

**GOVERNOR WENTWORTH REGIONAL
SCHOOL DISTRICT**

Financial Statements

For the Year Ended June 30, 2024

and

Independent Auditor's Report

**GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
FINANCIAL STATEMENTS
For the Year Ended June 30, 2024**

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FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

To the School Board
Governor Wentworth Regional School District

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Governor Wentworth Regional School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Governor Wentworth Regional School District's basic financial statements as listed in the table of contents.

Summary of Opinions:

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
General Fund	Unmodified
Federal Projects Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinion on Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Governor Wentworth Regional School District, as of June 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Each Major Fund and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Governor Wentworth Regional School District, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our

report. We are required to be independent of the Governor Wentworth 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 qualified and unmodified audit opinions.

Matter Giving Rise to Qualified Opinion on Governmental Activities

As discussed in Note 2 to the financial statements, management has not obtained an updated actuarial valuation as it pertains to its single employer other post-employment benefits plan. Accounting principles generally accepted in the United States of America require that other postemployment benefits attributable to employee services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee be accrued as liabilities and expenses as employees earn the rights to the benefits, which would increase the liabilities, deferred outflow of resources, deferred inflows of resources, reduce the net position, and change the expenses of the governmental activities. The amount by which this departure would affect the liabilities, deferred outflows of resources, deferred inflows of resources, net position, and expenses of the governmental activities has not been determined.

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 Governor Wentworth Regional School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Governor Wentworth 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 Governor Wentworth 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.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Governor Wentworth Regional School District's basic financial statements. The combining nonmajor governmental fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other 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 nonmajor governmental fund financial statements 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, 2025, on our consideration of the Governor Wentworth 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 the Governor Wentworth Regional School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Governor Wentworth Regional School District's internal control over financial reporting and compliance.

Vachon Clukay & Company PC

Manchester, New Hampshire
March 31, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2024

Presented herewith please find the Management Discussion & Analysis Report for the Governor Wentworth Regional School District for the fiscal year ending June 30, 2024. Responsibility for both the accuracy of the data, and the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. This data is reported in a manner designed to fairly present the District's financial position, and the result of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an accurate understanding of the District's financial activities have been included.

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

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the Governor Wentworth Regional School District (GWRSD) using the integrated approach as prescribed by GASB Statement 34.

This discussion and analysis is intended to serve as an introduction to GWRSD's financial statements. The basic financial statements comprise three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

Government –Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to most private-sector companies.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

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 District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2024

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental activities statement of net position and statement of activities.

The District maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances for the General Fund, Federal Projects Fund, and Student Activities Fund, which are considered major funds. Data from the other governmental funds are combined into a single, aggregate presentation.

The District adopts an annual appropriation budget for its governmental funds. A budgetary comparison has been provided for the General Fund to demonstrate compliance with this budget.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

Notes to the Basic Financial Statements

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

Government-Wide Financial Analysis

Statement of Net Position

The table below provides a summary of the District's net position for the year ended June 30, 2024 compared with 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2024

	<u>2024</u>	<u>2023</u>
Current and other assets:		
Capital assets - net	\$ 57,025,640	\$ 56,515,368
Other assets	<u>8,872,204</u>	<u>5,150,735</u>
Total assets	<u>65,897,844</u>	<u>61,666,103</u>
Deferred outflows of resources	<u>8,268,122</u>	<u>10,756,925</u>
Current and other liabilities:		
Long-term bonds payable	22,732,912	24,735,388
Compensated absences payable	888,129	1,081,774
Finance purchase obligations	1,195,684	1,352,144
Lease liability	357,699	335,193
Other post-employment benefits	5,763,198	6,047,486
Net pension liability	42,483,506	44,007,009
Other liabilities	<u>7,276,510</u>	<u>2,210,024</u>
Total liabilities	<u>80,697,638</u>	<u>79,769,018</u>
Deferred inflows of resources	<u>1,852,328</u>	<u>1,667,621</u>
Net position:		
Net investment in capital assets	32,493,169	29,769,580
Restricted	220,415	376,636
Unrestricted (deficit)	<u>(41,097,584)</u>	<u>(39,159,827)</u>
Total net position (deficit)	<u>\$ (8,384,000)</u>	<u>\$ (9,013,611)</u>

The largest portion of the District's net position reflects its investment in capital assets such as land, buildings, and equipment, less any related outstanding 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 sources, since the capital assets themselves generally cannot be used to liquidate these liabilities.

Statement of Activities

Changes in net position for fiscal year 2024 and 2023 are as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2024

	<u>2024</u>	<u>2023</u>
Program revenues:		
Charges for services	\$ 2,384,415	\$ 2,431,962
Operating grants and contributions	6,066,889	7,220,830
Capital grants and contributions	<u>1,939,787</u>	<u> </u>
Total program revenues	<u>10,391,091</u>	<u>9,652,792</u>
General revenues:		
Property taxes	47,399,634	42,960,839
State adequacy education grant	5,231,756	6,968,300
Interest and investment earnings (losses)	159,590	30,888
Miscellaneous	<u>394,101</u>	<u>377,908</u>
Total general revenues	<u>53,185,081</u>	<u>50,337,935</u>
Total revenues	<u>63,576,172</u>	<u>59,990,727</u>
Program expenses:		
Instruction	38,546,834	36,055,913
Supporting services	3,208,141	2,502,846
Instructional staff services	2,523,387	3,115,208
General administration	5,184,713	4,844,826
Operation and maintenance of plant	7,035,350	6,824,062
Pupil transportation	2,812,461	2,759,004
Other student	818,739	721,490
Food service	1,207,578	1,281,898
Interest and fiscal charges	<u>1,609,358</u>	<u>1,529,253</u>
Total program expenses	<u>62,946,561</u>	<u>59,634,500</u>
Change in net position	629,611	356,227
Net position - beginning of year (deficit)	<u>(9,013,611)</u>	<u>(9,369,838)</u>
Net position - ending of year (deficit)	<u>\$ (8,384,000)</u>	<u>\$ (9,013,611)</u>

GWRSD ACTIVITIES

As shown in the above statement there was a change in net position of \$629,611. The majority of this change was due to the change of the net position at the beginning of the year as restated. See Exhibit D-1 in the Financial Statements for additional reconciling activity between the governmental funds and the government-wide activity.

The General Fund shows a fund balance of \$1,815,783, consisting of \$169,587 of Unassigned, \$158,565 of Assigned, \$1,465,031 Committed and \$22,600 Nonspendable. Other governmental funds include the operations of the food service fund and Kingswood Regional Arts Center.

GWRSD must abide by GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. Under Statement 54, the District has segregated fund balance into five classifications: Nonspendable, Restricted, Committed, Assigned and Unassigned. Complete descriptions of the above mentioned classifications may be found on page 14 of the Notes to the Basic Financial Statements. In accordance with GASB 54, the District's Expendable Trust Funds are reported as part of the General Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2024

Capital Assets

The GWRSD considers a capital asset to be an asset whose costs exceed \$5,000 and has a useful life of greater than one (1) year. Assets are depreciated using the straight-line method over the course of their useful life. During the 2024 fiscal year the District purchased equipment for various locations, made building improvements, and purchased transportation. See Note 4 in the Notes to the Basic Financial Statements on page 16 for a summary of all capital assets.

Long-Term Debt

During FY 2024 the District paid down \$2,425,701 of long-term debt. Compensated absences decreased by a net \$193,645. See Note 5 in the Notes to the Basic Financial Statements for a summary of all outstanding long-term obligations.

Budgetary Highlights

Budgetary information in these financial statements has been presented for the District's General Fund (a major governmental fund). This budgetary information is included in the Required Supplementary Information section.

There was no difference between the original and final budget for the General Fund. Actual revenues on a budgetary basis were below the budgeted amount by \$186,778.

The District under expended its budget by \$588,964. The favorable difference is primarily in the instruction function, which was \$1,645,636 less than the budgeted amount.

Economic Factors

Once again, the School Board and district management submitted a very frugal budget to the voters.

The following economic factors that continue to impact the Governor Wentworth Regional School District include:

- The national, state and local economy (also related to the pandemic)
- Changes in the New Hampshire Retirement System rates
- Reduction in State Aid Programs
 - Medicaid Reimbursement
 - Catastrophic Aid (SPED Aid)
 - Adequacy Aid
- Changes in federal grants awarded to the District

Contacting GWRSD's Financial Management

This financial report is to provide our citizens and creditors with a general overview of the GWRSD's finances and to show accountability for the money it receives. If you have questions about this report or need to get additional information, contact the business administrator at 140 Pine Hill Road, Wolfeboro Falls, NH 03896, phone 603-569-1658.

EXHIBIT A
GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

	Governmental <u>Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 5,021,769
Accounts receivable	10,228
Due from other governments	3,817,607
Prepaid items	<u>22,600</u>
Total Current Assets	<u>8,872,204</u>
Noncurrent assets:	
Capital assets:	
Non-depreciable capital assets	2,817,578
Depreciable capital assets, net	<u>54,208,062</u>
Total Noncurrent Assets	<u>57,025,640</u>
Total Assets	<u>65,897,844</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	323,020
Deferred outflows related to pension	<u>7,945,102</u>
Total Deferred Outflows of Resources	<u>8,268,122</u>
LIABILITIES	
Current liabilities:	
Accounts payable	790,454
Accrued liabilities	6,157,855
Unearned revenue	82,025
Current portion of bonds payable	1,853,828
Current portion of financed purchase obligations	357,699
Current portion of lease liability	79,417
Current portion of compensated absences payable	<u>58,088</u>
Total Current Liabilities	<u>9,379,366</u>
Noncurrent liabilities:	
Bonds payable	20,879,084
Financed purchase obligations	1,195,684
Lease liability	166,759
Compensated absences payable	830,041
OPEB liability	5,763,198
Net pension liability	<u>42,483,506</u>
Total Noncurrent Liabilities	<u>71,318,272</u>
Total Liabilities	<u>80,697,638</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	1,498,685
Deferred inflows related to pension	<u>353,643</u>
Total Deferred Inflows of Resources	<u>1,852,328</u>
NET POSITION	
Net investment in capital assets	32,493,169
Restricted	220,415
Unrestricted (deficit)	<u>(41,097,584)</u>
Total Net Position (deficit)	<u>\$ (8,384,000)</u>

See accompanying notes to the basic financial statements

EXHIBIT B
GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Governmental Activities</u>
Governmental Activities:					
Instruction	\$ 38,546,834	\$ 1,790,300	\$ 2,410,189		\$ (34,346,345)
Supporting services	3,208,141		635,428		(2,572,713)
Instructional staff services	2,523,387		153,226		(2,370,161)
General administration	5,184,713		42,412		(5,142,301)
Operation and maintenance of plant	7,035,350		185,311	\$ 1,939,787	(4,910,252)
Pupil transportation	2,812,461		12,379		(2,800,082)
Food service	1,207,578	594,115	550,154		(63,309)
Other student	818,739		902,997		84,258
Interest and fiscal charges	<u>1,609,358</u>		<u>1,174,793</u>		<u>(434,565)</u>
Total governmental activities	<u>\$ 62,946,561</u>	<u>\$ 2,384,415</u>	<u>\$ 6,066,889</u>	<u>\$ 1,939,787</u>	<u>(52,555,470)</u>
General revenues:					
Property taxes					47,399,634
State adequacy education grant					5,231,756
Investment income					159,590
Miscellaneous					<u>394,101</u>
Total general revenues					<u>53,185,081</u>
Change in net position					629,611
Net Position (deficit) at beginning of year					<u>(9,013,611)</u>
Net Position (deficit) at end of year					<u>\$ (8,384,000)</u>

See accompanying notes to the basic financial statements

EXHIBIT C
GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Federal Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,132,612		\$ 889,157	\$ 5,021,769
Accounts receivable	8,788		1,440	10,228
Due from other governments	2,732,137	\$ 959,901	125,569	3,817,607
Due from other funds	338,089		215,494	553,583
Prepaid items	22,600			22,600
Total Assets	<u>7,234,226</u>	<u>959,901</u>	<u>1,231,660</u>	<u>9,425,787</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 7,234,226</u>	<u>\$ 959,901</u>	<u>\$ 1,231,660</u>	<u>\$ 9,425,787</u>
LIABILITIES				
Accounts payable	\$ 564,147	\$ 178,959	\$ 47,348	\$ 790,454
Accrued liabilities	4,849,487	154,060	68,789	5,072,336
Due to other funds		553,583		553,583
Unearned revenue	4,809	45,000	32,216	82,025
Total Liabilities	<u>5,418,443</u>	<u>931,602</u>	<u>148,353</u>	<u>6,498,398</u>
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	22,600			22,600
Restricted		28,299	192,116	220,415
Committed	1,465,031			1,465,031
Assigned	158,565		891,191	1,049,756
Unassigned	169,587			169,587
Total Fund Balances	<u>1,815,783</u>	<u>28,299</u>	<u>1,083,307</u>	<u>2,927,389</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,234,226</u>	<u>\$ 959,901</u>	<u>\$ 1,231,660</u>	<u>\$ 9,425,787</u>

See accompanying notes to the basic financial statements

EXHIBIT C-1

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position

June 30, 2024

Total Fund Balances - Governmental Funds (Exhibit C)	\$ 2,927,389
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	57,025,640
Deferred outflows of resources and deferred inflows of resources that do not require or provide the use of current financial resources are not reported within the funds.	
Deferred outflows of resources related to OPEB	323,020
Deferred outflows of resources related to pension	7,945,102
Deferred inflows of resources related to OPEB	(1,498,685)
Deferred inflows of resources related to pension	(353,643)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of:	
Bonds payable	(22,732,912)
Financed purchase obligations	(1,553,383)
Lease liability	(246,176)
Accrued interest on long-term obligations	(1,085,519)
Compensated absences payable	(888,129)
OPEB liability	(5,763,198)
Net pension liability	<u>(42,483,506)</u>
Net Position of Governmental Activities (Exhibit A)	<u>\$ (8,384,000)</u>

See accompanying notes to the basic financial statements

EXHIBIT D
GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Federal Projects Fund	(Formerly major fund) Student Activities Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 47,399,634				\$ 47,399,634
Intergovernmental	6,928,000	\$ 4,857,281		\$ 550,154	12,335,435
Charges for services	1,777,638	12,662		594,115	2,384,415
Investment income	159,590				159,590
Miscellaneous	314,202	56,119		926,777	1,297,098
Total Revenues	<u>56,579,064</u>	<u>4,926,062</u>	<u>\$ -</u>	<u>2,071,046</u>	<u>63,576,172</u>
Expenditures:					
Current operations:					
Instruction	36,051,726	1,960,140		32,744	38,044,610
Supporting services	2,592,653	635,428			3,228,081
Instructional staff services	2,577,601	153,226			2,730,827
General administration	5,055,608	42,412			5,098,020
Operation and maintenance of plant	4,887,804	185,311			5,073,115
Pupil transportation	3,085,746	12,379			3,098,125
Food service				1,297,869	1,297,869
Other student				818,739	818,739
Capital outlay	173,872	1,939,787		4,641	2,118,300
Debt service:					
Principal retirement	2,027,861				2,027,861
Interest and fiscal charges	1,608,316				1,608,316
Total Expenditures	<u>58,061,187</u>	<u>4,928,683</u>	<u>-</u>	<u>2,153,993</u>	<u>65,143,863</u>
Excess of revenues over (under) expenditures	<u>(1,482,123)</u>	<u>(2,621)</u>	<u>-</u>	<u>(82,947)</u>	<u>(1,567,691)</u>
Other financing sources (uses):					
Financed purchase obligation issuance	212,384				212,384
Total Other financing sources (uses)	<u>212,384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,384</u>
Net change in fund balances	(1,269,739)	(2,621)	-	(82,947)	(1,355,307)
Fund Balances at beginning of year, as previously presented	<u>3,085,522</u>	<u>30,920</u>	<u>804,899</u>	<u>361,355</u>	<u>4,282,696</u>
Change within financial reporting entity (major to nonmajor fund)			(804,899)	804,899	-
Fund Balances at beginning of year, as adjusted	<u>3,085,522</u>	<u>30,920</u>	<u>-</u>	<u>1,166,254</u>	<u>4,282,696</u>
Fund Balances at end of year	<u>\$ 1,815,783</u>	<u>\$ 28,299</u>	<u>\$ -</u>	<u>\$ 1,083,307</u>	<u>\$ 2,927,389</u>

See accompanying notes to the basic financial statements

EXHIBIT D-1

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities

For the Year Ended June 30, 2024

Net Change in Fund Balances - Governmental Funds (Exhibit D) \$ (1,355,307)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. Capital outlays and depreciation and amortization expense in the current period are as follows:

Capital outlays	3,024,807
Depreciation expense	(2,435,028)
Amortization expense	(79,507)

Issuances of long-term obligations are reported as other financing sources in the governmental funds, but the issuances increase long-term liabilities in the statement of net position. Issuances are as follows:

Financed purchase obligations	(212,384)
-------------------------------	-----------

Repayment of bond, financed purchase obligation and lease principal is an expenditure in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position. Repayments in the current year are as follows:

Bond principal paid	1,936,921
Financed purchase obligation principal paid	346,338
Lease principal paid	76,887

In the statement of activities, interest is accrued on long-term debt, whereas in governmental funds, an interest expenditure is reported when due. (66,597)

Governmental funds report the effect of bond issuance premiums when debt is first issued, whereas these amounts are amortized in the statement of activities over the life of the related debt. 65,555

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 193,645

Governmental funds report OPEB and pension contributions as expenditures. However, in the statement of activities, OPEB and pension expense reflects the change in the OPEB liability and net pension liability and related deferred outflows and inflows of resources, and does not require the use of current financial resources. This is the amount by which OPEB and pension expense differed from OPEB and pension contributions in the current period.

Net changes in OPEB	203,061
Net changes in pension	<u>(1,068,780)</u>

Change in Net Position of Governmental Activities (Exhibit B) \$ 629,611

See accompanying notes to the basic financial statements

EXHIBIT E
GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	<u>Private- Purpose Trust Funds</u>
ASSETS	
Due from other governments	\$ 912,400
Total Assets	<u>912,400</u>
LIABILITIES	
Total Liabilities	<u>-</u>
NET POSITION	
Held in trust	912,400
Total Net Position	<u>\$ 912,400</u>

See accompanying notes to the basic financial statements

EXHIBIT F
GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	<u>Private- Purpose Trust Funds</u>
ADDITIONS:	
Contributions:	
Total Contributions	<u>\$ -</u>
Investment earnings:	
Interest income	37,068
Realized gain on investments	1,437
Net increase in the fair value of investments	<u>50,120</u>
Total Investment earnings	<u>88,625</u>
Total Additions	<u>88,625</u>
DEDUCTIONS:	
Benefits	<u>46,220</u>
Total Deductions	<u>46,220</u>
Change in net position	42,405
Net Position at beginning of year	<u>869,995</u>
Net Position at end of year	<u><u>\$ 912,400</u></u>

See accompanying notes to the basic financial statements

**GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

For the Year Ended June 30, 2024

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Governor Wentworth Regional School District conform to accounting principles generally accepted in the United States of America for local educational units of government, except as indicated hereinafter. The following is a summary of significant accounting policies.

Financial Reporting Entity

The Governor Wentworth Regional School District (the District) is an independent governmental entity organized under the laws of the State of New Hampshire to provide public education within the borders of the Towns of Brookfield, Effingham, New Durham, Ossipee, Tuftonboro, and Wolfeboro, New Hampshire. The District's legislative body is the annual deliberative session followed by balloting of registered voters within the District and is governed by an elected School Board. The District has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by the Governmental Accounting Standards Board (GASB).

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government-Wide Financial Statements:

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the District at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that are required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements:

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

**GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
For the Year Ended June 30, 2024

Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District employs the use of two categories of funds: governmental and fiduciary.

1. Governmental Funds:

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is reported as fund balance. The following are the District's major governmental funds:

The *General Fund* is the main operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

The *Federal Projects Fund* is used to account for the financial resources related to various state and federal grants and the related expenditures.

2. Fiduciary Funds:

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is comprised solely of private-purpose trust funds. The trust funds are used to account for assets held by the District under trust agreements for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District maintains numerous private-purpose trust funds which account for monies designated to benefit individuals within the District.

Measurement Focus

1. Government-Wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the District are included on the Statement of Net Position.

2. Fund Financial Statements:

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with

**GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
For the Year Ended June 30, 2024

brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

1. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 11). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest, tuition, and student fees.

Grants and entitlements received before the eligibility requirements are met are recorded as advances from grantors. On governmental fund financial statements, receivables that will not be collected within the available period are reported as deferred inflows of resources.

2. Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

**GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
For the Year Ended June 30, 2024

Budgetary Data

The District's budget represents functional appropriations as authorized by annual or special District meetings. The school board may transfer funds between operating categories as they deem necessary. The District adopts its budget under State regulations, which differ somewhat from accounting principles generally accepted in the United States of America in that the focus is on the entire governmental unit rather than on the basis of fund types.

State law requires balanced budgets but permits the use of beginning fund balance to reduce the property tax rate. For the year ended June 30, 2024, the District applied \$1,832,268 of its unassigned fund balance to reduce taxes.

Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

	<u>Description</u>	<u>Years</u>
	Land improvements	10
	Buildings and improvements	15-40
	Vehicles	6-10
	Machinery and equipment	5-20

Lease Liabilities and Leased Assets

Lease liabilities are measured at the present value of payments expected to be made during the lease term. Leased assets are measured at the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs and are amortized on a straight-line basis over the life of the related lease.

Compensated Absences

District employees earn vacation and sick leave as they provide services. Pursuant to District personnel policy and certain collective bargaining agreements, employees may accumulate (subject to certain limitations) unused sick and vacation pay earned and, upon retirement, resignation, or death may be compensated for such amounts at current rates of pay or at a rate agreed to in the collective bargaining agreement. In accordance with certain District collective bargaining agreements, employees are entitled to severance benefits after meeting minimum years of service requirements.

**GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

For the Year Ended June 30, 2024

For governmental fund financial statements, compensated absences are reported as liabilities and expenditures as payments come due each period upon the occurrence of employee death or retirement. The entire compensated absence liability is reported on the government-wide financial statements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current fiscal year.

General obligation bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Bond Premium

Bond premiums are amortized as a component of interest expense over the life of the related bond using the effective interest rate method. Bonds payable are reported in the accompanying financial statements gross of any applicable unamortized bond premium.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net 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 (NHRS) OPEB Plan and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, NHRS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for non-registered commingled funds valued at net asset value (NAV) as a practical expedient to estimate fair value.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Hampshire Retirement System (NHRS) and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
For the Year Ended June 30, 2024

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance Policy

The District has segregated fund balance into five classifications: Nonspendable, Restricted, Committed, Assigned, and Unassigned. These components of fund balance are defined as follows:

- *Nonspendable Fund Balance*: Amounts that are not in a spendable form or are required to be maintained intact.
- *Restricted Fund Balance*: Amounts constrained to specific purposes by their providers through constitutional provisions or by enabling legislation.
- *Committed Fund Balance*: Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- *Assigned Fund Balance*: Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance*: Amounts that are available for any purpose; these amounts are reported only in the General Fund, except for any deficit fund balance of another governmental fund.

The fund balance of the District may only be committed for specific purposes pursuant to formal action of the School Board. The School Board delegates to the Superintendent of Schools the authority to assign amounts to be used for specific purposes. The School Board will return to the Towns, any unassigned fund balance at fiscal year-end, to be used to offset the subsequent fiscal year's tax rate.

The District's policy is to first apply restricted resources when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications may be applied, committed resources are to be applied first, followed by assigned and unassigned.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

**GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024**

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE 2—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Single Employer OPEB Plan

The District has not obtained an updated actuarial valuation for the year ended June 30, 2024 as it pertains to its single employer OPEB plan in accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 requires governments to obtain an updated actuarial valuation once every two-year period for its single employer OPEB plan. Information in these financial statements for the year ended June 30, 2024, and as included in Note 6, has not been updated or changed since the prior fiscal year ended June 30, 2023.

NOTE 3—DEPOSITS

Deposits as of June 30, 2024 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and cash equivalents	<u>\$ 5,021,769</u>

Deposits at June 30, 2024 consist of the following:

Cash on hand	\$ 636
Deposits with financial institutions	<u>5,021,133</u>
	<u>\$ 5,021,769</u>

The District's investment policy for its governmental funds requires that deposits be made in New Hampshire based financial institutions that are participants in one of the federal depository insurance programs. The District limits its investments to money market investment accounts, certificates of deposit, and overnight repurchase agreements or the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool in accordance with New Hampshire State law. The District's investment policy for its governmental funds is at the discretion of the District's Treasurer and Business Administrator. Deposits for the Student Activities Fund are at the discretion of the School Principals and Superintendent of Schools.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned. The District requires that all deposits be either insured or collateralized by securities. Of the District's deposits with financial institutions at year end, \$4,826,207 was collateralized by securities held by the bank in the bank's name.

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

NOTE 4—CAPITAL ASSETS

The following is a summary of changes in capital assets of the governmental activities:

	Balance <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2024</u>
Capital assets not being depreciated:				
Land	\$ 867,743			\$ 867,743
Construction in progress		\$ 1,949,835		1,949,835
Total capital assets not being depreciated	<u>867,743</u>	<u>1,949,835</u>	<u>\$ -</u>	<u>2,817,578</u>
Other capital assets:				
Land improvements	187,000			187,000
Buildings and improvements	96,624,480	586,223		97,210,703
Vehicles	2,816,640	309,790	(31,279)	3,095,151
Machinery and equipment	910,620	178,959		1,089,579
Leased machinery and equipment	397,536			397,536
Total other capital assets at historical cost	<u>100,936,276</u>	<u>1,074,972</u>	<u>(31,279)</u>	<u>101,979,969</u>
Less accumulated depreciation for:				
Land improvements	(187,000)			(187,000)
Buildings and improvements	(42,656,743)	(2,149,531)		(44,806,274)
Vehicles	(1,668,893)	(226,474)	31,279	(1,864,088)
Machinery and equipment	(617,001)	(59,023)		(676,024)
Less accumulated amortization for:				
Leased machinery and equipment	(159,014)	(79,507)		(238,521)
Accumulated depreciation and amortization	<u>(45,288,651)</u>	<u>(2,514,535)</u>	<u>31,279</u>	<u>(47,771,907)</u>
Total other capital assets, net	<u>55,647,625</u>	<u>(1,439,563)</u>	<u>-</u>	<u>54,208,062</u>
Total capital assets, net	<u>\$ 56,515,368</u>	<u>\$ 510,272</u>	<u>\$ -</u>	<u>\$ 57,025,640</u>

Depreciation and amortization expense was charged to governmental functions as follows:

Instruction	\$ 24,049
Instructional staff services	11,205
General administration	69,689
Operation and maintenance of plant	2,163,392
Pupil transportation	232,266
Food service	13,934
	<u>\$ 2,514,535</u>

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

NOTE 5—LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The changes in the District’s long-term obligations of the governmental activities for the year ended June 30, 2024 are as follows:

Type	Balance			Balance June 30, 2024	Amounts Due Within One Year
	July 1, 2023	Additions	Reductions		
General obligation bonds	\$23,241,040		\$ (1,936,921)	\$21,304,119	\$ 1,853,828
Unamortized bond premiums	1,494,348		(65,555)	1,428,793	
Total Bonds payable	24,735,388	\$ -	(2,002,476)	22,732,912	1,853,828
Financed purchase obligations	1,687,337	212,384	(346,338)	1,553,383	357,699
Lease liability	323,063		(76,887)	246,176	79,417
Compensated absences	1,081,774	68,473	(262,118)	888,129	58,088
Total	<u>\$27,827,562</u>	<u>\$ 280,857</u>	<u>\$ (2,687,819)</u>	<u>\$25,420,600</u>	<u>\$2,349,032</u>

Payments on the general obligation bonds, financed purchase obligations, and lease liability are paid out of the General Fund. Compensated absences will be paid from the fund where the employee’s salary is paid.

General Obligation Bonds

Bonds payable at June 30, 2024 are comprised of the following individual issues:

\$25,000,000, 2009 Kingswood Complex Addition Bonds with interest from 2.51%-5.51%, due in annual installments varying from \$1,431,195 to \$393,820 through July 1, 2039	\$ 9,245,956
\$32,508,500, 2010 Kingswood Complex Addition Bonds with interest from 3.0%-5.0%, due in annual installments varying from \$1,981,040 to \$508,542 through August 15, 2039	<u>12,058,163</u>
Add: Unamortized bond premiums	<u>21,304,119</u>
	<u>1,428,793</u>
	<u>\$ 22,732,912</u>

General obligation bonds are direct obligations of the District, for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within District boundaries.

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

Debt service requirements to retire general obligation bonds outstanding at June 30, 2024 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2025	\$ 1,853,828	\$ 1,642,901	\$ 3,496,729
2026	1,770,378	1,719,145	3,489,523
2027	1,692,443	1,793,091	3,485,534
2028	1,616,695	1,862,287	3,478,982
2029	1,544,300	1,927,449	3,471,749
2030-2034	6,725,178	10,541,147	17,266,325
2035-2039	5,198,935	11,944,213	17,143,148
2040-2042	<u>902,362</u>	<u>2,697,849</u>	<u>3,600,211</u>
	21,304,119	34,128,082	55,432,201
Add: Unamortized bond premiums	<u>1,428,793</u>	<u>-</u>	<u>1,428,793</u>
	<u>\$ 22,732,912</u>	<u>\$ 34,128,082</u>	<u>\$ 56,860,994</u>

Financed Purchase Obligations

Financed purchase obligations represent agreements entered into for the financing of building improvements, vehicles and equipment. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations. Following are the individual financed purchase obligations outstanding at June 30, 2024:

	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Balance at June 30, 2024</u>
Energy equipment	3.99%	July 2033	\$ 1,134,873
2022 Bus lease	4.50%	June 2025	217,272
2024 Bus lease	4.50%	June 2027	<u>201,238</u>
			<u>\$ 1,553,383</u>

Debt service requirements to retire financed purchase obligations outstanding for governmental activities at June 30, 2024 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2025	\$ 357,699	\$ 62,291	\$ 419,990
2026	146,307	47,519	193,826
2027	209,680	40,652	250,332
2028	106,346	33,504	139,850
2029	110,589	29,261	139,850
2030-2034	<u>622,762</u>	<u>76,488</u>	<u>699,250</u>
	<u>\$ 1,553,383</u>	<u>\$ 289,715</u>	<u>\$ 1,843,098</u>

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

Authorized and Unissued Debt

As of June 30, 2024, the District had the following debt authorized and unissued:

Kingswood Complex \$ 9,734,114

Lease Liability

Lease agreements represent contracts that convey control of the right to use another entities nonfinancial asset for a specified period of time. Following is the individual lease liability outstanding at June 30, 2024:

<u>Description of Asset</u>	<u>Date</u>	<u>Payment Terms</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>Total Lease Liability</u>	<u>Balance at June 30, 2024</u>
Copiers	August 2021	Annual	\$ 87,516	3.29%	\$ 397,536	\$ 246,176

Annual requirements to amortize lease obligations and related interest at June 30, 2024 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2025	\$ 79,417	\$ 8,099	\$ 87,516
2026	82,030	5,486	87,516
2027	84,729	2,788	87,517
	<u>\$ 246,176</u>	<u>\$ 16,373</u>	<u>\$ 262,549</u>

NOTE 6—OTHER POSTEMPLOYMENT BENEFITS

Total OPEB Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and OPEB Expense

	<u>Deferred Outflows</u>	<u>OPEB Liability</u>	<u>Deferred Inflows</u>	<u>OPEB Expense</u>
Cost-Sharing Multiple Employer Plan	\$ 247,453	\$ 2,518,123		\$ 42,858
Single Employer Plan	<u>75,567</u>	<u>3,245,075</u>	<u>\$ 1,498,685</u>	<u> </u>
Total	<u>\$ 323,020</u>	<u>\$ 5,763,198</u>	<u>\$ 1,498,685</u>	<u>\$ 42,858</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to OPEB is reflected as a decrease to unrestricted net position in the amount of \$1,175,665.

**GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
For the Year Ended June 30, 2024

COST-SHARING MULTIPLE EMPLOYER PLAN

Plan Description

The New Hampshire Retirement System (NHRS) administers a cost-sharing multiple-employer other postemployment benefit plan (OPEB Plan). The OPEB Plan provides a medical insurance subsidy to qualified retired members.

The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System at 54 Regional Drive, Concord, New Hampshire 03301 or from their website at www.nhrs.org.

The OPEB Plan is divided into four membership types. The four membership types are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees, and Group I State Employees. The OPEB plan is closed to new entrants.

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 medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

Group I benefits are based on creditable service, age and retirement date. Group II benefits are based on hire date, age and creditable service. Medical subsidy rates established by RSA 100-A:52 II are dependent upon whether retirees are eligible for Medicare. Retirees not eligible for Medicare may receive a maximum medical subsidy of \$375.56 for a single person plan and \$751.12 for a two-person plan. Retirees eligible for Medicare may receive a maximum medical subsidy of \$236.84 for a single person plan and \$473.68 for a two-person plan.

Funding Policy

Per RSA-100-A:16, contribution rates are established and may be amended by the New Hampshire State legislature and are determined by the NHRS Board of Trustees based on an actuarial valuation. The District's contribution rates for the covered payroll of political subdivision employees and teachers were 0.26% and 1.13%, respectively, for the year ended June 30, 2024. Contributions to the OPEB plan for the District were \$244,426 for the year ended June 30, 2024. Employees are not required to contribute to the OPEB plan.

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

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

At June 30, 2024, the District reported a liability of \$2,518,123 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by a roll forward of the actuarial valuation from June 30, 2022. The District's proportion of the net OPEB liability was based on actual contributions by the District during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2023, the District's proportion was approximately 0.7369 percent, which was a decrease of 0.0047 percentage points from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense of \$42,858. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ 3,027	
District contributions subsequent to the measurement date	<u>244,426</u>	<u> </u>
Totals	<u>\$ 247,453</u>	<u>\$ -</u>

The District reported \$244,426 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net OPEB liability in the measurement period ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense for the measurement periods as follows:

<u>June 30,</u>	
2024	\$ (501)
2025	(3,823)
2026	8,181
2027	<u>(830)</u>
	<u>\$ 3,027</u>

Actuarial Assumptions

The total OPEB liability was determined by a roll forward of the actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

**GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

For the Year Ended June 30, 2024

Inflation	2.00%
Wage inflation	2.75% (2.25% for Teachers)
Salary increases	5.40%, average, including inflation
Investment rate of return	6.75% per year, net of OPEB plan investment expense, including inflation for determining solvency contributions

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

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

The long-term expected rate of return on OPEB Plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Public Equity	50%	5.40-5.65%
Private Market Equity	20%	4.00-6.65%
Private Debt	5%	5.05%
Fixed Income	<u>25%</u>	2.15%
Total	<u>100%</u>	

The discount rate used to measure the collective total OPEB liability as of June 30, 2023 was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and RSA 100-A:53. 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 District’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net OPEB liability calculated using the discount rate of 6.75 percent, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 2,734,929	\$ 2,518,123	\$ 2,328,966

**GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024**

SINGLE EMPLOYER PLAN

Plan Description

The District administers the retiree health care benefits program, a single employer defined benefits plan that is used to provide postemployment benefits other than pensions (OPEB) for all permanent full-time employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The District provides medical benefits to its eligible retirees. The benefits are provided through fully insured plans that are sponsored by a state-wide health insurance consortium. NH School Care is a non-profit organization with an employee benefits pool devoted exclusively to serving New Hampshire municipal, school, and county governments. Employees hired prior to July 1, 2011 are eligible to retire at age 60 regardless of years of creditable service, age 50 with at least 10 years of creditable service, or at any age if they have at least 20 years of creditable service and the sum of their age and years of service is at least 70. Employees hired after July 1, 2011 are eligible to retire at age 65 regardless of years of creditable service, or age 60 with at least 30 years of creditable service. Retirees are required to continue to pay 100% of the cost of the premium. The valuation does not account for the cost of benefits to retirees or their spouses after age 65. Surviving beneficiaries continue to receive coverage after the death of the eligible retired employee but are required to pay 100% of the premium. The benefits, benefit levels, employee contributions and employer contributions are governed by RSA 100-A:50.

Employees Covered By Benefit Terms

As of July 1, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	12
Active employees	<u>359</u>
	<u><u>371</u></u>

Total OPEB Liability

The District’s total OPEB liability of \$3,245,075 was measured as of June 30, 2023 and was determined by a roll forward of the actuarial valuation as of July 1, 2021.

Actuarial Assumptions and Other Inputs for OPEB

The total OPEB liability in the July 1, 2021 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00%
Discount rate	3.54%
Healthcare cost trend rates	Initial rate of 6.02%, increasing to 7.00%, then decreasing to an ultimate rate of 4.24% by year 2090

**GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
For the Year Ended June 30, 2024

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

Mortality rates were based on the 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 Teachers Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 Teachers Retirees Headcount-Weighted Mortality fully generational using Scale MP -2021.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2023	\$ 3,245,075
Changes for the year:	
Service cost	-
Interest	-
Benefit payments	-
Net changes	<u>-</u>
Balance at June 30, 2024	<u>\$ 3,245,075</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 3,437,318	\$ 3,245,075	\$ 3,058,084

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current Healthcare Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 2,904,671	\$ 3,245,075	\$ 3,636,935

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

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

For the year ended June 30, 2024, the District did not recognize OPEB expense. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience		\$ 244,821
Changes of assumptions	<u>\$ 75,567</u>	<u>1,253,864</u>
Totals	<u>\$ 75,567</u>	<u>\$ 1,498,685</u>

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

<u>June 30,</u>	
2024	\$ (416,751)
2025	(483,829)
2026	(483,829)
2027	(38,709)
2028	-
	<u><u>\$ (1,423,118)</u></u>

NOTE 7—DEFINED BENEFIT PENSION PLAN

Plan Description

The District contributes to the New Hampshire Retirement System (NHRS), a public employee retirement system that administers a single cost-sharing multiple-employer defined benefit pension plan. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature.

The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 54 Regional Drive, Concord, New Hampshire 03301 or from their website at www.nhrs.org.

Substantially all full-time state and local employees, public school teachers, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan.

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.

**GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
For the Year Ended June 30, 2024

Benefits Provided

Benefit formulas and eligibility requirements for the pension plan are set by State law (RSA 100-A).

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 a 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 <u>January 1, 2012</u>	<u>Minimum Age</u>	<u>Minimum Service</u>	<u>Benefit Multiplier</u>
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%

Funding Policy

Plan members are required to contribute 7.0% of their covered salary and the District is required to contribute at an actuarially determined rate. The District's pension contribution rates for the covered payroll of teachers and general employees were 18.51% and 13.27%, respectively, for the year ended June 30, 2024. The District contributes 100% of the employer cost for teachers and general employees of the District.

Per RSA-100-A:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The District's pension contributions to the NHRS for the year ending June 30, 2024 were \$4,500,916.

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

At June 30, 2024, the District reported a liability of \$42,483,506 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by a roll forward of the actuarial valuation from June 30, 2022. The District's proportion of the net pension liability was based on actual contributions by the District during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2023, the District's proportion was approximately 0.7589 percent, which was a decrease of 0.0083 percentage points from its proportion measured as of June 30, 2022.

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

For the year ended June 30, 2024, the District recognized pension expense of \$5,554,244. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 1,085,548	\$ 17,074
Change in assumptions	1,118,144	
Net difference between projected and actual earnings on pension plan investments	614,383	
Changes in proportion and differences between District contributions and proportionate share of contributions	626,111	336,569
District contributions subsequent to the measurement date	<u>4,500,916</u>	
Totals	<u>\$ 7,945,102</u>	<u>\$ 353,643</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to pension is reflected as an increase to unrestricted net position in the amount of \$7,591,459. The District reported \$4,500,916 as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the measurement period ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense in the measurement periods as follows:

Year ended <u>June 30,</u>	
2024	\$ 1,650,160
2025	(684,598)
2026	2,265,863
2027	<u>(140,882)</u>
	<u>\$ 3,090,543</u>

Actuarial Assumptions

The total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2022, using the following actuarial assumptions:

Inflation	2.00%
Wage inflation	2.75% (2.25% for Teachers)
Salary increases	5.40%, average, including inflation
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

**GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024**

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

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

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Public Equity	50%	5.40-5.65%
Private Market Equity	20%	4.00-6.65
Private Debt	5%	5.05%
Fixed Income	25%	2.15%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the collective pension liability as of June 30, 2023 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 contributions are projected based on the expected payroll of current members only. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the collective pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the 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 or 1-percentage-point higher than the single discount rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Net pension liability	\$ 57,644,974	\$ 42,483,506	\$ 29,528,959

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

NOTE 8—INTERFUND BALANCES AND TRANSFERS

The District has combined the cash resources of its governmental funds. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance. Interfund balances at June 30, 2024 are as follows:

		Due from	
		Federal Projects	
		Fund	Totals
Due to	General Fund	\$ 338,089	\$ 338,089
	Nonmajor Governmental Funds	<u>215,494</u>	<u>215,494</u>
		<u>\$ 553,583</u>	<u>\$ 553,583</u>

NOTE 9—RESTRICTED NET POSITION

Net position of governmental activities is restricted for specific purposes at June 30, 2024 as follows:

Private Grants	\$ 28,299
Food Service Operations	<u>192,116</u>
	<u>\$ 220,415</u>

NOTE 10—COMPONENTS OF FUND BALANCE

The components of the District’s fund balance for its governmental funds at June 30, 2024 are as follows:

	General Fund	Federal Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid Items	\$ 22,600			\$ 22,600
Restricted for:				
Private Grants		\$ 28,299		28,299
Food Service Operations			\$ 192,116	192,116
Committed for:				
School Maintenance	187,930			187,930
Special Education	199,540			199,540
Turf Field	812,156			812,156
Health Insurance	44,109			44,109
Debt Retirement	11,296			11,296
Designated for subsequent year's expenditures	210,000			210,000
Assigned for:				
Student groups			889,157	889,157
Kingswood Regional Art Center			2,034	2,034
Encumbrances	158,565			158,565
Unassigned	<u>169,587</u>			<u>169,587</u>
	<u>\$ 1,815,783</u>	<u>\$ 28,299</u>	<u>\$ 1,083,307</u>	<u>\$ 2,927,389</u>

**GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024**

NOTE 11—PROPERTY TAXES

Property taxes levied to support the Governor Wentworth Regional School District are based on the assessed valuation of the prior April 1st for all taxable real property.

Under state statutes, the Towns of Brookfield, Effingham, New Durham, Ossipee, Tuftonboro, and Wolfeboro, New Hampshire (all independent governmental units) collect School District taxes and State of New Hampshire Education taxes as part of local property tax assessments. As collection agent, the Towns are required to pay over to the District its share of property tax assessments through periodic payments based on cash flow requirements of the District. The Towns assume financial responsibility for all uncollected property taxes under state statutes. For the year ended June 30, 2024, School District taxes were \$37,302,000 and State of New Hampshire Education taxes were \$10,097,634.

The District is entitled to receive monies under the established payment schedule and the unpaid amount at the fiscal year end, if any, is considered due from other governments since the revenue is both measurable and available.

NOTE 12—RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2024, the District was a member of and participated in a public entity risk pool (Trust) for property and liability insurance and worker's compensation coverage. Coverage has not been significantly reduced from the prior year and settled claims have not exceeded coverage in any of the past three years.

The Trust agreements permit the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at June 30, 2024.

Property and Liability Insurance

The Trust provides certain property and liability insurance coverage to member school districts, school administrative units, and other qualified political subdivisions of New Hampshire. As a member of the Trust, the District shares in contributing to the cost of and receiving benefit from a self-insured pooled risk management program. The program includes a Self-Insured Retention Fund from which is paid up to \$200,000 for each and every covered property, crime and/or liability loss that exceeds \$1,000, up to an aggregate of \$1,200,000. Each property loss is subject to a \$1,000 deductible. All losses over the aggregate are covered by insurance policies.

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2024

Worker’s Compensation

The Trust provides statutory worker’s compensation coverage to member school districts, school administrative units, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers’ compensation benefits and employer’s liability coverage up to \$2,000,000. The program includes a Loss Fund from which is paid up to \$500,000 for each and every covered claim.

NOTE 13—CONTINGENT LIABILITIES

Federal Grants

The District participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amounts, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Litigation

There may be various claims and suits pending against the District, which arise in the normal course of the District's activities. In the opinion of District management, any potential claims against the District, which are not covered by insurance are immaterial and would not affect the financial position of the District.

NOTE 14—CHANGE WITHIN FINANCIAL REPORTING ENTITY

Reclassification of Major Funds

During the year ended June 30, 2024, changes within the financial reporting entity resulted in the reclassification of previously reported major funds. Beginning fund balances have been reclassified as follows:

	July 1, 2023 As Previously <u>Presented</u>	Changes to or within the Financial <u>Reporting Entity</u>	July 1, 2023 <u>As Adjusted</u>
Governmental Funds			
Major Funds:			
General Fund	\$ 3,085,522		\$ 3,085,522
Federal Projects Fund	30,920		30,920
Student Activities Fund	804,899	\$ (804,899)	-
Nonmajor Governmental Funds:	<u>361,355</u>	<u>804,899</u>	<u>1,166,254</u>
Total Governmental Funds	<u>\$ 4,282,696</u>	<u>\$ -</u>	<u>\$ 4,282,696</u>

SCHEDULE 1
GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget - Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 47,399,635	\$ 47,399,635	\$ 47,399,634	\$ (1)
Intergovernmental	7,051,821	7,051,821	6,928,000	(123,821)
Charges for services	1,890,000	1,890,000	1,777,638	(112,362)
Interest income	5,000	5,000	69,204	64,204
Miscellaneous	329,000	329,000	314,202	(14,798)
Total Revenues	<u>56,675,456</u>	<u>56,675,456</u>	<u>56,488,678</u>	<u>(186,778)</u>
Expenditures:				
Current operations:				
Instruction	37,682,463	37,682,463	36,036,827	1,645,636
Supporting services	2,587,172	2,587,172	2,677,938	(90,766)
Instructional staff services	2,291,875	2,291,875	2,589,170	(297,295)
General administration	4,720,441	4,720,441	5,088,879	(368,438)
Operation and maintenance of plant	4,724,355	4,724,355	4,850,638	(126,283)
Pupil transportation	2,715,240	2,715,240	2,867,743	(152,503)
Capital outlay	150,000	150,000	171,387	(21,387)
Debt service:				
Principal retirement	2,027,861	2,027,861	2,027,861	-
Interest and fiscal charges	1,608,316	1,608,316	1,608,316	-
Total Expenditures	<u>58,507,723</u>	<u>58,507,723</u>	<u>57,918,759</u>	<u>588,964</u>
Excess of revenues over (under) expenditures	<u>(1,832,267)</u>	<u>(1,832,267)</u>	<u>(1,430,081)</u>	<u>402,186</u>
Other financing sources (uses):				
Transfers out	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Total Other financing sources (uses)	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Net change in fund balance	(1,892,267)	(1,892,267)	(1,490,081)	402,186
Fund Balance at beginning of year				
- Budgetary Basis	<u>1,892,268</u>	<u>1,892,268</u>	<u>1,892,268</u>	<u>-</u>
Fund Balance at end of year				
- Budgetary Basis	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 402,187</u>	<u>\$ 402,186</u>

See accompanying notes to the required supplementary information

SCHEDULE 2

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT

Schedule of Changes in the District's Proportionate Share of the Net OPEB Liability

For the Year Ended June 30, 2024

Cost-Sharing Multiple Employer Plan Information Only					
<u>Measurement Period Ended</u>	<u>District's Proportion of the Net OPEB Liability</u>	<u>District's Proportionate Share of the Net OPEB Liability</u>	<u>District's Covered Payroll</u>	<u>District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
June 30, 2023	0.73689634%	\$ 2,518,123	\$ 25,056,573	10.05%	12.80%
June 30, 2022	0.74159894%	\$ 2,802,411	\$ 24,267,195	11.55%	10.64%
June 30, 2021	0.72325909%	\$ 2,896,340	\$ 23,201,291	12.48%	11.06%
June 30, 2020	0.71583586%	\$ 3,133,278	\$ 22,185,538	14.12%	7.74%
June 30, 2019	0.66013746%	\$ 2,894,116	\$ 21,733,308	13.32%	7.75%
June 30, 2018	0.65791864%	\$ 3,012,253	\$ 21,125,602	14.26%	7.53%
June 30, 2017	0.83848374%	\$ 3,833,832	\$ 20,779,233	18.45%	7.91%
June 30, 2016	0.83064586%	\$ 4,021,200	\$ 20,296,651	19.81%	5.21%
June 30, 2015	*	*	*	*	*
June 30, 2014	*	*	*	*	*

*10 Year Schedule, historical information not available

Significant Actuarial Assumptions					
<u>Measurement Periods</u>	<u>Inflation</u>	<u>Salary Increases</u>	<u>Investment Rate of Return</u>	<u>Mortality Table</u>	<u>Mortality Scale</u>
June 30, 2022 - 2023	2.00%	5.40%	6.75%	Pub-2010	MP-2019
June 30, 2020 - 2021	2.00%	5.60%	6.75%	Pub-2010	MP-2019
June 30, 2016 - 2019	2.50%	5.60%	7.25%	RP-2014	MP-2015

See accompanying notes to the required supplementary information

SCHEDULE 3
GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
Schedule of District OPEB Contributions
For the Year Ended June 30, 2024

Cost-Sharing Multiple Employer Plan Information Only					
<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2024	\$ 244,426	\$ (244,426)	\$ -	\$ 25,877,400	0.94%
June 30, 2023	\$ 321,021	\$ (321,021)	\$ -	\$ 25,056,573	1.28%
June 30, 2022	\$ 312,277	\$ (312,277)	\$ -	\$ 24,267,195	1.29%
June 30, 2021	\$ 347,564	\$ (347,564)	\$ -	\$ 23,201,291	1.50%
June 30, 2020	\$ 332,271	\$ (332,271)	\$ -	\$ 22,185,538	1.50%
June 30, 2019	\$ 301,075	\$ (301,075)	\$ -	\$ 21,733,308	1.39%
June 30, 2018	\$ 291,017	\$ (291,017)	\$ -	\$ 21,125,602	1.38%
June 30, 2017	\$ 496,970	\$ (496,970)	\$ -	\$ 20,779,233	2.39%
June 30, 2016	\$ 482,656	\$ (482,656)	\$ -	\$ 20,296,651	2.38%
June 30, 2015	*	*	*	*	*

* 10 Year Schedule, historical information not available

See accompanying notes to the required supplementary information

SCHEDULE 4

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

For the Year Ended June 30, 2024

<u>Single Employer Plan Information Only</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total OPEB Liability:										
Service cost		\$ 172,736	\$ 166,830	\$ 302,420	\$ 295,881	\$ 224,009	\$ 219,619	*	*	*
Interest		107,432	102,752	112,846	108,008	130,982	127,368	*	*	*
Differences between expected and actual experience		-	(389,794)	-	(149,973)	(154,043)	(115,960)	*	*	*
Changes of assumptions or other inputs		-	(2,068,060)	-	1,335,031	-	-	*	*	*
Benefit payments		(139,780)	(135,001)	(186,962)	(182,919)	(132,046)	(128,114)	*	*	*
Net change in total OPEB liability	\$ -	140,388	(2,323,273)	228,304	1,406,028	68,902	102,913	*	*	*
Total OPEB Liability at beginning of year	<u>3,245,075</u>	<u>3,104,687</u>	<u>5,427,960</u>	<u>5,199,656</u>	<u>3,793,628</u>	<u>3,724,726</u>	<u>3,621,813</u>	<u>*</u>	<u>*</u>	<u>*</u>
Total OPEB Liability at end of year	<u>\$ 3,245,075</u>	<u>\$ 3,245,075</u>	<u>\$ 3,104,687</u>	<u>\$ 5,427,960</u>	<u>\$ 5,199,656</u>	<u>\$ 3,793,628</u>	<u>\$ 3,724,726</u>	<u>*</u>	<u>*</u>	<u>*</u>
Covered employee payroll	**	\$ 21,350,558	\$ 20,333,865	\$ 20,812,344	\$ 20,404,259	\$ 19,852,335	\$ 19,463,074	*	*	*
Total OPEB liability as a percentage of covered employee payroll	**	15.20%	15.27%	26.08%	25.48%	19.11%	19.14%	*	*	*

Significant Actuarial Assumptions

Discount rate	**	3.54%	3.54%	2.21%	2.21%	3.58%	3.58%	*	*	*
Health cost trend rates:										
Initial	**	6.02%	6.02%	6.44%	6.44%	2.30%	2.30%	*	*	*
Ultimate	**	4.24%	4.24%	5.00%	5.00%	5.00%	5.00%	*	*	*
Mortality improvement scale	**	MP-2021	MP-2021	MP-2019	MP-2019	RP-2000	RP-2000	*	*	*

Note to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75

* 10 Year Schedule, historical information not available

** Actuarial valuation not completed, information not available

See accompanying notes to the required supplementary information

SCHEDULE 5

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT

Schedule of Changes in the District's Proportionate Share of the Net Pension Liability

For the Year Ended June 30, 2024

<u>Measurement Period Ended</u>	<u>District's Proportion of the Net Pension Liability</u>	<u>District's Proportionate Share of the Net Pension Liability</u>	<u>District's Covered Payroll</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
June 30, 2023	0.75886713%	\$ 42,483,506	\$ 25,056,573	169.55%	67.18%
June 30, 2022	0.76718969%	\$ 44,007,009	\$ 24,267,195	181.34%	65.12%
June 30, 2021	0.75453076%	\$ 33,440,194	\$ 23,201,291	144.13%	72.22%
June 30, 2020	0.74610952%	\$ 47,722,292	\$ 22,185,538	215.11%	58.72%
June 30, 2019	0.73780805%	\$ 35,500,775	\$ 21,733,308	163.35%	65.59%
June 30, 2018	0.73676784%	\$ 35,476,863	\$ 21,125,602	167.93%	64.73%
June 30, 2017	0.69917552%	\$ 34,385,402	\$ 20,779,233	165.48%	62.66%
June 30, 2016	0.69817206%	\$ 37,125,965	\$ 20,296,651	182.92%	58.30%
June 30, 2015	0.69121723%	\$ 27,382,758	\$ 19,942,283	137.31%	65.47%
June 30, 2014	0.71559834%	\$ 26,860,597	\$ 19,960,176	134.57%	66.32%

Significant Actuarial Assumptions

<u>Measurement Periods</u>	<u>Inflation</u>	<u>Salary Increases</u>	<u>Investment Rate of Return</u>	<u>Mortality Table</u>	<u>Mortality Scale</u>
June 30, 2022 - 2023	2.00%	5.40%	6.75%	Pub-2010	MP-2019
June 30, 2020 - 2021	2.00%	5.60%	6.75%	Pub-2010	MP-2019
June 30, 2016 - 2019	2.50%	5.60%	7.25%	RP-2014	MP-2015
June 30, 2013 - 2015	3.00%	3.75-5.80%	7.75%	RP-2000	Scale AA

See accompanying notes to the required supplementary information

SCHEDULE 6
GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
Schedule of District Pension Contributions
For the Year Ended June 30, 2024

<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2024	\$ 4,500,916	\$ (4,500,916)	\$ -	\$ 25,877,400	17.39%
June 30, 2023	\$ 4,578,895	\$ (4,578,895)	\$ -	\$ 25,056,573	18.27%
June 30, 2022	\$ 4,443,135	\$ (4,443,135)	\$ -	\$ 24,267,195	18.31%
June 30, 2021	\$ 3,466,567	\$ (3,466,567)	\$ -	\$ 23,201,291	14.94%
June 30, 2020	\$ 3,314,532	\$ (3,314,532)	\$ -	\$ 22,185,538	14.94%
June 30, 2019	\$ 3,209,636	\$ (3,209,636)	\$ -	\$ 21,733,308	14.77%
June 30, 2018	\$ 3,114,006	\$ (3,114,006)	\$ -	\$ 21,125,602	14.74%
June 30, 2017	\$ 2,561,383	\$ (2,561,383)	\$ -	\$ 20,779,233	12.33%
June 30, 2016	\$ 2,499,930	\$ (2,499,930)	\$ -	\$ 20,296,651	12.32%
June 30, 2015	\$ 2,319,364	\$ (2,319,364)	\$ -	\$ 19,942,283	11.63%

See accompanying notes to the required supplementary information

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024

NOTE 1—BUDGET TO ACTUAL RECONCILIATION

General Fund

Amounts recorded as budgetary amounts in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund (Schedule 1) are reported on the basis budgeted by the District. Those amounts differ from those reported in conformity with accounting principles generally accepted in the United States of America in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit D). General Fund budgetary revenues and other financing sources and expenditures and other financing uses were adjusted for encumbrances, non-budgetary activity, budgetary transfers out, and financed purchase obligation transactions as follows:

	Revenues and Other Financing <u>Sources</u>	Expenditures and Other Financing <u>Uses</u>
Per Exhibit D	\$ 56,791,448	\$ 58,061,187
Encumbrances - June 30, 2023		(84,346)
Encumbrances - June 30, 2024		158,565
Non-budgetary activity	(90,386)	(4,263)
Budgetary transfers out		60,000
Financed purchase obligation transactions	<u>(212,384)</u>	<u>(212,384)</u>
Per Schedule 1	<u>\$ 56,488,678</u>	<u>\$ 57,978,759</u>

Major Special Revenue Fund

The District adopts its budgets under regulations of the New Hampshire Departments of Education and Revenue Administration which differ from accounting principles generally accepted in the United States of America. Consequently, budgetary information is not presented for the Federal Projects Fund as the information is neither practical nor meaningful.

NOTE 2—BUDGETARY FUND BALANCE

The components of the budgetary fund balance for the General Fund at June 30, 2024 are as follows:

Nonspendable:	
Prepaid items	\$ 22,600
Committed for:	
Designated for subsequent year's expenditures	210,000
Unassigned	<u>169,587</u>
	<u>\$ 402,187</u>

SCHEDULE A
GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
Combining Balance Sheet
Governmental Funds - All Nonmajor Funds
June 30, 2024

	Food Service <u>Fund</u>	Kingswood Regional Arts Center <u>Fund</u>	Student Activities <u>Fund</u>	Total Nonmajor <u>Funds</u>
ASSETS				
Cash and cash equivalents			\$ 889,157	\$ 889,157
Accounts receivable		\$ 1,440		1,440
Due from other governments	\$ 125,569			125,569
Due from other funds	<u>203,228</u>	<u>12,266</u>		<u>215,494</u>
Total Assets	<u>328,797</u>	<u>13,706</u>	<u>889,157</u>	<u>1,231,660</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 328,797</u>	<u>\$ 13,706</u>	<u>\$ 889,157</u>	<u>\$ 1,231,660</u>
LIABILITIES				
Accounts payable	\$ 45,370	\$ 1,978		\$ 47,348
Accrued liabilities	67,124	1,665		68,789
Unearned revenue	<u>24,187</u>	<u>8,029</u>		<u>32,216</u>
Total Liabilities	<u>136,681</u>	<u>11,672</u>	<u>\$ -</u>	<u>148,353</u>
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	192,116			192,116
Assigned		2,034	889,157	891,191
Total Fund Balances	<u>192,116</u>	<u>2,034</u>	<u>889,157</u>	<u>1,083,307</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 328,797</u>	<u>\$ 13,706</u>	<u>\$ 889,157</u>	<u>\$ 1,231,660</u>

SCHEDULE B
GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - All Nonmajor Funds
For the Year Ended June 30, 2024

	Food Service <u>Fund</u>	Kingswood Regional Arts Center <u>Fund</u>	(Formerly major fund) Student Activities <u>Fund</u>	Total Nonmajor <u>Funds</u>
Revenues:				
Intergovernmental	\$ 550,154			\$ 550,154
Charges for services	594,115			594,115
Miscellaneous		\$ 23,780	\$ 902,997	926,777
Total Revenues	<u>1,144,269</u>	<u>23,780</u>	<u>902,997</u>	<u>2,071,046</u>
Expenditures:				
Current operations:				
Instruction		32,744		32,744
Food service	1,297,869			1,297,869
Other student			818,739	818,739
Capital outlay		4,641		4,641
Total Expenditures	<u>1,297,869</u>	<u>37,385</u>	<u>818,739</u>	<u>2,153,993</u>
Net change in fund balances	(153,600)	(13,605)	84,258	(82,947)
Fund Balances at beginning of year, as previously presented	<u>345,716</u>	<u>15,639</u>	<u>-</u>	<u>361,355</u>
Change within financial reporting entity (major to nonmajor fund)	-	-	804,899	804,899
Fund Balances at beginning of year, as adjusted	<u>345,716</u>	<u>15,639</u>	<u>804,899</u>	<u>1,166,254</u>
Fund Balances at end of year	<u>\$ 192,116</u>	<u>\$ 2,034</u>	<u>\$ 889,157</u>	<u>\$ 1,083,307</u>