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

NOTES TO THE FINANCIAL STATEMENTS

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

I. Summary of Significant Accounting Principles

I.A. Introduction

The accounting and reporting framework and the more significant accounting principles and practices of the Hollis-Brookline Cooperative School District (the School District) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the School District's financial activities for the fiscal year ended June 30, 2021.

I.B. Financial Reporting Entity – Basis of Presentation

I.B.1. Entity Defined

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

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

Government-Wide Financial Statements

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

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

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

Fund Financial Statements

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

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

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

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

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

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

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

Governmental Funds

The School District reports the following major governmental funds:

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

Grants Fund – Reports as a special revenue fund and accounts for federal and state grant programs.

Permanent Fund – Used to account for endowments from which only the income can be used for school purposes.

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

The School District also reports four nonmajor funds: the student activities, food service, capital project and the miscellaneous special revenue fund.

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

I.C.1. Cash and Investments

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

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

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

I.C.2. Inventory and Prepaid Items

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

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

I.C.3. Capital Assets and Depreciation

The School District's capital assets with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Donated assets are stated at acquisition

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 AS OF AND FOR THE FISCAL YEAR ENDED
 JUNE 30, 2021**

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

	Years
Land improvements	3-20
Buildings and building improvements	10-50
Machinery, equipment and vehicles	5-20

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

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

Deferred inflows of resources in the governmental fund financial statements represent donated commodities that are held in inventory and receipts for meals that have not yet been served. Deferred outflows and inflows of resources in the governmental activities consist of resources related to pensions and other postemployment benefits that will be recognized in a subsequent period.

I.C.5. *Long-Term Debt*

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

I.C.6. *Compensated Absences*

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

Compensated absences are reported as accrued in the governmental activities. Governmental funds report only matured compensated absences payable to currently terminated employees which are included in wages and benefits expenditures.

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

I.C.7. Termination Benefits

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

I.C.8. Equity

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

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

The governmental funds report the following components of fund balance:

- Nonspendable, which consists of the prepaid items; the balance of inventory, which cannot be spent because of its form; and the principal amount of endowments held by the Town of Hollis Trustees of Trust Funds, which is not spendable in accordance with legal requirements.
- Restricted, which represents the expendable portion of the endowment held by the Town of Hollis Trustees of Trust Funds, and the Capital Project Fund. These amounts can only be spent for instruction in accordance with the restrictions established by the donors, or for capital project expenditures for which the bond was issued.
- Committed, which represents the athletic expendable trust fund; amounts voted at the 2021 School District Meeting to be transferred to the Expendable Trust Fund; and unexpended grant receipts to be used for instruction.
- Assigned, which represents encumbrances for instruction and support services assigned by a vote of the school board or by management through the use of approved purchase orders.
- Unassigned, which represents the remaining General Fund balance not reported as nonspendable, restricted, committed or assigned.

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

I.C.9. *Estimates*

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

II. Stewardship, Compliance and Accountability

II.A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all major governmental funds except the Capital Project and Permanent Funds. Unless encumbered, all appropriations lapse at year-end. The School District is required to use beginning unassigned fund balance to balance the budget. In the fiscal year 2021, \$1,125,088 of the fund balance from the fiscal year 2020 was so used, and \$392,000 was appropriated from surplus.

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

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

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

II.B. Reconciliation of Budgetary Basis to GAAP

General Fund

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	\$ 23,047,559
Adjustments:	
Perspective difference:	
Expendable trust fund earnings	370
Per Exhibit 5 (GAAP basis)	<u>\$ 23,047,929</u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 22,502,171
Adjustments:	
Basis difference:	
Encumbrances, beginning	226,253
Encumbrances, ending	(626,393)
Perspective difference:	
Expendable trust fund expenditures	182,922
Transfers to expendable trust fund	(265,390)
Per Exhibit 5 (GAAP basis)	<u>\$ 22,019,563</u>

For the Grants Fund, there are no differences between the budgetary basis and GAAP. The Permanent Fund is not budgeted.

III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. Receivables

Significant receivables consist of reimbursements and intergovernmental amounts arising from medicaid, grants, refunds, and reimbursements from other school districts for shared services. 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.

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

III.A.2. Capital Assets

Changes in Capital Assets

This table provides a summary of changes in capital assets during the year:

	Balance, beginning	Additions	Balance, ending
At cost:			
Not being depreciated:			
Construction in progress	\$ 1,567,276	\$ 525,079	2,092,355
Being depreciated:			
Land improvements	959,915	141,002	1,100,917
Buildings and building improvements	33,265,470	170,137	33,435,607
Machinery, equipment and vehicles	463,507	102,809	566,316
Total capital assets being depreciated	34,688,892	413,948	35,102,840
Total all capital assets	36,256,168	939,027	37,195,195
Less accumulated depreciation:			
Land improvements	(676,006)	(34,856)	(710,862)
Buildings and building improvements	(16,127,694)	(647,093)	(16,774,787)
Machinery, equipment and vehicles	(246,588)	(35,927)	(282,515)
Total accumulated depreciation	(17,050,288)	(717,876)	(17,768,164)
Net book value, capital assets being depreciated	17,638,604	(303,928)	17,334,676
Net book value, all capital assets	\$ 19,205,880	\$ 221,151	\$ 19,427,031

Depreciation Expense

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

Instruction	\$ 636,283
Support services:	
Operation and maintenance of plant	70,456
Non-instructional services	1,038
Site Improvements	10,099
Total depreciation expense	\$ 717,876

HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

III.B. Long-Term Liabilities

General obligation bonds are approved by the voters and repaid with general revenues (property taxes), and are backed by the full faith and credit of the School District.

Long-term liabilities currently outstanding are as follow:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at June 30, 2021	Current Portion
General obligation bond and note payable:						
Middle School renovations	\$ 7,703,000	2005	2025	3.0-5.0	\$ 2,200,000	\$ 510,000
Artificial turf field	\$ 1,711,780	2019	2029	3.8	1,369,719	163,642
					<u>3,569,719</u>	<u>673,642</u>
Capital lease payable:						
Vans	\$ 53,992	2020	2023	5.3	27,078	13,188
Compensated absences payable:						
Vested sick leave					8,844	-
Accrued vacation leave					8,548	8,548
					<u>17,392</u>	<u>8,548</u>
Termination benefits payable					499,013	-
Net pension liability					22,079,478	-
Other postemployment benefits liability					2,223,146	-
					<u>\$ 28,415,826</u>	<u>\$ 695,378</u>

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2021:

	General Obligation Bond & Note Payable	Capital Lease Payable	Compensated Absences Payable	Termination Benefits Payable	Net Pension Liability	Other Postemployment Benefits Liability	Total
Balance, beginning	\$ 4,186,594	\$ 39,600	\$ 17,155	\$ 619,448	\$ 16,448,472	\$ 2,068,408	\$ 23,379,677
Additions	51,780	-	2,182	-	5,631,006	154,738	5,839,706
Reductions	(668,655)	(12,522)	(1,945)	(120,435)	-	-	(803,557)
Balance, ending	<u>\$ 3,569,719</u>	<u>\$ 27,078</u>	<u>\$ 17,392</u>	<u>\$ 499,013</u>	<u>\$ 22,079,478</u>	<u>\$ 2,223,146</u>	<u>\$ 28,415,826</u>

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
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Debt Service Requirements to Maturity

The annual debt service requirements to maturity for the bond and note as of year-end are as follow:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 673,642	\$ 149,608	\$ 823,250
2023	697,773	117,770	815,543
2024	731,028	84,338	815,366
2025	759,349	49,396	808,745
2026	172,736	28,156	200,892
2027-2029	535,191	43,584	578,775
Totals	<u>\$ 3,569,719</u>	<u>\$ 472,852</u>	<u>\$ 4,042,571</u>

The future minimum lease obligations for the capital lease are as follow:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 13,188	\$ 1,440	\$ 14,628
2023	13,890	738	14,628
Totals	<u>\$ 27,078</u>	<u>\$ 2,178</u>	<u>\$ 29,256</u>

III.C. Balances and Transfers – Payments Within the Reporting Entity

III.C.1. *Receivables and Payables*

Generally, outstanding balances between funds reported as “interfund receivables/payables” include outstanding charges by one fund to another for goods or services, subsidy commitments outstanding at year-end, or other miscellaneous amounts. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is also reported as “interfund receivables/payables.” The \$173,513 due to the General Fund represents an overdraft of pooled cash by the Grants Fund.

III.C.2. *Transfers*

Transfers within the reporting entity were for the purpose of distributing income earned on Permanent Funds in the amounts of \$4,599 to the General Fund and \$524 to the Miscellaneous Special Revenue Fund. The government-wide statement of activities eliminates transfers reported within the governmental activities columns.

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III.D. Equity Restatement

The beginning equity was restated as follows:

	Governmental Activities	General Fund
To record COVID grant receivable	\$ 9,189	\$ 9,189
Net position/fund balance, as previously reported	2,158,171	2,297,880
Net position/fund balance, as restated	<u>\$ 2,167,360</u>	<u>\$ 2,307,069</u>

III.E. Components of Fund Equity

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

	General Fund	Permanent Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:				
Endowment	\$ -	\$ 329,027	\$ -	\$ 329,027
Inventory	-	-	9,597	9,597
Prepaid items	50,289	-	-	50,289
Total nonspendable	<u>50,289</u>	<u>329,027</u>	<u>9,597</u>	<u>388,913</u>
Restricted for:				
Instruction	-	197,861	-	197,861
Capital outlay	-	-	32,148	32,148
Total restricted	<u>-</u>	<u>197,861</u>	<u>32,148</u>	<u>230,009</u>
Committed for:				
Instruction	-	-	26,359	26,359
Non-instructional services	-	-	458,609	458,609
Capital outlay	568,113	-	-	568,113
Total committed	<u>568,113</u>	<u>-</u>	<u>484,968</u>	<u>1,053,081</u>
Assigned to:				
Instruction	69,381	-	-	69,381
Support services	180,892	-	-	180,892
Capital outlay	376,120	-	-	376,120
Total assigned	<u>626,393</u>	<u>-</u>	<u>-</u>	<u>626,393</u>
Unassigned	2,090,640	-	-	2,090,640
Total fund balances	<u>\$ 3,335,435</u>	<u>\$ 526,888</u>	<u>\$ 526,713</u>	<u>\$ 4,389,036</u>

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
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IV. Other Information

IV.A. Risk Management

The School District's risk management activities are reported with governmental activities and recorded in the general fund. During the fiscal year, the School District was a member of the N.H. Public Risk Management Exchange (Primex), which is considered a public entity risk pool, currently operating as a common risk management and insurance program for member governmental entities. The Primex programs are pooled risk management programs under N.H. RSA 5-B and RSA 281-A. The plan year runs from July 1 through June 30. Primex maintains statutory workers' compensation and unemployment compensation coverage, and property and liability coverages in various amounts.

Workers' compensation contributions paid in fiscal year 2021 to be recorded as an insurance expenditure/expense totaled \$37,335, and property/liability contributions totaled \$61,691. The School District also paid \$9,938 for unemployment compensation coverage. There were no unpaid contributions for the year.

IV.B. Retirement Pensions

General Information about the Pension Plan

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

Both the members and the School District make contributions to the NHRS. Member rates of contribution are set by the Legislature. Employer rates are determined by the NHRS trustees based on an actuarial valuation. The rate of contribution was 7% of gross earnings for all employees. The rates of contribution from the School District were 17.80% for teachers and 11.17% for other employees, which are actuarially determined to generate an amount, that when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions from the School District during the fiscal years 2019, 2020, and 2021 were \$1,469,135, \$1,522,353, and \$1,729,218 respectively. The amounts were paid on a monthly basis as due.

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
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Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2021, the School District reported a liability of \$22,079,478 for its proportionate share of the net pension liability. The net pension liability is based on a June 30, 2019 actuarial valuation, rolled forward to determine the net pension liability as of June 30, 2020. The roll-forward of the total pension liability from June 30, 2019 to June 30, 2020 reflects expected service and interest costs reduced by actual benefits payments, refunds, and administrative expenses for the plan year. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities and school districts, actuarially determined. As of June 30, 2020, the School District's reported proportion was 0.3452%, which was an increase of 0.0034% from its proportion as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized pension expense of \$3,747,408. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 890,116	\$ -
Net differences between projected and actual earnings on pension plan investments	1,365,640	-
Changes of assumptions	2,184,098	-
Differences between expected and actual experience	596,253	237,070
School District contributions subsequent to the measurement date	1,566,263	-
	<u>\$ 6,602,370</u>	<u>\$ 237,070</u>

The School District reported \$1,566,263 as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2022.

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follow:

Year Ended June 30,	
2022	\$ 1,172,018
2023	1,367,350
2024	1,206,507
2025	1,053,162
	<u>\$ 4,799,037</u>

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	19 years, beginning July 1, 2020 (30 years beginning July 1, 2009)
Asset Valuation Method	5-year smoothed market for funding purposes, 20% corridor
Price Inflation	2.5% per year
Wage Inflation	3.25% per year
Municipal Bond Rate	2.45% per year
Salary Increases	5.6% average, including inflation
Investment Rate of Return	7.25% net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2020 valuations were based on the results of the most recent actuarial experience study, which was for the period of July 1, 2010 to June 30, 2015.

Mortality rates were based on the RP-2014 Mortality Table, projected to 2020 with Scale AA. The table includes a margin of 15% for men and 17% for women for mortality improvements.

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NOTES TO THE FINANCIAL STATEMENTS
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Sensitivity of the School District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School District’s proportionate share of the net pension liability calculated using the discount rate of 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 one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School District's proportionate share of net pension liability	\$ 28,583,939	\$ 22,079,478	\$ 16,764,473

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

IV.C. Other Postemployment Benefits

Plan Description

The School District is part of two different OPEB plans, one that is a retiree health care benefits program operating as a single-employer plan that is used to provide OPEB for all permanent full-time employees (implicit rate subsidy); and the other that consists of benefits to its retired employees and their beneficiaries as required by RSA 100-A:50, *New Hampshire Retirement System: Medical Benefits*. The latter are provided through the New Hampshire Retirement System (NHRS) operating as a cost-sharing, multiple-employer OPEB medical subsidy healthcare plan (medical insurance subsidy). Further information on this plan can be found in the audited report of the NHRS Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan which is available on the NHRS website at www.nhrs.org.

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

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Since the same premiums are charged to active employees and retirees, and the School District is unable to obtain age-adjusted premium information for the retirees, GAAP require the School District to calculate age-adjusted premiums for the purpose of projecting future benefits for retirees.

The School District offers postemployment medical benefits to retirees and their covered dependents. The School District offers coverage as follows:

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

Medical coverage continues to the spouse after the death of the retiree provided the spouse makes the required contributions. The current medical premiums are as follow:

<u>Non-Medicare Plans</u>	<u>Individual</u>	<u>2-Person</u>	<u>Family</u>
AB10IPDED(07L)-RX10/20/45/3K(L)	\$969.09	\$1,938.18	\$2,616.55
ABSOS20/40/1KDED(07L)-RX10/20/45/5K(L)	\$753.79	\$1,507.59	\$2,035.24
BC3T15IPDED(07)L-RX10/20/45/3K(L)	\$1,022.89	\$2,045.78	\$2,761.81

Currently, there are 189 active and retired employees that receive health benefits from the School District. The School District recognizes the cost of providing health insurance annually as expenditures in the General Fund as payments are made. For the year ended June 30, 2021, the School District recognized nothing for its share of insurance premiums for currently enrolled retirees.

With the medical insurance subsidy plan, there is a payment made by the NHRS to the former employer or its insurance administrator toward the cost of health insurance for the qualified retiree, his/her qualified spouse, and dependent children with disability who are living in the retiree’s household and being cared for by the retiree. If the health insurance premium is less than the medical subsidy amount, then only the premium amount is paid by the NHRS. If the insurance premium is more than the medical subsidy amount, then the retiree or other qualified person is responsible for paying the balance of the premium. Benefits are based on age, creditable service, and retirement or hire dates. This plan is closed to new entrants. As of the June 30, 2020 measurement date, participants of the postretirement plan that met eligibility requirements were comprised of 164 active employees and retirees.

Total OPEB Liability

The School District’s total OPEB liability of \$2,223,146 consists of \$679,983 for the implicit rate subsidy determined by an actuarial valuation as of July 1, 2021 and \$1,543,163 for the medical insurance

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subsidy, determined by an actuarial valuation as of June 30, 2019, rolled forward to the measurement date using actuarial assumptions, applied to all periods included in the measurement.

Actuarial Assumptions for Implicit Rate Subsidy

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

- Discount Rate: 2.16%, net of investment expenses, including inflation
- Actuarial Cost Method: Entry Age Normal. The costs of each employee’s postemployment benefits are allocated as a level basis over the earnings of the employee between date of hire and assumed exit age.
- Amortization Method: Level dollar amount over thirty (30) years on an open amortization period for pay-as-you-go funding

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

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

Post-Retirement: RP-2014 Healthy Annuitants Mortality Tables for males and females projected with generational mortality improvement using Scale MP-2015

Inflation: 2.4%

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Discount Rate

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

Healthcare Cost Trend Rates

Healthcare cost trend assumptions begin at current levels and grade down over a period of years to a lower level equal to some real rate plus inflation. Trend rates after year 5 grade down to the ultimate rate utilizing the *Society of Actuaries Getzen Medical Trend Model*. The ultimate trend rate is reached in 2075.

Sensitivity of Total OPEB Liability

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

Implicit Rate Subsidy:	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
School District's total OPEB liability	\$ 723,297	\$ 679,983	\$ 638,601
 Medical Subsidy:	 1% Decrease (5.75%)	 Current Discount Rate (6.75%)	 1% Increase (7.75%)
School District's total OPEB liability	\$ 1,675,714	\$ 1,543,163	\$ 1,428,083

The following presents the total OPEB liability for the implicit rate subsidy calculated using the current healthcare cost trend rate of 6.55%, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher.

	1% Decrease (5.55%)	Current Healthcare Cost Trend Rate (6.55%)	1% Increase (7.55%)
School District's total OPEB liability	\$ 604,399	\$ 679,983	\$ 768,974

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

For the year ended June 30, 2021, the School District recognized OPEB expense of \$324,280. At year-end, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 15,125	\$ -
Net differences between projected and actual earnings on pension plan investments	5,774	-
Changes of assumptions	60,938	7,690
Differences between expected and actual experience	-	81,995
School District contributions subsequent to the measurement date	169,085	-
	<u>\$ 250,922</u>	<u>\$ 89,685</u>

The School District reported \$169,085 as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date, which will be recognized as a reduction of the net OPEB liability in fiscal year 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follow:

Year Ending June 30,	
2022	\$ 10,882
2023	(7,461)
2024	(7,265)
2025	(5,009)
2026	1,005
	<u>\$ (7,848)</u>

IV.D. Contingent Liabilities

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

REQUIRED SUPPLEMENTARY INFORMATION

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

For the Year Ended June 30,	School District's Proportion of Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered- Employee Payroll	School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	Plan Net Position as a Percentage of the Total Pension Liability
2021	0.3452%	\$ 22,079,478	\$ 10,084,846	218.94%	58.72%
2020	0.3418%	\$ 16,448,472	\$ 9,903,761	166.08%	65.59%
2019	0.3329%	\$ 16,028,584	\$ 9,776,399	163.95%	64.77%
2018	0.3023%	\$ 14,868,758	\$ 9,241,057	160.90%	62.66%
2017	0.3017%	\$ 16,040,564	\$ 8,842,517	181.40%	58.30%
2016	0.2973%	\$ 11,777,417	\$ 8,622,422	136.59%	65.47%
2015	0.2912%	\$ 10,930,760	\$ 8,469,299	129.06%	66.32%
2014	0.2762%	\$ 11,888,422	\$ 7,994,706	148.70%	59.82%

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

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

For the Year Ended June 30,	Contractually Required Contribution	Contribution in Relation to the Contractually Required Contribution	Contribution Deficiency	School District's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2021	\$ 1,729,218	\$ (1,729,218)	\$ -	\$ 10,084,846	17.15%
2020	\$ 1,522,353	\$ (1,522,353)	\$ -	\$ 9,903,761	15.37%
2019	\$ 1,469,135	\$ (1,469,135)	\$ -	\$ 9,776,399	15.03%
2018	\$ 1,547,264	\$ (1,547,264)	\$ -	\$ 9,241,057	16.74%
2017	\$ 1,343,016	\$ (1,343,016)	\$ -	\$ 8,842,517	15.19%
2016	\$ 1,310,915	\$ (1,310,915)	\$ -	\$ 8,622,422	15.20%
2015	\$ 1,164,714	\$ (1,164,714)	\$ -	\$ 8,469,299	13.75%
2014	\$ 1,106,584	\$ (1,106,584)	\$ -	\$ 7,994,706	13.84%

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

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

	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
Total OPEB liability:					
Service cost	\$ 47,504	\$ 46,402	\$ 39,691	\$ 38,504	\$ 97,923
Interest	130,458	133,551	22,959	21,779	16,277
Plan net investment income	(1,401)	(6,434)	-	-	-
Administrative expense	596	924	-	-	-
Changes of assumptions and differences between expected and actual experience	(27,367)	(26,576)	14,879	(10,676)	(23,535)
Change in proportion of medical subsidy	202,734	40,803	(370,676)	1,824,143	-
Benefit payments	(197,786)	(188,720)	(32,321)	(30,541)	(22,198)
Net change in total OPEB liability	154,738	(50)	(325,468)	1,843,209	68,467
Total OPEB liability, beginning	2,068,408	2,068,458	2,393,926	550,717	482,250
Total OPEB liability, ending	<u>\$ 2,223,146</u>	<u>\$ 2,068,408</u>	<u>\$ 2,068,458</u>	<u>\$ 2,393,926</u>	<u>\$ 550,717</u>
Covered payroll	\$ 10,084,846	\$ 10,365,663	\$ 9,776,399	\$ 10,343,728	\$ 9,958,961
Total OPEB liability as a percentage of covered payroll	22.04%	19.95%	21.16%	23.14%	5.53%
School District's proportion of net OPEB liability for the medical insurance subsidy	0.3526%	0.3248%	0.3175%	0.3989%	n/a

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

EXHIBIT 12
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios

	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
Actuarially determined contribution	\$ 143,453	\$ 136,239	\$ 64,274	\$ 58,255	\$ 73,913
Contributions in relation to the actuarially determined contribution	(116,421)	(103,609)	(32,321)	(30,541)	(23,559)
Contribution deficiency	<u>\$ 27,032</u>	<u>\$ 32,630</u>	<u>\$ 31,953</u>	<u>\$ 27,714</u>	<u>\$ 50,354</u>
Covered-employee payroll	\$10,084,846	\$10,365,663	\$9,776,399	\$10,343,728	\$9,958,961
Contributions as a percentage of covered-employee payroll	1.42%	1.31%	0.66%	0.56%	0.74%

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

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The Pension and OPEB Schedules are meant to present related information for ten years. Because this is the seventh year that the School District has presented the pension information, and the fourth year that the School District has presented the OPEB information under the current measurement standard, only eight and five years, respectively, are presented. An additional year's information will be added each year until there are ten years shown.

COMBINING AND INDIVIDUAL FUND SCHEDULES

EXHIBIT 13
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2021

	Special Revenue Funds			Capital	Total
	Student Activities	Food Service	Miscellaneous	Projects Fund	
ASSETS					
Cash and cash equivalents	\$ 26,359	\$ 147,270	\$ 281,423	\$ 32,148	\$ 487,200
Intergovernmental receivables	-	70,104	457	-	70,561
Inventory	-	9,597	-	-	9,597
Total assets	<u>\$ 26,359</u>	<u>\$ 226,971</u>	<u>\$ 281,880</u>	<u>\$ 32,148</u>	<u>\$ 567,358</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 256	\$ -	\$ -	\$ 256
Accrued salaries and benefits	-	1,009	273	-	1,282
Intergovernmental payable	-	-	2,663	-	2,663
Total liabilities	<u>-</u>	<u>1,265</u>	<u>2,936</u>	<u>-</u>	<u>4,201</u>
Deferred inflows of resources:					
Deferred revenue	-	36,444	-	-	36,444
Fund balances:					
Nonspendable	-	9,597	-	-	9,597
Restricted	-	-	-	32,148	32,148
Committed	26,359	179,665	278,944	-	484,968
Total fund balances	<u>26,359</u>	<u>189,262</u>	<u>278,944</u>	<u>32,148</u>	<u>526,713</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,359</u>	<u>\$ 226,971</u>	<u>\$ 281,880</u>	<u>\$ 32,148</u>	<u>\$ 567,358</u>

EXHIBIT 14
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2021

	Special Revenue Funds			Capital	Total
	Student Activities	Food Service	Miscellaneous	Projects Fund	
REVENUES					
Local	\$75,683	\$ 36,548	\$ 522,614	\$ -	\$ 634,845
State	-	4,281	-	-	4,281
Federal	-	291,874	-	-	291,874
Total revenues	<u>75,683</u>	<u>332,703</u>	<u>522,614</u>	<u>-</u>	<u>931,000</u>
EXPENDITURES					
Current:					
Instruction	92,429	-	548,880	-	641,309
Support services:					
Student	-	-	267	-	267
Non-instructional services	-	332,045	-	-	332,045
Facilities acquisition and construction	-	-	-	70,079	70,079
Total expenditures	<u>92,429</u>	<u>332,045</u>	<u>549,147</u>	<u>70,079</u>	<u>1,043,700</u>
Excess (deficiency) of revenues over (under) expenditures	(16,746)	658	(26,533)	(70,079)	(112,700)
Other financing sources:					
Transfers in	-	-	524	-	524
Net change in fund balances	(16,746)	658	(26,009)	(70,079)	(112,176)
Fund balances, beginning	<u>43,105</u>	<u>188,604</u>	<u>304,953</u>	<u>102,227</u>	<u>638,889</u>
Fund balances, ending	<u>\$26,359</u>	<u>\$189,262</u>	<u>\$ 278,944</u>	<u>\$32,148</u>	<u>\$ 526,713</u>

EXHIBIT 15
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2021

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 16,027,029	\$ 16,027,029	\$ -
Other local sources:			
Tuition	24,000	40,391	16,391
Investment earnings	8,000	4,344	(3,656)
Impact fees	-	47,927	47,927
Athletics	82,000	35,806	(46,194)
Refund of prior year expenditures	-	88,761	88,761
Miscellaneous	-	22,704	22,704
Total from other local sources	<u>114,000</u>	<u>239,933</u>	<u>125,933</u>
State sources:			
Adequacy aid (grant)	3,939,421	3,941,647	2,226
Adequacy aid (tax)	2,048,927	2,048,927	-
School building aid	199,362	199,362	-
Catastrophic aid	371,639	476,185	104,546
Vocational tuition aid	5,000	2,818	(2,182)
Total from state sources	<u>6,564,349</u>	<u>6,668,939</u>	<u>104,590</u>
Federal sources:			
Medicaid	-	107,059	107,059
Other financing sources:			
Transfers in	-	4,599	4,599
Total revenues and other financing sources	22,705,378	<u>\$ 23,047,559</u>	<u>\$ 342,181</u>
Use of fund balance	<u>1,517,088</u>		
Total revenues, other financing sources and use of fund balance	<u>\$ 24,222,466</u>		

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

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
Instruction:					
Regular programs	\$ 6,703	\$ 6,277,212	\$ 5,979,358	\$ 13,332	\$ 291,225
Special programs	182	3,701,351	3,178,161	-	523,372
Vocational programs	5,065	30,000	33,613	22,526	(21,074)
Other	8,372	866,804	661,931	33,523	179,722
Total instruction	<u>20,322</u>	<u>10,875,367</u>	<u>9,853,063</u>	<u>69,381</u>	<u>973,245</u>
Support services:					
Student	-	1,458,618	1,319,686	-	138,932
Instructional staff	9,048	791,481	598,731	37,000	164,798
General administration	124	166,300	84,493	7,592	74,339
Executive administration	-	910,255	910,255	-	-
School administration	11,360	1,096,587	1,019,573	4,587	83,787
Operation and maintenance of plant	184,801	1,551,512	1,451,911	507,833	(223,431)
Student transportation	-	1,117,326	797,723	-	319,603
Other	-	5,152,792	5,004,040	-	148,752
Total support services	<u>205,333</u>	<u>12,244,871</u>	<u>11,186,412</u>	<u>557,012</u>	<u>706,780</u>
Debt service:					
Principal	-	681,217	681,217	-	-
Interest	-	129,011	115,351	-	13,660
Total debt service	<u>-</u>	<u>810,228</u>	<u>796,568</u>	<u>-</u>	<u>13,660</u>
Facilities acquisition and construction	<u>598</u>	<u>-</u>	<u>598</u>	<u>-</u>	<u>-</u>
Other financing uses:					
Transfers out	<u>-</u>	<u>292,000</u>	<u>265,390</u>	<u>-</u>	<u>26,610</u>
Total encumbrances, appropriations, expenditures and other financing uses	<u>\$ 226,253</u>	<u>\$ 24,222,466</u>	<u>\$ 22,102,031</u>	<u>\$ 626,393</u>	<u>\$ 1,720,295</u>

EXHIBIT 17
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2021

Unassigned fund balance, beginning		\$ 1,418,756
Changes:		
Fund balance used to reduce school district assessment		(1,125,088)
Fund balance appropriated		(392,000)
Budget summary:		
Revenue surplus (Exhibit 15)	\$ 342,181	
Unexpended balance of appropriations (Exhibit 16)	<u>1,720,295</u>	
Budget surplus		2,062,476
Increase in nonspendable fund balance		(504)
Decrease in committed fund balance		<u>127,000</u>
Unassigned fund balance, ending		<u><u>\$ 2,090,640</u></u>

EXHIBIT 18
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
Middle School Student Activities Fund
Summary of Activity
For the Fiscal Year Ended June 30, 2021

	Balance, beginning	Additions	Deductions	Balance, ending
Band Club	\$ 646	\$ 8	\$ 8	\$ 646
Books and Equipment	32	-	-	32
Climbing Club	915	-	915	-
Field Trips	(2,531)	1,227	-	(1,304)
Mountain Bike Club	797	-	-	797
Music Club	500	-	-	500
Ski Program	1,860	-	-	1,860
Student Council	1,563	1,290	2,354	499
U-Knighted For All	1,772	-	62	1,710
Yearbook	473	-	-	473
Uncategorized	(34)	34	-	-
Miscellaneous	13	-	13	-
Interest	2	3	5	-
Service Charges	(2)	38	36	-
Total	<u>\$ 6,006</u>	<u>\$ 2,600</u>	<u>\$ 3,393</u>	<u>\$ 5,213</u>

EXHIBIT 19
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
High School Student Activities Fund
Summary of Activity
For the Fiscal Year Ended June 30, 2021

	Balance, beginning	Additions	Deductions	Balance, ending
Art Club	\$ 2	\$ -	\$ -	\$ 2
Chemistry Club	249	-	249	-
Chess Club	175	-	-	175
Class Gift Fund	2,645	-	2,645	-
Class of 2019	(1,201)	1,203	2	-
Class of 2020	12,326	1,023	13,349	-
Class of 2021	2,937	33,550	36,487	-
Class of 2022	366	2,070	-	2,436
Class of 2023	(55)	55	-	-
Class of 2024	-	24	-	24
Coca Cola Sales	-	1,671	91	1,580
Dance Team	761	-	761	-
French Club	279	-	-	279
Gay Straight Alliance	179	-	-	179
Green Group	594	-	-	594
HB The Change	-	5,500	583	4,917
Homefront Group	381	-	-	381
Interact	2,333	-	2,333	-
Interest Income	7	14	21	-
Journalism Honor Society	(15)	395	380	-
Latin Club	5	-	-	5
Life of an Athlete	(1)	1	-	-
National Honor Society	1,397	3,452	1,982	2,867
National Honor Society - Art	2	43	-	45
NHS Academic Assistance Fund	1,513	-	1,513	-
Outing Club	1	-	1	-
PF All State	(1,379)	419	400	(1,360)
PF Concerts	(375)	375	-	-
PF Guitar Night	(36)	72	-	36
PF Musical	(4,711)	4,711	-	-
PF Trips	(1,710)	-	-	(1,710)
PF Tri-M	(100)	448	253	95
Photography	2,022	-	-	2,022
Physics Bridge Building	577	-	577	-
Red Cross Club	123	520	532	111
Scholarships	(328)	1,820	1,492	-
Science Olympiad	(175)	-	-	(175)
Ski and Snowboard Club	1,579	-	-	1,579
Spanish Club	4,244	85	1,027	3,302
Sports Petty Cash	(75)	161	86	-

EXHIBIT 19 (continued)
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
High School Student Activities Fund
Summary of Activity
For the Fiscal Year Ended June 30, 2021

	Balance, beginning	Additions	Deductions	Balance, ending
Sports Soccer	\$ (172)	\$ 172	\$ -	\$ -
Student Council	1,647	213	79	1,781
10 Percent Fund	-	3,177	1,357	1,820
Thespian Society	(456)	876	259	161
Uncategorized	(444)	568	124	-
Uncleared Checks	9,707	-	9,707	-
Yearbook	2,281	10,465	12,746	-
	<u>\$ 37,099</u>	<u>\$ 73,083</u>	<u>\$ 89,036</u>	<u>\$ 21,146</u>

SINGLE AUDIT RELATED INFORMATION

EXHIBIT 20
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2021

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	CFDA Number	Pass Through Grantor's Number	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	\$ 32,600
National School Lunch Program	10.555	N/A	258,756
CLUSTER TOTAL			<u>291,356</u>
U.S. DEPARTMENT OF TREASURY			
Passed through the State of New Hampshire Governor's Office for Emergency Relief and Recovery			
Coronavirus Relief Funds:			
GOFERR	21.019	N/A	63,561
SPSRF	21.019	N/A	246,978
PROGRAM TOTAL			<u>310,539</u>
U.S. DEPARTMENT OF EDUCATION			
Passed through the State of New Hampshire Department of Education			
SPECIAL EDUCATION CLUSTER			
Remote Learning	84.027/84.173	20193480	7,000
Comp Ed	84.027/84.173	20205027	7,384
IDEA Preschool	84.027/84.173	92635	43,987
IDEA Preschool	84.027/84.173	20211186	207,594
CLUSTER TOTAL			<u>265,965</u>
Supporting Effective Instruction State Grants:			
Title IIA - FY19	84.367	20190067	13,377
Title IIA - FY20	84.367	20200067	3,850
Title IIA - FY21	84.367	20211176	300
			<u>17,527</u>
Student Support and Academic Enrichment:			
Title IV, Part A	84.424	20200314	495
Title IV, Part A	84.424	20211229	8,806
PROGRAM TOTAL			<u>9,301</u>
Education Stabilization Fund:			
COVID-19 Elementary and Secondary School Emergency Relief (ESSER)	84.425D	20204844	<u>20,078</u>
GRAND TOTAL			<u><u>\$ 914,766</u></u>

The notes to the schedule of expenditures of federal awards is an integral part of this schedule.

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Hollis-Brookline Cooperative School District under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of the Hollis-Brookline Cooperative School District, it is not intended to, and does not, present the financial position or changes in net position of the Hollis-Brookline Cooperative School District.

2. Summary of Significant Accounting Policies

Expenditures on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

3. Commodities

Included in the expenditures reported under the National School Lunch Program is the value of food commodities received during the year from the U.S. Department of Agriculture Surplus Distribution Program.



Roberts & Greene, PLLC

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

To the Members of the School Board
Hollis-Brookline Cooperative School District
Hollis, 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 Hollis-Brookline Cooperative School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Hollis-Brookline Cooperative School District's basic financial statements, and have issued our report thereon dated March 22, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

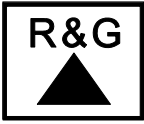
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info@roberts-greene.com

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

March 22, 2022

Roberts & Greene, PLLC



Roberts & Greene, PLLC

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

To the Members of the School Board
Hollis-Brookline Cooperative School District
Hollis, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited the Hollis-Brookline Cooperative School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School District's major federal programs for the year ended June 30, 2021. The Hollis Brookline Cooperative School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Hollis-Brookline Cooperative School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Programs

In our opinion, the Hollis-Brookline Cooperative School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

The management of the Hollis-Brookline Cooperative School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the

purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Hollis-Brookline Cooperative School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

March 22, 2022

Roberts & Greene, PLLC

EXHIBIT 21
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

1. The auditor’s report issued contained an unmodified opinion on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.
2. There were no material weaknesses identified in the internal control over financial reporting.
3. There were no significant deficiencies identified in the internal control over financial reporting that were not considered to be material weaknesses.
4. There was no noncompliance material to the financial statements noted.

Federal Awards

1. There were no material weaknesses identified in the internal control over major programs.
2. There were no significant deficiencies identified in the internal control over major programs that were not considered to be material weaknesses.
3. The auditor’s report issued on compliance for major programs contained an unmodified opinion.
4. There were no audit findings required to be reported in accordance with the Uniform Guidance.
5. The programs tested as major programs were CFDA 21.019: Coronavirus Relief Fund, and the Child Nutrition Cluster.
6. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
7. The School District did not qualify as a low-risk auditee.

Section II – Financial Statement Findings

NONE

Section III – Federal Award Findings and Questioned Costs

NONE