

SCHOOL ADMINISTRATIVE UNIT NO. 70
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

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PLODZIK & SANDERSON

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INDEPENDENT AUDITOR'S REPORT

To the Members of the School Administrative Unit Board
School Administrative Unit No. 70
Hanover, New Hampshire

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and major general fund of the School Administrative Unit No. 70, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School Administrative Unit No. 70's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and major general fund of the School Administrative Unit No. 70, as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the major general 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 (GAAS). 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 School Administrative Unit No. 70 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 2-B to the financial statements, in the year ending June 30, 2024, the School Administrative Unit adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment to GASB Statement No. 62*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The School Administrative Unit No. 70's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Administrative Unit No. 70'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from

***School Administrative Unit No. 70
Independent Auditor's Report***

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 GAAS, 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 Administrative Unit No. 70'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 Administrative Unit No. 70's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Such information is the responsibility of management and, 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 School Administrative Unit No. 70's basic financial statements. The individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

May 5, 2025
Concord, New Hampshire

***PLODZIK & SANDERSON
Professional Association***

SCHOOL ADMINISTRATIVE UNIT #70
Administrative Agent for the
Hanover, New Hampshire; Norwich, Vermont; and Dresden Interstate School Districts

Management's Discussion and Analysis (MD&A) of the
Annual Financial Report for The Year Ended June 30, 2024

The Superintendent of Schools and Business Administrator of School Administrative Unit (SAU) #70 offer readers of the SAU's annual financial statements this narrative discussion and analysis of the financial activities of the SAU for the fiscal year, which ended June 30, 2024. This discussion and analysis is prepared in accordance with the provisions of the Governmental Accounting Standards Board Statements 34 (GASB 34). We encourage readers to consider the information presented here in conjunction with additional information found within the body of the annual audited report.

In New Hampshire, the State legislature created School Administrative Units as a means of providing professional management support for groups of the many small school districts throughout the State. SAU 70 is unique in the State of New Hampshire in that of its three member districts, one—Norwich—is a Vermont School District. A second, the Dresden School District, is an “interstate school district” which accepts students from both New Hampshire and Vermont. Thus, SAU 70's service and administrative mandate actually crosses state boundaries, managing schools in two separate states, according to the laws and regulations of those two states.

FINANCIAL HIGHLIGHTS

The SAU's total net position for the year ending June 30, 2024, was (\$1,500,102). Net position decreased by \$245,693 or 19.58% between July 1, 2023 and June 30, 2024. The SAU's total net position consisted of \$555 of capital assets, \$0 in restricted net position and (\$1,500,657) of unrestricted net position. Under GASB 68, the SAU's long-term obligations include its pro-rata share of the unfunded liability of in the New Hampshire Retirement System. Under GASB 75, as in other years, significant liability arises from Other Post Employment Benefits. Under GASB 34, these liabilities are reflected as a reduction in net position. Under New Hampshire state law, the SAU is prohibited from issuing bonds.

During the year, the SAU's operating expenses were \$2,343,257; operating revenues were \$2,097,564. Revenues consist primarily of assessments to the three member districts, but the SAU also has a very small amount of miscellaneous income in the amount of \$10,038.

OVERVIEW OF FINANCIAL STATEMENTS

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

The basic financial statements include two kinds of statements that present different views of the SAU based upon measurement focus and basis of accounting. The first two statements are government-wide financial statements that provide both long-term and short-term information about the SAU's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the SAU, reporting the SAU's operations in more detail than the government-wide statements. The governmental fund statements tell how the SAU's services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-Wide Financial Statements

The Government-wide Financial Statements show functions of the SAU that are principally supported by district assessments as Governmental Activities. These functions are also accounted for in the General Fund. The governmental activities of the SAU include superintendent services, special education administration, technology, curriculum development, and business support services including accounting, payroll, and financial reporting.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund definitions are part of a state and federal mandated uniform accounting system and chart of accounts for all New Hampshire SAU's. The SAU uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The SAU has only one fund, the General Fund. General Fund expenditures are compared to budget in the Budgetary and Actual schedule, Exhibit D.

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements—the Statement of Net Position (Exhibit A) and Statement of Activities (Exhibit B) provide a comprehensive summary of governmental activities. The Statement of Net Position may serve, over time, as a useful indicator of a government's financial position. At June 30, 2024, unrestricted net position of the SAU totaled (\$1,500,657). The SAU's negative net position is due entirely to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires the SAU to report its proportionate share of the New Hampshire Retirement System's net pension liability based upon their plan contributions for the year. The New Hampshire Retirement System has a statutory funding schedule whose goal is to reach 100% plan funding by June 30, 2039.

Unrestricted net position also includes GASB 75's Other Post-Employment Benefits. The SAU has no real property—land or buildings—but rather operates out of space at the Dresden School District's Hanover High School. Finally, the SAU's net position reflects its investment in machinery and equipment for accounting and administrative operations, less any related debt used to acquire those assets that is still outstanding. The SAU uses these capital assets to provide services to the management of its subsidiary districts and their students; consequently, these assets are not available for future spending. Although the SAU's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. A portion of the net position is invested in capital assets. The SAU's investment in capital assets (furniture, machinery, and technology equipment) is reported net of accumulated depreciation and net of related debt.

Comparative Statement of Changes in Net Position

The SAU's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. Summaries of the capital assets, depreciation and long-term debt obligations can be found in the Notes to Financial Statements. Depreciation is included by accounting convention thus the depreciated value of an SAU asset, as reflected in these reports, does not reflect an asset's useful, market or replacement value. A Statement of Comparative Net Position for the periods ending June 30, 2023 (as restated), and June 30, 2024 is shown below.

**School Administrative Unit #70
Management Discussion and Analysis for Fiscal Year 2024**

Comparative Statement of Changes in Net Position

	2024	2023 (as restated)	Increase (Decrease)
Current assets	\$ 120,354	\$ 241,701	\$ (121,347)
Non-current assets	555	1,665	(1,110)
Total assets	120,909	243,366	(122,457)
Deferred outflows of resources	445,284	588,868	(143,584)
Current liabilities	61,591	37,328	24,263
Non-current liabilities	1,960,082	2,006,337	(46,255)
Total liabilities	2,021,673	2,043,665	(21,992)
Deferred inflows of resources	44,622	42,978	1,644
Net Investment in Capital Assets	555	1,665	(1,110)
Restricted Net Position	-	13,766	(13,766)
Unrestricted Net Position	(1,500,657)	(1,269,840)	(230,817)
Total Net Position	\$ (1,500,102)	\$ (1,254,409)	\$ (245,693)

Statement of Activities

The Statement of Activities provides an important record of overall expenditures and revenues for the fiscal year. During the 2023-2024 year the SAU's total expenses were \$2,343,257, and total revenues were \$2,097,564 resulting in a decrease in net position of \$245,693. The largest share of revenue, \$2,087,526, was from district assessments. The SAU's expenses were entirely for executive administration.

Comparative Statement of Changes in Activities

	FY 2024	2023 (as restated)	\$ Chg	% Chg
Expenditures				
Support Services				
Executive Administration	\$ 2,343,257	\$ 2,150,880	\$ 192,377	8.94%
Program Revenues				
Operating Grants & Contributions	-	78,112	(78,112)	0.00%
General Revenue				
School Districts' Assessments	2,087,526	2,016,011	71,515	3.55%
Miscellaneous	10,038	29,239	(19,201)	-65.67%
Total Revenues	2,097,564	2,123,362	(25,798)	-1.21%
Change in Net Position	(245,693)	(27,518)	(218,175)	792.84%
Net Position, beginning	(1,254,409)	(1,226,891)	(27,518)	-2.24%
Net Position, ending	\$ (1,500,102)	\$ (1,254,409)	\$ (245,693)	-19.59%

FUND FINANCIAL STATEMENTS

General Fund

The SAU’s governmental funds include only the General Fund. Information from the fund accounting system is essential in managing budgets as the financial year progresses and is useful in assessing financial resource needs for future operations. The General Fund is what most people think of as “the budget” since it is largely supported by locally raised assessments.

Exhibit D as well as Schedules 1 and 2 detail General Fund activity for 2023-24. Schedule 1 shows that budgeted revenues totaled \$2,087,727 with another \$140,639 of fund balance, while actual revenues equaled \$2,097,564 plus fund balance resulting in a favorable variance of \$9,837. District assessments are the lion’s share of the SAU’s income. Schedule 2 shows that against budgeted appropriations of \$2,228,366 the SAU expended \$2,226,921, an unspent balance of \$1,445. Schedule 3 shows the change in unassigned fund balance ending of \$100,856.

The SAU utilized no other funds during the 2023-2024 fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

On June 30, 2024, the SAU reported capital assets of \$555 (net of accumulated depreciation). As the SAU owns no real property this was composed entirely of office and computer equipment. The SAU annually invests in new furnishings, computers and peripherals, and printed media.

Statement of Capital Assets

	June 30, 2024	June 30, 2023	% Change
Being Depreciated:			
Equipment	\$ 17,540	\$ 17,540	0.00%
Less Accumulated Depreciation:			
Equipment	(16,985)	(15,875)	6.99%
Net Book Value, all capital assets	\$ 555	\$ 1,665	-66.67%

Long-Term Liabilities

The SAU has no debt outstanding. Its long-term liabilities are comprised only of compensated absences payable, pension and OPEB liabilities, as shown below.

Long Term Liabilities

	6/30/2024	6/30/2023	\$ Change
Compensated Absences	\$ 100,308	\$ 75,770	\$ 24,538
Net Other Postemployment Benefits	253,769	284,469	(30,700)
Net Pension Liability	1,606,005	1,646,098	(40,093)
Total Long-Term Debt Outstanding	\$ 1,960,082	\$ 2,006,337	\$ (46,255)

FUTURE BUDGETARY IMPLICATIONS

The residents of Hanover and Norwich have a long history of strong support for the education of the children of their community and for providing sufficient resources for quality education. There is no indication of any change in this support. Nonetheless, funding for education is a matter of concern in view of constantly changing economic conditions. With financing systems in both states that struggle to equitably fund education on a long-term basis and impending changes to the funding formula in Vermont, the prospect of rising tax rates is a concern. Further budgetary challenges will be presented by unavoidable increases in the costs of retirement, health insurance, special education, energy, electricity, heating fuel, and technology. School administrators are constantly mindful of the financial impact of school budgets on the taxpayer. The school board and administration are committed to continually looking for ways to contain cost increases and to keep budgets as low as possible, while at the same time not compromising services to students. Taxpayers have shown patience in that they have not let taxation issues detract from their financial support of their schools. We are grateful for the continued confidence and support.

Contacting the SAU's Financial Management

Questions regarding this report should be directed to Jay Badams, Superintendent of Schools, or to Jamie Teague, Business Administrator, at (603-643-6050) or by mail at:

School Administrative Unit #70
41 Lebanon Street, Suite 2
Hanover, New Hampshire 03755

BASIC FINANCIAL STATEMENTS

EXHIBIT A
SCHOOL ADMINISTRATIVE UNIT NO. 70
Statement of Net Position
June 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 88,458
Investments	29,547
Accounts receivables	566
Intergovernmental receivable	835
Prepaid items	948
Capital assets, net of accumulated depreciation	555
Total assets	120,909
DEFERRED OUTFLOWS OF RESOURCES	445,284
LIABILITIES	
Accounts payable	4,230
Accrued salaries and benefits payable	57,361
Noncurrent obligations:	
Due in more than one year	1,960,082
Total liabilities	2,021,673
DEFERRED INFLOWS OF RESOURCES	44,622
NET POSITION	
Net investment in capital assets	555
Unrestricted	(1,500,657)
Total net position	\$ (1,500,102)

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

EXHIBIT B
SCHOOL ADMINISTRATIVE UNIT NO. 70
Statement of Activities
For the Fiscal Year Ended June 30, 2024

	Expenses	Net (Expense) Revenue and Change in Net Position
Governmental activities:		
Support services:		
Executive administration	\$ 2,343,257	\$ (2,343,257)
General revenues and contributions:		
School district assessment		2,087,526
Interest		9,410
Miscellaneous		628
Total general revenues and contributions		2,097,564
Change in net position		(245,693)
Net position, beginning, as restated (see Note 13)		(1,254,409)
Net position, ending		\$ (1,500,102)

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

EXHIBIT C-1
SCHOOL ADMINISTRATIVE UNIT NO. 70
Governmental Funds
Balance Sheet
June 30, 2024

	General
ASSETS	
Cash and cash equivalents	\$ 88,458
Investments	29,547
Accounts receivable	566
Intergovernmental receivable	835
Prepaid items	948
Total assets	\$ 120,354
LIABILITIES	
Accounts payable	\$ 4,230
Accrued salaries and benefits payable	57,361
Total liabilities	61,591
FUND BALANCES	
Nonspendable	948
Unassigned	57,815
Total fund balances	58,763
Total liabilities and fund balances	\$ 120,354

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

EXHIBIT C-2
SCHOOL ADMINISTRATIVE UNIT NO. 70
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2024

Total fund balances of governmental funds (Exhibit C-1)	\$	58,763
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$	17,540
Less accumulated depreciation		<u>(16,985)</u>
		555
Pension and other postemployment benefits (OPEB) related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources related to pensions	\$	422,577
Deferred inflows of resources related to pensions		(1,031)
Deferred outflows of resources related to OPEB:		
NHRS		4,371
Single Employer		18,336
Deferred inflows of resources related to OPEB:		
Single Employer		<u>(43,591)</u>
		400,662
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Compensated absences	\$	100,308
Net pension liability		1,606,005
Other postemployment benefits liability:		
NHRS		39,398
Single Employer		<u>214,371</u>
		<u>(1,960,082)</u>
Net position of governmental activities (Exhibit A)	\$	<u><u>(1,500,102)</u></u>

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

EXHIBIT C-3
SCHOOL ADMINISTRATIVE UNIT NO. 70
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2024

	General
REVENUES	
School districts' assessments	\$ 2,087,526
Other local	10,038
Total revenues	2,097,564
EXPENDITURES	
Current:	
Support services:	
Executive administration	2,243,174
Net change in fund balances	(145,610)
Fund balances, beginning, as restated (see Note 13)	204,373
Fund balances, ending	\$ 58,763

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

EXHIBIT C-4
SCHOOL ADMINISTRATIVE UNIT NO. 70
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Net change in fund balances of total governmental funds (Exhibit C-3)		\$ (145,610)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense in the current year, is as follows:		
Depreciation expense		(1,110)
Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Increase in compensated absences payable	\$ (24,538)	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	(98,265)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>23,830</u>	
		<u>(98,973)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (245,693)</u>

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

EXHIBIT D
SCHOOL ADMINISTRATIVE UNIT NO. 70
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
School district assessment	\$ 2,087,527	\$ 2,087,526	\$ (1)
Other local	200	10,038	9,838
Total revenues	<u>2,087,727</u>	<u>2,097,564</u>	<u>9,837</u>
EXPENDITURES			
Current:			
Support services:			
Executive administration	2,228,366	2,226,921	1,445
Net change in fund balance	<u>\$ (140,639)</u>	(129,357)	<u>\$ 11,282</u>
Decrease in nonspendable fund balance		1,552	
Decrease in restricted fund balance		13,766	
Unassigned fund balance, beginning, as restated (see Note 13)		214,895	
Unassigned fund balance, ending		<u>\$ 100,856</u>	

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

SCHOOL ADMINISTRATIVE UNIT NO. 70
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

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SCHOOL ADMINISTRATIVE UNIT NO. 70
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School Administrative Unit No. 70 in Hanover, New Hampshire (the School Administrative Unit), have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units hereafter referred to as generally accepted accounting principles (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources. The School Administrative Unit No. 70's significant accounting policies are described below.

1-A Reporting Entity

School Administrative Unit No. 70 is an entity established by State statute to provide administrative service for the Dresden, Hanover, and Norwich School Districts. The School Administrative Unit is governed by the respective School Boards of Dresden, Hanover, and Norwich School Districts. In evaluating how to define the School Administrative Unit for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by the applying criteria set forth by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14*. The School Administrative Unit has no component units to include in its reporting entity.

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

1-B Government-wide and Fund Financial Statements

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

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

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Assessments and other items not meeting the definition of program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenue rather than program revenue.

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

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to long-term liabilities including compensated absences, are recorded only when payment is mature and due.

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

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The School Administrative Unit reports the following major governmental fund:

General Fund – is the School Administrative Unit’s primary operating fund. The general fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources include district assessments, and other local sources. The primary expenditures are for executive administration.

1-D Cash and Cash Equivalents

The School Administrative Unit considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits.

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

1-E Investments

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

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

- Obligations of the United States government;
- The public deposit investment pool established pursuant to RSA 383:22;
- Savings bank deposits; and
- Certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the State treasurer.

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

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

- Level 1** – Quoted prices for identical investments in active markets;
- Level 2** – Observable inputs other than those in Level 1; and
- Level 3** – Unobservable inputs.

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

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

1-F Receivables

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

1-G Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and expensed as the items are used.

1-H Capital Assets

Capital assets are reported in the government-wide financial statements but are not reported in the fund financial statements. Capital assets are defined by the School Administrative Unit as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

Capital assets (equipment) of the School Administrative Unit are depreciated using the straight-line method over five years.

1-I Deferred Outflows/Inflows of Resources

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

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

1-J Long-term Obligations

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

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1-K Compensated Absences

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

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

1-L Defined Benefit Pension Plan

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

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

1-M Postemployment Benefits Other Than Pensions (OPEB)

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

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

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

1-N Net Position/Fund Balances

In the Government-wide Financial Statements, net position is reported in the following categories:

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

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

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

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

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The following classifications describe the relative strength of the spending constraints:

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

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

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

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

1-O Use of Estimates

The preparation of the accompanying basic financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the School Administrative Unit’s operations. At its annual meeting, the School Administrative Unit adopts a budget for the current year for the general fund. The budget was adopted on a basis consistent with United States generally accepted accounting principles.

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2024, \$140,639 of the beginning general fund unassigned fund balance was applied for this purpose.

2-B Budgetary Reconciliation to GAAP Basis

While the School Administrative Unit reports financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis is provided by law based upon accounting for certain transaction on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual is presented for the major general fund. Differences between the budgetary basis and GAAP basis of accounting for the general fund are as follows:

Expenditures:	
Per Exhibit D (budgetary basis)	\$ 2,226,921
Adjustment:	
Basis difference:	
Accrued payroll not recognized on the budgetary basis	<u>16,253</u>
Per Exhibit C-3 (GAAP basis)	<u><u>\$ 2,243,174</u></u>

2-C Change in Accounting Principle

During the fiscal year, the School Administrative Unit adopted Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. This statement will improve the clarity and consistency of the accounting and financial reporting requirements for accounting changes and error corrections.

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DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The School Administrative Unit's deposits are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held by the School Administrative Unit's agent in the School Administrative Unit's name. The FDIC currently insures the first \$250,000 of the School Administrative Unit's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by collateral. As of year-end, the carrying amount of the School Administrative Unit's deposits was \$88,458 and the bank balances totaled \$211,283. Petty cash totaled \$200.

NOTE 4 – INVESTMENTS

Note 1-E describes statutory requirements covering the investment of the School Administrative Unit funds. The School Administrative Unit holds investments that are measured at cost basis. Because investing is not a core part of the School Administrative Unit's mission, the School Administrative Unit determines that the disclosures related to these investments only need to be disaggregated by major type. The School Administrative Unit investments of \$29,547 in the New Hampshire Public Deposit Investment Pool are reported at amortized cost.

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The School Administrative Unit's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The School Administrative Unit investments of \$29,547 in the New Hampshire Public Deposit Investment Pool are exempt from this disclosure.

Custodial Credit Risk – This is the risk that in the event of the failure of the counterparty (e.g., broker/dealer) to honor a transaction, the School Administrative Unit will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Credit Risk - The School Administrative Unit has no formal policy on managing credit risk; however, state law limits investments as explained in Note 1-E. As of June 30, 2024, the School Administrative Unit's investment of \$29,547 in the New Hampshire Public Deposit Investment Pool are exempt from this disclosure.

Concentration of Credit Risk – The School Administrative Unit places no limit on the amount it may invest in any one issuer. The School Administrative Unit's total investment is held by one individual issuer.

NOTE 5– CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 consisted of the following:

	<u>Balance, beginning</u>	<u>Additions</u>	<u>Balance, ending</u>
At cost:			
Being depreciated:			
Equipment	\$ 17,540	\$ -	\$ 17,540
Less accumulated depreciation:			
Equipment	(15,875)	(1,110)	(16,985)
Net book value, all capital assets	<u>\$ 1,665</u>	<u>\$ (1,110)</u>	<u>\$ 555</u>

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

Support services:	
Executive administration	<u>\$ 1,110</u>

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NOTE 6 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources at June 30, 2024 consist of the following:

	<u>Governmental Activities</u>
Amounts related to pensions, see Note 8	\$ 422,577
Amounts related to OPEB:	
NHRS, see Note 10-A	4,371
Single Employer, see Note 10-B	<u>18,336</u>
Total deferred inflows of resources	<u>\$ 445,284</u>

Deferred inflows of resources at June 30, 2024 consist of the following:

	<u>Governmental Activities</u>
Amounts related to pensions, see Note 8	\$ 1,031
Amounts related to OPEB:	
Single Employer, see Note 10-B	43,591
Total deferred inflows of resources	<u>\$ 44,622</u>

NOTE 7 – LONG-TERM LIABILITIES

Changes in the School Administrative Unit's long-term liabilities consisted of the following for the year ended June 30, 2024:

	Balance July 1, 2023 (As restated)	Additions	Reductions	Balance June 30, 2024	Due In More Than One Year
Compensated absences	\$ 75,770	\$ 24,538	\$ -	\$ 100,308	\$ 100,308
Pension related liability	1,646,098	-	(40,093)	1,606,005	1,606,005
Net other postemployment benefits:					
NHRS	43,793	-	(4,395)	39,398	39,398
Single Employer	240,676	-	(26,305)	214,371	214,371
Total long-term liabilities	<u>\$ 2,006,337</u>	<u>\$ 24,538</u>	<u>\$ (70,793)</u>	<u>\$ 1,960,082</u>	<u>\$ 1,960,082</u>

NOTE 8 – DEFINED BENEFIT PENSION PLAN

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

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

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

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

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

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

Contributions – The System is financed by contributions from both the employees and the School Administrative Unit. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees are required to contribute 7% of earnable compensation. For fiscal year 2024, the School Administrative Unit contributed 18.51% for teachers and 13.27% for other employees. The contribution requirement for the fiscal year 2024 was \$176,965, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the School Administrative Unit reported a liability of \$1,606,005 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The School Administrative Unit’s proportion of the net pension liability was based on a projection of the School Administrative Unit’s long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school Administrative Units, actuarially determined. At June 30, 2023, the School Administrative Unit’s proportion was 0.03% which was the same as its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School Administrative Unit recognized pension expense of \$274,630. At June 30, 2024, the School Administrative Unit 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	\$ 139,080	\$ 386
Net difference between projected and actual investment earnings on pension plan investments	23,226	-
Changes in assumptions	42,269	-
Differences between expected and actual experience	41,037	645
Contributions subsequent to the measurement date	176,965	-
Total	<u>\$ 422,577</u>	<u>\$ 1,031</u>

The \$176,965 reported as deferred outflows of resources related to pensions results from the School Administrative Unit contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

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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 follows:

Fiscal Year Ending June 30,	
2024	\$ 119,370
2025	22,333
2026	105,788
2027	(2,910)
2028	-
Thereafter	-
Totals	<u>\$ 244,581</u>

Actuarial Assumptions – The collective total pension liability was determined by an actuarial performed as of June 30, 2022, rolled forward to June 30, 2023, using the following assumptions:

Inflation:	2.0% per year
Wage inflation:	2.75% per year (2.25% for Teachers)
Salary increases:	5.4% average, including inflation
Investment rate of return:	6.75% net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

Long-term Rates of Return – The long-term expected rate of return on pension plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2023:

Asset Class	Target Allocation	30 Year Geometric Return
Broad US Equity (1)	30.00%	5.40%
Global Ex-US Equity (2)	20.00%	5.65%
Total public equity	<u>50.00%</u>	
Real Estate Equity	10.00%	4.00%
Private Equity	10.00%	6.65%
Total private market equity	<u>20.00%</u>	
Private Debt	5.00%	5.05%
Core U.S. Fixed Income (3)	25.00%	2.15%
Total	<u>100.00%</u>	

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

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2023	<u>\$ 2,179,155</u>	<u>\$ 1,606,005</u>	<u>\$ 1,116,284</u>

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

NOTE 9 – SUPPLEMENTAL RETIREMENT PLAN

All employees employed by the School Administrative Unit participate in a defined contribution pension plan administered by OMNI Group, Inc. Participation begins immediately upon employment to the School Administrative Unit. The School Administrative Unit has no requirement or obligation under State Statutes to contribute to this plan, however the School Administrative Unit has adopted the Supplemental Retirement Plan 403(b) for its employees. The School Administrative Unit Board has the authority to establish and amend the benefit provisions and contribution requirements of the plan. The School Administrative Unit contributes 2-4% depending on the step of each employee's salary and all amounts contributed are vested immediately. Also, employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2024 were \$105,939 which consisted of \$36,889 from the School Administrative Unit and \$69,050 from employees.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

10-A New Hampshire Retirement System (NHRS)

Plan Description – The New Hampshire Retirement System (NHRS or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2023 Comprehensive Annual Financial Report, which can be found on the system's website at www.nhrs.org.

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

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

Maximum medical subsidy rates paid during fiscal year 2023 were as follows:

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

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

SCHOOL ADMINISTRATIVE UNIT NO. 70
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Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2024, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2024, the School Administrative Unit contributed 1.13% for teachers and 0.26% for other employees. The contribution requirement for the fiscal year 2024 was \$4,324 which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At June 30, 2024, the School Administrative Unit reported a liability of \$39,398 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The School Administrative Unit’s proportion of the net OPEB liability was based on a projection of the School Administrative Unit’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns, schools, and school administrative units, actuarially determined. At June 30, 2023, the School Administrative Unit’s proportion was 0.01% which was the same as its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School Administrative Unit recognized OPEB expense of \$723. At June 30, 2024, the School Administrative Unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual investment earnings on OPEB plan investments	\$ 47
Contributions subsequent to the measurement date	4,324
Total	\$ 4,371

The \$4,324 reported as deferred outflows of resources related to OPEB results from the School Administrative Unit contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2024	\$ (8)
2025	(60)
2026	128
2027	(13)
2028	-
Thereafter	-
Totals	\$ 47

Actuarial Assumptions – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2022 and a measurement date of June 30, 2023. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

- Price inflation: 2.0% per year
- Wage inflation: 2.75% per year (2.25% for Teachers)
- Salary increases: 5.4% average, including inflation
- Investment rate of return: 6.75% net of OPEB plan investment expense, including inflation

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

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The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

Long-term Rates of Return – The long-term expected rate of return on OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2023:

Asset Class	Target Allocation	30 Year Geometric Return
Broad US Equity (1)	30.00%	5.40%
Global Ex-US Equity (2)	20.00%	5.65%
Total public equity	50.00%	
Real Estate Equity	10.00%	4.40%
Private Equity	10.00%	6.65%
Total private market equity	20.00%	
Private Debt	5.00%	5.05%
Core U.S. Fixed Income (3)	25.00%	2.15%
Total	100.00%	

Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2023 was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2023	\$ 42,790	\$ 39,398	\$ 36,439

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

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

10-B Retiree Health Benefit Program

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

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

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

Benefits Provided – The School Administrative Unit provides postemployment healthcare benefits for certain eligible retirees. The School Administrative Unit provides medical benefits to its eligible retirees.

Employees Covered by Benefit Terms – At July 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	12
Active employees	<u>365</u>
Total participants covered by OPEB plan	<u><u>377</u></u>

The SAU-wide total is represented above, as an allocation by district and for the School Administrative Unit was not explicitly disclosed by the actuaries

Total OPEB Liability – The School Administrative Unit’s total OPEB liability of \$214,371 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2024. The School Administrative Unit contracts with an outside actuary, to complete the actuarial valuation and schedule of changes in the total OPEB liability. Detailed information can be found in the separately issued report through request of the School Administrative Unit business office.

Actuarial Assumptions and Other Inputs – The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	4.21%
Healthcare Cost Trend Rates:	
Current Year Trend	8.00%
Second Year Trend	7.50%
Decrement	0.50%
Ultimate Trend	4.50%
Year Ultimate Trend is Reached	2032
Salary Increases:	3.50%

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of June 30, 2022.

Mortality rates were based on the RP-2000 Combined Health Participant Table Projected 10 years using Projection Scale AA.

Changes in the Total OPEB Liability

	June 30,	
	2023	2024
Total OPEB liability beginning of year	\$ 283,852	\$ 240,676
Changes for the year:		
Service cost	10,961	8,702
Interest	9,694	9,291
Changes in benefit terms	(3,665)	(1,094)
Assumption changes and difference between actual and expected experience	(53,140)	(33,553)
Benefit payments	(7,026)	(9,651)
Total OPEB liability end of year	\$ 240,676	\$ 214,371

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Sensitivity of the School Administrative Unit's OPEB Liability to Changes in the Discount Rate – The July 1, 2024 actuarial valuation was prepared using a discount rate of 4.21%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$200,708 or by 6.37%. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$228,827 or by 6.74%.

	Discount Rate		
	1% Decrease	Baseline 4.21%	1% Increase
Total OPEB Liability	\$ 228,827	\$ 214,371	\$ 200,708

Sensitivity of the School Administrative Unit's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The July 1, 2024 actuarial valuation was prepared using an initial trend rate of 8.00%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$229,992 or by 7.29%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$200,396 or by 6.52%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 8.00%	1% Increase
Total OPEB Liability	\$ 200,396	\$ 214,371	\$ 229,992

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2024, the School Administrative Unit recognized OPEB expense of \$12,010. At June 30, 2024, the School Administrative Unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 17,072	\$ 16,730
Differences between expected and actual experience	1,264	26,861
Total	\$ 18,336	\$ 43,591

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

Fiscal Year Ending June 30,	
2025	\$ (6,230)
2026	(3,450)
2027	(4,101)
2028	(4,403)
2029	(5,083)
Thereafter	(1,988)
Totals	\$ (25,255)

NOTE 11 – GOVERNMENTAL ACTIVITIES NET POSITION

Net position reported on the government-wide and Statement of Net Position at June 30, 2024 include the following:

	Governmental Activities
Net investment in capital assets:	
Net book value of all capital assets	\$ 555
Unrestricted	(1,500,657)
Total net position	\$ (1,500,102)

None of the net position is restricted by enabling legislation.

SCHOOL ADMINISTRATIVE UNIT NO. 70
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 – GOVERNMENTAL FUND BALANCES

Governmental fund balances at June 30, 2024 consist of the following:

	General Fund
Nonspendable:	
Prepaid items	\$ 948
Unassigned	57,815
Total governmental fund balances	\$ 58,763

NOTE 13 – ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES

During fiscal year 2024, changes to or within the School Administrative Unit’s financial statements resulted in an error correction which caused adjustments to and restatements of beginning net position and fund balance, as follows:

	Government-wide Governmental Activities	General Fund (GAAP Basis)	General Fund (Non-GAAP Basis)
Net position/fund balances at June 30, 2023 as previously reported	\$ (1,281,927)	\$ 231,161	\$ 241,683
Error corrections:			
To bring prior year local OPEB liability in agreement with actuary report	54,296	-	-
To record prior year Accrued payroll	(26,778)	(26,788)	(26,788)
Net position/fund balances at June 30, 2023, as restated	\$ (1,254,409)	\$ 204,373	\$ 214,895

NOTE 14 – RISK MANAGEMENT

The School Administrative Unit is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2024, the School Administrative Unit was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers’ Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex³) Workers’ Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from July 1, 2023 to June 30, 2024 by Primex³, which retained \$2,000,000 of each workers’ compensation loss, \$500,000 of each liability loss, and for each property loss it is based upon the Administrative Unit’s property schedule on file with Primex³. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers’ compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member’s annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In fiscal year 2023-24 the School Administrative Unit paid \$2,153 and \$4,542, respectively, to Primex³ for workers’ compensation and property/liability. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

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

NOTE 15 – CAFETERIA BENEFIT PLAN

Effective July 1, 2018, School Administrative Unit implemented a cafeteria benefit plan pursuant to Section 125 of the IRS code. Under this plan, eligible employees may direct a contribution, made by the School Administrative Unit, into any combination of the following benefit categories:

1. Medical Insurance Premium Account;
2. Out of Pocket Medical Spending Account; or
3. Dependent Care Spending Account.

SCHOOL ADMINISTRATIVE UNIT NO. 70
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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In addition to directing the School Administrative Unit's contribution to the above categories, eligible employees may elect to contribute pre-tax dollars to these categories. Under no circumstances may an employee direct more than \$5,000 (\$2,500 if the participant is married and filing as a separate return) annually into the Dependent Care Spending Account, and \$2,700 into the Medical Spending Account. This cap applies to both School Administrative Unit contributions and employee pre-tax contributions.

All regular full-time and part-time employees employed on a regular and continuous basis, including certain contractual employees, are eligible to participate in this plan. Temporary and casual employees are not eligible. The plan year adopted by the School Administrative Unit begins on July 1, 2023, and ends on June 30, 2024. To obtain reimbursement of expenses incurred within a plan year within the spending accounts (items 2 and 3 above), employees must submit claims within ninety days of the end of the plan year or separation of service from the School Administrative Unit, whichever occurs first. Funds unclaimed after ninety days of the close of the plan year are then remitted to the School Administrative Unit.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date but arose after the date. Management has evaluated subsequent events through May 5, 2025, the date the June 30, 2024 financial statements were available to be issued, and noted no events occurred that requires recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT E
SCHOOL ADMINISTRATIVE UNIT NO. 70
Schedule of the School District's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2024
Unaudited

Fiscal year-end	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
School Administrative Unit's proportion of the net pension liability	0.03%	0.02%	0.03%	0.03%	0.02%	0.02%	0.02%	0.03%	0.03%	0.03%
School Administrative Unit's proportionate share of the net pension liability	\$ 949,200	\$ 935,040	\$ 1,459,536	\$ 1,343,515	\$ 1,035,218	\$ 1,082,359	\$ 1,493,134	\$ 1,167,504	\$ 1,646,098	\$ 1,606,005
School Administrative Unit's covered payroll (as of the measurement date)	\$ 782,097	\$ 622,025	\$ 731,570	\$ 782,489	\$ 692,279	\$ 845,227	\$ 845,227	\$ 1,066,122	\$ 1,165,521	\$ 1,214,820
School Administrative Unit's proportionate share of the net pension liability as a percentage of its covered payroll	121.37%	150.32%	199.51%	171.70%	149.54%	128.06%	176.65%	109.51%	141.23%	132.20%
Plan fiduciary net position as a percentage of the total pension liability	59.81%	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%	65.12%	67.18%

The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.
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EXHIBIT F
SCHOOL ADMINISTRATIVE UNIT NO. 70
Schedule of School District Contributions - Pensions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2024
Unaudited

Fiscal year-end	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Contractually required contribution	\$ 82,040	\$ 79,185	\$ 98,283	\$ 100,079	\$ 90,867	\$ 97,892	\$ 103,705	\$ 166,160	\$ 173,113	\$ 176,965
Contributions in relation to the contractually required contributions	(82,040)	(79,185)	(98,283)	(100,079)	(90,867)	(97,892)	(103,705)	(166,160)	(173,113)	(176,965)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School Administrative Unit's covered payroll (as of the fiscal year)	\$ 782,097	\$ 622,025	\$ 731,570	\$ 782,489	\$ 692,279	\$ 845,227	\$ 1,066,122	\$ 1,165,521	\$ 1,214,820	\$ 1,291,825
Contributions as a percentage of covered payroll	10.49%	12.73%	13.43%	12.79%	13.13%	11.58%	9.73%	14.26%	14.25%	13.70%

SCHOOL ADMINISTRATIVE UNIT NO. 70
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

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

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

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

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

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits E and F represent the actuarial determined costs associated with the School Administrative Unit's pension plan at June 30, 2024. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

EXHIBIT G
SCHOOL ADMINISTRATIVE UNIT NO. 70
Schedule of the School District's Proportionate Share of the Net Other Postemployment Benefits Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2024
Unaudited

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
School Administrative Unit's proportion of the net OPEB liability	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
School Administrative Unit's proportionate share of the net OPEB liability (asset)	\$ 41,982	\$ 39,845	\$ 37,004	\$ 36,352	\$ 38,285	\$ 38,241	\$ 43,793	\$ 39,398
School Administrative Unit's covered payroll (as of the measurement date)	\$ 731,570	\$ 782,489	\$ 692,279	\$ 845,227	\$ 845,227	\$ 1,066,122	\$ 1,165,521	\$ 1,214,820
School Administrative Unit's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	5.74%	5.09%	5.35%	4.30%	4.53%	3.59%	3.76%	3.24%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%	11.06%	10.64%	12.80%

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

EXHIBIT H
SCHOOL ADMINISTRATIVE UNIT NO. 70
Schedule of School District Contributions - Other Postemployment Benefits
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2024
Unaudited

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Contractually required contribution	\$ 5,039	\$ 5,165	\$ 3,575	\$ 3,784	\$ 4,060	\$ 4,880	\$ 4,998	\$ 4,324
Contributions in relation to the contractually required contribution	(5,039)	(5,165)	(3,575)	(3,784)	(4,060)	(4,880)	(4,998)	(4,324)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School Administrative Unit's covered payroll (as of the fiscal year)	\$ 731,570	\$ 782,489	\$ 692,279	\$ 845,227	\$ 1,066,122	\$ 1,165,521	\$ 1,214,820	\$ 1,291,825
Contributions as a percentage of covered payroll	0.69%	0.66%	0.52%	0.45%	0.38%	0.42%	0.41%	0.33%

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

EXHIBIT 1
SCHOOL ADMINISTRATIVE UNIT NO. 70
Schedule of Changes in the School District's Total Other Postemployment Benefits Liability and Related Ratios
For the Fiscal Year Ended June 30, 2024
Unaudited

	June 30,						
	2018	2019	2020	2021	2022	2023	2024
OPEB liability, beginning of year	\$ 190,247	\$ 180,991	\$ 194,392	\$ 216,933	\$ 270,613	\$ 283,852	\$ 240,676
Changes for the year:							
Service cost	10,729	10,946	11,673	15,200	18,129	10,961	8,702
Interest	7,075	8,047	7,480	6,900	6,932	9,694	9,291
Changes to benefit terms	-	(24,384)	(2,992)	-	-	(3,665)	(1,094)
Assumption changes and difference between actual and expected experience	(20,304)	23,621	12,777	36,054	(2,626)	(53,140)	(33,553)
Benefit payments	(6,756)	(4,829)	(6,397)	(4,474)	(9,196)	(7,026)	(9,651)
OPEB liability, end of year	<u>\$ 180,991</u>	<u>\$ 194,392</u>	<u>\$ 216,933</u>	<u>\$ 270,613</u>	<u>\$ 283,852</u>	<u>\$ 240,676</u>	<u>\$ 214,371</u>
Covered payroll	<u>\$ 608,979</u>	<u>\$ 692,628</u>	<u>\$ 742,331</u>	<u>\$ 866,486</u>	<u>\$ 947,209</u>	<u>\$ 787,054</u>	<u>\$ 802,192</u>
Total OPEB liability as a percentage of covered payroll	29.72%	28.07%	29.22%	31.23%	29.97%	30.58%	26.72%

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

SCHOOL ADMINISTRATIVE UNIT NO. 70
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFITS LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

***Schedule of the School Administrative Unit's Proportionate Share of Net Other Postemployment Benefits Liability
And Schedule of School Administrative Unit Contributions – Other Postemployment Benefits***

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

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

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

As required by GASB Statement No. 75, Exhibits G and H represent the actuarial determined costs associated with the School Administrative Unit's other postemployment benefits at June 30, 2024. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

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

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

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

As required by GASB Statement No. 75, Exhibit I represents the actuarial determined costs associated with the School Administrative Unit's other postemployment benefits at June 30, 2024. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
SCHOOL ADMINISTRATIVE UNIT NO. 70
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2024

	Estimated	Actual	Variance Positive (Negative)
School districts' assessments:			
Current appropriation	\$ 2,087,527	\$ 2,087,526	\$ (1)
Other local sources:			
Investment earnings	100	9,410	9,310
Miscellaneous	100	628	528
Total from other local sources	200	10,038	9,838
Total revenues and other financing sources	2,087,727	\$ 2,097,564	\$ 9,837
Use of fund balance to reduce school district assessment	140,639		
Total revenues, other financing sources, and use of fund balance	\$ 2,228,366		

See Independent Auditor's Report.

SCHEDULE 2
SCHOOL ADMINISTRATIVE UNIT NO. 70
Major General Fund
Schedule of Appropriations and Expenditures (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2024

	<u>Appropriations</u>	<u>Expenditures</u>	Variance Positive (Negative)
Support services:			
Executive administration	<u>\$ 2,228,366</u>	<u>\$ 2,226,921</u>	<u>\$ 1,445</u>

See Independent Auditor's Report.

SCHEDULE 3
SCHOOL ADMINISTRATIVE UNIT NO. 70
Major General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2024

Unassigned fund balance, beginning, as restated (see Note 13)		\$ 214,895
Changes:		
Unassigned fund balance used to reduce school district assessment		(140,639)
2023-2024 Budget summary:		
Revenue surplus (Schedule 1)	\$ 9,837	
Underexpenditure of appropriations (Schedule 2)	<u>1,445</u>	
2023-2024 Budget surplus		11,282
Decrease in nonspendable fund balance		1,552
Decrease in restricted fund balance		<u>13,766</u>
Unassigned fund balance, ending		<u><u>\$ 100,856</u></u>

See Independent Auditor's Report.