GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT

Financial Statements

With Schedule of Expenditures of Federal Awards

June 30, 2020

and

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Schedule of Findings and Questioned Costs

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
FINANCIAL STATEMENTS
June 30, 2020

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FINANCIAL STATEMENTS
June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the School Board
Governor Wentworth Regional School District

Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Governor Wentworth Regional School District, as of June 30, 2020, 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.

Other Matters

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 on pages i-v and 32-39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Additionally, 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.

The schedule of expenditures of federal awards and the combining nonmajor governmental fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and 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 4, 2021 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. 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 4, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2020

Presented herewith please find the Management Discussion & Analysis Report for the Governor Wentworth Regional School District for the fiscal year ending June 30, 2020. 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.

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 and the Federal Projects 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, 2020 compared with 2019.

	2020	2019
Current and other assets:		
Capital assets - net	$ 62,123,256	$ 63,891,753
Other assets	5,856,452	5,865,296
Total assets	67,979,708	69,757,049
Deferred outflows of resources	7,483,706	8,211,204
Current and other liabilities:		
Long-term bonds payable	31,284,470	33,662,262
Compensated absenses payable	1,019,126	976,997
Capital leases payable	1,691,962	1,871,889
Other post-employment benefits	8,093,772	6,805,881
Net pension liability	35,500,775	35,476,863
Other liabilities	1,659,457	1,601,078
Total liabilities	79,249,562	80,394,970
Deferred inflows of resources	1,409,198	4,271,184
Net position:		
Net investment in capital assets	29,146,824	28,673,498
Restricted	45,426	126,383
Unrestricted (deficit)	(34,387,596)	(35,497,782)
Total net position (deficit)	$ (5,195,346)	$ (6,697,901)

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 2020 and 2019 are as follows:

	2020	2019
Program revenues:		
Charges for services	$ 2,387,727	$ 2,394,446
Operating grants and contributions	4,283,670	4,543,751
Total program revenues	6,671,397	6,938,197
General revenues:		
Property taxes	42,420,540	41,957,727
State adequacy education grant	4,359,541	3,699,692
Interest and investment earnings	46,974	42,935
Miscellaneous	400,140	394,304
Total general revenues	47,227,195	46,094,658
Total revenues	53,898,592	53,032,855

	2020	2019
Program expenses:		
Instruction	33,334,454	32,422,375
Supporting services	2,170,024	2,371,828
Instructional staff services	2,306,118	1,982,911
General administration	4,302,797	4,293,042
Operation and maintenance of plant	6,054,137	6,487,158
Pupil transportation	2,192,956	2,353,950
Food service	872,318	945,976
Interest and fiscal charges	1,206,740	1,215,685
Total program expenses	52,439,544	52,072,925
Change in net position	1,459,048	959,930
Net position - beginning of year (deficit)	(6,654,394)	(7,657,831)
Net position - ending of year (deficit)	$ (5,195,346)	$ (6,697,901)

GWRSD ACTIVITIES

As shown in the above statement there was a change in net position of $1,459,048. This change was due to increase in General Revenues. 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 $5,008,091, consisting of $3,905,338 of Unassigned, $111,773 of Assigned, and $972,112 Committed. 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.

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 2020 fiscal year the District purchased equipment for various locations, made building improvements, and purchased transportation. See Note 3 in the Notes to the Basic Financial Statements on pages 15-16 for a summary of all capital assets.

Long-Term Debt

During FY 2020 the District paid down $2,557,719 of long-term debt. Compensated absences increased by a net $42,129. See Note 4 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 the budgetary basis rose above the budgeted amount by $276,146.

The District under expended its budget by $3,745,916. Expenditures came to a major slow down in March due to the pandemic. All staff and students worked remotely for the rest of the school year. The favorable difference is primarily in the instruction function, which was $3,008,554 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
- Changes in the New Hampshire Retirement System rates
- Reduction in State Aid Programs
    - Medicaid Reimbursement
    - Catastrophic 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, 2020

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	$ 3,338,843
Due from other governments	2,498,741
Prepaid expenditures	18,868
Total Current Assets	5,856,452
Noncurrent assets:	
Capital assets:	
Non-depreciable capital assets	867,743
Depreciable capital assets, net	61,255,513
Total Noncurrent Assets	62,123,256
Total Assets	67,979,708
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	1,592,173
Deferred outflows related to pension	5,891,533
Total Deferred Outflows of Resources	7,483,706
LIABILITIES	
Current liabilities:	
Accounts payable	346,932
Accrued expenses	1,279,544
Unearned revenue	32,981
Current portion of bonds payable	2,224,261
Current portion of capital leases payable	186,136
Current portion of compensated absences payable	8,026
Total Current Liabilities	4,077,880
Noncurrent liabilities:	
Bonds payable	29,060,209
Capital leases payable	1,505,826
Compensated absences payable	1,011,100
OPEB liability	8,093,772
Net pension liability	35,500,775
Total Noncurrent Liabilities	75,171,682
Total Liabilities	79,249,562
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	280,423
Deferred inflows related to pension	1,128,775
Total Deferred Inflows of Resources	1,409,198
NET POSITION	
Net investment in capital assets	29,360,559
Restricted	45,426
Unrestricted (deficit)	(34,601,331)
Total Net Position (deficit)	$ (5,195,346)

See accompanying notes to the basic financial statements

EXHIBIT B

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT

Statement of Activities

For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:				
Instruction	$ 33,334,454	$ 2,093,890	$ 2,108,737	$ (29,131,827)
Supporting services	2,170,024			(2,170,024)
Instructional staff services	2,306,118		259,693	(2,046,425)
General administration	4,302,797		85,377	(4,217,420)
Operation and maintenance of plant	6,054,137		1,395,341	(4,658,796)
Pupil transportation	2,192,956		10,178	(2,182,778)
Food service	872,318	293,837	424,344	(154,137)
Interest and fiscal charges	1,206,740			(1,206,740)
Total governmental activities	$ 52,439,544	$ 2,387,727	$ 4,283,670	(45,768,147)
General revenues:				
Property taxes				42,420,540
State adequacy education grant				4,359,541
Interest income				46,974
Miscellaneous				400,140
Total general revenues				47,227,195
Change in net position				1,459,048
Net Position (deficit) at beginning of year, as restated				(6,654,394)
Net Position (deficit) at end of year				$ (5,195,346)

See accompanying notes to the basic financial statements

EXHIBIT C
GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Federal Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 3,338,843			$ 3,338,843
Due from other governments	2,203,874	$ 258,867	$ 36,000	2,498,741
Due from other funds	192,671		63,093	255,764
Prepaid expenditures	18,868			18,868
Total Assets	5,754,256	258,867	99,093	6,112,216
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 5,754,256	$ 258,867	$ 99,093	$ 6,112,216
LIABILITIES				
Accounts payable	$ 345,144		$ 1,788	$ 346,932
Accrued expenses	337,928	$ 20,770	34,412	393,110
Due to other funds	63,093	192,671		255,764
Unearned revenue			32,981	32,981
Total Liabilities	746,165	213,441	69,181	1,028,787
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable	18,868			18,868
Restricted		45,426		45,426
Committed	972,112			972,112
Assigned	111,773		29,912	141,685
Unassigned	3,905,338			3,905,338
Total Fund Balances	5,008,091	45,426	29,912	5,083,429
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 5,754,256	$ 258,867	$ 99,093	$ 6,112,216

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, 2020

Total Fund Balances - Governmental Funds (Exhibit C)	$ 5,083,429
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.	62,123,256
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	1,592,173
Deferred outflows of resources related to pension	5,891,533
Deferred inflows of resources related to OPEB	(280,423)
Deferred inflows of resources related to pension	(1,128,775)
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	(31,284,470)
Capital leases payable	(1,691,962)
Accrued interest on long-term obligations	(886,434)
Compensated absences payable	(1,019,126)
OPEB liability	(8,093,772)
Net pension liability	(35,500,775)
Net Position of Governmental Activities (Exhibit A)	$ (5,195,346)

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, 2020

	General Fund	Federal Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ 42,420,540			$ 42,420,540
Intergovernmental	6,426,753	$ 1,792,114	$ 424,344	8,643,211
Charges for services	2,055,518	38,372	293,837	2,387,727
Interest income	46,974			46,974
Miscellaneous	366,843	14,697	18,600	400,140
Total Revenues	51,316,628	1,845,183	736,781	53,898,592
Expenditures:				
Current operations:				
Instruction	30,645,237	1,488,016	20,136	32,153,389
Supporting services	2,087,874			2,087,874
Instructional staff services	2,030,277	259,693		2,289,970
General administration	4,136,766	85,377		4,222,143
Operation and maintenance of plant	3,777,033			3,777,033
Pupil transportation	2,272,124	10,178		2,282,302
Food service			863,721	863,721
Capital outlay	200,000			200,000
Debt service:				
Principal retirement	2,405,406			2,405,406
Interest and fiscal charges	1,190,123			1,190,123
Total Expenditures	48,744,840	1,843,264	883,857	51,471,961
Excess of revenues over (under) expenditures	2,571,788	1,919	(147,076)	2,426,631
Other financing sources (uses):				
Transfers in			19,157	19,157
Transfers out	(19,157)			(19,157)
Total Other financing sources (uses)	(19,157)	-	19,157	-
Net change in fund balances	2,552,631	1,919	(127,919)	2,426,631
Fund Balances at beginning of year, as restated	2,455,460	43,507	157,831	2,656,798
Fund Balances at end of year	$ 5,008,091	$ 45,426	$ 29,912	$ 5,083,429

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, 2020

Net Change in Fund Balances - Governmental Funds (Exhibit D)	$ 2,426,631
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 expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(1,768,497)
Repayment of principal on general obligation bonds and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	2,507,567
In the statement of activities, interest is accrued on long-term debt, whereas in governmental funds, an interest expenditure is reported when due.	(66,769)
Governmental funds report the effect of bond issuance premiums when debt is first issued, whereas these amounts are unearned and amortized in the statement of activities over the life of the related debt.	50,152
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.	(42,129)
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	(233,355)
Net changes in pension	(1,414,552)
Change in Net Position of Governmental Activities (Exhibit B)	$ 1,459,048

See accompanying notes to the basic financial statements

EXHIBIT E

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Private-Purpose Trust Funds	Student Activities Agency Fund
ASSETS		
Cash and cash equivalents		$ 763,505
Due from other governments	$ 888,449	
Total Assets	888,449	$ 763,505
DEFERRED OUTFLOWS OF RESOURCES		
Total Deferred Outflows of Resources	-	
LIABILITIES		
Due to student groups		$ 763,505
Total Liabilities	-	$ 763,505
DEFERRED INFLOWS OF RESOURCES		
Total Deferred Inflows of Resources	-	
NET POSITION		
Held in trust	888,449	
Total Net Position	$ 888,449	

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, 2020

	Private-Purpose Trust Funds
ADDITIONS:	
Contributions:	
Contributions	$ 200
Total Contributions	200
Investment earnings:	
Interest income	28,703
Realized (loss) on investments	(4,615)
Net (decrease) in the fair value of investments	(20,508)
Total Investment earnings	3,580
Total Additions	3,780
DEDUCTIONS:	
Benefits	21,362
Total Deductions	21,362
Change in net position	(17,582)
Net Position at beginning of year	906,031
Net Position at end of year	$ 888,449

See accompanying notes to the basic financial statements

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.

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 District maintains two types of fiduciary funds: private-purpose trusts and agency funds known as the Student Activities Agency Fund. 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 eleven private-purpose trust funds which account for monies designated to benefit individuals within the District. The agency funds were established to account for revenues generated by student managed activities. The District's agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

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

The private-purpose trust 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 10). 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.

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 requires the use of beginning fund balance to reduce the property tax rate. For the year ended June 30, 2020, the District applied $1,355,000 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:

Description	Years
Land improvements	10
Buildings and improvements	18-40
Vehicles	6-10
Machinery and equipment	5-20

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.

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, capital leases 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 Premiums

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. 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 positions are 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.

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.

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—DEPOSITS

Deposits as of June 30, 2020 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and cash equivalents	$ 3,338,843
Statement of Fiduciary Net Position:	
Cash and cash equivalents	763,505
	$ 4,102,348

Deposits at June 30, 2020 consist of the following:

Cash on hand	$ 214
Deposits with financial institutions	4,102,134
	$ 4,102,348

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 Student Activities Agency Funds 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, $3,567,305 was collateralized by securities held by the bank in the bank's name.

NOTE 3—CAPITAL ASSETS

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

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020
Capital assets not being depreciated:				
Land	$ 867,743			$ 867,743
Total capital assets not being depreciated	867,743	$ -	$ -	867,743
Other capital assets:				
Land improvements	187,000			187,000
Buildings and improvements	96,108,162	213,195		96,321,357
Vehicles	2,724,896	347,057	(499,869)	2,572,084
Machinery and equipment	569,171	118,163		687,334
Total other capital assets at historical cost	99,589,229	678,415	(499,869)	99,767,775

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020
Less accumulated depreciation for:				
Land improvements	(187,000)			(187,000)
Buildings and improvements	(33,743,615)	(2,214,081)		(35,957,696)
Vehicles	(2,202,096)	(182,271)	499,869	(1,884,498)
Machinery and equipment	(432,508)	(50,560)		(483,068)
Total accumulated depreciation	(36,565,219)	(2,446,912)	499,869	(38,512,262)
Total other capital assets, net	63,024,010	(1,768,497)	-	61,255,513
Total capital assets, net	$ 63,891,753	$ (1,768,497)	$ -	$ 62,123,256

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 32,231
Instructional staff services	10,767
Operation and maintenance of plant	2,219,914
Pupil transportation	184,000
	$ 2,446,912

The balance of the assets acquired through capital leases as of June 30, 2020 is as follows:

Buildings and improvements	$ 1,768,704
Less accumulated depreciation for:	
Buildings and improvements	(491,307)
	$ 1,277,397

NOTE 4—LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The changes in the District's long-term obligations for the year ended June 30, 2020 are as follows:

Type	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Amounts Due Within One Year
General obligation bonds	$ 31,943,212		$ (2,327,640)	$ 29,615,572	$ 2,224,261
Unamortized bond premiums	1,719,050		(50,152)	1,668,898	
Total Bonds payable	33,662,262	$ -	(2,377,792)	31,284,470	2,224,261
Capital leases payable	1,871,889		(179,927)	1,691,962	186,136
Compensated absences	976,997	147,267	(105,138)	1,019,126	8,026
Total	$ 36,511,148	$ 147,267	$ (2,662,857)	$ 33,995,558	$ 2,418,423

Payments on the general obligation bonds and capital lease obligations 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, 2020 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	$ 12,774,944
$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	16,840,628
	29,615,572
Add: Unamortized bond premiums	1,668,898
	$ 31,284,470

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.

Debt service requirements to retire general obligation bonds outstanding at June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Totals
2021	$ 2,224,261	$ 1,236,502	$ 3,460,763
2022	2,122,931	1,385,115	3,508,046
2023	2,027,341	1,474,211	3,501,552
2024	1,936,921	1,559,406	3,496,327
2025	1,853,828	1,642,901	3,496,729
2026-2030	8,100,565	9,292,758	17,393,323
2031-2035	6,387,974	10,843,513	17,231,487
2036-2040	4,961,751	12,348,911	17,310,662
	29,615,572	39,783,317	69,398,889
Add: Unamortized bond premiums	1,668,898	-	1,668,898
	$ 31,284,470	$ 39,783,317	$ 71,067,787

Capital Lease Obligations

Capital lease obligations represent lease agreements entered into for the financing of equipment acquisitions and energy improvements. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations. The following are the capital lease obligations outstanding for governmental activities at June 30, 2020:

Energy equipment, due in annual installments of $139,850, through July 2033, including interest at 3.99%	$ 1,478,227
Copiers, due in annual installments of $111,765 through August 2021, including interest at 3.04%	213,735
	$ 1,691,962

Debt service requirements to retire capital lease obligations outstanding for governmental activities at June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Totals
2021	$ 186,136	$ 65,479	$ 251,615
2022	192,563	59,052	251,615
2023	87,451	52,399	139,850
2024	90,940	48,910	139,850
2025	94,568	45,281	139,849
2026-2030	532,544	166,705	699,249
2031-2034	507,760	51,640	559,400
	$ 1,691,962	$ 489,466	$ 2,181,428

Authorized and Unissued Debt

As of June 30, 2020, the District had the following debt authorized and unissued:

Kingswood Complex	$ 9,734,114

NOTE 5—OTHER POST-EMPLOYMENT BENEFITS

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

	Deferred Outflows	OPEB Liability	Deferred Inflows	OPEB Expense
Cost-Sharing Multiple Employer Plan	$ 333,350	$ 2,894,116	$ 8,287	$ 22,725
Single Employer Plan	1,258,823	5,199,656	272,136	726,003
Total	$ 1,592,173	$ 8,093,772	$ 280,423	$ 748,728

The net amount of deferred outflows of resources and deferred inflows of resources related to OPEB is reflected as an increase to unrestricted net position in the amount of $1,311,750.

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 0.29% and 1.81%, respectively, for the year ended June 30, 2020. Contributions to the OPEB plan for the District were $332,271 for the year ended June 30, 2020. Employees are not required to contribute to the OPEB plan.

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

At June 30, 2020, the District reported a liability of $2,894,116 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, 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, 2018. 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, 2019, the District's proportion was approximately 0.6601 percent, which was an increase of 0.0022 percentage points from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized OPEB expense of $22,725. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		$ 5,035
Net difference between projected and actual earnings on OPEB plan investments		3,252
Changes in proportion and differences between District contributions and proportionate share of contributions	$ 1,079	
District contributions subsequent to the measurement date	332,271	
Totals	$ 333,350	$ 8,287

The District reported $332,271 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, 2020. 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:

June 30,	
2020	$ (6,113)
2021	(2,157)
2022	224
2023	838
	$ (7,208)

Actuarial Assumptions

The total OPEB liability was determined by a roll forward of the actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Wage inflation	3.25% (3.00% for Teachers)
Salary increases	5.60%, average, including inflation
Investment rate of return	7.25% per year, net of OPEB plan investment expense, including inflation for determining solvency contributions

Mortality rates were based on the RP-2014 healthy annuitant and employee generational mortality tables for males and females with credibility adjustments, adjusted for fully generational mortality improvements using scale MP-2015, based on the last experience study.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

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:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Domestic equity	30%	4.25-4.50%
International equity	20%	4.50-6.00%
Fixed income	25%	1.12-2.46%
Alternative investments	15%	4.86-7.90%
Real estate	10%	3.00%
Total	100%	

The discount rate used to measure the collective total OPEB liability as of June 30, 2019 was 7.25%. 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 7.25 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net OPEB liability	$ 3,139,109	$ 2,894,116	$ 2,681,233

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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	18
Active employees	369
	387

Total OPEB Liability

The District's total OPEB liability of $5,199,656 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions and Other Inputs for OPEB

The total OPEB liability in the July 1, 2019 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.00%
Discount rate	2.21%
Healthcare cost trend rates	6.44% for 2020, increasing to 9.50%, then decreasing 0.50% per year to an ultimate rate of 5.00% by year 2030

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, 2020.

Mortality rates were based on the SOA RP-2014 Total Dataset Mortality with Scale MP-2019 (base year 2006).

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2019	$ 3,793,628
Changes for the year:	
Service cost	295,881
Interest	108,008
Differences between expected and actual experience	(149,973)
Changes in assumptions or other inputs	1,335,031
Benefit payments	(182,919)
Net changes	1,406,028
Balance at June 30, 2020	$ 5,199,656

Changes of assumptions and other inputs reflect a change in the discount rate of 3.58% at July 1, 2017 to 2.21% as of July 1, 2019. Mortality assumptions changed from the RP-2000 Projected 10 Years using Projection Scale AA to SOA RP-2014 Total Dataset Mortality with Scale MP-2019 (base year 2006).

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:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	$ 5,522,487	$ 5,199,656	$ 4,873,241

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 (5.44 percent decreasing to 4.00 percent) or 1-percentage-point higher (7.44 percent decreasing to 6.00 percent) than the current healthcare cost trend rate:

	1% Decrease (5.44% decreasing to 4.00%)	Healthcare Cost Trend Rates (6.44% decreasing to 5.00%)	1% Increase (7.44% decreasing to 6.00%)
Total OPEB liability	$ 4,644,538	$ 5,199,656	$ 5,827,916

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

For the year ended June 30, 2020, the District recognized OPEB expense of $726,003. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 159,739	$ 272,136
Changes of assumptions	1,099,084	
Totals	$ 1,258,823	$ 272,136

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:

June 30,	
2021	$ 322,114
2022	318,000
2023	279,495
2024	67,078
	$ 986,687

NOTE 6—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.

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 January 1, 2012	Minimum Age	Minimum Service	Benefit Multiplier
At least 8 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

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 employees were 15.99% and 10.88%, respectively, for the year ended June 30, 2020. The District contributed 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, 2020 were $3,314,532.

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

At June 30, 2020, the District reported a liability of $35,500,775 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2018. 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, 2019, the District's proportion was approximately 0.7378 percent, which was an increase of 0.0010 percentage points from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of $4,730,253. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 196,289	$ 763,368
Change in assumptions	1,273,754	
Net difference between projected and actual earnings on pension plan investments		289,990
Changes in proportion and differences between District contributions and proportionate share of contributions	1,106,958	75,417
District contributions subsequent to the measurement date	3,314,532	
Totals	$ 5,891,533	$ 1,128,775

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 $4,762,758. The District reported $3,314,532 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, 2020. 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 June 30,	
2021	$ 1,455,507
2021	(289,495)
2022	194,566
2023	87,648
	$ 1,448,226

Actuarial Assumptions

The total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2018, using the following actuarial assumptions:

Inflation	2.50%
Wage inflation	3.25% (3.00% for Teachers)
Salary increases	5.60%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

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:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Domestic equity	30%	4.25-4.50%
International equity	20%	4.50-6.00%
Fixed income	25%	1.12-2.46%
Alternative investments	15%	4.86-7.90%
Real estate	10%	3.00%
Total	100%	

Discount Rate

The discount rate used to measure the collective pension liability was 7.25%. 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 7.25 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	$ 47,537,001	$ 35,500,775	$ 25,552,930

NOTE 7—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, 2020 are as follows:

		Due from		
		General Fund	Federal Projects Fund	Totals
Due to	General Fund		$ 192,671	$ 192,671
	Nonmajor Governmental Funds	$ 63,093		63,093
		$ 63,093	$ 192,671	$ 255,764

During the year ended June 30, 2020, the General Fund transferred $19,157 to the Food Service Fund (a Nonmajor Governmental Fund) to fund the cost of operations.

NOTE 8—RESTRICTED NET POSITION

Net position of governmental activities is restricted for specific purposes at June 30, 2020 as follows:

Private Grants	$ 45,426

NOTE 9—COMPONENTS OF FUND BALANCE

The components of the District's fund balance for its governmental funds at June 30, 2020 are as follows:

	General Fund	Federal Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid Expenditures	$ 18,868			$ 18,868
Restricted for:				
Private Grants		$ 45,426		45,426
Committed for:				
School Maintenance	181,562			181,562
Special Education	192,778			192,778
Turf Field	482,750			482,750
Health Insurance	44,109			44,109
Debt Retirement	10,913			10,913
Designated for subsequent year's expenditures	60,000			60,000

Assigned for:				
Kingswood Regional Art Center			$ 29,912	29,912
Encumbrances	111,773			111,773
Unassigned	3,905,338			3,905,338
	$ 5,008,091	$ 45,426	$ 29,912	$ 5,083,429

NOTE 10—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, 2020, School District taxes were $32,813,166 and State of New Hampshire Education taxes were $9,607,374.

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 11—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, 2020, 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, 2020.

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.

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 12—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 13—RESTATEMENT OF EQUITY

During the year ended June 30, 2020, it was noted that unearned revenue as previously reported should have been recognized as revenue and not reported as a liability. The impact on net position of the Governmental Activities as of July 1, 2019 from the above restatement is as follows:

Net Position (deficit) - July 1, 2019, as previously reported	$ (6,697,901)
Amount of restatement due to:	
Overstatement of unearned revenue	43,507
Net Position (deficit) - July 1, 2019, as restated	$ (6,654,394)

The impact on fund balance of the Federal Projects Fund as of July 1, 2019 is as follows:

Fund Balance - July 1, 2019, as previously reported	$ -
Amount of restatement due to:	
Overstatement of unearned revenue	43,507
Fund Balance - July 1, 2019, as restated	$ 43,507

NOTE 14—IMPLEMENTATION OF FUTURE ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) has issued Statement No. 84, *Fiduciary Activities,* which the District is required to implement in the fiscal year ending June 30, 2021. Management believes that this pronouncement will have a potentially significant impact on the District's financial statements, wherein certain funds currently reported as Fiduciary Funds will require classification as a Governmental Fund.

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes	$ 42,420,538	$ 42,420,538	$ 42,420,540	$ 2
Intergovernmental	6,383,534	6,383,534	6,426,753	43,219
Charges for services	1,890,000	1,890,000	2,055,518	165,518
Interest income	500	500	65	(435)
Miscellaneous	299,001	299,001	366,843	67,842
Total Revenues	50,993,573	50,993,573	51,269,719	276,146
Expenditures:				
Current operations:				
Instruction	33,584,813	33,643,406	30,634,852	3,008,554
Supporting services	2,119,363	2,117,863	2,087,874	29,989
Instructional staff services	1,944,948	1,935,891	2,041,872	(105,981)
General administration	4,322,668	4,302,904	4,129,716	173,188
Operation and maintenance of plant	4,235,793	4,231,621	3,748,908	482,713
Pupil transportation	2,355,459	2,331,359	2,199,622	131,737
Capital outlay	200,000	200,000	174,284	25,716
Debt service:				
Principal retirement	2,405,406	2,405,406	2,405,406	-
Interest and fiscal charges	1,190,123	1,190,123	1,190,123	-
Total Expenditures	52,358,573	52,358,573	48,612,657	3,745,916
Excess of revenues over (under) expenditures	(1,365,000)	(1,365,000)	2,657,062	4,022,062
Other financing sources (uses):				
Transfers out	(60,000)	(60,000)	(79,157)	(19,157)
Total Other financing sources (uses)	(60,000)	(60,000)	(79,157)	(19,157)
Net change in fund balance	(1,425,000)	(1,425,000)	2,577,905	4,002,905
Fund Balance at beginning of year - Budgetary Basis	1,406,301	1,406,301	1,406,301	-
Fund Balance at end of year - Budgetary Basis	$ (18,699)	$ (18,699)	$ 3,984,206	$ 4,002,905

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, 2020

	Cost-Sharing Multiple Employer Plan Information Only				
Measurement Period Ended	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
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%

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, 2020

	Cost-Sharing Multiple Employer Plan Information Only				
Year Ended	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
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%

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, 2020

Single Employer Plan Information Only

	2020	2019	2018
Total OPEB liability:			
Service cost	$ 295,881	$ 224,009	$ 219,619
Interest	108,008	130,982	127,368
Differences between expected and actual experience	(149,973)	(154,043)	(115,960)
Changes of assumptions or other inputs	1,335,031	-	-
Benefit payments	(182,919)	(132,046)	(128,114)
Net change in total OPEB liability	1,406,028	68,902	102,913
Total OPEB liability at beginning of year	3,793,628	3,724,726	3,621,813
Total OPEB liability at end of year	$ 5,199,656	$ 3,793,628	$ 3,724,726
Covered employee payroll	$ 20,404,259	$ 19,852,335	$ 19,463,074
Total OPEB liability as a percentage of covered employee payroll	25.48%	19.11%	19.14%

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, 2020

Measurement Period Ended	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
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%
June 30, 2013	0.69678342%	$ 29,988,057	$ 19,491,532	153.85%	59.81%

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, 2020

Year Ended	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
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%
June 30, 2014	$ 2,321,628	$ (2,321,628)	$ -	$ 19,960,176	11.63%
June 30, 2013	$ 1,732,221	$ (1,732,221)	$ -	$ 19,491,532	8.89%

See accompanying notes to the required supplementary information

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020

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, and budgetary transfers out as follows:

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Per Exhibit D	$ 51,316,628	$ 48,763,997
Encumbrances - June 30, 2019		(240,716)
Encumbrances - June 30, 2020		111,773
Non-budgetary activity	(46,909)	(3,240)
Budgetary transfers out		60,000
Per Schedule 1	$ 51,269,719	$ 48,691,814

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, 2020 are as follows:

Nonspendable:	
Prepaid Expenditures	$ 18,868
Committed for:	
Designated for subsequent year's expenditures	60,000
Unassigned	3,905,338
	$ 3,984,206

NOTE 3—SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS

In accordance with GASB Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District is required to disclose historical information for each of the prior ten years within a schedule of changes in the District's proportionate share of the net OPEB liability

and schedule of District OPEB contributions. The District implemented the provisions of GASB Statement #75 during the year ended June 30, 2018. Accordingly, the historic information has only been presented for those years which information was readily available. Additional disclosures will be made in future years as additional information becomes available.

NOTE 4—SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS

In accordance with GASB Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District is required to disclose historical information for each of the prior ten years within a schedule of changes in the District's total OPEB liability and related ratios. The District implemented the provisions of GASB Statement #75 during the year ended June 30, 2018. Accordingly, the historic information has only been presented for those years which information was readily available. Additional disclosures will be made in future years as additional information becomes available. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Change in Actuarial Assumptions

There was a change in the discount rate of 3.58% at July 1, 2017 to 2.21% for July 1, 2019. The mortality assumptions changed from RP-2000 Projected 10 years using Projection Scale AA to SOA RP-2014 Total Dataset Mortality with Scale MP-2019 (base year 2006).

NOTE 5—SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY AND SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS

In accordance with GASB Statement #68, *Accounting and Financial Reporting for Pensions*, the District is required to disclose historical information for each of the prior ten years within a schedule of changes in the District's proportionate share of the net pension liability and schedule of District pension contributions. The District implemented the provisions of GASB Statement #68 during the year ended June 30, 2015. Accordingly, the historic information has only been presented for those years which information was readily available. Additional disclosures will be made in future years as additional information becomes available.

Changes in Actuarial Assumptions

For the June 30, 2015 actuarial valuation, the New Hampshire Retirement System reduced its assumption for the investment rate of return from 7.75% to 7.25%, decreased the price inflation from 3.0% to 2.5%, decreased the wage inflation from 3.75% to 3.25%, and decreased the salary increases from 5.8% to 5.6%. Additionally, the mortality table was changed from the RP-2000 projected to 2020 with Scale AA to the RP-2014 employee generational mortality table for males and females, adjusted for mortality improvements using Scale MP-2015.

SCHEDULE I

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2020

Federal Granting Agency/Recipient State Agency/Grant Program/State Grant Number	Federal Catalogue Number	Total Federal Expenditures
DEPARTMENT OF AGRICULTURE		
Pass Through Payments from New Hampshire Department of Education		
Child Nutrition Cluster		
School Breakfast Program	10.553	$ 102,873
National School Lunch Program	10.555	
School Lunch		280,980
Snack Program		4,018
Commodities		48,113
		333,111
Received Directly From U.S. Treasury Department		
National School Lunch Program	10.555	
Commodities (FFAVRS)		6,996
		340,107
Total Child Nutrition Cluster		442,980
Pass Through Payments from New Hampshire Department of Education		
Fresh Fruit and Vegetable Program	10.582	22,940
Total Department of Agriculture		465,920
DEPARTMENT OF EDUCATION		
Pass Through Payments from New Hampshire Department of Education		
Adult Education - Basic Grants to States	84.002	
#20204303		700
#20204401		46,770
		47,470
Title I Grants to Local Educational Agencies	84.010	
#20190134		35,218
#20200134		573,502
		608,720
Special Education Cluster (IDEA)		
Special Education - Grants to States	84.027	
#82534		57,273
#92558		456,088
#95607		512
#202577		9,777
#202638		2,928
		526,578

See notes to schedule of expenditures of federal awards

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2020

Federal Granting Agency/Recipient State Agency/Grant Program/State Grant Number	Federal Catalogue Number	Total Federal Expenditures
DEPARTMENT OF EDUCATION (CONTINUED)		
Special Education - Preschool Grants	84.173	
#82534		1,115
#92558		23,012
#202577		15,193
		39,320
Total Special Education Cluster (IDEA)		565,898
Career and Technical Education - Basic Grants to States	84.048	
#20193140		1,938
#20203140		97,467
		99,405
Twenty-First Century Community Learning Centers	84.287	
#20200003		82,293
Rural Education	84.358	
#86248		6,119
#20190488		18,965
		25,084
Supporting Effective Instruction State Grants	84.367	
#84838		20,315
#20190157		74,618
#20200157		42,909
		137,842
Student Support and Academic Enrichment Program	84.424	
#20190419		74,943
Total Department of Education		1,641,655
Total Expenditures of Federal Awards		$ 2,107,575

See notes to schedule of expenditures of federal awards

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

NOTE 1—BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Governor Wentworth Regional School District (the District) under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3—INDIRECT COST RATE

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

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

Independent Auditor's Report

To the School Board
Governor Wentworth Regional School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Governor Wentworth Regional School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Governor Wentworth Regional School District's basic financial statements, and have issued our report thereon dated March 4, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Vachon Clukay & Company PC

Manchester, New Hampshire
March 4, 2021

VACHON CLUKAY
& COMPANY PC

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

Independent Auditor's Report

To the School Board
Governor Wentworth Regional School District

Report on Compliance for Each Major Federal Program

We have audited the Governor Wentworth Regional School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Governor Wentworth Regional School District's major federal program for the year ended June 30, 2020. The Governor Wentworth Regional School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Governor Wentworth Regional School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Governor Wentworth Regional School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Governor Wentworth Regional School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Governor Wentworth Regional School District's internal control over compliance.

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

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

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

Vachon Clukay & Company PC

Manchester, New Hampshire
March 4, 2021

Governor Wentworth Regional School District
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified – all reporting units*

Internal control over financial reporting:
- Material weakness(es) identified? ____yes __X__ no
- Significant deficiency(ies) identified? ____yes __X__ none reported

Noncompliance material to financial statements noted? ____yes __X__ no

Federal Awards

Internal control over major federal programs:
- Material weakness(es) identified? ____yes __X__ no
- Significant deficiency(ies) identified? ____yes __X__ none reported

Type of auditor's report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____yes __X__ no

Identification of major federal program(s):

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B program: $ 750,000

Auditee qualified as low-risk auditee? __X__ yes _____ no

Section II—Financial Statement Findings

There were no findings relating to the financial statements required to be reported by GAGAS.

Section III—Federal Award Findings and Questioned Costs

There were no findings and questioned costs as defined under 2 CFR 200.516(a).

SCHEDULE A

GOVERNOR WENTWORTH REGIONAL SCHOOL DISTRICT

Combining Balance Sheet

Governmental Funds - All Nonmajor Funds

June 30, 2020

	Food Service Fund	Kingswood Regional Arts Center Fund	Total Nonmajor Funds
ASSETS			
Due from other governments	$ 36,000		$ 36,000
Due from other funds	30,081	$ 33,012	63,093
Total Assets	66,081	33,012	99,093
DEFERRED OUTFLOWS OF RESOURCES			
Total Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	$ 66,081	$ 33,012	$ 99,093
LIABILITIES			
Accounts payable	$ 1,788		$ 1,788
Accrued expenses	33,312	$ 1,100	34,412
Unearned revenue	30,981	2,000	32,981
Total Liabilities	66,081	3,100	69,181
DEFERRED INFLOWS OF RESOURCES			
Total Deferred Inflows of Resources	-	-	-
FUND BALANCES			
Assigned		29,912	29,912
Total Fund Balances	-	29,912	29,912
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 66,081	$ 33,012	$ 99,093

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, 2020

	Food Service Fund	Kingswood Regional Arts Center Fund	Total Nonmajor Funds
Revenues:			
Intergovernmental	$ 424,344		$ 424,344
Charges for services	293,837		293,837
Miscellaneous		$ 18,600	18,600
Total Revenues	718,181	18,600	736,781
Expenditures:			
Current operations:			
Instruction		20,136	20,136
Food service	863,721		863,721
Total Expenditures	863,721	20,136	883,857
Excess of revenues over (under) expenditures	(145,540)	(1,536)	(147,076)
Other financing sources (uses):			
Transfers in	19,157		19,157
Total Other financing sources (uses)	19,157	-	19,157
Net change in fund balances	(126,383)	(1,536)	(127,919)
Fund Balances at beginning of year	126,383	31,448	157,831
Fund Balances at end of year	$ -	$ 29,912	$ 29,912