

Monadnock Regional School District & SAU #93
School Board Agenda
April 7, 2026
[Google Meet](#) (7:00 PM)

Meeting ID: meet.google.com/heb-uprq-jij

PIN: 931 022 862#

Phone: (US) +1 402-882-6070

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

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

1. CALL THE MEETING TO ORDER 7:00
2. PUBLIC COMMENTS (15 minutes)
3. #celebrateMRSD
4. MATTERS FOR INFORMATION & DISCUSSION
 - a. FY25 Audit Report
 - b. Virtual Signatures on Manifest
5. MATTERS THAT REQUIRE BOARD ACTION
 - a. * Board Meeting Schedule
 - b. * Education Committee Charter & Goals
 - c. * Finance/Facilities Committee Charter & Goals
 - d. *Approve 2026-2027 General Assurance for Federal funds.
 - e. * Approve the Consent Agenda
 - i. March 17, 2026 Minutes
 - ii. Manifest
 - iii. Budget Transfers
6. SETTING NEXT MEETING’S AGENDA
 - a. April 21, 2026
 - b. * Safety Committee Charter & Goals
 - c. * Policy Committee Charter & Goals
 - d. * BMT Committee Charter & Goals (Board Member Training)
7. PUBLIC COMMENTS (15 minutes)
8. NON-PUBLIC SESSIONS under RSA 91-A:3. II
 - a. Approve Certified Staff Nominations
 - b. Additional non-public sessions, TBD as required
9. ADJOURNMENT

SINGLE DISTRICT SCHOOL ADMINISTRATIVE UNITS

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

NONPUBLIC SESSIONS

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

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

CALENDAR OF UPCOMING MRSD MEETINGS:

04/07/2026	Policy Committee	5:00 pm	SAU Conference Room
04/07/2026	MRSD/SAU 93 School Board	7:00 pm	MRMHS Library
04/09/2026	Finance & Facilities	5:00 pm	SAU Conference Room
04/14/2026	Policy Committee	7:00 pm	SAU Conference Room
04/19/2026	MRSD/SAU 93 School Board	7:00 pm	MRMHS Library
04/28/2026	Budget Committee	7:00 pm	MRMHS Library

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

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

**MONADNOCK REGIONAL
SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

MONADNOCK REGIONAL SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

TABLE OF CONTENTS

	<u>PAGES</u>
INDEPENDENT AUDITOR'S REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 14
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
A Statement of Net Position	15
B Statement of Activities.....	16
Fund Financial Statements	
<i>Governmental Funds</i>	
C-1 Balance Sheet.....	17
C-2 Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	18
C-3 Statement of Revenues, Expenditures, and Changes in Fund Balances	19
C-4 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	20
<i>Budgetary Comparison Information</i>	
D-1 Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund.....	21
D-2 Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (GAAP Basis) – Grants Fund	22
NOTES TO THE BASIC FINANCIAL STATEMENTS	23 - 45
REQUIRED SUPPLEMENTARY INFORMATION	
E Schedule of the School District's Proportionate Share of Net Pension Liability	46
F Schedule of School District Contributions - Pensions	47
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY	48
G Schedule of the School District's Proportionate Share of Net Other Postemployment Benefits Liability.....	49
H Schedule of School District Contributions – Other Postemployment Benefits.....	50
I Schedule of Changes in the School District's Total Other Postemployment Benefits Liability and Related Ratios ...	51
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - OTHER POSTEMPLOYMENT BENEFITS LIABILITY	52
COMBINING AND INDIVIDUAL FUND SCHEDULES	
Governmental Funds	
<i>Major General Funds</i>	
1 Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis).....	53
2 Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)	54
3 Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)	55
<i>Nonmajor Governmental Funds</i>	
4 Combining Balance Sheet.....	56
5 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	57
<i>Student Activity Funds</i>	
6 Combining Balance Sheet.....	58
7 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance.....	59

**MONADNOCK REGIONAL SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

TABLE OF CONTENTS

PAGES

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

	REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	60 - 61
	REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	62 - 63
I	Schedule of Findings and Questioned Costs	64
II	Schedule of Expenditures of Federal Awards	65
	NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	66



PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Monadnock Regional School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Monadnock Regional School District'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, each major fund, and aggregate remaining fund information of Monadnock Regional School District, as of June 30, 2025, and the respective changes in financial position and the respective budgetary comparison for the major general and grants funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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 Monadnock Regional School District's ability to continue as a going concern for twelve months beyond the financial statement issuance 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 and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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 and GAS, we:

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

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

Emphasis of Matter – Changes in Accounting Principles

As discussed in Note 2-C to the financial statements, in the year ending June 30, 2025, the School District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Also as discussed in Note 2-C to the financial statements, in the year ending June 30, 2025, the School District adopted new accounting guidance, GASB Statement No. 102, *Certain Risk Disclosures*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

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

Such information 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 Monadnock Regional School District's basic financial statements. The combining and individual fund schedules and Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules and Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are the responsibility of management and was derived from and relates directly to the underlying accounting and other

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

records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules, and Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2026 on our consideration of the Monadnock Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Monadnock Regional School District's internal control over financial reporting and compliance.

March 31, 2026
Concord, New Hampshire

***PLODZIK & SANDERSON
Professional Association***

MONADNOCK REGIONAL SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025**

As management of Monadnock Regional School District (the District), we offer readers of the District's annual financial statements this narrative discussion and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. This discussion and analysis is prepared in accordance with the provisions of the Governmental Accounting Standards Board Statement No. 34 (GASBS-34).

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

FINANCIAL HIGHLIGHTS

- The District's total net position for the year ending June 30, 2025, was \$459,972. Net position increased by \$11,244,369, or 104.27%, between July 1, 2024 and June 30, 2025. The District's total net position consisted of \$15,658,412 in capital assets net of accumulated depreciation, \$13,924,440 in restricted position and an unrestricted net position balance of (\$29,122,880).
- The District's total liabilities of \$52,966,295 consisted primarily of obligations (due in more than one year) for net pension liability totaling \$22,671,869, OPEB liability totaling \$3,401,292 and bond payable totaling \$19,176,911.
- During the year, the District's expenses totaled \$40,270,067, with slightly less than 57.1% for instruction (\$23,023,697).
- Total revenues were \$51,514,436 and consisted of charges for services, operating and grants restricted for specific programs, and general revenues (consisting of local and state property tax assessments and grants and contributions not restricted to specific programs). Local and state assessments generate 41.7% of the District's revenue.
- The fiscal year end balances for the general fund were categorized as follows:
 - Nonspendable = \$8,892
 - Committed = \$705,695 (Includes expendable trust funds)
 - Assigned = \$129,500
 - Unassigned = \$87,552
- Student enrollment increased by 12 students. Enrollment totaled 1,618 as of October 1, 2022 and 1,610 as of October 1, 2023.

MONADNOCK REGIONAL SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025**

OVERVIEW OF FINANCIAL STATEMENTS

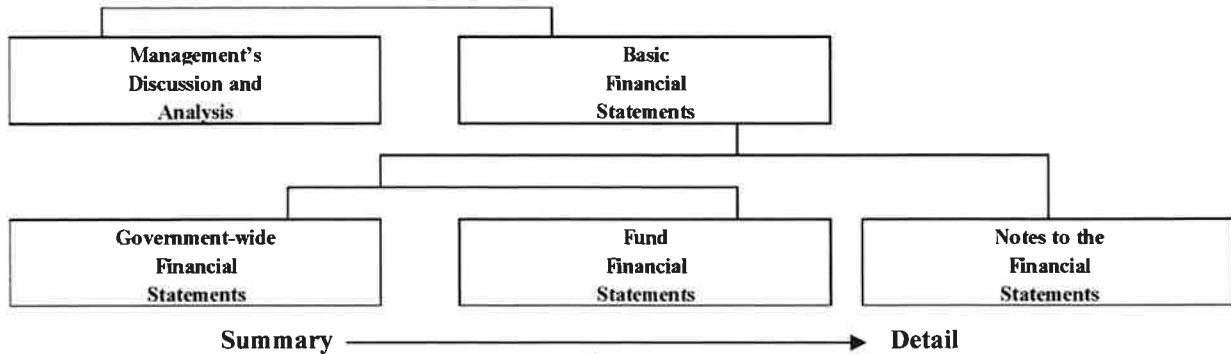
This discussion and analysis is intended to serve as an introduction to the District's annual financial report, which consists of basic financial statements, notes, and related financial/compliance information. Our annual financial report consists of four elements: 1) government-wide financial statements;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

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

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

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

**Required Components of the Annual Financial Report
Figure 1**



MONADNOCK REGIONAL SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025**

Figure 2

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

MONADNOCK REGIONAL SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025**

The remainder of this overview section of MD&A explains the structure and contents of each of the statements:

Government-wide Financial Statements

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

Fund Financial Statements

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

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

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

Notes to the Financial Statements

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

MONADNOCK REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's net position totaled \$459,972 at June 30, 2025, a increase of \$11,244,369 over the previous fiscal year.

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

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

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

MONADNOCK REGIONAL SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025**

Monadnock Regional School District
Governmental Activities
Summary of Net Position
Two-Year Comparison

	2025	2024 (as restated)	Change 2024-2025	% Change 2024-2025
Assets				
Current Assets	\$ 20,016,561	\$ 24,817,884	\$ (4,801,323)	-19.35%
Capital Assets	33,652,185	16,906,319	16,745,866	99.05%
Total assets	<u>53,668,746</u>	<u>41,724,203</u>	<u>11,944,543</u>	<u>28.63%</u>
Deferred Outflows of Resources	<u>3,355,863</u>	<u>4,919,044</u>	<u>(1,563,181)</u>	<u>-31.78%</u>
Liabilities				
Other Liabilities	5,129,964	2,710,149	2,419,815	89.29%
Long Term Liabilities	47,836,331	50,945,339	(3,109,008)	-6.10%
Total Liabilities	<u>52,966,295</u>	<u>53,655,488</u>	<u>(689,193)</u>	<u>-1.28%</u>
Deferred Inflows of Resources	<u>3,598,342</u>	<u>3,772,156</u>	<u>(173,814)</u>	<u>-4.61%</u>
Net Position				
Net Investment in Capital Assets	15,658,412	15,499,713	158,699	1.02%
Restricted Net Position	13,924,440	21,393,100	(7,468,660)	-53.64%
Unrestricted Net Position	(29,122,880)	(47,677,210)	18,554,330	38.92%
Total Net Position	<u>\$ 459,972</u>	<u>\$ (10,784,397)</u>	<u>\$ 11,244,369</u>	<u>104.27%</u>

Statement of Activities

Total revenues of \$51.51 million exceeded expenditures of \$40.3 million. Under half (41.7%) of the District's total revenues come from the school district assessment while another 27.9% is derived from grants and contributions not restricted to specific programs. The District's expenses cover a range of services, the largest of which are school instruction (58.1% of total expenses) and operation and maintenance of plant services (9.7% of total expenses).

MONADNOCK REGIONAL SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025**

Below is a condensed version of the District's Statement of Activities followed by charts showing the breakdown of the District's total expenses and revenues.

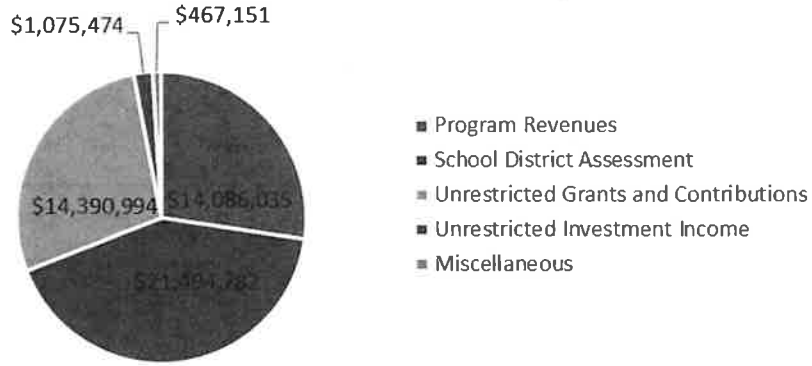
Monadnock Regional School District
Governmental Activities
Statement of Activities
Two Year Comparison

	June 30, 2025	June 30, 2024 (as restated)	Change	Change in %
Revenues				
Program Revenue				
Charges for Services	\$ 704,340	\$ 661,220	\$ 43,120	6.52%
Operating Grants & Contributions	13,381,695	4,313,695	9,068,000	210.21%
General Revenue				
School District Assessment	21,494,782	18,512,400	2,982,382	16.11%
Unrestricted Grants and Contributions	14,390,994	14,360,897	30,097	0.21%
Unrestricted Investment Income	1,075,474	1,069,728	5,746	0.54%
Miscellaneous	467,151	582,853	(115,702)	-19.85%
Total Revenues	51,514,436	39,500,793	12,013,643	30.41%
Program Expenses				
Instruction	\$ 23,023,697	\$ 23,108,804	(85,107)	-0.37%
Support Services:				
Student	2,588,434	2,524,327	64,107	2.54%
Instructional Staff	1,255,073	1,147,854	107,219	9.34%
General Administration	245,819	207,176	38,643	18.65%
Executive Administration	382,397	494,127	(111,730)	-22.61%
School Administration	2,148,699	2,094,595	54,104	2.58%
Business	935,956	887,429	48,527	5.47%
Operation and Maintenance of Plant	3,862,178	3,847,777	14,401	0.37%
Student Transportation	2,507,524	2,313,566	193,958	8.38%
Other	1,143,433	1,022,529	120,904	11.82%
Noninstructional Services	1,338,007	1,574,039	(236,032)	-15.00%
Interest on Long-Term Debt	838,850	761,442	77,408	100.00%
Total Expenses	40,270,067	39,983,665	286,402	0.72%
Change in Net Position	11,244,369	(482,872)	11,727,241	2428.64%
Net position, beginning, as restated (See Note 17)	(10,784,397)	(10,301,525)	(482,872)	-4.69%
Net Position, ending	\$ 459,972	\$ (10,784,397)	\$ 11,244,369	104.27%

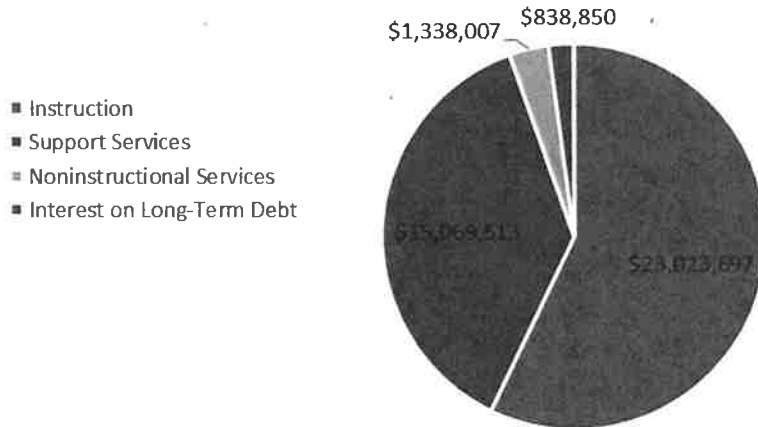
MONADNOCK REGIONAL SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025**

**Monadnock Regional School District
Revenues Fiscal Year June 30, 2025**



**Monadnock Regional School District
Expenses Fiscal Year June 30, 2025**



MONADNOCK REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025

INDIVIDUAL FUND FINANCIAL ANALYSIS

General Fund

The general fund is what most people think of as “the budget” since it provides the resources necessary to sustain the day-to-day activities, pays for all administrative and operating expenses and is largely supported by locally raised taxes. The general fund ended the fiscal year with an unassigned fund balance of \$87,552.

The general fund is supported by \$21.49 million from local assessments, and \$14.3 million from state sources. General fund expenditures are primarily for instruction (\$23.02 million) followed by support services (\$14.08 million).

COMMENTS ON GENERAL FUND BUDGET COMPARISONS

- General fund actual revenues totaling \$398,224 less than the budgeted revenues.
 - **Federal sources** totaling \$91,262 were less than the budgeted amount by \$358,738 due to lower than anticipated Medicaid revenues.
 - **Other local revenues** totaling \$322,678 were less than the budgeted amounts by \$54,872 due to lower interest rates and tuition participation.
- General fund expenditures, including encumbrances to the subsequent year, totaling \$36,147,666 were less than appropriations totaling \$36,870,081. Significant general fund budget variances occurred in these functions:
 - **Instruction** totaling \$21,294,909 is the largest expense of the District and was under budget by \$461,498 due to vacancies in special education positions.
 - **Student Support Services** totaling \$2,421,456 was below budget by \$99,549 due mostly to unfilled positions.
 - **School Administration** expenditures totaling \$1,948,935 was below budget by \$85,274, mostly due to changes in staffing and a partial year vacancy.
 - **Operations and Maintenance of Plant** totaling \$2,642,623 was below budget by \$129,155 due to changes in staffing, savings under Repair & Maintenance likely due to construction projects, and lower heating costs with a mild winter.
 - **Facilities Acquisition and Construction** totaling \$115,000 represents a year-end encumbrance for a tennis court.

MONADNOCK REGIONAL SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

On June 30, 2025, the District reported capital assets of \$33,652,185 (net of accumulated depreciation), which consist of a broad range of capital assets, including land, buildings & improvements.

Monadnock Regional School District
Governmental Activities
Capital Assets
Two Year Comparison

	Governmental Activities		Increase (Decrease)	% Increase (Decrease)
	2025	2024		
Land	\$ 187,742	\$ 187,742	\$ -	0.00%
Construction in Progress	18,621,476	1,306,854	17,314,622	100.00%
Land Improvements	250,887	250,887	-	0.00%
Buildings & Building Improvements	28,945,358	28,836,290	109,068	0.38%
Vehicles	396,421	396,421	-	0.00%
Machinery and Equipment	1,164,382	1,193,109	(28,727)	-2.41%
Right-to-use equipment	255,709	255,709	-	100.00%
Total Historical Costs	49,821,975	32,427,012	17,394,963	197.97%
Total Accumulated Depreciation/Amortization	(16,169,790)	(15,520,693)	(649,097)	4.18%
Net Capital Assets	\$ 33,652,185	\$ 16,906,319	\$ 16,745,866	99.05%

MONADNOCK REGIONAL SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
OF THE ANNUAL FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025**

Long-Term Debt

The table below illustrates the long-term debt of the District as of June 30, 2025 .

Monadnock Regional School District Governmental Activities Capital Assets Two Year Comparison				
	Governmental Activities		Increase (Decrease)	% Increase (Decrease)
	2025	2024 (as restated)		
Bond payable - direct placement	\$ 19,176,911	\$ 19,770,242	\$ (593,331)	0.00%
Bond premium	1,556,782	1,643,270	(86,488)	0.00%
Right-to-use lease	138,604	186,240	\$ (47,636)	100.00%
Compensated Absences	890,873	963,304	(72,431)	-7.52%
Net Pension Liability	22,671,869	24,845,570	(2,173,701)	-8.75%
Other Postemployment Benefits				
NHRS	1,153,821	1,361,730	(207,909)	-15.27%
Single Employer	2,247,471	2,174,983	72,488	3.33%
Total Long Term Debt	\$ 47,836,331	\$ 50,945,339	\$ (3,109,008)	-6.10%

FUTURE BUDGETARY IMPLICATIONS

Significant activities or events, which will have an impact on our district's future finances include:

- Changes at the State level as to funding mechanisms for local education may have an impact on taxation calculations.
- The Monadnock Regional School District school board and the Monadnock Education Support Staff Agreement (MESSA) collective bargaining agreement will expire June 30, 2026. Negotiations for a new contract started in the summer of 2025.
- In March 2023, voters approved obtaining a 20-year bond in the amount of \$21.5 million in order to construct additions and renovate our elementary schools to address life safety and code issues. The principal and interest payments have become part of the district's operating budget.

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

EXHIBIT A
MONADNOCK REGIONAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,333,848
Investments	15,989,429
Accounts receivable	107,744
Intergovernmental receivable	2,523,619
Inventory	53,029
Prepaid items	8,892
Capital assets, not being depreciated/amortized	18,809,218
Capital assets, net of accumulated depreciation/amortization	14,842,967
Total assets	53,668,746
DEFERRED OUTFLOWS OF RESOURCES	3,355,863
LIABILITIES	
Accounts payable	875,684
Accrued salaries and benefits payable	473,510
Intergovernmental payable	539,388
Arbitrage payable	593,278
Accrued interest payable	343,899
Contracts payable	1,598,852
Retainage payable	705,353
Noncurrent obligations:	
Due within one year	762,007
Due in more than one year	47,074,324
Total liabilities	52,966,295
DEFERRED INFLOWS OF RESOURCES	3,598,342
NET POSITION	
Net investment in capital assets	15,658,412
Restricted	13,924,440
Unrestricted	(29,122,880)
Total net position	\$ 459,972

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

EXHIBIT B
MONADNOCK REGIONAL SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2025

	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	\$ 23,023,697	\$ 127,394	\$ 2,191,919	\$ (20,704,384)
Support services:				
Student	2,588,434	-	232,140	(2,356,294)
Instructional staff	1,255,073	-	293,304	(961,769)
General administration	245,819	-	-	(245,819)
Executive administration	382,397	-	70,760	(311,637)
School administration	2,148,699	-	248,925	(1,899,774)
Business	935,956	-	-	(935,956)
Operation and maintenance of plant	3,862,178	-	9,644,003	5,781,825
Student transportation	2,507,524	-	84,744	(2,422,780)
Other	1,143,433	-	-	(1,143,433)
Noninstructional services	1,338,007	576,946	615,900	(145,161)
Interest on long-term debt	838,850	-	-	(838,850)
Total governmental activities	<u>\$ 40,270,067</u>	<u>\$ 704,340</u>	<u>\$ 13,381,695</u>	<u>(26,184,032)</u>
General revenues:				
School district assessment				21,494,782
Grants and contributions not restricted to specific programs				14,390,994
Interest				1,075,474
Miscellaneous				467,151
Total general revenues				<u>37,428,401</u>
Change in net position				11,244,369
Net position, beginning, as restated (See Note 17)				<u>(10,784,397)</u>
Net position, ending				<u>\$ 459,972</u>

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

EXHIBIT C-1
MONADNOCK REGIONAL SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2025

	General	Grants	Capital Project Special Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 181,088	\$ -	\$ 835,792	\$ 316,968	\$ 1,333,848
Investments	7,587	-	15,981,842	-	15,989,429
Accounts receivable	-	-	-	107,744	107,744
Intergovernmental receivable	2,162,337	292,023	-	69,259	2,523,619
Interfund receivables	401,632	-	-	58,295	459,927
Inventory	-	-	-	53,029	53,029
Prepaid items	8,892	-	-	-	8,892
Total assets	\$ 2,761,536	\$ 292,023	\$ 16,817,634	\$ 605,295	\$ 20,476,488
LIABILITIES					
Accounts payable	\$ 767,064	\$ 28,101	\$ 65,113	\$ 15,406	\$ 875,684
Accrued salaries and benefits payable	470,363	3,147	-	-	473,510
Intergovernmental payable	534,175	5,213	-	-	539,388
Arbitrage payable	-	-	593,278	-	593,278
Interfund payable	58,295	255,562	20,500	125,570	459,927
Contracts payable	-	-	1,598,852	-	1,598,852
Retainage payable	-	-	705,353	-	705,353
Total liabilities	1,829,897	292,023	2,983,096	140,976	5,245,992
DEFERRED INFLOWS OF RESOURCES	-	-	-	63,773	63,773
FUND BALANCES					
Nonspendable	8,892	-	-	53,029	61,921
Restricted	-	-	13,834,538	36,873	13,871,411
Committed	705,695	-	-	-	705,695
Assigned	129,500	-	-	310,644	440,144
Unassigned	87,552	-	-	-	87,552
Total fund balances	931,639	-	13,834,538	400,546	15,166,723
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,761,536	\$ 292,023	\$ 16,817,634	\$ 605,295	\$ 20,476,488

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

EXHIBIT C-2
MONADNOCK REGIONAL SCHOOL DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances of governmental funds (Exhibit C-1)		\$ 15,166,723
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 49,821,975	
Less accumulated depreciation/amortization	<u>(16,169,790)</u>	33,652,185
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	\$ 3,103,731	
Deferred inflows of resources related to pensions	(1,918,448)	
Deferred outflows of resources related to OPEB	252,132	
Deferred inflows of resources related to OPEB	<u>(1,616,121)</u>	(178,706)
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (459,927)	
Payables	<u>459,927</u>	
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(343,899)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bonds	\$ 19,176,911	
Unamortized bond premiums	1,556,782	
Right-to-use lease	138,604	
Compensated absences	890,873	
Net pension liability	22,671,869	
Other postemployment benefits	<u>3,401,292</u>	<u>(47,836,331)</u>
Net position of governmental activities (Exhibit A)		<u>\$ 459,972</u>

EXHIBIT C-3
MONADNOCK REGIONAL SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2025

	General	Grants	Capital Project Special Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
School district assessment	\$ 21,494,782	\$ -	\$ -	\$ -	\$ 21,494,782
Other local	376,445	-	1,025,751	844,769	2,246,965
State	14,299,732	107,925	9,530,551	15,471	23,953,679
Federal	91,262	3,127,319	-	600,429	3,819,010
Total revenues	<u>36,262,221</u>	<u>3,235,244</u>	<u>10,556,302</u>	<u>1,460,669</u>	<u>51,514,436</u>
EXPENDITURES					
Current:					
Instruction	21,294,909	2,191,919	-	235,477	23,722,305
Support services:					
Student	2,421,456	232,140	-	311	2,653,907
Instructional staff	978,310	293,304	-	1,949	1,273,563
General administration	244,319	-	-	1,512	245,831
Executive administration	317,177	70,760	-	-	387,937
School administration	1,948,935	248,925	-	-	2,197,860
Business	947,904	-	-	-	947,904
Operation and maintenance of plant	2,706,703	113,452	640,173	-	3,460,328
Student transportation	2,420,533	84,744	-	-	2,505,277
Other	1,217,382	-	-	-	1,217,382
Noninstructional services	-	-	-	1,336,870	1,336,870
Debt service:					
Interest	937,287	-	-	-	937,287
Facilities acquisition and construction	-	-	17,287,522	-	17,287,522
Total expenditures	<u>36,028,246</u>	<u>3,235,244</u>	<u>17,927,695</u>	<u>1,576,119</u>	<u>58,767,304</u>
Net change in fund balances	233,975	-	(7,371,393)	(115,450)	(7,252,868)
Fund balances, beginning, as restated (see Note 17)	697,664	-	21,205,931	515,996	22,419,591
Fund balances, ending	<u>\$ 931,639</u>	<u>\$ -</u>	<u>\$ 13,834,538</u>	<u>\$ 400,546</u>	<u>\$ 15,166,723</u>

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

EXHIBIT C-4
MONADNOCK REGIONAL SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2025

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances of total governmental funds (Exhibit C-3) \$ (7,252,868)

Governmental funds report capital outlays as expenditures, while governmental activities report depreciation/amortization expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation/amortization expense in the current year, as follows:

Capital outlay expenditures	\$ 17,529,963	
Depreciation/amortization expense	(784,097)	
		16,745,866

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Amortization of bond premium	\$ 86,488	
Principal repayment of bond	593,331	
Principal repayment of lease	47,636	
		727,455

Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Decrease in accrued interest expense	\$ 11,949	
Decrease in compensated absences payable	72,431	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	394,264	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	545,272	
		1,023,916

Change in net position of governmental activities (Exhibit B) \$ 11,244,369

EXHIBIT D-1
MONADNOCK REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
School district assessment	\$ 21,494,783	\$ 21,494,783	\$ 21,494,782	\$ (1)
Other local	377,550	377,550	322,678	(54,872)
State	14,284,345	14,284,345	14,299,732	15,387
Federal	450,000	450,000	91,262	(358,738)
Total revenues	<u>36,606,678</u>	<u>36,606,678</u>	<u>36,208,454</u>	<u>(398,224)</u>
EXPENDITURES				
Current:				
Instruction	21,639,767	21,756,407	21,294,909	461,498
Support services:				
Student	3,055,567	2,521,005	2,421,456	99,549
Instructional staff	992,453	1,025,551	978,310	47,241
General administration	242,900	252,800	244,319	8,481
Executive administration	336,733	323,403	331,677	(8,274)
School administration	2,120,714	2,034,209	1,948,935	85,274
Business	937,901	943,549	947,904	(4,355)
Operation and maintenance of plant	2,716,149	2,771,778	2,642,623	129,155
Student transportation	2,062,020	2,430,365	2,420,533	9,832
Other	1,181,258	1,226,395	1,217,382	9,013
Debt service:				
Principal	593,331	593,331	593,331	-
Interest	937,288	937,288	937,287	1
Facilities acquisition and construction	-	-	115,000	(115,000)
Total expenditures	<u>36,816,081</u>	<u>36,816,081</u>	<u>36,093,666</u>	<u>722,415</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(209,403)</u>	<u>(209,403)</u>	<u>114,788</u>	<u>324,191</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(54,000)</u>	<u>(54,000)</u>	<u>(54,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (263,403)</u>	<u>\$ (263,403)</u>	60,788	<u>\$ 324,191</u>
Increase in nonspendable fund balance			(8,067)	
Increase in committed fund balance			(71,002)	
Unassigned fund balance, beginning, as restated (See Note 17)			105,833	
Unassigned fund balance, ending			<u>\$ 87,552</u>	

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

EXHIBIT D-2
MONADNOCK REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (GAAP Basis)
Grants Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
State	\$ -	\$ 107,925	\$ 107,925	\$ -
Federal	570,000	3,127,319	3,127,319	-
Total revenues	<u>570,000</u>	<u>3,235,244</u>	<u>3,235,244</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	570,000	2,191,919	2,191,919	-
Support services:				
Student	-	232,140	232,140	-
Instructional staff	-	293,304	293,304	-
Executive administration	-	70,760	70,760	-
School administration	-	248,925	248,925	-
Operation and maintenance of plant	-	113,452	113,452	-
Student transportation	-	84,744	84,744	-
Total expenditures	<u>570,000</u>	<u>3,235,244</u>	<u>3,235,244</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			-	
Fund balance, ending			<u>\$ -</u>	

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

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

	<u>NOTE</u>
Summary of Significant Accounting Policies	1
Reporting Entity	1-A
Government-wide and Fund Financial Statements	1-B
Measurement Focus, Basis of Accounting, and Financial Statement Presentation	1-C
Cash and Cash Equivalents	1-D
Investments	1-E
Receivables	1-F
Inventory	1-G
Prepaid Items	1-H
Capital Assets	1-I
Interfund Activities	1-J
Deferred Outflows/Inflows of Resources	1-K
Long-term Obligations	1-L
Leases	1-M
Compensated Absences	1-N
Defined Benefit Pension Plan	1-O
Postemployment Benefits Other Than Pensions (OPEB)	1-P
Net Position/Fund Balances	1-Q
Use of Estimates	1-R
Certain Risk Disclosures	1-S
Stewardship, Compliance, and Accountability	2
Budgetary Information	2-A
Budgetary Reconciliation to GAAP Basis	2-B
Changes in Accounting Principles	2-C

DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents	3
Investments	4
Receivables	5
Capital Assets	6
Interfund Balances	7
Intergovernmental Payables	8
Deferred Outflows/Inflows of Resources	9
Leases	10
Long-term Liabilities	11
Defined Benefit Pension Plan	12
Postemployment Benefits Other Than Pensions (OPEB)	13
New Hampshire Retirement System (NHRS)	13-A
Retiree Health Benefit Program	13-B
Commitments	14
Governmental Activities Net Position	15
Governmental Fund Balances	16
Adjustments to and Restatements of Beginning Balances	17

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

Risk Management	18
Contingent Liabilities	19
Certain Risk Disclosures	20
Subsequent Events	21

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Monadnock Regional School District, in Swanzey, New Hampshire (the School District), have been prepared in conformity with 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 Monadnock Regional School District's significant accounting policies are described below.

1-A Reporting Entity

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

The Monadnock Regional School District is a municipal corporation governed by an elected 13-member School Board. In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14*. The School District has no component units to include in its reporting entity.

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 District at year-end. This Statement includes all of the School District's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, 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. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational requirements of a particular function. Assessments and other items not meeting the definition of program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenue rather than program revenue.

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

The effect of interfund activity has been eliminated from the government-wide financial statements.

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 District generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement based

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

grants, which use a period of one year. District assessments, intergovernmental revenue, and other local sources associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to long-term liabilities including compensated absences and claims and judgments, 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.

The School District reports the following major governmental funds:

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

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

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

1-D Cash and Cash Equivalents

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

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

1-E Investments

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

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

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

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

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

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

The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

Level 1 – 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 District and an active market with quoted prices exists, such as for domestic equity securities, the market price of an identical security is used to report fair value and is classified as Level 1. Corporate fixed income securities and certain government securities utilize pricing that may involve estimation using similar securities or trade dates and are classified in Level 2. Fair value for shares in registered mutual funds and exchange traded funds are based on published share prices and classified in Level 1.

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

1-F Receivables

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

1-G Inventory

Inventories are valued at cost using first-in, first-out, which approximates market. The School District's inventories include various items consisting of food supplies and commodities. USDA commodities received from the Federal government are recorded at the value established by the Federal government using the average cost method in the food service fund. Inventorial items are recorded as expenditures when consumed at the schools (the consumption method).

1-H Prepaid Items

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

1-I 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 District as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of five years. 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 District as a whole. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the government-wide Statement of Net Position.

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

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

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

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

1-J Interfund Activities

Interfund activities are reported as follows:

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

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

1-K 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 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 has three types of items which qualify for reporting in this category. Deferred inflows of resources related to pensions and OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years. In addition, unavailable revenue from grants and donations arises when the related eligible expenditures will not be made until the subsequent period.

1-L Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums are deferred and amortized over the life of the bond using the straight-line method.

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, the School District utilizes the following classifications to categorize the financial transaction:

Direct Placements – financial transactions for the sale of bonds where the School District engages with a single buyer or limited number of buyers without a public offering.

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

1-M Lease

Lessee – The School District is a lessee for a noncancellable lease of copiers. The School District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the School District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise.

The School District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

1-N Compensated Absences

The School District employees are granted vacation, sick leave, and other forms of paid time off (PTO) in varying amounts based on length of service and employee classification. It is the School District's policy to recognize a liability for compensated absences that have been earned but not yet used, provided the following criteria are met:

- The leave is attributable to services already rendered by the employee.
- The leave accumulates and can be carried forward to a future reporting period.
- The leave is more likely than not, this threshold means the likelihood is greater than 50%, to be used for time off, paid in cash upon separation, or settled through other noncash means.

1-O Defined Benefit Pension Plan

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

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

1-P Postemployment Benefits Other Than Pensions (OPEB)

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

New Hampshire Retirement System Plan – For the purposes of measuring the total other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Hampshire Retirement System OPEB Plan (the plan) and additions to/deductions from the plan's

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

fiduciary net position has been determined on the same basis as they are reported by the New Hampshire Retirement System. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

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

1-Q Net Position/Fund Balances

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/amortization, reduced by the outstanding balances of bonds, or other debt attributable to the acquisition, construction, or improvement of those assets.

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

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

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

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

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

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

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

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

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

1-R Use of Estimates

The 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.

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

1-S Certain Risk Disclosures

GASB Statement No. 102, *Certain Risk Disclosures*, requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability or revenue debt vulnerable to the risk of a substantial impact. This Statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. See Note 20 for further disclosure.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

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

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

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

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2025, \$209,403 of the beginning general fund unassigned fund balance was applied for this purpose. Additionally, \$54,000 was appropriated to fund the School District's capital reserve funds.

2-B Budgetary Reconciliation to GAAP Basis

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

Revenues and other financing sources:	
Per Exhibit D-1 (budgetary basis)	\$ 36,208,454
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
Interest earnings related to the blended expendable trust funds	53,767
Per Exhibit C-3 (GAAP Basis)	<u>\$ 36,262,221</u>
Expenditures and other financing uses:	
Per Exhibit D-1 (budgetary basis)	\$ 36,147,666
Adjustments:	
Basis differences:	
Encumbrances, beginning	-
Encumbrances, ending	(129,500)
GASB Statement No. 54:	
Expenditures of blended expendable trust funds	64,080
To remove transfer from the general fund to the blended expendable trust funds	(54,000)
Per Exhibit C-3 (GAAP basis)	<u>\$ 36,028,246</u>

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

2-C Change in Accounting Principles

During the fiscal year, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement establishes standards of accounting and financial reporting for compensated absences and associated salary-related payments.

Also, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*. This Statement will provide the users of the financial statements with information about risks related to the School District's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. This Statement aims to provide the users with essential timely information to better understand and anticipate these specific vulnerabilities. See Note 20 for further disclosure on these accounting changes.

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The School District's deposits are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held by the School District's agent in the School District's name. The FDIC currently insures the first \$250,000 of the School District's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by collateral. As of year-end, the carrying amount of the School District's deposits was \$1,333,848 and the bank balances totaled \$1,605,115. Petty cash totaled \$335.

NOTE 4 – INVESTMENTS

Note 1-E describes statutory requirements covering the investment of the School District funds. The School District holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the School District's mission, the School District determines that the disclosures related to these investments only need to be disaggregated by major type. The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The School District has the following recurring cost measurements as of June 30, 2025:

Investments carried at amortized cost:	
NH Public Deposit Investment Pool	<u>\$ 15,989,429</u>

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 District does have a formal investment policy, but it does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The School District investment policy does not note how they are managing credit risk outside the protection of principal; however, state law limits investments as explained in Note 1-E.

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 District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

NOTE 5 – RECEIVABLES

Receivables at June 30, 2025, consisted of accounts and intergovernmental amounts arising from district assessments, grants, school lunch program, and expendable trust funds held by the Town of Swanzey Trustees of Trust Funds for the School District. Receivables are recorded on the School District's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 consisted of the following:

	Balance, beginning	Additions	Retirements	Balance, ending
At cost:				
Not being depreciated/amortized:				
Land	\$ 187,742	\$ -	\$ -	\$ 187,742
Construction in progress	1,306,854	17,314,622	-	18,621,476
Total capital assets not being depreciated/amortized	<u>1,494,596</u>	<u>17,314,622</u>	<u>-</u>	<u>18,809,218</u>
Being depreciated/amortized:				
Land improvements	250,887	-	-	250,887
Buildings and building improvements	28,836,290	109,068	-	28,945,358
Vehicles	396,421	-	-	396,421
Machinery and equipment	1,193,109	106,273	(135,000)	1,164,382
Right-to-use equipment	255,709	-	-	255,709
Total capital assets being depreciated/amortized	<u>30,932,416</u>	<u>215,341</u>	<u>(135,000)</u>	<u>31,012,757</u>
Total capital assets	<u>32,427,012</u>	<u>17,529,963</u>	<u>(135,000)</u>	<u>49,821,975</u>
Less accumulated depreciation/amortization:				
Land improvements	(180,637)	(10,037)	-	(190,674)
Buildings and building improvements	(14,193,460)	(588,491)	-	(14,781,951)
Vehicles	(298,977)	(29,108)	-	(328,085)
Machinery and equipment	(745,335)	(105,319)	135,000	(715,654)
Right-to-use equipment	(102,284)	(51,142)	-	(153,426)
Total accumulated depreciation/amortization	<u>(15,520,693)</u>	<u>(784,097)</u>	<u>135,000</u>	<u>(16,169,790)</u>
Net book value, capital assets being depreciated/amortized	<u>15,411,723</u>	<u>(568,756)</u>	<u>-</u>	<u>14,842,967</u>
Net book value, all capital assets	<u>\$ 16,906,319</u>	<u>\$ 16,745,866</u>	<u>\$ -</u>	<u>\$ 33,652,185</u>

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

Instruction	\$ 44,831
Support services:	
Operation and maintenance of plant	726,467
Student transportation	6,331
Other	5,331
Non-instructional	1,137
Total depreciation/amortization expense	<u>\$ 784,097</u>

NOTE 7 – INTERFUND BALANCES

Interfund receivable and payable balances consisting of overdrafts in pooled cash and budgetary transfers at June 30, 2025 are as follows:

Receivable Fund	Payable Fund	Amount
General	Grants	\$ 255,562
General	Nonmajor	125,570
General	Capital project	20,500
Nonmajor	General	58,295
		<u>\$ 459,927</u>

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

NOTE 8 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments of \$539,388 at June 30, 2025 consist of the following:

Balance due to the New Hampshire Retirement System	\$ 496,841
Balance due to Other School Districts	39,083
Balance due to Troy Water and Sewer Departments	1,915
Balance due to State of New Hampshire	1,189
Balance due to the Town of Roxbury	360
Total intergovernmental payables due	<u>\$ 539,388</u>

NOTE 9 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources at June 30, 2025 consist of the following:

Amounts related to pensions, see Note 12	\$ 3,103,731
Amounts related to OPEB, see Note 13	
NHRS, see Note 13-A	131,698
Single employer, see Note 13-B	120,434
Total deferred outflows of resources	<u>\$ 3,355,863</u>

Deferred inflows of resources at June 30, 2025 consist of the following:

	Governmental Activities	Nonmajor Governmental Funds
Local grants and donations received in advance of eligible expenditures being made	\$ 63,773	\$ 63,773
Amounts related to pensions, see Note 12	1,918,448	-
Amounts related to OPEB, see Note 13:		
NHRS, see Note 13-A	273	-
Single employer, see Note 13-B	1,615,848	-
Total deferred inflows of resources	<u>\$ 3,598,342</u>	<u>\$ 63,773</u>

NOTE 10 – LEASE

Lease Payable – The School District had the following lease payable as of June 30, 2025:

	Original Amount	Issue Date	Maturity Date	Interest Rate	Payable at June 30, 2025
Lease payable:					
Copiers	\$ 255,709	2023	2028	3.00%	<u>\$ 138,604</u>

The annual requirements to amortize all lease payables outstanding as of June 30, 2025, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 49,085	\$ 3,487	\$ 52,572
2027	50,578	1,994	52,572
2028	38,941	488	39,429
Totals	<u>\$ 138,604</u>	<u>\$ 5,969</u>	<u>\$ 144,573</u>

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

NOTE 11 – LONG-TERM LIABILITIES

Changes in the School District’s long-term liabilities consisted of the following for the year ended June 30, 2025:

	Balance July 1, 2024 (as restated)	Additions	Reductions	Balance June 30, 2025	Due Within One Year	Due In More Than One Year
Bond payable - direct placement	\$ 19,770,242	\$ -	\$ (593,331)	19,176,911	623,758	\$ 18,553,153
Bond premium	1,643,270	-	(86,488)	1,556,782	86,488	1,470,294
Total bond payable	21,413,512	-	(679,819)	20,733,693	710,246	20,023,447
Right-to-use lease	186,240	-	(47,636)	138,604	49,085	89,519
Compensated absences	963,304	-	(72,431)	890,873	2,676	888,197
Pension related liability	24,845,570	-	(2,173,701)	22,671,869	-	22,671,869
Net other postemployment benefits:						
NHRS	1,361,730	-	(207,909)	1,153,821	-	1,153,821
Single Employer	2,174,983	72,488	-	2,247,471	-	2,247,471
Total long-term liabilities	<u>\$ 50,945,339</u>	<u>\$ 72,488</u>	<u>\$ (3,181,496)</u>	<u>\$ 47,836,331</u>	<u>\$ 762,007</u>	<u>\$ 47,074,324</u>

Long-term bond is comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate	Outstanding at June 30, 2025	Current Portion
Bond payable - direct placement						
Elementary School Renovations	\$ 19,770,242	2023	2043	3.75%	\$ 19,176,911	\$ 623,758
Bond premium					1,556,782	86,488
Total bond payable					<u>\$ 20,733,693</u>	<u>\$ 710,246</u>

The annual requirements to amortize all general obligation bond outstanding as of June 30, 2025, including interest payments, are as follows:

Fiscal Year Ending June 30,	Bond - Direct Placement		
	Principal	Interest	Total
2026	\$ 623,758	\$ 906,252	\$ 1,530,010
2027	655,746	873,624	1,529,370
2028	689,374	839,324	1,528,698
2029	724,727	803,264	1,527,991
2030	761,892	765,355	1,527,247
2031-2035	4,437,177	3,186,506	7,623,683
2036-2040	5,697,745	1,900,726	7,598,471
2041-2044	5,586,492	469,541	6,056,033
Totals	<u>\$ 19,176,911</u>	<u>\$ 9,744,592</u>	<u>\$ 28,921,503</u>

All debt is general obligation debt of the School District, which is backed by its full faith and credit, and will be repaid from general governmental revenues.

Arbitrage – The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the School District performed calculations of excess investment earnings on the elementary school renovation bond and at June 30, 2025 the District does expect to incur a liability. The School District’s investment advisors have estimated that as of June 30, 2025, the School District will owe the Internal Revenue Service \$593,278, which has been reported as an arbitrage payable at year end. This amount was calculated based off the following factors:

- 1) **General Information** – Date of the bond, time from issuance of the bond to fiscal year end date, guidance for Treasury Regulations general applicable to tax-exempt obligations issued after June 30, 1993.

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

- 2) **Arbitrage Yield** – Computations of the arbitrage yield are based on a 30/360-day basis with semi-annual compounding.
- 3) **Refunding/Transferred Proceeds** – The advisors considered if the bonds were “refunding” or “refunded” bonds to which neither category was met.
- 4) **Fund & Accounts** – How the bond proceeds were allocated (which for the School District was only for the capital project fund).
- 5) **Exception to Rebate** – Examination to determine if the gross proceeds were eligible for the two-year spending exception for arbitrage rebate requirement, which under further determination the School District did not satisfy this requirement.
- 6) **Yield Restrict Compliance** – The temporary period with to the proceeds allocable to the capital project fund ends on August 9, 2026. As of this date, the unspent proceeds allocable to the capital project fund are subject to the yield restriction requirements and may not be invested at a yield that is “materially higher” than the average yield. Pursuant to the Treasury Regulations Section 1.148-5(c), the Issuer is permitted to reduce any “excess yield” on the investments allocable to the yield restricted proceeds by making yield reduction payments.

NOTE 12 – 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). For additional NHRS information, please refer to the Annual Comprehensive Financial Report, which can be found on the NHRS website at www.nhrs.org.

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

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

Group II benefits are provided based on age, years of creditable service and benefit multiplier depending on vesting status as of January 1, 2012. The maximum retirement allowance for Group II members vested by January 1, 2012 (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 January 1, 2012, the benefit is calculated the same way, but the multiplier used in the calculation will change depending on age and years of creditable service as follows:

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

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

Contributions – The System is financed by contributions from both the employees and the School District. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees are required to contribute 7% of earnable compensation. For fiscal year 2025, the School District contributed 18.51% for teachers and 13.27% for other employees. The contribution requirement for the fiscal year 2025 was \$2,498,399, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2025, the School District reported a liability of \$22,671,869 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The School District’s proportion of the net pension liability was

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

based on a projection of the School District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. The School District’s proportion measured at June 30, 2024, was 0.44%, which was the same as its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized pension expense of \$2,142,921. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 33,567	\$ 1,332,059
Net difference between projected and actual investment earnings on pension plan investments	-	316,488
Changes in assumptions	-	265,342
Differences between expected and actual experience	504,710	4,559
Contributions subsequent to the measurement date	2,565,454	-
Total	\$ 3,103,731	\$ 1,918,448

The \$2,565,454 reported as deferred outflows of resources related to pensions results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. 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,	
2025	\$ (1,209,658)
2026	561,272
2027	(462,089)
2028	(269,696)
2029	-
Thereafter	-
Totals	\$ (1,380,171)

Actuarial Assumptions – The collective total pension liability was based on the following actuarial assumptions:

- Inflation: 2.25% per year
- Wage inflation: 3.00% per year (2.50% for Teachers)
- Salary increases: 6.00% 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-2021.

The actuarial assumptions used in the June 30, 2023, valuation, used to calculate the total pension liability as of June 30, 2024, were based on the results of the most recent actuarial experience study, which was for the period July 1, 2019 – June 30, 2023.

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 weighing the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

Following is a table presenting target allocations and geometric real rates of return for each asset class:

Asset Class	Target Allocation	30 Year Geometric Return*
Broad US Equity	24.00%	5.40%
Global Ex-US Equity	16.00%	5.65%
Total public equity	40.00%	
Real Estate Equity	10.00%	4.00%
Private Equity	10.00%	6.65%
Total private market equity	20.00%	
Private Debt	10.00%	5.05%
Core U.S. Fixed Income	25.00%	2.15%
Infrastructure	5.00%	4.35%
Total	100.00%	

* Real rates of return are presented net of 2.50% inflation.

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

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2024	\$ 31,697,844	\$ 22,671,869	\$ 15,152,954

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 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

13-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 Annual Comprehensive 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

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

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 2024 were as follows:

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

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

Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. 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 2025, the School District contributed 1.13% for teachers and 0.26% for other employees. The contribution requirement for the fiscal year 2025 was \$125,571 which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At June 30, 2025, the School District reported a liability of \$1,153,821 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The School District’s proportion of the net OPEB liability was based on a projection of the School District’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. The School District’s proportion measured at June 30, 2024, was 0.37% which was an decrease of 0.03% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized OPEB expense of \$74,302. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on OPEB plan investments	\$ -	\$ 273
Contributions subsequent to the measurement date	131,698	-
Total	\$ 131,698	\$ 273

The \$131,968 reported as deferred outflows of resources related to OPEB results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. 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,	
2025	\$ (2,438)
2026	3,608
2027	(930)
2028	(513)
2029	-
Thereafter	-
Totals	\$ (273)

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

Actuarial Assumptions – The total OPEB liability was based on the following actuarial assumptions:

Price inflation:	2.25% per year
Wage inflation:	3.00% per year (2.50% for Teachers)
Salary increases:	6.00% 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-2021.

The actuarial assumptions used in the June 30, 2023, valuation, used to calculate the total pension liability as of June 30, 2024, were based on the results of the most recent actuarial experience study, which was for the period July 1, 2019 – June 30, 2023.

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 weighing 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 geometric real rates of return for each asset class:

Asset Class	Target Allocation	30 Year Geometric Return*
Broad US Equity	24.00%	5.40%
Global Ex-US Equity	16.00%	5.65%
Total public equity	40.00%	
Real Estate Equity	10.00%	4.00%
Private Equity	10.00%	6.65%
Total private market equity	20.00%	
Private Debt	10.00%	5.05%
Core U.S. Fixed Income	25.00%	2.15%
Infrastructure	5.00%	4.35%
Total	100.00%	

* Real rates of return are presented net of 2.50% inflation.

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

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2024	<u>\$ 1,262,262</u>	<u>\$ 1,153,821</u>	<u>\$ 1,078,899</u>

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

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

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.

13-B Retiree Health Benefit Program

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

The total OPEB liability is based on the School District offering retirees 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 District’s funding policy for the implicit rate subsidy is a pay-as-you-go basis.

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

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	5
Active employees	216
Total participants covered by OPEB plan	<u>221</u>

Total OPEB Liability – The School District’s total OPEB liability of \$2,247,471 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024. The School District contracts with an outside actuary to complete the actuarial valuation and schedule of changes in the total OPEB liability. Detailed information can be found in the separately issued report through request of the School District business office.

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:	5.20%
Healthcare Cost Trend Rates:	
Current Year Trend	15.42%
Second Year Trend	8.00%
Decrement	7.42%
Ultimate Trend	4.54%
Year Ultimate Trend is Reached	2090
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, 2025.

Mortality rates were based on the following:

Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 General Contingent Survivors Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 Teachers Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 Teachers Retirees Headcount-Weighted Mortality fully generational using MP-2021, and Pub-2010 Teachers Contingent Survivors Headcount-Weighted Mortality fully generational using Scale MP-2021.

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

Changes in the Total OPEB Liability

	June 30,	
	2024	2025
Total OPEB liability, beginning of year	\$ 2,060,626	\$ 2,174,983
Changes for the year:		
Service cost	129,589	94,714
Interest	78,237	112,904
Assumption changes and difference between actual and expected experience	-	(61,819)
Benefit payments	(93,469)	(73,311)
Total OPEB liability, end of year	\$ 2,174,983	\$ 2,247,471

Sensitivity of the School District's OPEB Liability to Changes in the Discount Rate – The July 1, 2024, actuarial valuation was prepared using a discount rate of 5.20%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$2,089,081 or by 7.05%. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$2,416,137 or by 7.50%.

	Discount Rate		
	1% Decrease	Baseline 5.20%	1% Increase
Total OPEB Liability	\$ 2,416,137	\$ 2,247,471	\$ 2,089,081

Sensitivity of the School District'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 15.42%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$2,524,704 or by 12.34%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$2,008,102 or by 10.65%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 15.42%	1% Increase
Total OPEB Liability	\$ 2,008,102	\$ 2,247,471	\$ 2,524,704

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2025, the School District recognized OPEB gain of \$236,964. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 120,434	\$ 1,073,465
Differences between expected and actual experience	-	542,383
Total	\$ 120,434	\$ 1,615,848

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,	
2026	\$ (648,848)
2027	(669,046)
2028	(162,981)
2029	(14,539)
2030	-
Thereafter	-
Totals	\$ (1,495,414)

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

NOTE 14 – COMMITMENTS

The School District entered into a construction contract during the fiscal year for building improvements, and other capital projects related to various elementary school renovations. As of June 30, 2025, the School District had outstanding construction contracts totaling \$16,810,821 that will be financed from bond proceeds/operating funds. Other significant commitments include encumbrances outstanding for the general fund other than capital projects funds.

Construction commitments and other significant commitments are as follows:

Description:	Total Contract	Contracts Payable	Retainage Payable	Remaining Contract
Mt Caesar School Renovations	\$ 18,711,762	\$ 1,100,290	\$ 542,617	\$ 5,103,831
Emerson School Renovations	4,399,755	457,680	157,385	1,252,057
Troy School Renovations	10,561,954	40,882	5,351	10,454,933
Total	<u>\$ 33,673,471</u>	<u>\$ 1,598,852</u>	<u>\$ 705,353</u>	<u>\$ 16,810,821</u>

NOTE 15 – GOVERNMENTAL ACTIVITIES NET POSITION

Net position reported on the government-wide and Statement of Net Position at June 30, 2025 include the following:

Net investment in capital assets:	
Net book value of all capital assets	\$ 33,652,185
Less:	
Right-to-use lease payable	(138,604)
Bond payable - direct placement	(19,176,911)
Unamortized bond premium	(1,556,782)
Amount of debt related to unspent proceeds	2,878,524
Total net investment in capital assets	<u>15,658,412</u>
Restricted:	
Food service	88,529
Before and afterschool	1,373
Capital projects	13,834,538
Total restricted	<u>13,924,440</u>
Unrestricted	<u>(29,122,880)</u>
Total net position	<u>\$ 459,972</u>

NOTE 16 – GOVERNMENTAL FUND BALANCES

Governmental fund balances at June 30, 2025 consist of the following:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid items	\$ 8,892	\$ -	\$ -	\$ 8,892
Inventory	-	-	53,029	53,029
Total nonspendable fund balance	<u>8,892</u>	<u>-</u>	<u>53,029</u>	<u>61,921</u>
Restricted:				
Food service	-	-	35,500	35,500
Before and after school program	-	-	1,373	1,373
Capital projects	-	13,834,538	-	13,834,538
Total restricted fund balance	<u>-</u>	<u>13,834,538</u>	<u>36,873</u>	<u>13,871,411</u>

(Continued)

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

Governmental fund balances continued:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Committed:				
Expendable trust	580,693	-	-	580,693
Voted appropriations - March 2025	125,002	-	-	125,002
Total committed fund balance	<u>705,695</u>	<u>-</u>	<u>-</u>	<u>705,695</u>
Assigned:				
Encumbrances	129,500	-	-	129,500
Student activity funds	-	-	310,644	310,644
Total assigned fund balance	<u>129,500</u>	<u>-</u>	<u>310,644</u>	<u>440,144</u>
Unassigned	<u>87,552</u>	<u>-</u>	<u>-</u>	<u>87,552</u>
Total governmental fund balances	<u>\$ 931,639</u>	<u>\$ 13,834,538</u>	<u>\$ 400,546</u>	<u>\$ 15,166,723</u>

NOTE 17 – ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES

During fiscal year 2025, changes to or within the School District’s financial statements resulted in a GASB pronouncement correction which caused adjustments to and restatements of beginning net position and fund balance, as follows:

	Governmental Activities	Governmental Funds	
		General Fund (GAAP Basis)	General Fund (Budgetary Basis)
To restate for medicaid receivable that will never be paid out to the District	\$ (103,859)	\$ (103,859)	\$ (103,859)
To restate for GASB No. 101	(175,975)	-	-
Fund balance, as previously reported	<u>(10,504,563)</u>	<u>801,523</u>	<u>209,692</u>
Fund balance, as restated	<u>\$ (10,784,397)</u>	<u>\$ 697,664</u>	<u>\$ 105,833</u>

NOTE 18 – RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2025, the School District was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers’ Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex³) Workers’ Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from July 1, 2024 to June 30, 2025 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 School District’s property schedule on file with Primex³. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers’ compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member’s annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In fiscal year 2024-2025 the School District paid \$75,207 and \$122,412, respectively, to Primex³ for Workers’ Compensation and Property/Liability programs. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

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

NOTE 19 – CONTINGENT LIABILITIES

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

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

NOTE 20 – CERTAIN RISK DISCLOSURES

The School District is subject to certain risks related to vulnerabilities caused by concentrations or constraints. The financial statements for the period ending June 30, 2025, are vulnerable to the risk of substantial financial impact from the constraint described below:

Concentration: School District Assessment – The School District's primary funding source is local property taxes, which constitutes approximately 59.3% of its total general fund revenue for the fiscal year ended June 30, 2025. The School District's ability to maintain existing service levels and support its operations is therefore dependent upon the continued stability of the property tax base within the six member Towns that make up Monadnock Regional school District. A substantial decline in the assessed valuation of property within the School District, a downturn in the local real estate market, or a significant property tax abatement could have a material effect on the School District's financial position and results of operations. No such events were identified that would impact this future revenue source at June 30, 2025.

NOTE 21 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date but arose after the date. Management has evaluated subsequent events through March 31, 2026, the date the June 30, 2025 financial statements were available to be issued, and noted no events that occurred that requires recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT E
MONADNOCK REGIONAL SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2025

	Unaudited									
	June 30,					June 30,				
Fiscal year-end	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Measurement date	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School District's: Proportion of the net pension liability	0.47%	0.49%	0.49%	0.48%	0.47%	0.49%	0.49%	0.46%	0.44%	0.44%
Proportionate share of the net pension liability	\$ 18,749,375	\$ 26,290,891	\$ 23,967,726	\$ 23,292,771	\$ 22,644,159	\$ 31,084,802	\$ 21,697,940	\$ 26,393,938	\$ 24,845,570	\$ 22,671,869
Covered payroll (as of the measurement date)	\$ 13,794,972	\$ 14,596,228	\$ 14,726,521	\$ 14,383,276	\$ 14,290,091	\$ 14,902,082	\$ 15,551,406	\$ 15,037,439	\$ 15,086,321	\$ 15,743,811
Proportionate share of the net pension liability as a percentage of its covered payroll	135.91%	180.12%	162.75%	161.94%	158.46%	208.59%	139.52%	175.52%	164.69%	144.00%
Plan fiduciary net position as a percentage of the total pension liability	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%	65.12%	67.18%	70.33%

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

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

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

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

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

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

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits E and F represent the actuarial determined costs associated with the School District's pension plan at June 30, 2025. These schedules are presented to illustrate the requirement to show information for 10 years.

EXHIBIT G
MONADNOCK REGIONAL SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of the Net Other Postemployment Benefits Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2025

Unaudited

	June 30,								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiscal year-end									
Measurement date	2016	2017	2018	2019	2020	2021	2022	2023	2024
School District's proportionate share of the net OPEB liability	0.53%	0.52%	0.40%	0.39%	0.44%	0.44%	0.41%	0.40%	0.37%
School District's proportionate share of the net OPEB liability (asset)	\$ 2,553,716	\$ 2,382,450	\$ 1,820,433	\$ 1,732,222	\$ 1,912,673	\$ 1,756,572	\$ 1,565,457	\$ 1,361,730	\$ 1,153,821
School District's covered payroll (as of the measurement date)	\$ 14,596,228	\$ 14,726,521	\$ 14,383,276	\$ 14,290,091	\$ 14,902,082	\$ 15,551,406	\$ 15,037,439	\$ 15,086,321	\$ 15,743,811
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	17.50%	16.18%	12.66%	12.12%	12.83%	12.83%	10.41%	9.03%	7.33%
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%	14.01%

EXHIBIT H
MONADNOCK REGIONAL SCHOOL DISTRICT
Schedule of School District Contributions – Other Postemployment Benefits
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2025

Unaudited

	June 30,								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiscal year-end									
Measurement date	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 306,517	\$ 308,831	\$ 175,874	\$ 179,377	\$ 210,786	\$ 174,366	\$ 174,105	\$ 174,406	\$ 131,698
Contributions in relation to the contractually required contribution	(306,517)	(308,831)	(175,874)	(179,377)	(210,786)	(174,366)	(174,105)	(174,406)	(131,698)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll (as of the fiscal year)	\$ 14,596,228	\$ 14,726,521	\$ 14,383,276	\$ 14,290,091	\$ 15,552,774	\$ 15,037,439	\$ 15,086,321	\$ 15,743,811	\$ 14,891,474
Contributions as a percentage of covered payroll	2.10%	2.10%	1.22%	1.26%	1.36%	1.16%	1.15%	1.11%	0.88%

EXHIBIT I
MONADNOCK REGIONAL SCHOOL DISTRICT
Schedule of Changes in the School District's Total Other Postemployment Benefits Liability and Related Ratios
For the Fiscal Year Ended June 30, 2025

	June 30,								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
OPEB liability, beginning of year	\$ 3,752,173	\$ 3,825,697	\$ 3,875,814	\$ 3,472,250	\$ 3,710,623	\$ 5,116,474	\$ 5,388,917	\$ 2,060,626	\$ 2,174,983
Changes for the year:									
Service cost	251,138	256,158	210,730	218,106	328,215	335,304	125,026	129,589	94,714
Interest	104,588	106,547	111,919	119,787	103,015	108,663	74,152	78,237	112,904
Assumption changes and difference between actual and expected experience	(117,336)	(138,203)	(630,058)	-	1,142,518	-	(3,437,291)	-	(61,819)
Benefit payments	(164,866)	(174,385)	(96,155)	(99,520)	(167,897)	(171,524)	(90,178)	(93,469)	(73,311)
OPEB liability, end of year	\$ 3,825,697	\$ 3,875,814	\$ 3,472,250	\$ 3,710,623	\$ 5,116,474	\$ 5,388,917	\$ 2,060,626	\$ 2,174,983	\$ 2,247,471
Covered payroll	\$ 10,083,728	\$ 10,285,403	\$ 11,349,025	\$ 11,576,006	\$ 13,412,201	\$ 13,680,445	\$ 13,690,461	\$ 14,169,627	\$ 11,218,885
Total OPEB liability as a percentage of covered payroll	37.94%	37.68%	30.60%	32.05%	38.15%	39.39%	15.05%	15.35%	20.03%

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

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFITS LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

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

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

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

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

As required by GASB Statement No. 75, Exhibits G and H represent the actuarial determined costs associated with the School District's other postemployment benefits at June 30, 2025. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

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

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

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

As required by GASB Statement No. 75, Exhibit I represents the actuarial determined costs associated with the School District's other postemployment benefits at June 30, 2025. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
MONADNOCK REGIONAL SCHOOL DISTRICT
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2025

	<u>Estimated</u>	<u>Actual</u>	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 21,494,783	\$ 21,494,782	\$ (1)
Other local sources:			
Tuition	139,000	119,414	(19,586)
Investment earnings	100,000	14,802	(85,198)
Miscellaneous	138,550	188,462	49,912
Total from other local sources	<u>377,550</u>	<u>322,678</u>	<u>(54,872)</u>
State sources:			
Adequacy aid (grant)	11,062,956	11,062,957	1
Adequacy aid (tax)	2,288,441	2,288,441	-
Special Education aid	888,447	903,884	15,437
Vocational aid	7,500	11,123	3,623
Charter school aid	37,001	33,327	(3,674)
Total from state sources	<u>14,284,345</u>	<u>14,299,732</u>	<u>15,387</u>
Federal sources:			
Medicaid	450,000	91,262	(358,738)
Total revenues	36,606,678	<u>\$ 36,208,454</u>	<u>\$ (398,224)</u>
Use of fund balance to reduce school district assessment	209,403		
Use of fund balance - appropriated	54,000		
Total revenues and use of fund balance	<u>\$ 36,870,081</u>		

See Independent Auditor's Report.

SCHEDULE 2
MONADNOCK REGIONAL SCHOOL DISTRICT
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2025

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Encumbered to Subsequent Year</u>	<u>Variance Positive (Negative)</u>
Current:				
Instruction:				
Regular programs	\$ 11,830,903	\$ 11,713,150	\$ -	\$ 117,753
Special programs	9,396,393	9,088,198	-	308,195
Vocational programs	66,750	44,680	-	22,070
Other programs	462,361	448,881	-	13,480
Total instruction	<u>21,756,407</u>	<u>21,294,909</u>	<u>-</u>	<u>461,498</u>
Support services:				
Student	2,521,005	2,421,456	-	99,549
Instructional staff	1,025,551	978,310	-	47,241
General administration	252,800	244,319	-	8,481
Executive administration	323,403	317,177	14,500	(8,274)
School administration	2,034,209	1,948,935	-	85,274
Business	943,549	947,904	-	(4,355)
Operation and maintenance of plant	2,771,778	2,642,623	-	129,155
Student transportation	2,430,365	2,420,533	-	9,832
Other	1,226,395	1,217,382	-	9,013
Total support services	<u>13,529,055</u>	<u>13,138,639</u>	<u>14,500</u>	<u>375,916</u>
Debt service:				
Principal of long-term debt	593,331	593,331	-	-
Interest on long-term debt	937,288	937,287	-	1
Total debt service	<u>1,530,619</u>	<u>1,530,618</u>	<u>-</u>	<u>1</u>
Facilities acquisition and construction	<u>-</u>	<u>-</u>	<u>115,000</u>	<u>(115,000)</u>
Other financing uses:				
Transfers out	<u>54,000</u>	<u>54,000</u>	<u>-</u>	<u>-</u>
Total appropriations, expenditures, encumbrances, and other financing uses	<u>\$ 36,870,081</u>	<u>\$ 36,018,166</u>	<u>\$ 129,500</u>	<u>\$ 722,415</u>

See Independent Auditor's Report.

SCHEDULE 3
MONADNOCK REGIONAL SCHOOL DISTRICT
Major General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2025

Unassigned fund balance, beginning, as restated (See Note 17)		\$ 105,833
Changes:		
Unassigned fund balance used to reduce school district assessment		(209,403)
Unassigned fund balance appropriated for use in 2024-2025		(54,000)
2024-2025 Budget summary:		
Revenue shortfall (Schedule 1)	\$ (398,224)	
Unexpended balance of appropriations (Schedule 2)	<u>722,415</u>	
2024-2025 Budget surplus		324,191
Increase in nonspendable fund balance		(8,067)
Increase in committed fund balance		<u>(71,002)</u>
Unassigned fund balance, ending		<u><u>\$ 87,552</u></u>

SCHEDULE 4
MONADNOCK REGIONAL SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025

	Special Revenue Funds				Total
	Food Service	Private Grants	Before and After School	Student Activities	
ASSETS					
Cash and cash equivalents	\$ 235	\$ 63,011	\$ 1,373	\$ 252,349	\$ 316,968
Accounts receivable	105,828	1,916	-	-	107,744
Intergovernmental receivable	69,259	-	-	-	69,259
Interfund receivable	-	-	-	58,295	58,295
Inventory	53,029	-	-	-	53,029
Total assets	\$ 228,351	\$ 64,927	\$ 1,373	\$ 310,644	\$ 605,295
LIABILITIES					
Accounts payable	\$ 14,252	\$ 1,154	\$ -	\$ -	\$ 15,406
Interfund payable	125,570	-	-	-	125,570
Total liabilities	139,822	1,154	-	-	140,976
DEFERRED INFLOWS OF RESOURCES	-	63,773	-	-	63,773
FUND BALANCES					
Nonspendable	53,029	-	-	-	53,029
Restricted	35,500	-	1,373	-	36,873
Assigned	-	-	-	310,644	310,644
Total fund balances	88,529	-	1,373	310,644	400,546
Total liabilities, deferred inflows of resources, and fund balances	\$ 228,351	\$ 64,927	\$ 1,373	\$ 310,644	\$ 605,295

SCHEDULE 5
MONADNOCK REGIONAL SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2025

	Special Revenue Funds				Total
	Food Service	Private Grants	Before and After School	Student Activities	
REVENUES					
Other local	\$ 576,946	\$ 17,984	\$ 36,964	\$ 212,875	\$ 844,769
State	15,471	-	-	-	15,471
Federal	600,429	-	-	-	600,429
Total revenues	<u>1,192,846</u>	<u>17,984</u>	<u>36,964</u>	<u>212,875</u>	<u>1,460,669</u>
EXPENDITURES					
Current:					
Instruction	-	15,724	37,968	181,785	235,477
Support services:					
Student	-	311	-	-	311
Instructional staff	-	1,949	-	-	1,949
General administration	-	-	1,512	-	1,512
Noninstructional services	1,336,870	-	-	-	1,336,870
Total expenditures	<u>1,336,870</u>	<u>17,984</u>	<u>39,480</u>	<u>181,785</u>	<u>1,576,119</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(144,024)</u>	<u>-</u>	<u>(2,516)</u>	<u>31,090</u>	<u>(115,450)</u>
Net change in fund balances	(144,024)	-	(2,516)	31,090	(115,450)
Fund balances, beginning	232,553	-	3,889	279,554	515,996
Fund balances, ending	<u>\$ 88,529</u>	<u>\$ -</u>	<u>\$ 1,373</u>	<u>\$ 310,644</u>	<u>\$ 400,546</u>

See Independent Auditor's Report.

SCHEDULE 6
MONADNOCK REGIONAL SCHOOL DISTRICT
Student Activity Funds
Combining Balance Sheet
June 30, 2025

	Student Activity Funds						Total
	Gilsum Elementary	Mt. Caesar Elementary	Emerson Elementary	Troy Elementary	Cutler Elementary	Monadnock Regional Middle/High	
ASSETS							
Cash and cash equivalents	\$ 5,540	\$ 13,898	\$ 23,050	\$ 7,092	\$ 26,270	\$ 176,499	\$ 252,349
Interfund receivable	-	-	-	-	-	58,295	58,295
Total assets	\$ 5,540	\$ 13,898	\$ 23,050	\$ 7,092	\$ 26,270	\$ 234,794	\$ 310,644
FUND BALANCES							
Assigned	\$ 5,540	\$ 13,898	\$ 23,050	\$ 7,092	\$ 26,270	\$ 234,794	\$ 310,644

See Independent Auditor's Report.

SCHEDULE 7
MONADNOCK REGIONAL SCHOOL DISTRICT
Student Activity Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2025

	Student Activity Funds						Total
	Gilsum Elementary	Mt. Caesar Elementary	Emerson Elementary	Troy Elementary	Cutler Elementary	Monadnock Regional Middle/High	
REVENUES							
Other local	\$ 6,999	\$ 2,793	\$ 8,262	\$ 6,112	\$ 5,535	\$ 183,174	\$ 212,875
EXPENDITURES							
Current:							
Instruction	6,545	1,807	6,486	6,079	4,792	156,076	181,785
Net change in fund balances	454	986	1,776	33	743	27,098	31,090
Fund balances, beginning	5,086	12,912	21,274	7,059	25,527	207,696	279,554
Fund balances, ending	<u>\$ 5,540</u>	<u>\$ 13,898</u>	<u>\$ 23,050</u>	<u>\$ 7,092</u>	<u>\$ 26,270</u>	<u>\$ 234,794</u>	<u>\$ 310,644</u>

See Independent Auditor's Report.

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



PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major governmental fund, and the aggregate remaining fund information of the Monadnock Regional School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Monadnock Regional School District's basic financial statements, and have issued our report thereon dated March 31, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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

Purpose of This Report

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

March 31, 2026
Concord, New Hampshire

***PLODZIK & SANDERSON
Professional Association***



PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

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

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Monadnock Regional School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Monadnock Regional School District's major federal programs for the year ended June 30, 2025. The Monadnock Regional School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Monadnock Regional School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Monadnock Regional School District compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not

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

a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Monadnock Regional School District compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

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

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

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

March 31, 2026
Concord, New Hampshire

***PLODZIK & SANDERSON
Professional Association***

SCHEDULE II
Monadnock Regional School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through the State of New Hampshire Department of Education				
CHILD NUTRITION CLUSTER				
School Breakfast Program	10.553	N/A	\$ -	\$ 117,288
National School Lunch Program	10.555	N/A	-	432,233
Fresh Fruit and Vegetable Program	10.582	N/A	-	50,908
<i>CLUSTER TOTAL</i>			-	600,429
TOTAL U.S. DEPARTMENT OF AGRICULTURE				
U.S. DEPARTMENT OF EDUCATION				
Passed Through the State of New Hampshire Department of Education				
Title I Grants to Local Educational Agencies:				
Title I	84.010	20240134	-	135,232
Title I	84.010	20250430	-	524,541
<i>PROGRAM TOTAL</i>			-	659,773
SPECIAL EDUCATION CLUSTER				
Special Education Grants to States:				
IDEA	84.027	20240548	-	58,994
IDEA	84.027	20250381	-	437,558
<i>CLUSTER TOTAL</i>			-	496,552
Twenty-First Century Community Learning Centers:				
21st Century Community Learning Center	84.287	20250565	-	79,953
21st Century Community Learning Center	84.287	20250497	-	675,540
<i>PROGRAM TOTAL</i>			-	755,493
Rural Education:				
Title V RLIS	84.358	20231547	-	22,127
Title V RLIS	84.358	20241034	-	26,591
<i>PROGRAM TOTAL</i>			-	48,718
Supporting Effective Instruction State Grants:				
Title II	84.367	20231408	-	6,921
Title II	84.367	20240962	-	90,139
Title II	84.367	20250781	-	40,943
<i>PROGRAM TOTAL</i>			-	138,003
Student Support and Academic Enrichment Program:				
Title IV	84.424	20231580	-	7,644
Title IV	84.424	20240999	-	39,604
Title IV	84.424	20250930	-	60,626
<i>PROGRAM TOTAL</i>			-	107,874
COVID-19 - Education Stabilization Fund:				
ESSER III	84.425U	20220569	-	919,838
ARP - Homeless Children and Youth Grant	84.425W	20220642	-	1,068
<i>PROGRAM TOTAL</i>			-	920,906
TOTAL U.S. DEPARTMENT OF EDUCATION				
			-	3,127,319
Total Expenditures of Federal Awards			\$ -	\$ 3,727,748

The accompanying notes are an integral part of this schedule.

MONADNOCK REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Monadnock Regional School District under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Monadnock Regional School District, it is not intended to and does not present the financial position and changes in net position and fund balance of the Monadnock Regional School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

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

Note 4. Food Donation

Non-monetary assistance is reported in the Schedule at the fair market value of the commodities on the date received. For the fiscal year ended June 30, 2025, the value of food donations received was \$77,025.



**MONADNOCK REGIONAL SCHOOL DISTRICT
SCHOOL BOARD MEETINGS MARCH 2026 THROUGH MARCH 2027**

All Meetings Begin at 7:00 PM

<u>Date</u>	<u>Location</u>
March 17, 2026	MRMHS Library*
April 7, 2026	MRMHS Library*
April 21, 2026	MRMHS Library*
May 5, 2026	MRMHS Library*
May 19, 2026	Joint School Board & Budget Committee Meeting (MRMHS Library)*
June 2, 2026	MRMHS Library*
June 16, 2026	MRMHS Library*
July 21, 2026	MRMHS Library*
August 18, 2026	MRMHS Library*
September 1, 2026	MRMHS Library*
September 15, 2026	MRMHS Library*
October 6, 2026	MRMHS Library*
October 20, 2026	MRMHS Library*
November 3, 2026	Tentative Due to Midterm Elections
November 17, 2026	MRMHS Library*
December 1, 2026	Joint School Board & Budget Committee Meeting (MRMHS Library)*
December 15, 2026	MRMHS Library*
January 5, 2027	MRMHS Library*
January 7th or 14th, 2027	Budget Hearing (Budget Committee) MRMHS Library*
January 19, 2027	MRMHS Library*
January 30, 2027	Deliberative Session MRMHS Auditorium
February 2, 2027	MRMHS Library*
February 16, 2027	MRMHS Library*
March 2, 2027	MRMHS Library*

*Meeting locations are subject to change: Please check the District website calendar for meeting locations.

Audio Recordings and Video Conferencing links are available on the District website.

The School Board Chair will coordinate Snow Dates for all regular School Board meetings.

Education Committee Goals for 2026/27

Board Approved **TBD**

1. By 08/11/2026 Review all policies that fall under Books I and J and assess whether the policy adheres to the NHSBA corresponding policies and either accept our policies as it is written or make recommendations for changes and present them to the school board.
2. By 08/11/2026 Assess the current ELO opportunities and assess the current enrollment/participation/interest and create 5 Key Performance Indicators (KPI) to measure success of the students in the program and suggest a measurable way to gauge the success of the program after graduation
3. By 02/02/2027 Compile data and findings on the current authorized personal communication devices and personal computing devices policy (JICJ) enforcement and how violations were handled and what were the repercussions if any? Create an anonymous survey for teachers and staff on the cell phone policy effectiveness and feedback on changes in the classroom.

Monadnock Regional School District

Education/Technology Committee Charter

Board Last Reviewed: 4/15/2025

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

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

Finance/Facilities Committee Goals for 2026/27

Board Approved mm/dd/yyyy

1. By 09/01/2026, review MRMHS CIP based on the education planning assessment, and make CIP recommendations to the full school board.
2. By 06/15/2026 develop three courses of action for the dissemination of funds received from the sale of Cutler School and deliver said courses of action to the full school board.
3. By 02/15/2027, coordinate with administration on the procurement of a concept plan for the SAU replacement and deliver findings to the full school board.

Monadnock Regional School District

Finance/Facilities Committee Charter

Board Last Approved: 5/05/2020

The purpose of the Finance/Facilities Committee is to develop and support the following initiatives:

1. Document and refresh (annually) a long-term facilities plan that encompasses all buildings within the district. The plan includes strategies and timelines for both the funding and work effort of all significant projects related to the district's buildings and grounds, as well as strategic purchases such as land, equipment, or consulting services
2. Work with Administration and the district's consultants (e.g. architects) in developing plans and proposals for projects; present recommendations to the full board
3. Monitor and recommend state/federal/grant funding options as they become available to support the district's project goals; present opportunities and recommendations to the full board
4. Continuously review and draft changes to policy books D (Fiscal Management) and F (Facilities and Planning Development), as well as policies specific to the use of buildings and grounds, and forward those drafts as recommendations to the Policy Committee
5. To hear and review requests from the Administration, Students, Employees, and general public related to proposals for the district's buildings, grounds, and equipment

Last reviewed by committee: 3/26/2026



Caitlin D. Davis
Commissioner

Richard K. Sala
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
25 Hall Street
Concord, N.H. 03301
TEL. (603) 271-3495
FAX (603) 271-1953

March 27, 2026

TO: Federal Subrecipients

FROM: Jessica Lescarbeau, Bureau Administrator
Bureau of Instructional Support

SUBJECT: 2026-2027 General Assurances

The New Hampshire Department of Education (NHED) has developed the attached “General Assurances, Requirements and Definitions for Participation in Federal Programs” document that must be signed by all subrecipients of federal funds passed through the NHED. The federally funded programs require each applicant to file certain assurances. Some of these assurances apply to all programs and are therefore considered “general assurances.”

The submission of general assurances is required in part by:

- Federal regulation 34 CFR §76.301 of the Education Department General Administrative Regulations (EDGAR), which requires a general application for subgrantees/subawardees for participation in federal programs funded by the U.S. Department of Education that meets the requirements of Section 442 of the General Education Provisions Act (GEPA).
- Applicable federal statutes.
- Applicable regulations of other federal agencies.

The NHED has consolidated the general assurances into one document which includes requirements and definitions in an effort to provide guidance relative to implementation of the underlying assurances.

Each subrecipient must fully execute these assurances by;

1. Initialing **each page** in the space provided (no initials required for the signature pages)
2. Execute the proper certification for your subrecipient type on the certification page. Your subrecipient type may require further certification by the local board.
3. **Local Educational Agency (LEA) subrecipients:** upload the document in its entirety to the LEA 2026-2027 homepage in the Grants Management System (GMS).
4. **Reporting Authority (RA) subrecipients:** if in GMS, upload the document in its entirety to the RA 2026-2027 homepage in GMS.
5. **Other subrecipients (not in GMS):** return this document to the appropriate Federal Program Manager.

Please note, other program specific assurances will still be requested by individual NHED programs.

Compliance with these general assurances will be subject to review by NHED staff during federal compliance monitoring. Annual audits by CPAs in accordance with the Single Audit Act may also include compliance checks.

These assurances must be uploaded or returned (as described above) no later than **July 1, 2026**, in conjunction with federal program application deadlines. These general assurances are a requirement of all federal program applications.

Additionally, local educational agency subrecipients, please note that the practice of the School Board authorizing the Senior Educational Official to sign on behalf of the School Board Chair is not acceptable to the NHED in this case and will be considered non-responsive.

General assurances must be uploaded and/or submitted for each subrecipient applying for federal funds.

If you have any questions regarding these general assurances, please contact Jessica Lescarbeau, Bureau Administrator, Bureau of Instructional Support at Jessica.L.Lescarbeau@doe.nh.gov.

Thank you,

Jessica Lescarbeau

Jessica Lescarbeau
Bureau Administrator

New Hampshire Department of Education

2026-2027

GENERAL ASSURANCES, REQUIREMENTS AND DEFINITIONS FOR PARTICIPATION IN FEDERAL PROGRAMS

A. Definitions (2 CFR 200.1)

- 1) **Audit finding** – Deficiencies which the auditor is required by 2 CFR 200.516 (a) to report in the schedule of findings and questioned costs.
- 2) **Community based organization** – The term “community-based organization” means a public or private nonprofit organization of demonstrated effectiveness that— (A) is representative of a community or significant segments of a community; and (B) provides educational or related services to individuals in the community.
- 3) **Local educational agency** – A public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary schools or secondary schools in a city, county, township, school district, or other political subdivision of a State, or for a combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary schools or secondary schools.
- 4) **Management decision** – The Federal awarding agency’s or pass-through entity’s written determination, provided to the auditee, of the adequacy of the auditee’s proposed corrective actions to address the findings, based on its evaluation of the audit findings and proposed corrective actions.
- 5) **Pass-through entity** – A recipient or subrecipient that provides a subaward to a subrecipient (including lower tier subrecipients) to carry out of a Federal program. The authority of the pass-through entity under this part flows through the subaward agreement between the pass-through entity and subrecipient.
- 6) **Period of performance** – The total estimate time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods. Identification of the Period of Performance in the Federal award per 2 CFR 200.211(b)(5) does not commit the awarding agency to fund the award beyond the currently approved budget period.

- 7) **Reporting authority** – An eligible entity for a subaward that does not meet the definition of local educational agency. Such as; public academies, non-public schools, child care centers, adult education centers, etc.

- 8) **Subaward** – An award provided by a pass-through entity to a subrecipient for the subrecipient to contribute to the goals and objectives of the project by carrying out part of a Federal award received by the pass-through entity. It does not include payments to a contractor, beneficiary, or participant. A subaward may be provided through any form of legal agreement consistent with criteria in with 2 CFR 200.331, including an agreement the pass-through entity considers a contract.

- 9) **Subrecipient** – An entity that receives a subaward from a pass-through entity to carry out part of a federal award.

- 10) **Senior Official** – The top executive in an organization who makes the key decisions on spending, staffing, and other education policies.

B. General Assurances

Assurance is hereby given by the subrecipient that, to the extent applicable:

- 1) The subrecipient has the legal authority to apply for the federal assistance, and the institutional, managerial, and financial capability (including funds sufficient to pay non-federal share of project costs, as applicable) to ensure proper planning, management, and completion of the project described in all applications submitted.

- 2) The subrecipient will give the awarding agency, the NHED, the Comptroller General of the United States and, if appropriate, other State Agencies, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

- 3) The subrecipient will comply with the requirements regarding construction and real property within 34 CFR Part 75.600-75.684. The non-Federal entity is required to comply with any reporting requirements on the status of real property in which the Federal Government retains an interest pursuant to 2 CFR 200.330.

- 4) The subrecipient will establish safeguards to prohibit employees from using their positions for purposes that constitute or appear to present a personal or organizational conflict of interest, or for personal gain.

- 5) The subrecipient will initiate and complete the work within the applicable time frame after receiving approval from the awarding agency.

- 6) The subrecipient will comply with all Federal statutes, administrative rules and executive orders including provisions protecting free speech, religious liberty, public welfare, the environment, and those prohibiting discrimination. These include, but are not limited to:
 - a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin;
 - b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex.
 - c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps;
 - d) The Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age;
 - e) The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse;
 - f) The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
 - g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records;
 - h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing;
 - i) Any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made;
 - j) The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) and the Protection of Pupil Rights Amendment (PPRA) (20 U.S.C. § 1232h; 34 CFR Part 98); and
 - k) The requirements of any other statute(s), administrative rule, executive order, dear colleague letter, or non-regulatory guidance which may apply to the application.

- 7) The subrecipient will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchases.

- 8) The subrecipient will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds. The subrecipient further assures that no federally appropriated funds have been paid or will be paid by or on behalf of the subrecipient to any person for influencing or attempting to influence an officer or employee

of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any federal grant; the entering into of any cooperative agreement; and the extension, continuation, renewal, amendment, or modification of any federal grant or cooperative agreement.

- 9) The subrecipient will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported in whole or in part with federal funds.
- 10) The subrecipient will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported in whole or in part with federal funds.
- 11) The subrecipient will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
- 12) The subrecipient will comply with all applicable requirements of all other federal laws, executive orders, regulations, dear colleague letter, non-regulatory guidance and policies governing all program(s).
- 13) The subrecipient will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and 2 CFR 200.501, Subpart F, "Audit Requirements," as applicable.
- 14) The subrecipient will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.
- 15) The control of funds provided to a subrecipient that is a local educational agency, under each program, and title to property acquired with those funds, will be in a public agency, and a public agency will administer those funds and property.
- 16) Personnel funded by federal grants and their subcontractors will adhere to the prohibition from text messaging while driving an organization-owned vehicle, or while driving their own privately owned vehicle during official Grant business, or from using organization-supplied electronic equipment to text message or email while driving. Subrecipients must comply with these conditions under Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving," October 1, 2009 (pursuant to provisions attached to federal grants funded by the

US Department of Education).

- 17) The subrecipient assures that it will adhere to the Pro-Children Act of 2001, which states that no person shall permit smoking within any indoor facility owned or leased or contracted and utilized for the provision of routine or regular kindergarten, elementary, or secondary education or library services to children (P.L. 107-110, section 4303(a)). In addition, no person shall permit smoking within any indoor facility (or portion of such a facility) owned or leased or contracted and utilized for the provision of regular or routine health care or day care or early childhood development (Head Start) services (P.L. 107-110, Section 4303(b)(1)). Any failure to comply with a prohibition in this Act shall be considered to be a violation of this Act and any person subject to such prohibition who commits such violation may be liable to the United States for a civil penalty, as determined by the Secretary of Education (P.L. 107-110, section 4303(e)(1)).
- 18) The subrecipient will comply with the Stevens Amendment.
- 19) The subrecipient will comply with the Buy America Preference for Infrastructure Projects as required by 2 CFR Part 184.
- 20) The subrecipient will submit such reports to the NHED and to U.S. governmental agencies as may reasonably be required to enable the NHED and U.S. governmental agencies to perform their duties. The subrecipient will maintain such fiscal and programmatic records, including those required under 20 U.S.C. 1234(f), and will provide access to those records, as necessary, for those Departments/agencies to perform their duties.
- 21) The subrecipient will ensure compliance with 2 CFR 200.415(a) and (b).
- 22) If an LEA, the subrecipient will provide reasonable opportunities for systematic consultation with and participation of teachers, parents, and other interested agencies, organizations, and individuals, including education-related community groups and non-profit organizations, in the planning for and operation of each program.
- 23) If an LEA, the subrecipient shall assure that any application, evaluation, periodic program plan, or report relating to each program will be made readily available to parents and other members of the general public upon request.
- 24) If an LEA, the subrecipient has adopted effective procedures for acquiring and disseminating to teachers and administrators participating in each program, significant information from educational research, demonstrations, and similar projects, and for adopting, where appropriate, promising educational practices developed through such projects. Such procedures shall ensure compliance with applicable federal laws and requirements.
- 25) The subrecipient will comply with the requirements of the Gun-Free Schools Act of 1994.
- 26) The subrecipient will submit a fully executed and accurate FY26 Single-Audit Certification

(required) and the Federal Expenditures Worksheet (if applicable) to the NHED no later than December 31, 2026. The worksheet will be provided to each subrecipient by the NHED via email and is posted on the NHED website.

- 27) The subrecipient will comply with the requirements in 2 CFR Part 180, Government-wide Debarment and Suspension (non-procurement).
- 28) The subrecipient certifies that it will maintain a drug-free workplace and will comply with the requirements of the Drug-Free Workplace Act of 1988 and 34 CFR 84.200.
- 29) The subrecipient will adhere to the requirements of Title 20 USC 7197 relative to the Transfer of Disciplinary Records.
- 30) The subrecipient will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
- 31) The subrecipient will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally assisted construction sub-agreements.
- 32) The subrecipient will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
- 33) The subrecipient will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
- 34) The subrecipient will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

35) The subrecipient will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

36) As appropriate and to the extent consistent with law, the subrecipient should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award (2 CFR 200.322).

37) The subrecipient will comply with the Prohibition on Certain Telecommunications and Video Surveillance Equipment requirement per 2 CFR 200.216.

38) The subrecipient will comply with the Protection for Whistleblowers (41 U.S.C. §4712).

C. Explanation of Grants Management Requirements

The following section elaborates on certain requirements included in legislation or regulations referred to in section *B. General Assurances*. This section also explains the broad requirements that apply to federal program funds.

1. Financial Management Systems

Financial management systems, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions, and to trace funds to establish that such funds have been used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Specifically, the financial management system must be able to:

- a) Identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and federal award identification must include, as applicable, the CFDA title and number, federal award identification number and year, name of the federal agency, and name of the pass-through entity, if any.
- b) Provide accurate, current, and complete disclosure of the financial results of each federal award or program.
- c) Produce records that identify adequately the source and application of funds for federally funded activities.
- d) Maintain effective control over, and accountability for, all funds, property, and other assets.

The subrecipient must adequately safeguard all assets and assure that they are used solely for authorized purposes.

- e) Generate comparisons of expenditures with budget amounts for each federal award.

2. Written Policies and Procedures

The subrecipient must have written policies and procedures for (this list is not all inclusive):

Policy/Procedure Name	In Accordance With	Policy	Procedure
Drug-Free Workplace Policy	34 CFR 84.200 and the Drug-Free Workplace Act of 1988	<input checked="" type="checkbox"/>	N/A
Procurement Policy & Procedure	2 CFR 200.317-327	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Conflict of Interest/Standard of Conduct Policy	2 CFR 318(c)(1)	<input checked="" type="checkbox"/>	N/A
Inventory Management Policy & Procedure	2 CFR 200.313(d)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Travel Policy	2 CFR 200.475(b)	<input checked="" type="checkbox"/>	N/A
Subrecipient Monitoring Policy & Procedure (if applicable)	2 CFR 200.332(d)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Time and Effort Policy & Procedure	2 CFR 200.430	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Records Retention Policy & Procedure	2 CFR 200.334	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Prohibiting the Aiding and Abetting of Sexual Abuse Policy	ESEA Section 8546	<input checked="" type="checkbox"/>	N/A
Allowable Cost Determination Policy	2 CFR 200.302(b)(7)	<input checked="" type="checkbox"/>	N/A
Gun Free School Act	Gun Free School Act of 1994	<input checked="" type="checkbox"/>	N/A
Cash Management	2 CFR 200.302(b)(6) and 200.305	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Nonsmoking Policy for Children’s Services	ESEA Section 8573	<input checked="" type="checkbox"/>	N/A

3. Internal Controls

The subrecipient must:

- a) Establish, maintain, and document effective internal controls over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should comply with the guidance outlined in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework” issued by the Committee of

Sponsoring Organizations of the Treadway Commission (COSO).

- b) Comply with the U.S. Constitution, federal statutes, regulations, applicable executive order, and non-regulatory guidance, as applicable, and the terms and conditions of the federal awards.
- c) Take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.
- d) Take reasonable cybersecurity and other measures to safeguard information including protected personally identifiable information (PII) and other types of information. This also includes information the Federal agency or pass-through entity designates as sensitive or other information the recipient or subrecipient considers sensitive and is consistent with applicable Federal, State, local and tribal laws regarding privacy and responsibility over confidentiality.
- e) Retain all Federal award records and other supporting documentation in accordance with 2 CFR 200.334.

4. Allowable Costs

In accounting for and expending project/grant funds, the subrecipient may only charge expenditures to the project award if they are:

- a) in payment of obligations incurred during the approved project period;
- b) in conformance with the approved project;
- c) in compliance with all applicable statutes and regulatory provisions;
- d) costs that are allocable to a particular cost objective;
- e) spent only for reasonable and necessary costs of the program; and
- f) not used for general expenses required to carry out other responsibilities of the subrecipient.

5. Audits

This part is applicable for all non-federal entities as defined in 2 CFR 200, Subpart F.

- a) In the event that the subrecipient expends \$1,000,000 or more in federal awards in its fiscal year, the subrecipient must have a single or program-specific audit conducted in accordance with the provisions of 2 CFR 200, Subpart F. In determining the federal awards expended in its fiscal year, the subrecipient shall consider all sources of federal awards, including federal resources received from the NHED. The determination of amounts of federal awards expended should be in accordance with the guidelines established by 2 CFR 200, Subpart F.
- b) In connection with the audit requirements, the subrecipient shall also fulfill the requirements relative to auditee responsibilities as provided in 2 CFR 200.508.
- c) If the subrecipient expends less than \$1,000,000 in federal awards in its fiscal year, an audit conducted in accordance with the provisions of 2 CFR 200, Subpart F, is not required. In the

event that the subrecipient expends less than \$1,000,000 in federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of 2 CFR 200, Subpart F, the cost of the audit must be paid from non-federal resources (i.e., the cost of such an audit must be paid from subrecipient resources obtained from non-federal entities).

The subrecipient assures it will implement the following audit responsibilities:

- a) Procure or otherwise arrange for the audit required by this part in accordance with auditor selection regulations (2 CFR 200.509) and ensure it is properly performed and submitted no later than nine months after the close of the fiscal year in accordance with report submission regulations (2 CFR 200.512).
- b) Provide the auditor access to personnel, accounts, books, records, supporting documentation, and other information as needed so that the auditor may perform the audit required by this part.
- c) Prepare appropriate financial statements, including the schedule of expenditures of federal awards, in accordance with financial statements regulations (2 CFR 200.510).
- d) Promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan, in accordance with audit findings follow-up regulations (2 CFR 200.511(b-c)).
- e) If an audit reveals the basis for a finding related to a federally funded program, upon request of the NHED, promptly submit a corrective action plan using the NHED template provided for audit findings related to the federally funded programs.
- f) For repeat findings not resolved or only partially resolved, the subrecipient must provide an explanation for findings not resolved or only partially resolved to NHED for findings related to all federally funded programs. NHED will review the subrecipient's submission and issue an appropriate management decision adhering to the same framework as set forth in 2 CFR 200.521.

6. Reports to be Submitted

Audits/Management Decisions

Copies of reporting packages for audits conducted in accordance with 2 CFR 200, Subpart F shall be submitted, by or on behalf of the recipient directly to the following:

- a) The Federal Audit Clearinghouse (FAC) in 2 CFR 200, Subpart F requires the auditee to electronically submit the data collection form described in 200.512(b) and the reporting package described in 200.512(c) to FAC at: The Federal Audit Clearinghouse

Copies of other reports or management decision letter(s) shall be submitted by or on behalf of the subrecipient directly to:

- a) **New Hampshire Department of Education
Bureau of Federal Compliance
25 Hall Street
Concord, NH 03301 Or via email to: federalcompliance@doe.nh.gov**

- b) In response to requests by a federal agency, auditees must submit a copy of any management letters issued by the auditor, 2 CFR 200.512(e).

Any other reports, management decision letters, or other information required to be submitted to the NHED pursuant to this agreement shall be submitted in a timely manner.

Single Audit Certifications and Federal Expenditures Worksheet

A fully executed and accurate FY26 Single-Audit Certification (required) and Federal Expenditures Worksheet (if applicable) shall be submitted to the NHED no later than **December 31, 2026**. A copy of the forms will be provided to each subrecipient by the NHED via email.

7. Debarment, Suspension, and Other Responsibility Matters

As required by Executive Orders (E.O.) 12549 and 12689, Debarment and Suspension, and implemented at 2 CFR Part 180, for prospective participants in primary covered transactions, as defined in 2 CFR 180.120, 180.125 and 180.200, no contract shall be made to parties identified on the General Services Administration's *Excluded Parties List System* as excluded from Federal Procurement or Non-procurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension." This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding their exclusion status and that of their principal employees.

The federal government imposes this requirement in order to protect the public interest, and to ensure that only responsible organizations and individuals do business with the government and receive and spend government grant funds. Failure to adhere to these requirements may have serious consequences – for example, disallowance of cost, termination of project, or debarment.

To assure that this requirement is met, there are four options for obtaining satisfaction that subrecipients and contractors are not suspended, debarred, or disqualified.

The subrecipient certifies that it and its principals:

- a) Are not presently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from covered transactions by any federal Department or agency.
b) Have not within a three-year period preceding this application been convicted of or had a

civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes; commission of embezzlement; theft, forgery, bribery, falsification, or destruction of records; making false statements; or receiving stolen property.

- c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in this certification.
- d) Have not within a three-year period preceding this application had one or more public transactions (federal, state, or local) terminated for cause or default.

Where the subrecipient is unable to certify to any of the statements in this certification, they shall attach an explanation to this document.

8. Drug-Free Workplace (Grantees Other Than Individual)

As required by the Drug-Free Workplace Act of 1988 and implemented in 34 CFR 84.200 the subrecipient certifies that it will continue to provide a drug-free workplace by:

- a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance (34 CFR 84.610) is prohibited in the subrecipient's workplace and specifying the actions that will be taken against employees for violation of such prohibition.
- b) Establishing, as required by 34 CFR 84.215, an ongoing drug-free awareness program to inform employees about:
 - o The dangers of drug abuse in the workplace;
 - o The recipient's policy of maintaining a drug-free workplace;
 - o Any available drug counseling, rehabilitation, and employee assistance programs; and
 - o The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- c) Requiring that each employee engaged in the performance of the project is given a copy of this statement.
- d) Notifying the employee in the statement that, as a condition of employment under the project, the employee will:
 - o Abide by the terms of the statement; and
 - o Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction.

- e) Notifying the agency in writing within 5 calendar days after receiving notice of an employee’s conviction of a violation of a criminal drug statute in the workplace, as required by 34 CFR 84.205(c)(2), from an employee or otherwise receiving actual notice of employee’s conviction. Employers of convicted employees must provide notice, including position title to:

Director, Grants and Contracts Service
U.S. Department of Education
400 Maryland Avenue, S.W. [Room 3124, GSA – Regional Office Building No. 3]
Washington, D.C. 20202-4571

(Notice shall include the identification number[s] of each affected grant).

- f) Taking one of the following actions, as stated in 34 CFR 84.225(b), within 30 calendar days of receiving the required notice with respect to any employee who is convicted of a violation of a criminal drug statute in the workplace.
 - o Taking appropriate personnel action against such an employee, up to and including termination consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - o Requiring such employee to participate satisfactorily in drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.
- g) Making a good-faith effort to maintain a drug-free workplace through implementation of the requirements stated above.

9. Gun Possession

As required by Title XIV, Part F, and Section 14601 (Gun-Free Schools Act of 1994) of the Improving America’s Schools Act:

The subrecipient assures that it shall comply with the provisions of RSA 193:13, IV.

Any pupil who brings or possesses a firearm as defined in section 921 of Title 18 of the United States Code in a safe school zone as defined in RSA 193-D:1 without written authorization from the superintendent or designee shall be expelled from school by the local school board for a period of not less than 12 months. Nothing in this section shall be construed to prevent the local school district or chartered public school that expelled the student from providing educational services to such student in an alternative setting.

The subrecipient assures that it shall timely file the report required by Ed 317.07.

The subrecipient assures that it has established policies on school discipline as required by RSA 193:13, XI and XII and Ed 317.03.

10. Lobbying

As required by Section 1352, Title 31, of the U.S. Code, and implemented in 34 CFR Part 82, for persons entering into a grant or cooperative agreement over \$100,000, as defined in 34 CFR 82.105 and 82.110, the applicant certifies that:

- a) No federally appropriated funds have been paid or will be paid by or on behalf of the subrecipient to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any federal grant; the entering into of any cooperative agreement; and the extension, continuation, renewal, amendment, or modification of any federal grant or cooperative agreement.
- b) If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with federal grants or cooperative agreements, the subrecipient shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c) The subrecipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, contracts under federal awards, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

11. Subrecipient Monitoring

In addition to reviews of audits conducted in accordance with 2 CFR 200, Subpart F, subrecipient monitoring procedures may include, but not be limited to, on-site or remote visits by NHED staff, limited scope audits, and/or other procedures. By signing this document, the subrecipient agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the NHED. In the event the NHED determines that a limited scope audit of the project recipient is appropriate, the subrecipient agrees to comply with any additional instructions provided by NHED staff to the subrecipient regarding such audit.

12. More Restrictive Conditions

Subrecipients found to be in noncompliance with program and/or fund source requirements or determined to be "high risk" shall be subject to the imposition of more restrictive conditions as determined by the NHED.

13. Obligations by Subrecipients

Obligations will be considered to have been incurred by subrecipients on the basis of documentary evidence of binding commitments for the acquisition of goods or property or for the performance of work, except that funds for personal services, services performed by public utilities, travel, or the rental of facilities shall be considered to have been obligated at the time such services were rendered, such travel occurred, and/or when facilities were used (see 34 CFR 76.707).

14. Personnel Costs – Time Distribution

Charges to federal projects for personnel costs, whether treated as direct or indirect costs, are allowable to the extent that they satisfy the specific requirements of 2 CFR 200.430 and will be based on payrolls documented in accordance with generally accepted practices of the subrecipient and approved by a responsible official(s) of the subrecipient.

When employees work solely on a single federal award or cost objective, charges for their salaries and wages must be supported by personnel activity reports (PARs), which are periodic certifications (at least semi-annually) that the employees worked solely on that program for the period covered by the certification. These certifications must be signed by the employee or a supervisory official having firsthand knowledge of the work performed by the employee.

When employees work on multiple activities or cost objectives (e.g., more than one federal project, a federal project and a non-federal project, an indirect cost activity and a direct cost activity, two or more indirect activities which are allocated using different allocation bases, or an unallowable activity and a direct or indirect cost activity), the distribution of their salaries or wages will be supported by personnel activity reports or equivalent documents that meet the following standards:

- a) Reflect an after-the-fact distribution of the actual activity of each employee;
- b) Account for the total activity for which each employee is compensated;
- c) Prepared at least monthly and must coincide with one or more pay period; and
- d) Signed and dated by the employee.

15. Protected Prayer in Public Elementary and Secondary Schools

The subrecipient certifies that the LEA has no policy that prevents or otherwise denies participation in constitutionally protected prayer in public elementary and secondary schools. (Section 8524(a) of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act and codified at 20 U.S.C. § 7904).

16. Purchasing/Procurement

The non-Federal entity must have and use documented procurement procedures, consistent with

the standards of this section and 2 CFR 200.317 - 2 CFR 200.327 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

1. Informal procurement methods
 - a. Micro-purchases
 - b. Simplified Acquisition
2. Formal procurement methods
 - a. Sealed bids
 - b. Proposals
3. Noncompetitive procurement

17. Retention and Access to Records

The subrecipient certifies that it will comply with all federal regulations, including but not limited to, 2 CFR 200.334 – 2 CRF 200.338.

18. The Stevens Amendment

All federally funded projects must comply with the Stevens Amendment of the Department of Defense Appropriation Act, found in Section 8136, which provides:

When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with federal money, all grantees receiving federal funds, including but not limited to state and local governments, shall clearly state (1) the percentage of the total cost of the program or project which will be financed with federal money, (2) the dollar amount of federal funds for the project or program, and (3) the percentage and dollar amount of the total costs of the project or program that will be funded by non-governmental sources.

19. Transfer of Disciplinary Records

Title 20 USC 7197 requires that the State have a procedure (RSA 193-D:8) to assure that a student’s disciplinary records, with respect to suspensions and expulsions, are transferred by the project recipient to any public or private elementary or secondary school where the student is required or chooses to enroll.

The relevant portions of the federal and state law appear below.

- a) **Disciplinary Records** - In accordance with the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. 1232g), not later than 2 years after the date of enactment of this part, each State receiving Federal funds under this Act shall provide an assurance to the Secretary that the State has a procedure in place to facilitate the transfer of disciplinary records, with respect to a suspension or expulsion, by local educational agencies to any private or public

elementary school or secondary school for any student who is enrolled or seeks, intends, or is instructed to enroll, on a full- or part-time basis, in the school.

- b) **193-D:8 Transfer Records; Notice** – All elementary and secondary educational institutions, including academies, private schools, and public schools, shall upon request of the parent, pupil, or former pupil, furnish a complete school record for the pupil transferring into a new school system. Such record shall include, but not be limited to, records relating to any incidents involving suspension or expulsion, or delinquent or criminal acts, or any incident reports in which the pupil was charged with any act of theft, destruction, or violence in a safe school zone.

20. Compliance with FERPA and PPRA

The subrecipient certifies that it complies with Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) and the Protection of Pupil Rights Amendment (PPRA) (20 U.S.C. § 1232h; 34 CFR Part 98) by ensuring the following:

- a) The subrecipient has established and implemented effective internal processes to ensure that student's complete education records are maintained;
- b) The subrecipient has established and implemented effective internal processes to ensure that parents are provided with the opportunity to review their student's education records;
- c) The subrecipient has established policies and procedures that permit disclosure of personally identifiable information from a student's education records in order to address safety issues in a manner that complies with FERPA;
- d) The subrecipient provides parents and eligible students annual notification of their rights under FERPA consistent with 34 CFR § 99.7; and
- e) The subrecipient, if applicable, has established procedures to provide military recruiters the same access to secondary students as provided to postsecondary institutions or to prospective employers and require that schools provide student information to military recruiters, when requested, unless the parent has opted out of providing such information (schools are required to provide to military recruiters include student names, addresses, electronic mailing addresses, and telephone listings. See Section 8528 of the ESEA, as amended, 20 U.S.C. § 7908 and 10 U.S.C. § 503(c)).

CERTIFICATION

Instructions: The Senior Official **must** consult with the Board (School Board, Board of Trustees, Board of Directors, etc.) of the subrecipient by informing said Board about the subrecipients participation in Federal Programs and the terms and conditions of the General Assurances, Requirements and Definitions for Participation in Federal Programs. The Senior Official and the Chair/President of the Board **must** sign this certification page (and initial all other pages) as described below and return it to the NHED. **No subawards will be made by the NHED without a fully executed copy of this General Assurances, Requirements and Definitions for Participation in Federal Programs on file.**

Senior Official Certification:

We the undersigned acknowledge that a person is guilty of a violation of R.S.A. § 641:3 if: (a) He or she makes a written or electronic false statement which he or she does not believe to be true, on or pursuant to a form bearing a notification authorized by law to the effect that false statements made therein are punishable; or (b) With a purpose to deceive a public servant in the performance of his or her official function, he or she: (1) Makes any written or electronic false statement which he or she does not believe to be true; or (2) Knowingly creates a false impression in a written application for any pecuniary or other benefit by omitting information necessary to prevent statements therein from being misleading; or (3) Submits or invites reliance on any writing which he or she knows to be lacking in authenticity; or (4) Submits or invites reliance on any sample, specimen, map, boundary mark, or other object which he or she knows to be false.

Accordingly, I, the undersigned official legally authorized to bind the named subrecipient hereby apply for participation in federally funded education programs on behalf of the subrecipient named below. I certify, to the best of my knowledge, that the below subrecipient will adhere to and comply with these General Assurances, Requirements and Definitions for Participation in Federal Programs (pages 1 through 19 inclusive). I further certify, as is evidenced by the Minutes of the Board Meeting held on _____, _____, that I have informed the members of the Board of the federal funds the subrecipient will be receiving and of these General Assurances, Requirements and Definitions for the Participation in Federal Programs for the subrecipients participation in said programs.

Subrecipient Name (must match applicant name): _____

Typed Name of Senior Official

Signature

Date

Board Certification:

I, the undersigned official representing the Board, acknowledge that the Senior Official, as identified above, has consulted with all members of the Board, in furtherance of the Board’s obligations (including those enumerated in RSA 189:1-a for local educational agencies), and pursuant to the Board’s oversight of federal funds the subrecipient will be receiving and of the General Assurances, Requirements and Definitions for Participation in Federal Programs in said programs.

Typed Name of Board Chair/
President (on behalf of the Board)

Signature

Date

**Monadnock Regional School District (MRSD)
School Board Meeting Minutes
March 17, 2026 (Not Yet Approved)
MRMHS Library, Swanzey, NH**

School Board Members Present: Scott Peters, Edmond LaPlante, Lisa Steadman, Betty Tatro, Jeff Cesaitis, Christina Pierce, Hannah Blood and Gina Carraro. **Absent:** Rachel Vogt, Kristen Noonan, Brian Bohannon, Jennifer Strimbeck and Swanzey Vacancy.

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

1. CALL THE MEETING TO ORDER at 7:00 PM: J. Rathbun called the meeting to order.

2. PUBLIC COMMENTS: There were no public comments.

3. #celebrateMRSD

a. Recap of District Votes & Election from March 10th: J. Rathbun explained that all of the articles on the ballot passed. The MESSA contract passed which is helpful to the Monadnock employees.

b. Welcome new Board Members: J. Rathbun welcomed new School Board Members from Fitzwilliam, Christina Pierce and Kristen Noonan who was elected the new Swanzey Board Member.

c. Winter Spirit Championship: J. Rathbun informed the Board that the Varsity Cheerleading Team has won the Winter Spirit Championship. Congratulations!!! **MOTION:** K. Noonan **MOVED** to approve the traditional championship swag for the Varsity Cheerleaders. **SECOND:** H. Blood. **VOTE:** 11.663/0/0/1.337. **Motion passes.**

d. We Will Rock You Presentation: J. Rathbun congratulated the students and staff for a great job in the recent show. He was away at a conference but heard many good things about it.

e. Mathematics Competition: J. Rathbun commented that it has been some time since the district has sent a Math Team to competition. The Team consists of 10 students and a teacher.

f. Professional Development Day-March 20, 2026: During the Professional Development Day the high school will be working on NEASC and the elementary school staff will be working on English and Math Programs. Professionals from those companies will work with the staff. The elementary staff will also work on Marzano.

4. BOARD ORGANIZATIONAL MEETING-Policies BDA, BDA-R:

a. Election of School Board & SAU Officers:

i. Board Chair: J. Rathbun asked for nominations for the Board Chair. **MOTION:** L. Steadman **MOVED** to nominate S. Peters as the Board Chair. **SECOND:** B. Tatro. **There were no other nominations.** **VOTE:** 10.668/0/.915/1.337. **Motion passes. S.**

Peters takes over the meeting as Board Chair.

ii. Board Vice Chair: S. Peters asked for nominations for Board Vice Chair. **MOTION:** J. Cesaitis **MOVED** to nominate K. Noonan as the Board Vice Chair. **SECOND:** R. Vogt. **MOTION:** B. Tatro **MOVED** to nominate L. Steadman as the Board Vice Chair. **SECOND:** J. Strimbeck. **VOTE:** K. Noonan 6.585 and L. Steadman 5.078. **K. Noonan Board Vice Chair.**

iii. Board Treasurer and Secretary: **MOTION:** K. Noonan **MOVED** to nominate L. Steadman as the Board Treasurer/Secretary. **SECOND:** B. Bohannon. **VOTE:** 11.663/0/0/1.337. **Motion passes.**

b. Board Open Seats: There is an open seat for Swanzey. C. McDaniel-Thomas has resigned and will be moving to Maine. The Swanzey Board Members will be voting on a new Swanzey Board Member. The vacancy means there is a 12-member Board when figuring out quorum until a member is elected. The members will notify L. Sutton when there has been a nomination.

c. Board Member Documentation:

i. Contact Sheet: S. Peters passed out the Contact Sheet for the members to update their information.

ii. BCA/BCA-R (Ethics Commitment Form): The Ethics Commitment Form has been passed out to the members and they are being asked to agree and sign it. The forms were signed and passed back to the chair.

iii. Review 2025/26 Board Self-Evaluation: S. Peters explained that only 4 self-evaluations came back and that could have been due to a processing issue. He commented that the biggest struggle last year was the committee meetings. He asked that the members work harder this coming year.

iv. Board Goal Setting Process: S. Peters explained that each committee would come up with their committee goals and then from those goals the Board will come up with the Board Goals.

v. Proposed Board Meeting Time/Date/Standard Snow Dates: The Board Meeting schedule was passed out to the members. Policy BDA-R is a list of the recurring motions to do at various meetings. The committee discussed some of the Board Meetings to be held at the various schools during the year. B. Bohannon likes meeting at the MRMHS. K. Noonan and J. Cesaitis agreed on meeting at the various schools during the year. S. Peters commented that the meeting locations can be adjusted at any time during the year. He would suggest that the members from the various towns promote their school but maybe not in the summer.

d. Evaluate Standing Committees (Policy BDE): The Board discussed if there were some committees that were not necessary. H. Blood explained that she was the Chair of the CRC and it was hard to know what the committee really needed to do, one member stopped attending and the CRC needed more help to set the CRC up for success.

i. Committee Assignments and Schedule: B. Tatro-Budget Committee

liaison, R. Vogt-CCC representative, J. Strimbeck-Wellness Committee. S.Peters would suggest 2 senior Board Members to have a Board Orientation with the new members. L.Steadman and K. Noonan agreed. L.Steadman would suggest a Governance Committee. Christina Pierce and R. Vogt will also be a part of that committee. It was commented that the CRC might not be needed all the time. J. Rathbun commented that what is hard is that the committees will give the administration an assignment and they already have so many roles to fill. It is a hard conversation but the reality is that it is hard to fit it into the administration's schedule. The CRC can be helpful when the staff brings ideas to the committee and asks for their help. The Emerson Library dedication still needs to happen. The administration will need help with the library dedication, Cutler gymnasium and the Class of 1977 appreciation ceremony. Maybe the committee could be a standing committee and meet maybe monthly if there is a need. H. Blood does agree with all of that. Wait until the administration needs the committee, be flexible.

Committee Assignments continued: CRC-H. Blood, R. Vogt and B. Bohannon, Negotiations-L.Steadman, B. Tatro and H. Blood, Finance/Facilities-R. Vogt, J. Cesaitis and H. Blood (working on the CIP, SAU Plans, Cutler Warrant Article), Policy-K. Noonan, B. Tatro and L. Steadman(work with Education on Book I and Book J), Education-R. Vogt, E. LaPlante and C. Pierce (work with Policy on Book I and Book J). J. Rathbun would suggest the ECC be an ad hoc when needed. S.Peters will appoint if the need arrives. J.Cesaitis would like to have a Safety Committee. He would like a deeper understanding of the safety policies in each school. J. Rathbun explained that certain information would have to be in non-public and some information cannot be shared. J. Cesaitis asked about the procedures. S. Peters said the role of the Board is to set policy. K. Noonan commented that we can review policy but can not dictate procedure. J. Cesaitis asked if the procedures abide by the policies. J.Rathbun answered yes and commented that he is not sure how this committee could work without the administration. H.would have to be in attendance. J. Cesaitis commented on emails he has received about safety concerns. The Safety Committee-J. Cesaitis, J. Strimbeck and E.LaPlante. S.Peters would caution the committee about responding to safety concerns. They should be directed to the administration. The group will meet and share with the administration. **MOTION:** S.Peters **MOVED** to form the committees as elected. **SECOND:** K.Noonan **VOTE:** 11.663/0/0/1.337. **Motion passes.**

ii. Proposed Board & Committee Goals: S.Peters would ask the committees to meet, elect a chair, review the current Committee Charter, review, update and have a first pass at the Committee Goals as well. The Committee Chairs will contact L. Sutton about their meetings in order for her to post them.

e. Elementary STEAM Position: J. Rathbun explained that the administration is looking to hire a Maker Space/STEAM position. Currently, the MRMHS Library Media Specialist is teaching the STEAM, supporting the elementary schools while being the MRMHS Library Media Specialist. **MOTION:** K. Noonan **MOVED** to support the recommendation presented by J. Rathbun for an Elementary Maker Space/STEAM position. **SECOND:** J. Cesaitis. **VOTE:** 11.663/0/0/1.337. **Motion passes.**

5. MATTERS FOR INFORMATION & DISCUSSION:

a. Superintendent Evaluation: J. Rathbun asked that before the evaluation he has an opportunity to sit and have a chance to review his goals, accomplishments and remind the board on what has happened. It has been quite a year. He said an evaluation is for improvement in education. He does not feel that the evaluation helped him. He said last year it was nice but there was no conversation. He explained when he does the annual reviews for the administration he asks for goal setting prior to the kids entering the school. He is not offended if his compensation is not done with the others. J. Rathbun will have his written reflections and goals at the 2nd meeting in April. C.Pierce asked if teacher feedback is part of this process. S. Peters said there is a process and any teacher feedback would be in the Bargaining Units.

b. Education Report: There will be a Marzano Report on April 21, 2026 and in July or August a report from the Director of Guidance.

c. FY25 Audit Report: J. Morin explained the auditors are trying to wrap up the audit and the goal is to be complete by March 31, 2026

d. Virtual Signature on Manifest: J. Morin explained that there are challenges with Virtual Signatures. J. Rathbun said that they would look into it.

6. MATTERS THAT REQUIRE BOARD ACTION:

a. * Approve the Consent Agenda: (February 17, 2026 Public and Non-Public Meeting Minutes, Budget Transfers and the Manifest \$3,662,812.04): MOTION: B.Bohannon **MOVED** to approve the February 17, 2026 Public and Non-Public Meeting Minutes, a budget transfer request from S. Betit-Hancock in the amount of \$12,222 from Cutler Guidance Salary and benefit lines to the MRMHS benefit lines, a budget transfer request from S. Betit-Hancock in the amount of \$20,530 from the MRMHS Special Ed. Para Salary line to the Cutler Special Ed. Health Ins. line, a budget transfer request from S.Betit-Hancock in the amount of \$9,810 from the MRMHS Special Ed. benefit lines to the SAU Special Ed. benefit lines and the Manifest in the amount of \$3,704,178.51. **SECOND:** H. Blood. **VOTE:** 11.663/0/0/1.337. **Motion passes.**

7. SETTING NEXT MEETING'S AGENDA:

- a. April 7, 2026 @MRMHS**
- b. Committee Charter-Goals**

8. PUBLIC COMMENTS: There were no public comments.

9. 9:00 PM Non-Public Session RSA 91-A:3 II (c) Matters which, if discussed in public, would likely adversely affect the reputation of any person, other than a member of the public body itself, unless such person requests an open meeting: MOTION: K. Noonan **MOVED** to enter into Non-Public Session under RSA 91-A:3 II (c) Matters which, if discussed in public, would likely adversely affect the reputation of any person, other than a member of the

public body itself, unless such person requests an open meeting. **SECOND:** R. Vogt. **VOTE:** 11.663/0/0/1.337. **Motion passes.**

10. MOTION TO ADJOURN: MOTION: K. Noonan **MOVED** to adjourn the meeting at 9:15 PM. **SECOND:** B. Bohannon. **VOTE:** 11.663/0/0/1.337. **Motion passes.**

Respectfully submitted,

Laura L. Aivaliotis
Recording Secretary

VOTING KEY:Yes/No/Abstain/Absent

**Monadnock Regional School District
School Board Meeting Minutes
Non-Public Session (Not Yet Approved)
March 17, 2026
MRMHS Library, Swanzey, NH**

Members Present: Scott Peters, Kristen Noonan, Lisa Steadman, Jeff Cesaitis, Rachel Vogt, Jennifer Strimbeck, Betty Tatro, Hannah Blood, Edmond LaPlante, Christina Pierce and Brian Bohannon. **Absent:** Gina Carraro and Swanzey vacancy.

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

9:00 PM Non-Public Session RSA 91-A:3 II (c) Matters which, if discussed in public, would likely adversely affect the reputation of any person, other than a member of the public body itself, unless such person requests an open meeting.

Issue #1: Notification: Maureen Moore will be retiring June 2026.

Issue #2: Robin Ciaccio would like to ask the Board to allow her to rescind her retirement and retire in June of 2027. She did rescind her retirement once before. This would have to be approved by the Union. **MOTION:** B. Bohannon **MOVED** to approve the request to rescind the retirement of Robin Ciaccio contingent upon the approval of the Union. **SECOND:** J. Strimbeck. **VOTE:** 11.663/0/0/1.337. **Motion passes.**

Issue #3: Notification: Casey Walsh will be resigning as of March 27, 2026.

Issue #4: A parent with a student at the Troy School has made a complaint. The Board had received the email. J. Rathbun and L.Spencer are addressing the issue and putting a plan in place.

MOTION: K. Noonan **MOVED** to leave non-public session (c). **SECOND:** B. Bohannon. **VOTE:** 11.663/0/0/1.337. **Motion passes.**

Respectfully submitted,

**Laura L. Aivaliotis
Recording Secretary**