

BROOKLINE SCHOOL DISTRICT

FINANCIAL REPORT

AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

**BROOKLINE SCHOOL DISTRICT
FINANCIAL REPORT
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Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brookline School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Brookline School District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a

guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and OPEB schedules on pages 4-13 and 42-45 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, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brookline School District's basic financial statements. The combining nonmajor and individual general fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor and individual general fund schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

April 15, 2023

Roberts & Heine, PLLC

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2022**

This section of the Brookline School District annual financial report presents our discussion and analysis of the district's financial performance during the fiscal year that ended June 30, 2022. Responsibility for the accuracy of the data, and the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material performance as a whole. With this in mind, please also refer to the district's financial statements, which immediately follow this section. The MDA is an element of required supplementary information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

DISTRICT-WIDE STATEMENTS

The district-wide statements report information about the district as a whole. The statement of net position includes all of the district's assets and liabilities, except for capital assets. All of the current year's revenues and expense are accounted for in the statement of activities regardless of when cash is received or paid. Net position – the difference between the district's assets and liabilities – is one way to measure the district's financial health or position. The district-wide statements present an aggregate view of the finances of the school district by answering the question, "How did the school district do financially during the 2021-22 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.

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2022**

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

FUND FINANCIAL STATEMENTS

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

The district has two types of funds:

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

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2022**

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

Brookline School District

Statement of Net Position

Change in net position for fiscal year 2022 compared to fiscal year 2021:

	2021	2022	Increase (Decrease)	% Increase (Decrease)
Assets				
Current and Other Assets	1,530,386	1,793,051	262,665	17.16%
Capital Assets	5,487,362	5,294,470	(192,892)	-3.52%
Total Assets	7,017,748	7,087,521	69,773	0.99%
Deferred Outflow of Resources	2,812,517	1,836,065	(976,452)	-34.72%
Liabilities				
Long-term Liabilities Outstanding	10,561,329	7,430,942	(3,130,387)	-29.64%
Other Liabilities	246,347	360,893	114,546	46.50%
Total Liabilities	10,807,676	7,791,835	(3,015,841)	-27.90%
Deferred Inflows of Resources	171,421	2,000,167	1,828,746	1066.82%
Net Position				
Net Investment in Capital Assets	5,412,942	5,257,260	(155,682)	-2.88%
Restricted	39,092	39,092	-	0.00%
Unrestricted	(6,600,866)	(6,164,768)	436,098	-6.61%
Total Net Position	(1,148,832)	(868,416)	280,416	-24.41%

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2022**

Brookline School District

Statement of Activities

Change in fund revenue and expenses for fiscal year 2022 compared to fiscal year 2021:

Revenues:	2021	2022	\$ Change	% Change
Program Revenues:				
Charges for Services	53,608	62,154	8,546	15.94%
Operating Grants and Contributions	670,431	1,021,804	351,373	52.41%
Capital Grants and Contributions	107,675	20,980	(86,695)	-80.52%
General Revenues:				
Assessment	5,898,356	6,388,822	490,466	8.32%
Grants and Contributions	3,210,223	2,797,900	(412,323)	-12.84%
Miscellaneous	72,096	110,839	38,743	53.74%
Total Revenues	10,012,389	10,402,499	390,110	3.90%
Program Expenses:				
Instruction	4,331,153	4,659,459	328,306	7.58%
Student Support	659,539	541,340	(118,199)	-17.92%
Instructional Staff	171,295	220,632	49,337	28.80%
General Administration	35,897	41,477	5,580	15.54%
Executive Administration	319,460	361,236	41,776	13.08%
School Administration	479,360	499,987	20,627	4.30%
Operation and Maintenance of Plant	780,802	661,008	(119,794)	-15.34%
Student Transportation	499,048	642,345	143,297	28.71%
Central	21,554	2,212	(19,342)	
Other	3,164,120	2,221,783	(942,337)	-29.78%
Non-instructional Services	211,307	262,180	50,873	24.08%
Facilities Acquisition and Construction		6,850	6,850	100.00%
Interest on Long-Term Debt	776	1,574	798	102.84%
Total Expenses	10,674,311	10,122,083	(552,228)	-5.17%
Change in Net Position	(661,922)	280,416		
Net Position - Beginning	(486,910)	(1,148,832)	(661,922)	135.94%
Restatement				
Net Position - Ending	(1,148,832)	(868,416)	280,416	-24.41%

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2022**

Revenues:

Details on the major revenue sources are listed below, with the corresponding increases or decreases from prior year.

Increases in revenue from FY 2021 to FY 2022

- Special Education aid (+ \$82K)
 - 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 (+ \$177K)
 - School cafeteria sales, as well as State of NH DOE reimbursements.
- Grants (including Title II, ESSER II and ESSER III, and IDEA) (+ \$ 48K)
 - Title II is a Dept. of Education grant program that provides supplemental funding to help support effective instruction.
 - ESSER = Elementary and Secondary School Emergency Relief Program.
 - IDEA = Individuals with Disabilities Education Act. These are federal funds based on the number of special education students.
- Medicaid (+ \$ 2K)
 - These are federal funds, coming from the state of NH, for reimbursable costs to Medicaid approved students.
- Tuition (+ \$ 7K)
 - Non-resident students paying for tuition, as well as Preschool payments.
- Adequacy Aid grant (+ \$ 17K)
 - Adequacy Aid is a state aid program, and is based on the average daily membership (ADM) of resident students.
- Full Day Kindergarten Aid - Retro (+ \$ 131K)
 - Kindergarten Aid in this case is a program through which the State of New Hampshire provided financial assistance to school districts for the transition from half-day to full-day Kindergarten.

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2022**

Expenditures:

As a total, expenditures were \$552,228 lower in FY 2022 than in FY 2021. Besides a large reduction in costs related to NHRS pension balances, expense categories with other large variances are listed below.

SAVINGS

- Fewer Professional Development reimbursements
- Unfilled positions primarily in Spec. Ed and Maintenance
- Lower liability insurance
- Fewer positions filled results in fewer employer benefits

INCREASED EXPENSES

- Special Education legal services
- Contracted speech and language, and occupational therapy services
- Gasoline/diesel for buses
- Heating oil and electricity, rising costs
- Additional and replacement computer equipment
- Employer retirement contributions due to NHRS rate increases

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2022**

General Fund Budgetary Highlights

Revenue Budget

General Fund

<u>Revenue</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
School District Assessment	6,449,301	6,388,822	(60,479)
Other Local	50,000	144,599	94,599
State	2,991,629	3,080,667	89,038
Federal	21,500	28,523	7,023
Total Revenues	9,512,430	9,642,611	130,181
Use of Fund Balance to reduce school district assessment & other funding	559,582		
Total Revenues and Use of Fund Balance	10,072,012		

Revenue recognized by the Hollis School District's general fund amounted to \$130,181 more than was budgeted, as detailed in the chart above. The primary increase in general fund revenue came from the following sources:

- Special education aid, where the district received over \$82K more than budget.
- Medicaid, where the district received \$2.7K more than budget.
- Grants, where the district received \$48K more 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 and grants.

** All revenue sources are explained in greater detail on page 8.

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2022**

Expense Budget

General Fund

<u>Expenditures</u>	Budget	Actual	Variance
Instruction	4,413,746	4,304,046	109,700
Student & Instructional Support	864,945	709,413	155,532
General, Executive & School Admin	934,595	890,134	44,461
Operation & Maintenance of Plant	654,866	601,777	53,089
Student Transportation	610,198	614,735	(4,537)
Other Support Services	2,556,562	2,441,783	114,779
Debt Service	37,100	37,100	-
Facilities acquisition and construction		36,850	(36,850)
Total Appropriation & Expenditures	10,072,012	9,635,838	436,174

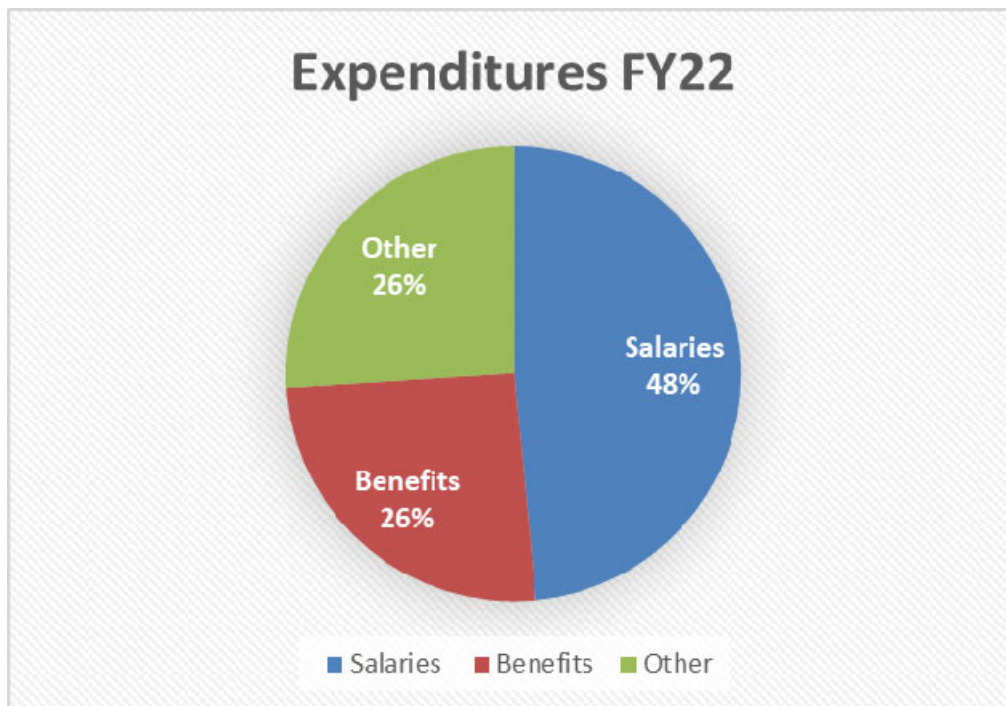
Expenditures recognized by the Hollis School District's general fund amounted to \$436,174 less than was budgeted, as detailed in the chart above. Areas which contributed to these savings are as follows:

- Savings in staff positions
- Savings in professional development
- Savings in facilities accounts – heating and ventilation services
- The contingency fund of \$40,000.00 was untouched

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2022**

Break-down of Costs

The district's expenses are predominately salaries and benefits which are illustrated below. "Other" expenses account for contracted services, transportation, operation & maintenance of plant, debt service, and general operational materials. The disbursement of cost has slightly varied from the prior fiscal year (FY21) expenditures (52% salary, 22% other, 26% benefits) with a 4% decrease in salaries.



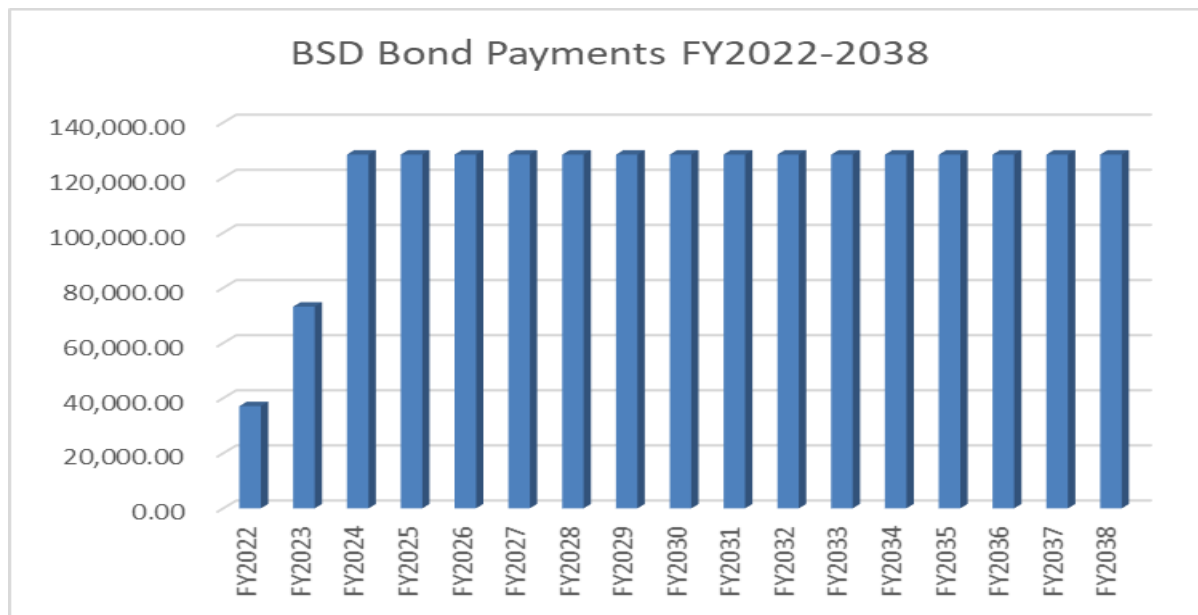
Capital Assets

The Hollis School District's investment in capital assets for its governmental activities as of June 30, 2022, totals \$5,294,470 net of accumulated depreciation. These assets include land improvements, buildings, machinery, and equipment.

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2022**

DEBT ADMINISTRATION

The Brookline School District currently has one bond and one lease. The Bond for \$386,400 has been used to repair the roof of Captain Samuel Douglas Academy. It was issued in 2013 and will expire in August of 2023. The new B-SMART Lease, which is being used for capital improvement for RMMS was issued in July of 2022 in the amount of \$1,500,000 and this will expire in October of 2038.



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 2021-2022 fiscal year the ability to retain fund balance for emergency expenditures and over-expenditures. This tool will greatly improve 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, Brookline, NH 03049, by telephone at 603-324-5999, or via email at kelly.seeley@sau41.org.

BASIC FINANCIAL STATEMENTS

EXHIBIT 1
BROOKLINE SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 859,648
Intergovernmental receivables	922,400
Other receivables	144
Inventory	10,859
Capital assets, net of accumulated depreciation:	
Land improvements	39,469
Buildings and building improvements	5,102,270
Machinery, equipment and vehicles	152,731
Total assets	<u>7,087,521</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	1,761,577
Deferred amounts related to OPEB	74,488
Total deferred outflows of resources	<u>1,836,065</u>
LIABILITIES	
Accounts payable	75,606
Accrued salaries and benefits	32,766
Intergovernmental payable	251,995
Accrued interest payable	526
Noncurrent obligations:	
Due within one year:	
Bond payable	35,000
Unamortized bond premium	2,210
Compensated absences payable	13,527
Due in more than one year:	
Termination benefits payable	260,198
Net pension liability	6,355,263
Other postemployment benefits liability	764,744
Total liabilities	<u>7,791,835</u>
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	18,245
Deferred amounts related to pensions	1,879,790
Deferred amounts related to OPEB	102,132
Total deferred inflows of resources	<u>2,000,167</u>
NET POSITION	
Net investment in capital assets	5,257,260
Restricted for endowments:	
Nonexpendable	31,601
Expendable	7,491
Unrestricted	<u>(6,164,768)</u>
Total net position	<u><u>\$ (868,416)</u></u>

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

EXHIBIT 2
BROOKLINE SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2022

		Program Revenues			Net (Expense)
		Charges	Operating	Capital	Revenue and
		for	Grants and	Grants and	Changes In
	Expenses	Services	Contributions	Contributions	Net Position
Governmental activities:					
Instruction	\$ 4,659,459	\$ 56,752	\$ 562,433	\$ -	\$ (4,040,274)
Support services:					
Student	541,340	-	-	-	(541,340)
Instructional staff	220,632	-	12,816	-	(207,816)
General administration	41,477	-	-	-	(41,477)
Executive administration	361,236	-	-	-	(361,236)
School administration	499,987	-	-	-	(499,987)
Operation and maintenance of plant	661,008	245	-	20,980	(639,783)
Student transportation	642,345	-	27,610	-	(614,735)
Central	2,212	-	-	-	(2,212)
Other	2,221,783	-	-	-	(2,221,783)
Non-instructional services	262,180	5,157	418,945	-	161,922
Facilities acquisition and construction	6,850	-	-	-	(6,850)
Interest on long-term debt	1,574	-	-	-	(1,574)
Total primary government	<u>\$10,122,083</u>	<u>\$ 62,154</u>	<u>\$ 1,021,804</u>	<u>\$ 20,980</u>	<u>(9,017,145)</u>
General revenues:					
School district assessment					6,388,822
Grants and contributions not restricted to specific programs					2,797,900
Miscellaneous					110,839
Total general revenues					<u>9,297,561</u>
Change in net position					280,416
Net position, beginning					<u>(1,148,832)</u>
Net position, ending					<u>\$ (868,416)</u>

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

EXHIBIT 3
BROOKLINE SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2022

	General	Grants	Food Service	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 658,506	\$ -	\$ 142,425	\$ 58,717	\$ 859,648
Receivables, net of allowance for uncollectibles:					
Accounts	144	-	-	-	144
Intergovernmental	671,246	94,390	122,680	34,084	922,400
Interfund receivable	89,616	-	-	-	89,616
Inventory	-	-	10,859	-	10,859
Total assets	<u>\$1,419,512</u>	<u>\$ 94,390</u>	<u>\$ 275,964</u>	<u>\$ 92,801</u>	<u>\$ 1,882,667</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 52,605	\$ 3,000	\$ 20,001	\$ -	\$ 75,606
Accrued salaries and benefits	30,853	766	1,147	-	32,766
Intergovernmental payable	230,417	1,008	20,570	-	251,995
Interfund payable	-	89,616	-	-	89,616
Total liabilities	<u>313,875</u>	<u>94,390</u>	<u>41,718</u>	<u>-</u>	<u>449,983</u>
Deferred inflows of resources:					
Deferred revenue	-	-	18,245	-	18,245
Fund balances:					
Nonspendable	-	-	10,859	31,601	42,460
Restricted	-	-	-	2,470	2,470
Committed	425,463	-	205,142	58,730	689,335
Assigned	84,895	-	-	-	84,895
Unassigned	595,279	-	-	-	595,279
Total fund balances	<u>1,105,637</u>	<u>-</u>	<u>216,001</u>	<u>92,801</u>	<u>1,414,439</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$1,419,512</u>	<u>\$ 94,390</u>	<u>\$ 275,964</u>	<u>\$ 92,801</u>	<u>\$ 1,882,667</u>

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

EXHIBIT 4
BROOKLINE SCHOOL DISTRICT
Reconciliation of Total Governmental Fund Balances to the Statement of Net Position
June 30, 2022

Total fund balances of governmental funds (Exhibit 3)		\$ 1,414,439
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$ 9,833,098	
Less accumulated depreciation	<u>(4,538,628)</u>	
		5,294,470
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	\$ (89,616)	
Payables	<u>89,616</u>	
		-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(526)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bond payable	\$ 35,000	
Unamortized bond premium	2,210	
Compensated absences payable	13,527	
Termination benefits payable	260,198	
Net pension liability	6,355,263	
Other postemployment benefits liability	<u>764,744</u>	
		(7,430,942)
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	\$ 1,761,577	
Deferred outflows of resources related to OPEB	74,488	
Deferred inflows of resources related to pensions	(1,879,790)	
Deferred inflows of resources related to OPEB	<u>(102,132)</u>	
		(145,857)
Net position of governmental activities (Exhibit 1)		<u><u>\$ (868,416)</u></u>

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

EXHIBIT 5
BROOKLINE SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

	General	Grants	Food Service	Other Governmental Funds	Total Governmental Funds
REVENUES					
School district assessment	\$ 6,388,822	\$ -	\$ -	\$ -	\$ 6,388,822
Other local	150,065	-	5,214	7,961	163,240
State	3,080,667	-	7,364	-	3,088,031
Federal	28,523	320,092	411,581	-	760,196
Total revenues	<u>9,648,077</u>	<u>320,092</u>	<u>424,159</u>	<u>7,961</u>	<u>10,400,289</u>
EXPENDITURES					
Current:					
Instruction	4,305,550	238,732	-	6,916	4,551,198
Support services:					
Student	541,340	-	-	-	541,340
Instructional staff	166,914	46,584	-	8,095	221,593
General administration	41,477	-	-	-	41,477
Executive administration	361,236	-	-	-	361,236
School administration	487,665	-	-	-	487,665
Operation and maintenance of plant	640,965	-	-	-	640,965
Student transportation	614,735	27,610	-	-	642,345
Central	-	2,212	-	-	2,212
Other	2,441,543	-	-	-	2,441,543
Non-instructional services	-	4,954	274,635	-	279,589
Debt service:					
Principal	35,000	-	-	-	35,000
Interest	2,100	-	-	-	2,100
Facilities acquisition and construction	6,850	-	-	-	6,850
Total expenditures	<u>9,645,375</u>	<u>320,092</u>	<u>274,635</u>	<u>15,011</u>	<u>10,255,113</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,702</u>	<u>-</u>	<u>149,524</u>	<u>(7,050)</u>	<u>145,176</u>
Other financing sources (uses):					
Transfers in	922	-	-	-	922
Transfers out	-	-	-	(922)	(922)
Total other financing sources and uses	<u>922</u>	<u>-</u>	<u>-</u>	<u>(922)</u>	<u>-</u>
Net change in fund balances	3,624	-	149,524	(7,972)	145,176
Fund balances, beginning	1,102,013	-	66,477	100,773	1,269,263
Fund balances, ending	<u>\$ 1,105,637</u>	<u>\$ -</u>	<u>\$216,001</u>	<u>\$ 92,801</u>	<u>\$ 1,414,439</u>

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

EXHIBIT 6
BROOKLINE SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2022

Net change in fund balances of total governmental funds (Exhibit 5)		\$ 145,176
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capitalized capital outlay in the current period.		
Capitalized capital outlay	\$ 22,863	
Depreciation expense	<u>(215,755)</u>	
		(192,892)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position.		
Principal repayment of bond	\$ 35,000	
Amortization of bond premium	<u>2,210</u>	
		37,210
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	\$ 526	
Increase in compensated absences payable	(10,401)	
Decrease in termination benefits payable	81,037	
Change in OPEB related balances	<u>76,738</u>	
		147,900
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	\$ 785,014	
Cost of benefits, net of employee contributions	<u>(641,992)</u>	
		143,022
Change in net position of governmental activities (Exhibit 2)		<u><u>\$ 280,416</u></u>

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

EXHIBIT 7
BROOKLINE SCHOOL DISTRICT
General Fund
Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
School district assessment	\$ 6,449,301	\$ 6,388,822	\$ (60,479)
Other local	50,000	144,599	94,599
State	2,991,629	3,080,667	89,038
Federal	21,500	28,523	7,023
Total revenues	<u>9,512,430</u>	<u>9,642,611</u>	<u>130,181</u>
EXPENDITURES			
Current:			
Instruction	4,413,746	4,304,046	109,700
Support services:			
Student	626,895	541,583	85,312
Instructional staff	238,050	167,830	70,220
General administration	74,185	42,856	31,329
Executive administration	361,236	361,236	-
School administration	499,174	486,042	13,132
Operation and maintenance of plant	654,866	601,777	53,089
Student transportation	610,198	614,735	(4,537)
Other	2,556,562	2,441,783	114,779
Debt service:			
Principal	35,000	35,000	-
Interest	2,100	2,100	-
Facilities acquisition and construction	-	36,850	(36,850)
Total expenditures	<u>10,072,012</u>	<u>9,635,838</u>	<u>436,174</u>
Excess (deficiency) of revenues over (under) expenditures	(559,582)	6,773	566,355
Other financing uses:			
Transfers in	2,000	922	(1,078)
Transfers out	(100,000)	(100,000)	-
Total other financing sources and uses	<u>(98,000)</u>	<u>(99,078)</u>	<u>(1,078)</u>
Net change in fund balance	<u>\$ (657,582)</u>	(92,305)	<u>\$ 565,277</u>
Decrease in nonspendable fund balance		500	
Decrease in committed fund balance		40,000	
Unassigned fund balance, beginning		647,084	
Unassigned fund balance, ending		<u>\$ 595,279</u>	

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

EXHIBIT 8
BROOKLINE SCHOOL DISTRICT
Grants Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (GAAP Basis)
For the Fiscal Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Federal	\$ 190,000	\$ 320,092	\$ 130,092
EXPENDITURES			
Current:			
Instruction	150,000	238,732	(88,732)
Support services:			
Instructional staff	24,000	46,584	(22,584)
Student transportation	12,000	27,610	(15,610)
Central	1,000	2,212	(1,212)
Non-instructional services	3,000	4,954	(1,954)
Total expenditures	190,000	320,092	(130,092)
Net change in fund balance	\$ -	-	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ -	

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

EXHIBIT 9
BROOKLINE SCHOOL DISTRICT
Food Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (GAAP Basis)
For the Fiscal Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Local:			
Sales	\$ 5,000	\$ 5,157	\$ 157
Miscellaneous	-	57	57
State:			
Lunch reimbursement	6,000	7,364	1,364
Federal:			
Lunch reimbursement	120,000	279,368	159,368
Breakfast reimbursement	34,000	119,729	85,729
USDA commodities	-	12,484	12,484
Total revenues	165,000	424,159	259,159
EXPENDITURES			
Current:			
Non-instructional services	165,000	274,635	(109,635)
Net change in fund balance	\$ -	149,524	\$ 149,524
Fund balance, beginning		66,477	
Fund balance, ending		<u>\$ 216,001</u>	

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

NOTES TO THE FINANCIAL STATEMENTS

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

I. Summary of Significant Accounting Principles

I.A. Introduction

The accounting and reporting framework and the more significant accounting principles and practices of the Brookline School District (the School District) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the School District's financial activities for the fiscal year ended June 30, 2022.

I.B. Financial Reporting Entity – Basis of Presentation

I.B.1. Entity Defined

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

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

Government-Wide Financial Statements

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

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

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

Fund Financial Statements

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

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

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

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

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

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

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

Governmental Funds

The School District reports the following major governmental funds:

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

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

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

Food Service Fund – Reports as a special revenue fund and accounts for the revenues and expenditures of the School District’s food service operations.

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

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

I.C.1. *Cash and Investments*

The laws of the State of New Hampshire require that the School District’s treasurer have custody of all monies belonging to the School District with the exception of trust funds which are held by the Town of Brookline Trustees of Trust Funds, 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*

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.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

I.C.3. Capital Assets and Depreciation

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

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

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

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

Deferred inflows of resources in the governmental fund financial statements represent donated commodities that are held in inventory to be used in the subsequent year. In addition to these, deferred outflows and inflows of resources in the governmental activities consist of resources related to pensions and OPEB that will be recognized in a subsequent period.

I.C.5. Long-Term Debt

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

I.C.6. Compensated Absences

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

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

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

I.C.7. Termination Benefits

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

I.C.8. Equity

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

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

The governmental funds report the following components of fund balance:

- Nonspendable, which represents the balance of inventory reported in the Food Service Fund; and the principal portion of endowments for school purposes in the Permanent Fund.
- Restricted, which represents the expendable portion of the Permanent Fund.
- Committed, which represents the balance of the expendable trust funds established by School District Meeting for special education and support services (maintenance), whose purpose can only be changed by vote of the same; and the positive balances of special revenue funds.
- Assigned, which represents encumbrances for support services and capital outlay, authorized by approved purchase orders.
- Unassigned, which represents the fund balance in the General Fund in excess of that classified as nonspendable, restricted, committed or assigned.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

I.C.9. Estimates

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

II. Stewardship, Compliance and Accountability

II.A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all major governmental funds. Unless encumbered, all appropriations lapse at year-end. The School District is required to use beginning unassigned fund balance to balance the budget. In the fiscal year 2022, \$517,582 of the fund balance from the fiscal year 2021 was so used, and \$140,000 was appropriated from surplus.

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

Revenues are budgeted by source. Expenditures are budgeted by functions as follow: instruction, student support, instructional staff, general administration, executive administration, school administration, operation and maintenance of plant, student transportation, central, 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.

The notes continue on the following page.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

II.B. Reconciliation of Budgetary Basis to GAAP

General Fund

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	\$ 9,643,533
Adjustment:	
Perspective difference:	
Revenues of expendable trust fund	5,466
Per Exhibit 5 (GAAP basis)	<u>\$ 9,648,999</u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 9,735,838
Adjustments:	
Basis difference:	
Encumbrances, beginning	70,788
Encumbrances, ending	(84,895)
Perspective difference:	
Transfer to expendable trust fund	(100,000)
Expenditures of expendable trust fund	23,644
Per Exhibit 5 (GAAP basis)	<u>\$ 9,645,375</u>

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

III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. Receivables

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

Receivables are recorded on the School District's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation and collectability.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

III.A.2. Capital Assets

Changes in Capital Assets

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

	Balance, beginning	Additions	Balance, ending
At cost:			
Being depreciated:			
Land improvements	\$ 275,504	\$ -	\$ 275,504
Buildings and building improvements	9,319,419	22,863	9,342,282
Machinery, equipment and vehicles	215,312	-	215,312
Total capital assets being depreciated	<u>9,810,235</u>	<u>22,863</u>	<u>9,833,098</u>
Less accumulated depreciation:			
Land improvements	(231,222)	(4,813)	(236,035)
Buildings and building improvements	(4,045,875)	(194,137)	(4,240,012)
Machinery, equipment and vehicles	(45,776)	(16,805)	(62,581)
Total accumulated depreciation	<u>(4,322,873)</u>	<u>(215,755)</u>	<u>(4,538,628)</u>
Net book value, capital assets being depreciated	<u>5,487,362</u>	<u>(192,892)</u>	<u>5,294,470</u>
Net book value, all capital assets	<u>\$ 5,487,362</u>	<u>\$ (192,892)</u>	<u>\$ 5,294,470</u>

Depreciation Expense

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

Instruction	\$ 189,298
Support services:	
Instructional staff	834
School administration	1,921
Operation and maintenance of plant	20,043
Non-instructional services	3,659
Total depreciation expense	<u>\$ 215,755</u>

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

III.B. Long-Term Liabilities

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

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at June 30, 2022	Current Portion
General obligation bond payable:						
CSDA roof renovations	\$ 386,400	2013	2023	2.32	\$ 35,000	\$ 35,000
Unamortized bond premium					2,210	2,210
Compensated absences payable:						
Accrued vacation leave					13,527	13,527
Termination benefits payable					260,198	-
Net pension liability					6,355,263	-
Other postemployment benefits liability					764,744	-
					<u>\$ 7,430,942</u>	<u>\$ 50,737</u>

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2022:

	General Obligation Bond Payable	Unamortized Bond Premium	Compensated Absences Payable	Termination Benefits Payable	Net Pension Liability	Other Postemployment Benefits Liability	Total
Balance, beginning	\$ 70,000	\$ 4,420	\$ 3,126	\$ 341,235	\$ 9,207,311	\$ 935,237	\$ 10,561,329
Additions	-	-	10,401	-	-	-	10,401
Reductions	(35,000)	(2,210)	-	(81,037)	(2,852,048)	(170,493)	(3,140,788)
Balance, ending	<u>\$ 35,000</u>	<u>\$ 2,210</u>	<u>\$ 13,527</u>	<u>\$ 260,198</u>	<u>\$ 6,355,263</u>	<u>\$ 764,744</u>	<u>\$ 7,430,942</u>

Debt Service Requirements to Maturity

The final debt service payment of \$35,000 of principal and \$2,100 of interest is due in the fiscal year ending June 30, 2023.

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

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

“interfund receivables/payables.” The interfund amount of \$89,616 due to the General Fund represents an overdraft of pooled cash from the Grants Fund.

III.C.2. Transfers

Transfers within the reporting entity are substantially for the purposes of distributing taxes to the fund for which the appropriation was made and distributing trust income and certain voted amounts to the applicable fund. The government-wide statement of activities eliminates transfers reported within the governmental activities columns. The General Fund transferred \$100,000 to the capital reserve funds, but because these funds are reported within the General Fund, this transfer is not apparent in the basic financial statements. The \$922 transferred from the nonmajor funds to the General Fund represents interest earned on endowments in the Permanent Fund.

III.D. Components of Fund Balance

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

	General Fund	Food Service Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:				
Endowment	\$ -	\$ -	\$ 31,601	\$ 31,601
Inventory	-	10,859	-	10,859
Total nonspendable	-	10,859	31,601	42,460
Restricted for support services	-	-	2,470	2,470
Committed for:				
Instruction	220,184	-	9,757	229,941
Support services	-	-	48,973	48,973
Operation and maintenance of plant	205,279	-	-	205,279
Non-instructional services	-	205,142	-	205,142
Total committed	425,463	205,142	58,730	689,335
Assigned to:				
Support services	54,895	-	-	54,895
Capital outlay	30,000	-	-	30,000
Total assigned	84,895	-	-	84,895
Unassigned	595,279	-	-	595,279
Total fund balances	\$ 1,105,637	\$ 216,001	\$ 92,801	\$ 1,414,439

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

IV. Other Information

IV.A. Risk Management

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

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

Contributions paid for fiscal year 2022 to be recorded as an insurance expenditure/expense totaled \$23,236 for property liability, and \$17,033 for workers' compensation coverage. There were no unpaid contributions for the year ended June 30, 2022. The School District also paid \$3,432 for unemployment compensation for the fiscal year. The member agreement permits Primex to make additional assessments to members should there be a deficiency in assets to meet its liabilities. At this time, Primex foresees no likelihood of any additional assessments for past years.

IV.B. Retirement Pensions

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

Both the members and the School District make contributions to the NHRS. Member rates of contribution are set by the Legislature. Employer rates are determined by the NHRS trustees based on an actuarial valuation. The rate of contribution was 7% of gross earnings for all employees. The rates of contribution from the School District were 21.02% for teachers and 14.06% for other employees. Employer contributions from the School District during the fiscal years 2020, 2021 and 2022 were \$639,132, \$663,386 and \$785,014, respectively. The amounts were paid on a monthly basis as due.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

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

At June 30, 2022, the School District reported a liability of \$6,355,263 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to the measurement date of June 30, 2021. 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, 2021, the School District's proportion was 0.1434%, which was a decrease of 0.0005% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized pension expense of \$641,992. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 134,835	\$ 35,834
Net differences between projected and actual earnings on pension plan investments	-	1,777,421
Changes of assumptions	663,771	-
Differences between expected and actual experience	177,957	66,535
School District contributions subsequent to the measurement date	785,014	-
	<u>\$ 1,761,577</u>	<u>\$ 1,879,790</u>

The School District reported \$785,014 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, 2023.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

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

Year Ended June 30,	
2023	\$ (35,267)
2024	(121,547)
2025	(163,278)
2026	(583,135)
	<u>\$ (903,227)</u>

Actuarial Assumptions

The total pension liability was determined using the actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021, 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	18 years, beginning July 1, 2021
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 valuation were based on the results of the most recent actuarial experience study, which was for the period of July 1, 2010 to June 30, 2015.

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

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

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	\$ 9,088,753	\$ 6,355,263	\$ 4,075,086

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

IV.C. Contingent Liabilities

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

IV.D. Other Postemployment Benefits

Plan Description

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

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

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

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

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

<u>Non-Medicare Plans</u>	<u>Individual</u>	<u>2-Person</u>	<u>Family</u>
AB10IPDED(07L)-RX10/20/45/3K(L)	\$987.50	\$1,975.01	\$2,666.26
ABSOS20/40/1KDED(07L)	\$768.11	\$1,536.23	\$2,073.91
BC3T10(07L)-RX10/20/45/3K(L)	\$1,082.94	\$2,165.88	\$2,923.94

Currently, there are 80 active and 2 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, 2022, the School District recognized nothing for its share of insurance premiums for currently enrolled retirees.

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

Total OPEB Liability

The School District's total OPEB liability of \$764,744 consists of \$176,448 for the implicit rate subsidy that was determined by an actuarial valuation as of July 1, 2021, and \$588,296 for the medical insurance subsidy that was determined by an actuarial valuation as of June 30, 2020, rolled forward to the measurement date using actuarial assumptions, applied to all periods included in the measurement.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

Actuarial Assumptions

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

Implicit rate subsidy:

Discount Rate: 3.54%, compounded annually, for the measurement as of June 30, 2022

Actuarial Cost Method: Entry Age Normal. The cost of each employee's postemployment benefits are allocated at 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

Healthcare Cost Trend Rates:	<u>Year</u>	<u>Trend</u>
	1	7.50%
	2	6.90%
	3	6.30%
	4	5.70%
	Ultimate	3.90%

Mortality Rates: Pre-Retirement: PubG-2010 headcount-weighted Employee General Mortality Tables, projected with fully generational mortality improvements using scale MP-2019

Post-Retirement: 101% of PubG-2010 headcount-weighted Retiree General Mortality Tables for males and 109% of PubG-2010 headcount-weighted Retiree General Mortality Tables for females, projected with fully generational mortality improvement using scale MP-2019

Inflation: 2.4 percent, based on current economic data, analyses from economists and other experts, and professional judgment

The assumptions used for the medical insurance subsidy were the same as those used to calculate the pension liability, as previously described in Note IV.B.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

Discount Rate

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

Healthcare Cost Trend Rates

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

Sensitivity of Total OPEB Liability

Assumptions and methods used to determine the total OPEB liability are sensitive to changes in the discount rate and healthcare cost trend rate. 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 (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
School District's total OPEB liability	\$ 187,535	\$ 176,448	\$ 165,897

Medical Rate Subsidy:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School District's total OPEB liability	\$ 639,524	\$ 588,296	\$ 543,725

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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JUNE 30, 2022**

The following presents the total OPEB liability for the implicit rate subsidy calculated using the current healthcare cost trend rate of 7.5%, 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 (6.5%) or one percentage point higher (8.5%) than the current rate.

	1% Decrease 6.5%	Current Healthcare Cost Trend Rate 7.5%	1% Increase 8.5%
School District's total OPEB liability	\$ 158,865	\$ 176,448	\$ 196,970

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

For the year ended June 30, 2022, the School District recognized a credit to OPEB expense of \$1,516. 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	\$ -	\$ 31
Net differences between projected and actual earnings on pension plan investments	-	7,349
Changes in assumptions	15,497	18,547
Differences between expected and actual experience	-	76,205
School District contributions subsequent to the measurement date	58,991	-
	<u>\$ 74,488</u>	<u>\$ 102,132</u>

The School District reported \$58,991 as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date, which will be recognized as a reduction of the OPEB liability in fiscal year 2023.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

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

Year Ending June 30,	
<u>2023</u>	\$ (20,415)
2024	(20,180)
2025	(19,224)
2026	(16,671)
2027	<u>(10,145)</u>
	<u><u>\$ (86,635)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT 10
BROOKLINE SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of the Net Pension Liability
New Hampshire Retirement System

For the Year Ended June 30,	School District's Proportion of Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered- Employee Payroll	School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.1434%	\$ 6,355,263	\$ 4,152,735	153.04%	72.22%
2021	0.1439%	\$ 9,207,311	\$ 4,259,711	216.15%	58.72%
2020	0.1444%	\$ 6,948,026	\$ 4,126,712	168.37%	65.59%
2019	0.1434%	\$ 6,904,304	\$ 4,110,763	167.96%	64.73%
2018	0.1273%	\$ 6,262,054	\$ 3,965,026	157.93%	62.66%
2017	0.1252%	\$ 6,656,679	\$ 3,719,911	178.95%	58.30%
2016	0.1285%	\$ 5,090,605	\$ 3,574,549	142.41%	65.47%
2015	0.1324%	\$ 4,969,879	\$ 3,649,101	136.19%	66.32%
2014	0.1320%	\$ 5,681,386	\$ 3,633,782	156.35%	59.81%

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

EXHIBIT 11
BROOKLINE SCHOOL DISTRICT
Schedule of the School District's Pension Contributions
New Hampshire Retirement System

For the Year Ended June 30,	Contractually Required Contribution	Contribution in Relation to the Contractually Required Contribution	Contribution Deficiency	School District's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2022	\$ 785,014	\$ (785,014)	\$ -	\$ 4,152,735	18.90%
2021	\$ 663,836	\$ (663,836)	\$ -	\$ 4,259,711	15.58%
2020	\$ 639,132	\$ (639,132)	\$ -	\$ 4,126,712	15.49%
2019	\$ 626,186	\$ (626,186)	\$ -	\$ 4,110,763	15.23%
2018	\$ 605,730	\$ (605,730)	\$ -	\$ 3,965,026	15.28%
2017	\$ 566,980	\$ (566,980)	\$ -	\$ 3,719,911	15.24%
2016	\$ 544,755	\$ (544,755)	\$ -	\$ 3,574,549	15.24%
2015	\$ 505,609	\$ (505,609)	\$ -	\$ 3,649,101	13.86%
2014	\$ 503,143	\$ (503,143)	\$ -	\$ 3,633,782	13.85%

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

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

	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
Total OPEB liability:						
Service cost	\$ 20,024	\$ 19,912	\$ 19,346	\$ 19,550	\$ 19,936	\$ 50,067
Interest	6,455	6,285	12,249	12,500	10,340	7,249
Changes of assumptions	(17,679)	3,956	24,447	7,226	(4,748)	(10,482)
Difference between expected and actual experience	(101,443)	-	-	-	-	-
Benefit payments	(19,435)	(12,242)	(5,707)	(18,451)	(15,251)	(13,046)
Change in proportion of medical subsidy	(58,415)	39,164	(136,566)	(144,393)	775,314	-
Net change in total OPEB liability	(170,493)	57,075	(86,231)	(123,568)	785,591	33,788
Total OPEB liability, beginning	935,237	878,162	964,393	1,087,961	302,370	268,582
Total OPEB liability, ending	<u>\$ 764,744</u>	<u>\$ 935,237</u>	<u>\$ 878,162</u>	<u>\$ 964,393</u>	<u>\$ 1,087,961</u>	<u>\$ 302,370</u>
Covered payroll	\$ 4,061,303	\$ 4,366,197	\$ 4,336,197	\$ 4,110,763	\$ 4,765,960	\$ 4,671,671
Total OPEB liability as a percentage of covered payroll	18.83%	21.42%	20.25%	23.46%	22.83%	6.47%
School District's proportion of OPEB liability for the NHRS medical subsidy	0.1469%	0.1475%	0.1386%	0.1378%	0.1696%	-

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

EXHIBIT 13
BROOKLINE SCHOOL DISTRICT
Schedule of Changes in the School District's OPEB Contributions

	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
Actuarially determined contribution	\$ 104,774	\$ 102,283	\$ 99,486	\$ 98,923	\$ 30,276	\$ 48,457
Contributions in relation to the actuarially determined contribution	(58,991)	(70,768)	(68,123)	(79,405)	(15,251)	(13,002)
Contribution deficiency	<u>\$ 45,783</u>	<u>\$ 31,515</u>	<u>\$ 31,363</u>	<u>\$ 19,518</u>	<u>\$ 15,025</u>	<u>\$ 35,455</u>
Covered-employee payroll	\$4,061,303	\$4,366,197	\$4,336,197	\$4,110,763	\$4,765,960	\$4,671,671
Contributions as a percentage of covered-employee payroll	2.58%	2.34%	2.29%	2.41%	0.64%	1.04%

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

**BROOKLINE SCHOOL DISTRICT
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

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

COMBINING NONMAJOR AND INDIVIDUAL GENERAL FUND SCHEDULES

EXHIBIT 14
BROOKLINE SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2022

	Special Revenue Funds		Permanent	
	Student	Other	Fund	Total
	Activities			
ASSETS				
Cash and cash equivalents	\$ 9,757	\$ 48,960	\$ -	\$ 58,717
Intergovernmental receivable	-	13	34,071	34,084
Total assets	<u>\$ 9,757</u>	<u>\$ 48,973</u>	<u>\$ 34,071</u>	<u>\$ 92,801</u>
FUND BALANCES				
Nonspendable	\$ -	\$ -	\$ 31,601	\$ 31,601
Restricted	-	-	2,470	2,470
Committed	9,757	48,973	-	58,730
Total fund balances	<u>\$ 9,757</u>	<u>\$ 48,973</u>	<u>\$ 34,071</u>	<u>\$ 92,801</u>

EXHIBIT 15
BROOKLINE SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022

	Special Revenue Funds		Permanent	
	Student		Fund	Total
	Activities	Other		
REVENUES				
Local	\$ 5,135	\$ 6,925	\$ (4,099)	\$ 7,961
EXPENDITURES				
Current:				
Instruction	4,449	2,467	-	6,916
Support services:				
Instructional staff	-	8,095	-	8,095
Total expenditures	4,449	10,562	-	15,011
Excess (deficiency) of revenues over (under) expenditures	686	(3,637)	(4,099)	(7,050)
Other financing uses:				
Transfers out	-	-	(922)	(922)
Net change in fund balances	686	(3,637)	(5,021)	(7,972)
Fund balances, beginning	9,071	52,610	39,092	100,773
Fund balances, ending	\$ 9,757	\$ 48,973	\$ 34,071	\$ 92,801

EXHIBIT 16
BROOKLINE SCHOOL DISTRICT
General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2022

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 6,449,301	\$ 6,388,822	\$ (60,479)
Other local sources:			
Tuition	13,000	21,304	8,304
Investment earnings	-	1,064	1,064
Impact fees	-	20,980	20,980
Miscellaneous	37,000	101,251	64,251
Total from other local sources	50,000	144,599	94,599
State sources:			
Adequacy aid (grant)	2,095,742	2,178,666	82,924
Adequacy aid (tax)	641,679	619,234	(22,445)
Kindergarten aid	131,662	131,662	-
Catastrophic aid	122,546	151,105	28,559
Total from state sources	2,991,629	3,080,667	89,038
Federal sources:			
Medicaid	21,500	28,523	7,023
Other financing sources:			
Transfers in	2,000	922	(1,078)
Total revenues and other financing sources	9,514,430	\$ 9,643,533	\$ 129,103
Use of fund balance	657,582		
Total revenues, other financing sources, and use of fund balance	\$ 10,172,012		

EXHIBIT 17
BROOKLINE SCHOOL DISTRICT
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2022

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
Instruction:					
Regular programs	\$ 1,249	\$ 2,751,928	\$ 2,534,221	\$ -	\$ 218,956
Special programs	255	1,661,818	1,771,329	-	(109,256)
Total instruction	<u>1,504</u>	<u>4,413,746</u>	<u>4,305,550</u>	<u>-</u>	<u>109,700</u>
Support services:					
Student	-	626,895	541,340	243	85,312
Instructional staff	1,667	238,050	166,914	2,583	70,220
General administration	2,500	74,185	41,477	3,879	31,329
Executive administration	-	361,236	361,236	-	-
School administration	1,623	499,174	487,665	-	13,132
Operation and maintenance of plant	63,494	654,866	617,321	47,950	53,089
Student transportation	-	610,198	614,735	-	(4,537)
Other	-	2,556,562	2,441,543	240	114,779
Total support services	<u>69,284</u>	<u>5,621,166</u>	<u>5,272,231</u>	<u>54,895</u>	<u>363,324</u>
Debt service:					
Principal	-	35,000	35,000	-	-
Interest	-	2,100	2,100	-	-
Total debt service	<u>-</u>	<u>37,100</u>	<u>37,100</u>	<u>-</u>	<u>-</u>
Facilities acquisition and construction	<u>-</u>	<u>-</u>	<u>6,850</u>	<u>30,000</u>	<u>(36,850)</u>
Other financing uses:					
Transfers out	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Total encumbrances, appropriations, expenditures and other financing uses	<u>\$ 70,788</u>	<u>\$ 10,172,012</u>	<u>\$ 9,721,731</u>	<u>\$ 84,895</u>	<u>\$ 436,174</u>

EXHIBIT 18
BROOKLINE SCHOOL DISTRICT
General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2022

Unassigned fund balance, beginning		\$ 647,084
Changes:		
Fund balance used to reduce school district assessment		(517,582)
Fund balance appropriated		(140,000)
Budget summary:		
Revenue surplus (Exhibit 15)	\$ 129,103	
Unexpended balance of appropriations (Exhibit 16)	436,174	
Budget surplus		565,277
Decrease in nonspendable fund balance		500
Decrease in committed fund balance		40,000
Unassigned fund balance, ending		\$ 595,279



Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S COMMUNICATION TO MANAGEMENT

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

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brookline School District as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Brookline School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses, and therefore, material weaknesses may exist that have not been identified. We did not identify any material weaknesses during our audit. However, as discussed below, we identified two instances of noncompliance with laws or regulations.

Food Service Fund Resource Management

Sections 210.14(b) and 210.19(a) of the Cost Principles of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) require the School District to limit its net cash resources in the Food Service Fund to the maximum allowable amount of three months of average expenditures. We noted that the Food Service Fund's net cash resources exceeded the maximum allowable amount by \$102,635. We recommend that the School District develop and complete a spend-down plan to reduce the Food Service Fund's net cash resources below the maximum allowable amount.

Budgeting

Under NH RSA 32:9, a school board may not expend funds where no appropriation has been made. The School District has in the past, encumbered funds in several functions and properly expended them in the subsequent year. However, in order to expend or encumber funds from any line, there must be an appropriation in that year's budget. The School Board is authorized to transfer appropriations from one line item to another, but only if School District Meeting has appropriated at least \$1 in any line receiving an appropriation transfer. We noted that in FY2022, the School District expended \$6,850 and encumbered \$30,000 to be expended in the subsequent

BROOKLINE SCHOOL DISTRICT
INDEPENDENT AUDITOR'S COMMUNICATION TO MANAGEMENT

year in the Architectural/Engineering function for which no amount was appropriated. We recommend that the School District Meeting should appropriate at least \$1 to any line for which expenditures are anticipated to be made.

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

April 15, 2023

Roberts & Heene, PLLC