

HOLLIS SCHOOL DISTRICT

FINANCIAL REPORT

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

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

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Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hollis School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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 Hollis School District, as of June 30, 2025, and the respective changes in financial position thereof, and budgetary comparisons of the General Fund and Grants Fund, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Emphasis of Matter

Implementation of Accounting Standards

As discussed in Note I.B.5 to the financial statements, in the year ended June 30, 2025, the School District adopted new accounting guidance as described in Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and OPEB related schedules on pages 4 – 13 and 42 - 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational and economic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hollis School District's basic financial statements. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. They 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

*Hollis School District
Independent Auditor's Report*

used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

June 18, 2026

Roberts & Heine, PLLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

**HOLLIS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2025**

This section of the Hollis School District annual financial report presents our discussion and analysis of the district's financial performance during the fiscal year that ended June 30, 2025. Responsibility for the accuracy of the data, and the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material performance as a whole. With this in mind, please also refer to the district's financial statements, which immediately follow this section. The MDA is an element of required supplementary information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the district as a whole. The statement of net position includes all of the district's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. Net position – the difference between the district's assets and liabilities – is one way to measure the district's financial health or position. The government-wide statements present an aggregate view of

**HOLLIS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2025**

the finances of the school district by answering the question, "How did the school district do financially during the 2024-25 school year?" These statements report all assets and liabilities using the accrual basis of accounting used by most private-sector enterprises. The accrual basis takes into account all of the district's current-year revenues and expenses regardless of when they were paid or received.

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

FUND FINANCIAL STATEMENTS

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

The district has one type of fund:

- Governmental funds – Most of the district's basic services are included in governmental funds, which generally focus on (1) how cash (and other financial assets that can be readily converted to cash) flows in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. This information does not encompass the additional long-term focus of the government-wide statements. We provide additional information with the governmental funds statements that explain the relationship (or differences) between them. An annual appropriation budget is adopted for governmental funds. A budgetary comparison has been provided for the General and Grant funds to demonstrate compliance with this budget.

**HOLLIS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2025**

Notes to the Basic Financial Statements

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

Government-Wide Financial Analysis

Hollis School District

Statement of Net Position

Change in net position for fiscal year 2025 compared to fiscal year 2024:

Assets	2024	2025		
Current and Other Assets	3,321,531	3,100,758	(220,773)	-6.65%
Capital Assets	8,380,669	8,317,462	(63,207)	-0.75%
Total Assets	11,702,200	11,418,220	(283,980)	-2.43%
Deferred Outflow of Resources	2,764,824	1,943,344	(821,480)	-29.71%
Liabilities				
Long-term Liabilities Outstanding	19,261,856	18,025,769	(1,236,087)	-6.42%
Other Liabilities	674,585	952,046	277,461	41.13%
Total Liabilities	19,936,441	18,977,815	(958,626)	-4.81%
Deferred Inflows of Resources	227,005	986,238	759,233	334.46%
Net Position				
Net Investment in Capital Assets	3,263,045	3,857,063	594,018	18.20%
Restricted	465,564	326,533	(139,031)	-29.86%
Unrestricted	(9,425,031)	(10,786,085)	(1,361,054)	14.44%
Total Net Position	(5,696,422)	(6,602,489)	(906,067)	15.91%

**HOLLIS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2025**

**Hollis School District
Statement of Activities**

Change in fund revenue and expense for fiscal year 2025 compared to fiscal year 2024:

Revenues:	2024	2025	\$ Change	% Change
Program Revenues:				
Charges for Services	422,215	472,568	50,353	11.93%
Operating Grants and Contributions	381,471	451,235	69,764	18.29%
Capital Grants and Contributions	-	196,526		
General Revenues:				
Assessment	12,569,118	13,255,935	686,817	5.46%
Grants and Contributions	2,940,030	3,080,489	140,459	4.78%
Miscellaneous	78,741	110,799	32,058	40.71%
Total Revenues	16,391,575	17,567,552	1,175,977	7.17%
Program Expenses:				
Instruction	6,428,474	7,662,694	1,234,220	19.20%
Student Support	1,139,366	1,054,594	(84,772)	-7.44%
Instructional Staff	535,400	538,434	3,034	0.57%
General Administration	728,401	780,815	52,414	7.20%
School Administration	734,835	760,633	25,798	3.51%
Operation and Maintenance of Plant	1,459,430	1,756,425	296,995	20.35%
Student Transportation	605,161	600,920	(4,241)	-0.70%
Central	2,048	-	(2,048)	
Other	3,870,552	3,406,570	(463,982)	-11.99%
Non-instructional Services	556,412	347,366	(209,046)	-37.57%
Facilities acquisition and construction	1,099	4,645	3,546	
Interest on Long-Term Debt	164,299	134,343	(29,956)	-18.23%
Total Expenses	16,225,477	17,047,439	821,962	5.07%
Change in Net Position	166,098	520,113		
Net Position - Beginning	(5,862,520)	(7,122,602)	(1,260,082)	21.49%
Net Position - Ending	(5,696,422)	(6,602,489)	(906,067)	15.91%

**HOLLIS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2025**

Revenues:

As a total, revenue received was \$1,175,977 higher in Fiscal Year 2025 than in Fiscal Year 2024. Details on the major revenue sources are listed below, with the corresponding increases or decreases from prior year.

Increases in revenue from FY 2024 to FY 2025

- Local Property Tax Assessments (+\$687K)
 - The assessment revenue is based on what the district approves at its annual meeting.
- Special Education aid (+ \$61,700.)
 - This is state aid based on approved expenses for special education students after the district pays the first \$55,000 per student. The revenue is received the year after the expenses are incurred.
- Adequacy Aid grant (+ \$145,700)
 - Adequacy Aid is a state aid program, and is based on the average daily membership (ADM) of resident students.
- Grants (including Title II, ESSER II and ESSER III, and IDEA) (+ \$242K)
 - Title II is a Dept. of Education grant program that provides supplemental funding to help support effective instruction.
 - ESSER = Elementary and Secondary School Emergency Relief Program.
 - IDEA = Individuals with Disabilities Education Act. These are federal funds based on the number of special education students.
 - SAFE = Security Action for Education grant established in 2022 to support school security and safety improvements.
- Tuition (+ \$ 3,700)
 - Non-resident students paying for tuition, as well as Preschool payments

Decreases in revenue from FY 2024 to FY 2025

- Food Service Revenue (- \$36K)
 - Annual state matching funds, and State of NH DOE reimbursements. This is offset by the food service revenue from cafeteria sales.
- Medicaid (- \$ 4K)
 - These are federal funds, coming from the state of NH, for reimbursable costs to Medicaid approved students.

**HOLLIS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2025**

Expenditures:

As a total, expenditures were \$1,269,163 higher in FY 2025 than in FY 2024. Expense categories with large variances are listed below.

INCREASED EXPENSES

- Salary increases and corresponding benefits (taxes and retirement)
- Contracted speech and language, and occupational therapy services
- Contracted staffing for regular and special education positions
- Transportation and gasoline/diesel for buses and vans
- Replacement computer equipment
- Snow removal Services

General Fund Budgetary Highlights

Revenue Budget

General Fund

<u>Revenue</u>	Budget	Actual	Variance
School District Assessment	13,255,935	13,255,935	-
Other Local	95,000	165,270	70,270
State	3,146,474	3,150,485	4,011
Federal	10,000	14,012	4,012
Total Revenues	16,507,409	16,585,702	78,293
Transfers in		146	146
Use of Fund Balance to reduce school district assessment & other funding	637,111	-	(637,111)
Total Revenues and Use of Fund Balance	17,144,520	16,585,848	(558,672)

**HOLLIS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2025**

Revenue recognized by the Hollis School District's general fund amounted to \$78,293 more than was budgeted, as detailed in the chart above. School District Assessment accounts for 80% of the entire budget; this budget is based on what the district approves at its annual meeting. The Primary increase in general fund revenue came from the following sources:

- Special education aid, where the district received over \$1,900 more than budget.
- Other local revenue was increased by Renewable Energy Credits of \$8,700, Tuition \$42,000, and interest income

An explanation of what comprises local, state, and federal revenue is the following:

- "Other Local" revenue includes vocational education revenue, impact fees, interest, and non-resident tuition.
- "State" revenue includes the adequacy grant, building aid, impact fees, and special education aid.
- "Federal" revenue includes Medicaid funds and grants.

** All revenue sources are explained in greater detail on page 7.

Expense Budget

General Fund

<u>Expenditures</u>	Budget	Actual	Variance
Instruction	7,068,299	7,296,201	(227,902)
Student & Instructional Support	1,559,688	1,606,156	(46,468)
General, Executive & School Admin	1,666,802	1,526,661	140,141
Operation & Maintenance of Plant	1,235,847	1,162,510	73,337
Student Transportation	670,485	602,220	68,265
Central	1,000		
Other Support Services	3,702,147	3,577,396	124,751
Site Improvements	1	(360,490)	360,491
Debt Service	1,066,281	1,065,223	1,058
Total Appropriation & Expenditures	16,970,550	16,475,877	494,673

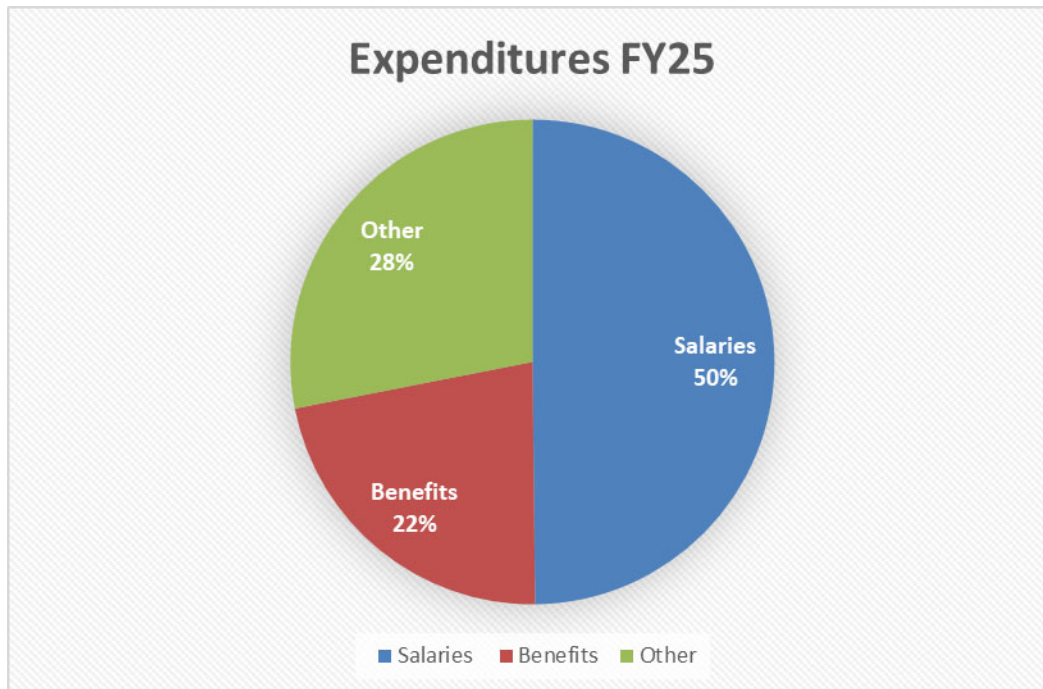
**HOLLIS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2025**

Expenditures recognized by the Hollis School District's general fund amounted to \$495K less than was budgeted, as detailed in the chart above. Areas which contributed to these savings are as follows:

- Savings in unfilled positions, as well as savings in health and dental benefits
- Savings in facilities accounts – heating propane
- The contingency fund of \$95,000 was untouched

Break-down of Costs

The district's expenses are predominately salaries and benefits which are illustrated below. "Other" expenses account for contracted services, transportation, operation & maintenance of plant, debt service, and general operational materials. The disbursement of cost has remained fairly consistent over the years.



**HOLLIS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2025**

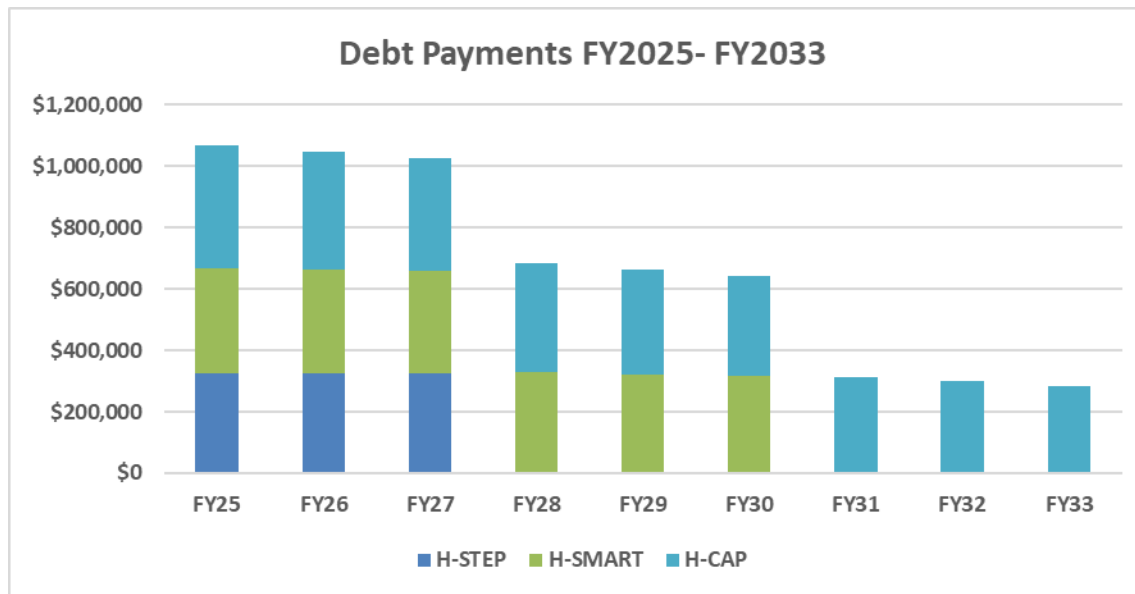
Capital Assets

The Hollis School District's investment in capital assets for its governmental activities as of June 30, 2025 totals \$8,317,462, net of accumulated depreciation. These assets include land improvements, buildings, machinery, equipment and construction in progress.

Debt Administration

The Hollis School District currently has three leases/bonds. The HSTEP lease, for \$2.8 million was used to make both HPS and HUES more energy efficient. This lease was issued in 2018, and will expire in June of 2027. The H-SMART lease, Hollis Schools Modernization and Revitalization Tasks, for \$3,108,900 was originated in June of 2020 and will expire in October of 2029. The H-CAP Bond, Hollis Capital Advancement Projects was issued in July of 2022 in the amount of \$2,769,500 and will expire in August of 2032.

The debt expenditures for all three are as follows:



**HOLLIS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2025**

Other Discussion

The district's financial status is sound. Being that the majority of costs are associated with salaries and benefits the budget is rather predictable from year to year. The district adopted in the FY15 fiscal year the ability to retain fund balance for emergency expenditures and over-expenditures of \$95,000 approved by the voters each year. This tool has greatly improved the financial position of the district to deal with unexpected costs that may arise during the course of operations. The district also takes advantage of the ability to retain up to 2.5% of available fund balance per RSA 198:5, also for emergency purposes. If the situation were to arise prior to the adoption of these mechanisms, the district would have to rely on excess revenues or additional taxation.

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Administrator at SAU #41, 4 Lund Lane, Hollis, NH 03049, by telephone at 603-324-5999, or via email at lance.flamino@sau41.org.

BASIC FINANCIAL STATEMENTS

EXHIBIT 1
HOLLIS SCHOOL DISTRICT
Statement of Net Position
June 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,201,793
Intergovernmental receivables	700,615
Other receivables	626
Inventory	9,879
Prepaid items	187,845
Capital assets, not being depreciated:	
Construction in progress	2,907,783
Capital assets, net of accumulated depreciation:	
Land improvements	91,241
Buildings and building improvements	5,184,377
Machinery, equipment and vehicles	134,061
Total assets	<u>11,418,220</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	1,867,818
Deferred amounts related to OPEB	75,526
Total deferred outflows of resources	<u>1,943,344</u>
LIABILITIES	
Accounts payable	393,984
Accrued salaries and benefits	487,907
Intergovernmental payable	7,301
Accrued interest payable	62,854
Noncurrent obligations:	
Due within one year:	
Bond payable	277,000
Unamortized bond premium	34,650
Capital leases payable	618,032
Due in more than one year:	
Bond payable	1,938,500
Unamortized bond premium	242,550
Capital leases payable	1,561,144
Compensated absences payable	1,395,020
Termination benefits payable	330,645
Net pension liability	10,587,120
Other postemployment benefits liability	1,041,108
Total liabilities	<u>18,977,815</u>
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	30,476
Deferred amounts related to pensions	849,031
Deferred amounts related to OPEB	106,731
Total deferred inflows of resources	<u>986,238</u>
NET POSITION	
Net investment in capital assets	3,857,063
Restricted for endowments:	
Nonexpendable	7,424
Expendable	4,863
Restricted for other purposes	314,246
Unrestricted	(10,786,085)
Total net position	<u>\$ (6,602,489)</u>

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

EXHIBIT 2
HOLLIS SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2025

	Expenses	Program Revenues			Net (Expense) Revenue and Changes In Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 7,662,694	\$ 200,235	\$ 360,929	\$ -	\$ (7,101,530)
Support services:					
Student	1,054,594	-	-	-	(1,054,594)
Instructional staff	538,434	-	-	-	(538,434)
General administration	780,815	-	-	-	(780,815)
School administration	760,633	-	-	-	(760,633)
Operation and maintenance of plant	1,756,425	-	9,993	-	(1,746,432)
Student transportation	600,920	-	-	-	(600,920)
Other	3,406,570	23,970	-	-	(3,382,600)
Non-instructional services	347,366	248,363	80,313	-	(18,690)
Facilities acquisition and construction	4,645	-	-	196,526	191,881
Interest on long-term debt	134,343	-	-	-	(134,343)
Total primary government	<u>\$ 17,047,439</u>	<u>\$ 472,568</u>	<u>\$ 451,235</u>	<u>\$ 196,526</u>	<u>(15,927,110)</u>

General revenues:	
School district assessment	13,255,935
Grants and contributions not restricted to specific programs	3,080,489
Miscellaneous	110,799
Total general revenues	<u>16,447,223</u>
Change in net position	<u>520,113</u>
Net position at 06/30/24, as previously reported	(5,696,422)
Implementation of accounting principle	(1,426,180)
Net position at 06/30/24, as restated	<u>(7,122,602)</u>
Net position, ending	<u>\$ (6,602,489)</u>

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

EXHIBIT 3
HOLLIS SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2025

	General	Grants	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,532,061	\$ -	\$ 669,732	\$ 2,201,793
Receivables, net of allowance for uncollectibles:				
Accounts	626	-	-	626
Intergovernmental	673,604	11,101	15,910	700,615
Interfund receivable	24,384	-	-	24,384
Inventory	-	-	9,879	9,879
Prepaid items	187,845	-	-	187,845
Total assets	<u>\$ 2,418,520</u>	<u>\$ 11,101</u>	<u>\$ 695,521</u>	<u>\$ 3,125,142</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 393,984	\$ -	\$ -	\$ 393,984
Accrued salaries and benefits	484,733	-	3,174	487,907
Intergovernmental payable	7,301	-	-	7,301
Interfund payable	-	11,101	13,283	24,384
Total liabilities	<u>886,018</u>	<u>11,101</u>	<u>16,457</u>	<u>913,576</u>
Deferred inflows of resources:				
Deferred revenue	<u>-</u>	<u>-</u>	<u>30,476</u>	<u>30,476</u>
Fund balances:				
Nonspendable	187,845	-	17,303	205,148
Restricted	-	-	319,108	319,108
Committed	799,325	-	312,177	1,111,502
Assigned	22,479	-	-	22,479
Unassigned	522,853	-	-	522,853
Total fund balances	<u>1,532,502</u>	<u>-</u>	<u>648,588</u>	<u>2,181,090</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,418,520</u>	<u>\$ 11,101</u>	<u>\$ 695,521</u>	<u>\$ 3,125,142</u>

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

EXHIBIT 4
HOLLIS SCHOOL DISTRICT
Reconciliation of Total Governmental Fund Balances to the Statement of Net Position
June 30, 2025

Total fund balances of governmental funds (Exhibit 3)		\$ 2,181,090
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$ 16,086,647	
Less accumulated depreciation	<u>(7,769,185)</u>	
		8,317,462
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	\$ (24,384)	
Payables	<u>24,384</u>	
		-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(62,854)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bond payable	\$ 2,215,500	
Unamortized bond premium	277,200	
Capital leases outstanding	2,179,176	
Compensated absences payable	1,395,020	
Termination benefits payable	330,645	
Net pension liability	10,587,120	
Other postemployment benefits liability	<u>1,041,108</u>	
		(18,025,769)
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	\$ 1,867,818	
Deferred outflows of resources related to OPEB	75,526	
Deferred inflows of resources related to pensions	(849,031)	
Deferred inflows of resources related to OPEB	<u>(106,731)</u>	
		987,582
Net position of governmental activities (Exhibit 1)		<u><u>\$(6,602,489)</u></u>

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

EXHIBIT 5
HOLLIS SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General	Grants	Capital Projects (Formerly Major)	Other Governmental Funds	Total Governmental Funds
REVENUES					
School district assessment	\$ 13,255,935	\$ -	\$ -	\$ -	\$ 13,255,935
Other local	199,524	-	-	398,499	598,023
State	3,150,485	196,525	-	4,263	3,351,273
Federal	14,012	272,259	-	76,050	362,321
Total revenues	<u>16,619,956</u>	<u>468,784</u>	<u>-</u>	<u>478,812</u>	<u>17,567,552</u>
EXPENDITURES					
Current:					
Instruction	7,302,139	262,928	-	66,703	7,631,770
Support services:					
Student	1,083,380	-	-	250	1,083,630
Instructional staff	524,041	7,331	-	670	532,042
General administration	780,538	-	-	33	780,571
School administration	750,443	-	-	3,756	754,199
Operation and maintenance of plant	1,365,278	196,525	-	208	1,562,011
Student transportation	600,920	-	-	-	600,920
Other	3,577,396	2,000	-	-	3,579,396
Non-instructional services	-	-	-	344,169	344,169
Debt service:					
Principal	886,757	-	-	-	886,757
Interest	178,466	-	-	-	178,466
Facilities acquisition and construction	4,645	-	-	147,184	151,829
Total expenditures	<u>17,054,003</u>	<u>468,784</u>	<u>-</u>	<u>562,973</u>	<u>18,085,760</u>
Deficiency of revenues under expenditures	<u>(434,047)</u>	<u>-</u>	<u>-</u>	<u>(84,161)</u>	<u>(518,208)</u>
Other financing sources (uses):					
Transfers in	146	-	-	-	146
Transfers out	-	-	-	(146)	(146)
Total other financing sources and uses	<u>146</u>	<u>-</u>	<u>-</u>	<u>(146)</u>	<u>-</u>
Net change in fund balances	<u>(433,901)</u>	<u>-</u>	<u>-</u>	<u>(84,307)</u>	<u>(518,208)</u>
Fund balances at 06/30/24, as originally reported	1,966,403	-	453,873	279,022	2,699,298
Change in reporting entity (major to non-major)	-	-	(453,873)	453,873	-
Fund balances at 06/30/24, as restated	1,966,403	-	-	732,895	2,699,298
Fund balances, ending	<u>\$ 1,532,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 648,588</u>	<u>\$ 2,181,090</u>

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

EXHIBIT 6
HOLLIS SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2025

Net change in fund balances of total governmental funds (Exhibit 5)	\$ (518,208)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capitalized capital outlay in the current period.

Capitalized capital outlay	\$ 315,184	
Depreciation expense	(378,391)	
		(63,207)

Transfers in and out between governmental funds are eliminated on the operating statement.

Transfers in	\$ (146)	
Transfers out	146	
		-

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position

Principal repayments of bond	\$ 277,000	
Amortization of bond premium	34,650	
Principal repayment of capital lease	609,757	
		921,407

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

Decrease in accrued interest expense	\$ 9,473	
Decrease in compensated absences payable	56,247	
Increase in termination benefits payable	(58,425)	
Decrease in other postemployment benefits liability	176,875	
Change in OPEB related deferral balances	3,377	
		187,547

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense.

School District pension contributions	\$ 1,283,894	
Cost of benefits, net of employee contributions	(1,291,320)	
		(7,426)

Change in net position of governmental activities (Exhibit 2)	\$ 520,113
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The notes to the financial statements are an integral part of this statement.

EXHIBIT 7
HOLLIS SCHOOL DISTRICT
General Fund
Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
School district assessment	\$ 13,255,935	\$13,255,935	\$ -
Other local	95,000	165,270	70,270
State	3,146,474	3,150,485	4,011
Federal	10,000	14,012	4,012
Total revenues	16,507,409	16,585,702	78,293
EXPENDITURES			
Current:			
Instruction	7,068,299	7,296,201	(227,902)
Support services:			
Student	999,697	1,083,380	(83,683)
Instructional staff	559,991	522,776	37,215
General administration	895,279	780,538	114,741
School administration	771,523	746,123	25,400
Operation and maintenance of plant	1,235,847	1,162,510	73,337
Student transportation	670,485	602,220	68,265
Central	1,000	-	1,000
Other	3,702,147	3,577,396	124,751
Debt service:			
Principal	886,757	886,757	-
Interest	179,524	178,466	1,058
Facilities acquisition and construction	1	(360,490)	360,491
Total expenditures	16,970,550	16,475,877	494,673
Excess (deficiency) of revenues over (under) expenditures	(463,141)	109,825	572,966
Other financing sources (uses):			
Transfers in	-	146	146
Transfers out	(173,970)	(173,970)	-
Total other financing sources and uses	(173,970)	(173,824)	146
Net change in fund balance	\$ (637,111)	(63,999)	\$ 573,112
Increase in nonspendable fund balance		(186,345)	
Decrease in committed fund balance		25,000	
Unassigned fund balance, beginning		748,197	
Unassigned fund balance, ending		\$ 522,853	

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

EXHIBIT 8
HOLLIS SCHOOL DISTRICT
Grants Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (GAAP Basis)
For the Fiscal Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
State	\$ -	\$ 196,525	\$ 196,525
Federal	190,000	272,259	82,259
Total revenues	<u>190,000</u>	<u>468,784</u>	<u>278,784</u>
EXPENDITURES			
Current:			
Instruction	190,000	262,928	(72,928)
Support services:			
Instructional staff	-	7,331	(7,331)
Operation and maintenance of plant	-	196,525	(196,525)
Other	-	2,000	(2,000)
Total expenditures	<u>190,000</u>	<u>468,784</u>	<u>(278,784)</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning		-	
Fund balance, ending		<u>\$ -</u>	

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

NOTES TO THE FINANCIAL STATEMENTS

**HOLLIS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

I. Summary of Significant Accounting Principles

I.A. Introduction

The accounting and reporting framework and the more significant accounting principles and practices of the Hollis School District (the School District) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the School District's financial activities for the fiscal year ended June 30, 2025.

I.B. Financial Reporting Entity – Basis of Presentation

I.B.1. *Entity Defined*

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

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

Government-Wide Financial Statements

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

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

**HOLLIS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

Fund Financial Statements

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

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

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

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

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

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

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

Governmental Funds

The School District reports the following major governmental funds:

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

Grants Fund – Reports as a special revenue fund and accounts for activities related to federal grants.

The school district also reports five nonmajor funds: food service, student activities, other special revenue, capital projects, and permanent funds.

**HOLLIS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

I.B.5. *Implementation of Accounting Principle*

For the fiscal year ended June 30, 2025, the School District implemented GASB No. 101, *Compensated Absences*, which requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

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

I.C.1. *Cash and Investments*

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

New Hampshire law authorizes the School District to invest in obligations of the United States government; the public deposit investment pool established pursuant to RSA 383:22; savings bank deposits; prime bankers' acceptances; or certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the state treasurer.

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

I.C.2. *Inventory and Prepaid Items*

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**HOLLIS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

Prepaid items are payments to vendors that benefit future reporting periods and are reported on the consumption basis. Such items are similarly reported in government-wide and fund financial statements.

I.C.3. *Capital Assets and Depreciation*

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

	<u>Years</u>
Land improvements	5-20
Buildings and building improvements	10-115
Machinery, equipment and vehicles	5-20

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

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

Deferred inflows of resources in the governmental fund financial statements represent donated commodities that are held in inventory to be used in the subsequent year and meals prepaid by students. In addition to this amount, deferred outflows and inflows of resources in the Statement of Net Position consist of resources related to pensions and other postemployment benefits that will be recognized in subsequent periods.

I.C.5. *Long-Term Debt*

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

**HOLLIS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

I.C.6. *Compensated Absences*

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

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

I.C.7. *Termination Benefits*

Teachers who are over the age of 55 but not yet at retirement age, and who have taught in the School District for a minimum of fifteen years are eligible for early retirement, which is considered voluntary termination. Teachers who elect to retire early receive an early retirement benefit, consisting of a payment of 25% of the teacher's last annual salary. Termination benefits are reported as accrued in the government-wide financial statements. Governmental funds report only matured termination benefits payable to currently terminated employees which are included in wages and benefits expenditures.

I.C.8. *Equity*

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

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

The governmental funds report the following components of fund balance:

- Nonspendable, which consists of the prepaid items and the inventory, which can not be spent because of their form; and the principal amount of endowment held by the Town of Hollis Trustees of Trust Funds, which is not spendable in accordance with legal requirements.

**HOLLIS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

- Restricted, which represents the expendable portion of the endowment for school purposes, which can only be spent for instruction in accordance with the legal restrictions established by the donors; and the balance of the Capital Projects Fund, which is funded by bond proceeds and may only be spent on the HCAP project.
- Committed, which represents the balance of the Expendable Trust Funds established by School District Meeting to be used for building maintenance; amounts voted by the 2025 School District Meeting to be transferred to the Expendable Trust Fund; and the balances of Special Revenue Funds.
- Assigned, which represents encumbrances for support services assigned by a vote of the school board or by management through the use of approved purchase orders.
- Unassigned, which represents the remaining General Fund balance not reported as nonspendable, restricted, committed or assigned.

I.C.9. *Estimates*

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

II. Stewardship, Compliance and Accountability

II.A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the Permanent Fund. Unless encumbered, all appropriations lapse at year-end. The School District is required to use beginning unassigned fund balance to balance the budget. In the fiscal year 2025, \$463,141 of the fund balance from fiscal year 2024 was so used, and \$173,970 was appropriated from surplus.

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

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

**HOLLIS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

services, debt service and facilities acquisition and construction. Management can transfer appropriations among budget line items as necessary, but the total expenditures cannot legally exceed the total appropriations unless permission is received from the Commissioner of Education.

II.B. Reconciliation of Budgetary Basis to GAAP

General Fund

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	\$16,585,848
Adjustments:	
Perspective difference:	
Expendable trust fund income	34,254
Per Exhibit 5 (GAAP basis)	<u>\$16,620,102</u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$16,649,847
Adjustments:	
Basis difference:	
Encumbrances, beginning	479,266
Encumbrances, ending	(22,479)
Perspective difference:	
Expendable trust fund expenditures	121,339
Transfer to expendable trust fund	(173,970)
Per Exhibit 5 (GAAP basis)	<u>\$17,054,003</u>

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

III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. Receivables

Significant receivables consist of intergovernmental amounts arising from medicaid, grants, refunds, and reimbursements from other school districts for shared services.

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

**HOLLIS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

III.A.2. Capital Assets

Changes in Capital Assets

The following provides a summary of changes in capital assets:

	Balance, beginning	Additions	Balance, ending
At cost:			
Not being depreciated:			
Construction in progress	\$ 2,760,599	\$ 147,184	\$ 2,907,783
Being depreciated:			
Land improvements	319,769	-	319,769
Buildings and building improvements	12,321,154	168,000	12,489,154
Machinery, equipment and vehicles	369,941	-	369,941
Total capital assets being depreciated	13,010,864	168,000	13,178,864
Total all capital assets	15,771,463	315,184	16,086,647
Less accumulated depreciation:			
Land improvements	(215,544)	(12,984)	(228,528)
Buildings and building improvements	(6,957,651)	(347,126)	(7,304,777)
Machinery, equipment and vehicles	(217,599)	(18,281)	(235,880)
Total accumulated depreciation	(7,390,794)	(378,391)	(7,769,185)
Net book value, capital assets being depreciated	5,620,070	(210,391)	5,409,679
Net book value, all capital assets	\$ 8,380,669	\$ (63,207)	\$ 8,317,462

Depreciation Expense

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

Instruction	\$ 15,512
Support services:	
Instructional staff	3,316
Executive administration	244
Operation and maintenance of plant	358,803
Site improvement	516
Total depreciation expense	<u>\$378,391</u>

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

III.B. Long-Term Liabilities

Long-term liabilities currently outstanding are as follow:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at June 30, 2025	Current Portion
General obligation bond payable:						
Capital projects (HCAP)	\$2,769,500	2023	2033	5.1	\$ 2,215,500	\$277,000
Unamortized bond premium					277,200	34,650
Capital leases payable:						
Energy conservation equipment (HSTEP)	\$ 2,800,000	2017	2027	2.769	624,726	307,142
Energy conservation equipment (HSMART)	\$ 3,108,900	2020	2030	1.82	1,554,450	310,890
					2,179,176	618,032
Compensated absences payable:						
Vested sick leave					1,367,066	-
Accrued vacation leave					27,954	-
					1,395,020	-
Termination benefits payable					330,645	-
Net pension liability					10,587,120	-
Other postemployment benefits liability					1,041,108	-
					\$18,025,769	\$929,682

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2025:

	General Obligation Bond Payable	Unamortized Bond Premium	Capital Leases Payable	Compensated Absences Payable	Termination Benefits Payable	Net Pension Liability	Other Postemployment Benefits Liability	Total
Balance, beginning	\$ 2,492,500	\$ 311,850	\$ 2,788,933	\$ 1,451,267	\$ 272,220	\$ 12,153,283	\$ 1,217,983	\$ 20,688,036
Additions	-	-	-	-	58,425	-	-	58,425
Reductions	(277,000)	(34,650)	(609,757)	(56,247)	-	(1,566,163)	(176,875)	(2,720,692)
Balance, ending	\$ 2,215,500	\$ 277,200	\$ 2,179,176	\$ 1,395,020	\$ 330,645	\$ 10,587,120	\$ 1,041,108	\$ 18,025,769

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Debt Service Requirements to Maturity

The annual debt service requirements to maturity for the bond outstanding as of year-end are as follow:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 277,000	\$ 105,927	\$ 382,927
2027	277,000	91,800	368,800
2028	277,000	77,673	354,673
2029	276,900	63,549	340,449
2030	276,900	49,427	326,327
2031-2033	830,700	63,548	894,248
Totals	<u>\$ 2,215,500</u>	<u>\$ 451,924</u>	<u>\$ 2,667,424</u>

The premium is being amortized over the life of the bond using the straight-line method.

The annual debt service requirements to maturity for the capital leases outstanding as of year-end are as follow:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 618,032	\$ 45,536	\$ 663,568
2027	628,474	29,436	657,910
2028	310,890	16,975	327,865
2029	310,890	11,316	322,206
2030	310,890	5,658	316,548
Totals	<u>\$ 2,179,176</u>	<u>\$ 108,921</u>	<u>\$ 2,288,097</u>

III.C. Balances and Transfers – Payments Within the Reporting Entity

III.C.1. *Receivables and Payables*

Generally, outstanding balances between funds reported as “interfund receivables/payables” include outstanding charges by one fund to another for goods or services, subsidy commitments outstanding at year-end, or other miscellaneous amounts. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is also reported as “interfund receivables/payables.”

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The following table summarizes the interfund balances at June 30, 2025:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Grants	11,101
General	Nonmajor	13,283
		<u>\$ 24,384</u>

The amounts owed from the Grants and Nonmajor Funds represent overdrafts of pooled cash.

III.C.2. Transfers

Transfers within the reporting entity were for the purpose of distributing income earned in the Permanent Fund in the amount of \$146 to the General Fund, and adding \$173,970 to the Expendable Trust Fund from the General Fund. The latter transfer is not reported in the basic financial statements because the Expendable Trust Fund is reported within the General Fund. The government-wide statement of activities eliminates transfers reported within the governmental activities column.

III.D. Net Position and Fund Balances

III.D.1. Adjustments to and Restatements of Beginning Balances

Change to or within the Financial Reporting Entity – Change in Accounting Principle

The School District implemented GASB Statement No. 101, *Compensated Absences*, as described in Note I.B.5. The effect of that change is shown below.

	<u>Governmental Activities</u>	<u>Capital Project Fund</u>	<u>Nonmajor Funds</u>
06/30/24, as previously reported	\$ (5,696,422)	\$ 453,873	\$2,699,298
Change in accounting principle	(1,426,180)	-	-
Change in presentation of major funds	-	(453,873)	453,873
06/30/24, as restated	<u>\$ (7,122,602)</u>	<u>\$ -</u>	<u>\$3,153,171</u>

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III.D.2. Components of Fund Equity

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

	General Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:			
Endowment	\$ -	\$ 7,424	\$ 7,424
Inventory	-	9,879	9,879
Prepaid items	187,845	-	187,845
Total nonspendable	<u>187,845</u>	<u>17,303</u>	<u>205,148</u>
Restricted for:			
Instruction	-	4,862	4,862
Capital outlay	-	314,246	314,246
Total restricted	<u>-</u>	<u>319,108</u>	<u>319,108</u>
Committed for:			
Instruction	-	205,673	205,673
Non-instructional services	-	106,504	106,504
Capital outlay	799,325	-	799,325
Total committed	<u>799,325</u>	<u>312,177</u>	<u>1,111,502</u>
Assigned to:			
Instruction	-	-	-
Support services	5,050	-	5,050
Operation and maintenance of plant	16,129	-	16,129
Transportation	1,300	-	1,300
Total assigned	<u>22,479</u>	<u>-</u>	<u>22,479</u>
Unassigned	522,853	-	522,853
Total fund balances	<u><u>\$1,532,502</u></u>	<u><u>\$648,588</u></u>	<u><u>\$ 2,181,090</u></u>

IV. Other Information

IV.A. Risk Management

The School District's risk management activities are reported with governmental activities and recorded in the general fund. During the fiscal year, the School District was a member of the N.H. Public Risk Management Exchange (Primex), which is considered a public entity risk pool, currently operating as a common risk management and insurance program for member governmental entities.

The Primex programs are pooled risk management programs under N.H. RSA 5-B and RSA 281-A. The plan year runs from July 1 through June 30. Primex maintains statutory amounts for workers' compensation and unemployment compensation coverage, and property and liability coverages in

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various amounts. Workers' compensation contributions paid in fiscal year 2025 to be recorded as an insurance expenditure/expense totaled \$27,218, property/liability contributions totaled \$93,181 and unemployment compensation contributions totaled \$2,468. There were no unpaid contributions for the year.

The membership agreement permits Primex to make additional assessments to members should there be a deficiency in assets to meet its liabilities. At this time, Primex foresees no likelihood of any additional assessments for past years.

IV.B. Retirement Pensions

General Information about the Pension Plan

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

Both the members and the School District make contributions to the NHRS. Member rates of contribution are set by the Legislature. Employer rates are determined by the NHRS trustees based on an actuarial valuation. The rate of contribution is 7% of gross earnings for all employees. The rates of contribution from the School District were 19.64% for teachers and 13.53% for other employees, which are actuarially determined to generate an amount, that when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions from the School District during the fiscal years 2023, 2024, and 2025 were \$1,297,668, \$1,230,630, and \$1,283,894, respectively. The amounts were paid on a monthly basis as due.

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

At June 30, 2025, the School District reported a liability of \$10,587,120 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023 rolled forward to the measurement date of June 30, 2024. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities and school districts, actuarially determined. As of June 30, 2024, the School

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District's proportion was 0.2041%, which was a decrease of 0.0130% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized pension expense of \$1,291,320. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 348,179	\$ 575,204
Net differences between projected and actual earnings on pension plan investments	-	147,791
Changes in assumptions	-	123,907
Differences between expected and actual experience	235,685	2,129
School District contributions subsequent to the measurement date	1,283,954	-
	<u>\$ 1,867,818</u>	<u>\$ 849,031</u>

The School District reported \$1,283,894 as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

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

Year Ending June 30,	
2026	\$ (353,972)
2027	498,099
2028	(198,219)
2029	(211,075)
	<u>\$ (265,167)</u>

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Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	Multiple periods of 16-20 years
Asset Valuation Method	5-year smoothed market for funding purposes, 20% corridor
Price Inflation	2.0% per year
Wage Inflation	2.75% (2.25% for Teachers) per year
Municipal Bond Rate	3.97% per year
Salary Increases	5.4% average, including inflation
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation
Mortality Rates	Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each member classification and projected fully generational mortality improvements using Scale MP-2019

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of the most recent actuarial experience study, which was for the period of July 1, 2015 to June 30, 2019.

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School District's proportionate share of net pension liability	\$14,801,994	\$10,587,120	\$ 7,076,000

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

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IV.C. Contingent Liabilities

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

IV.D. Other Postemployment Benefits

Plan Description

The School District is part of two different OPEB plans, one that is a retiree health care benefits program operating as a single-employer plan that is used to provide OPEB for all permanent full-time employees (implicit rate subsidy); and the other that consists of benefits to its retired employees and their beneficiaries as required by RSA 100-A:50, *New Hampshire Retirement System: Medical Benefits*. The latter are provided through the New Hampshire Retirement System (NHRS) operating as a cost-sharing, multiple-employer OPEB medical subsidy healthcare plan (medical insurance subsidy). Further information on this plan can be found in the audited report on the NHRS Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan which is available on the NHRS website at www.nhrs.org.

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

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

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

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

<u>Non-Medicare Plans</u>	<u>Individual</u>	<u>2-Person</u>
AB5(07L)-RX10/20/45/3K(L)	\$1,291.48	\$2,582.96
AB10IPDED(07L)-RX10/20/45/3K(L)	1,265.52	2,531.04
ABS0S20/40/1KDED(07L)-RX10/20/45/5K(L)	984.37	1,968.73
BC3T10(07L)-RX10/20/45/3K(L)	1,387.82	2,775.65
BC315IPDED(07L)-RX10/20/45/3K(L)	1,335.78	2,671.56

Currently, there are 124 active and retired employees that receive health benefits from the School District. The School District recognizes the cost of providing health insurance annually as expenditures in the General Fund as payments are made. For the year ended June 30, 2025, the School District recognized nothing for its share of insurance premiums for currently enrolled retirees.

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

Total OPEB Liability

The School District's total OPEB liability of \$1,041,108 consists of \$414,207 for the implicit rate subsidy, determined by an actuarial valuation as of July 1, 2024, and \$626,901 for the medical insurance subsidy, determined by an actuarial valuation as of June 30, 2023, rolled forward to the measurement date using actuarial assumptions, applied to all periods included in the measurement.

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Actuarial Assumptions

The OPEB liability for the implicit rate subsidy was determined using the following actuarial assumptions and inputs:

Discount Rate:	5.2%, net of investment expenses, including inflation
Actuarial Cost Method:	Entry Age Normal. The costs of each employee's postemployment benefits are allocated as a level basis over the earnings of the employee between date of hire and assumed exit age
Amortization Method:	Level dollar amount over thirty (30) years on an open amortization period for pay-as-you-go funding
Healthcare Cost Trend Rates:	
Year 1	8.00%
Year 2	7.50%
Year 3	7.00%
Year 4	6.50%
Year 5	6.00%
Ultimate	4.00%
Mortality Rates:	
Pre-Retirement:	PubG-2010 headcount-weighted Employee Generational Mortality Tables, projected with fully generational mortality improvement using scale MP-2021
Post-Retirement:	102% of PubG-2010 headcount-weighted Retiree General Mortality Tables for males and 107% of PubG-2010 headcount-weighted Retiree Generational Mortality Tables for females, projected with fully generational mortality improvement using scale MP-2021
Inflation:	2.50%

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

Discount Rate

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

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Healthcare Cost Trend Rates

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

Sensitivity of Total OPEB Liability to Changes in Rates

Assumptions and methods used to determine the total OPEB liability are sensitive to changes in the discount rate and healthcare cost trend rates. The following presents the total OPEB liability calculated using the current discount rates, as well as what the total OPEB liability would be if it were calculated using a discount rate 1-percentage point lower or higher:

Implicit Rate Subsidy:			
	1% Decrease (4.2%)	Current Discount Rate (5.2%)	1% Increase (6.2%)
School District's total OPEB liability	\$ 444,128	\$ 414,207	\$386,303
Medical Insurance Subsidy:			
	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School District's total OPEB liability	\$ 685,820	\$ 626,901	\$586,194

The following presents the total OPEB liability for the implicit rate subsidy calculated using the current healthcare cost trend rate of 8.00%, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate 1-percentage point lower (7.00%) or 1-percentage point higher (9.00%):

		Current Healthcare Cost Trend Rate (8.00%)	
	1% Decrease (7.00%)		1% Increase (9.00%)
School District's total OPEB liability	\$368,024	\$414,207	\$468,405

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

For the year ended June 30, 2025, the School District recognized a credit to OPEB expense of \$(63,985). At year-end, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings on OPEB plan investments	\$ -	\$ 148
Changes in assumptions	909	58,570
Differences between expected and actual experience	-	48,013
School District contributions subsequent to the measurement date	74,617	-
	<u>\$ 75,526</u>	<u>\$106,731</u>

The School District reported \$74,617 as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date, which will be recognized as a reduction of the OPEB liability in fiscal year 2026. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follow:

Year Ending June 30,	
2026	\$ (43,909)
2027	(31,794)
2028	(12,303)
2029	(11,355)
2030	(6,460)
	<u>\$ (105,821)</u>

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT 9
HOLLIS SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of the Net Pension Liability
New Hampshire Retirement System

For the Year Ended June 30,	School District's Proportion of Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered- Employee Payroll	School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.2014%	\$10,587,120	\$7,130,767	148.47%	70.33%
2024	0.2171%	\$12,153,283	\$6,832,350	177.88%	67.18%
2023	0.2089%	\$11,985,062	\$6,855,182	174.83%	65.12%
2022	0.2035%	\$9,017,696	\$6,320,689	142.67%	72.22%
2021	0.2078%	\$13,290,944	\$6,032,466	220.32%	58.72%
2020	0.1990%	\$9,577,267	\$5,926,735	161.59%	65.59%
2019	0.1920%	\$9,243,721	\$5,675,459	162.87%	64.77%
2018	0.1806%	\$8,883,787	\$5,304,525	164.48%	62.66%
2017	0.1755%	\$9,331,863	\$5,264,473	177.26%	58.30%
2016	0.1671%	\$6,619,026	\$5,007,750	132.18%	65.47%

EXHIBIT 10
HOLLIS SCHOOL DISTRICT
Schedule of the School District's Pension Contributions
New Hampshire Retirement System

For the Year Ended June 30,	Contractually Required Contribution	Contribution in Relation to the Contractually Required Contribution	Contribution Deficiency	School District's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2025	\$1,283,894	(\$1,283,894)	\$ -	\$7,130,767	18.00%
2024	\$1,230,630	(\$1,230,630)	\$ -	\$6,832,350	18.01%
2023	\$1,297,668	(\$1,297,668)	\$ -	\$6,855,182	18.93%
2022	\$1,198,029	(\$1,198,029)	\$ -	\$6,320,689	18.95%
2021	\$1,028,910	(\$1,028,910)	\$ -	\$6,032,466	17.06%
2020	\$927,865	(\$927,865)	\$ -	\$5,926,735	15.66%
2019	\$955,639	(\$955,639)	\$ -	\$5,675,459	16.84%
2018	\$904,724	(\$904,724)	\$ -	\$5,304,525	17.06%
2017	\$805,251	(\$805,251)	\$ -	\$5,264,473	15.30%
2016	\$763,928	(\$763,928)	\$ -	\$5,007,750	15.25%

EXHIBIT 11
HOLLIS SCHOOL DISTRICT
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios

	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
Total OPEB liability:									
Service cost	\$ 21,464	\$ 22,223	\$ 66,744	\$ 34,210	\$ 34,780	\$ 33,902	\$ 28,121	\$ 29,803	\$ 73,913
Interest	68,439	76,706	104,340	76,495	82,002	85,358	20,228	16,792	10,696
Net investment income	7,984	(37,537)	(6,105)	22,346	845	(3,788)	-	-	-
Administrative expense	(693)	(531)	(507)	(358)	(359)	(290)	-	-	-
Changes of assumptions									
and differences between expected and actual experience	(67,494)	(19,546)	(41,306)	(194,028)	(14,928)	(63,924)	12,087	(9,306)	(15,466)
Benefit payments	(121,578)	(126,537)	(94,864)	(111,317)	(119,286)	(100,999)	(24,028)	(16,341)	(23,559)
Change in proportion of medical subsidy	(84,997)	55,129	(39,930)	(65,452)	141,071	34,366	(260,840)	1,106,964	-
Net change in total OPEB liability	(176,875)	(30,093)	(11,628)	(238,104)	124,125	(15,375)	(224,432)	1,127,912	45,584
Total OPEB liability, beginning	1,217,983	1,248,076	1,259,704	1,497,808	1,373,683	1,389,058	1,613,490	485,578	439,994
Total OPEB liability, ending	<u>\$1,041,108</u>	<u>\$1,217,983</u>	<u>\$1,248,076</u>	<u>\$ 1,259,704</u>	<u>\$1,497,808</u>	<u>\$1,373,683</u>	<u>\$1,389,058</u>	<u>\$1,613,490</u>	<u>\$ 485,578</u>
Covered payroll	\$7,130,767	\$6,832,350	\$6,855,182	\$6,320,689	\$6,712,369	\$6,712,369	\$5,675,459	\$5,995,655	\$5,860,009
Total OPEB liability as a percentage of covered payroll	14.60%	17.83%	18.21%	19.93%	22.31%	20.46%	24.47%	26.91%	8.29%
School District's proportion of OPEB liability for the medical subsidy	0.2017%	0.2241%	0.2165%	0.2088%	0.2125%	0.1912%	0.1848%	0.2421%	n/a

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

EXHIBIT 12
HOLLIS SCHOOL DISTRICT
Schedule of the School District's OPEB Contributions

	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
Actuarially determined contribution	\$ 116,436	\$ 104,440	\$ 123,158	\$ 106,530	\$ 119,084	\$ 108,594	\$ 48,714	\$ 60,393	\$ 73,913
Contributions in relation to the actuarially determined contribution	(74,617)	(71,724)	(97,473)	(90,203)	(99,265)	(98,997)	(24,028)	(25,110)	(23,559)
Contribution deficiency	<u>\$ 41,819</u>	<u>\$ 32,716</u>	<u>\$ 25,685</u>	<u>\$ 16,327</u>	<u>\$ 19,819</u>	<u>\$ 9,597</u>	<u>\$ 24,686</u>	<u>\$ 35,283</u>	<u>\$ 50,354</u>
Covered-employee payroll	\$7,130,767	\$6,832,350	\$6,855,182	\$6,320,689	\$6,712,369	\$6,712,369	\$5,675,459	\$5,995,655	\$5,860,009
Contributions as a percentage of covered-employee payroll	1.63%	1.53%	1.80%	1.69%	1.77%	1.62%	0.86%	1.01%	1.26%

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

**HOLLIS SCHOOL DISTRICT
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

The OPEB schedules are meant to present information for ten years. Because this is the eighth year for the OPEB information under the current measurement standard, only nine years are presented. An additional year's information will be added each year until there are ten years shown.

COMBINING AND INDIVIDUAL FUND SCHEDULES

EXHIBIT 13
HOLLIS SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025

	Special Revenue Funds			Capital Projects (Formerly Major)	Permanent Fund	Total
	Food Service	Student Activities	Other			
ASSETS						
Cash and cash equivalents	\$ 136,530	\$ 4,713	\$ 202,722	\$ 325,767	\$ -	\$ 669,732
Intergovernmental receivables	3,624	-	-	-	12,286	15,910
Inventory	9,879	-	-	-	-	9,879
Total assets	<u>\$ 150,033</u>	<u>\$ 4,713</u>	<u>\$ 202,722</u>	<u>\$ 325,767</u>	<u>\$ 12,286</u>	<u>\$ 695,521</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accrued salaries and benefits	<u>\$ 3,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,174</u>
Deferred inflows of resources:						
Deferred revenue	<u>30,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,476</u>
Fund balances:						
Nonspendable	9,879	-	-	-	7,424	17,303
Restricted	-	-	-	314,246	4,862	319,108
Committed	<u>106,504</u>	<u>4,713</u>	<u>200,960</u>	<u>-</u>	<u>-</u>	<u>312,177</u>
Total fund balances	<u>116,383</u>	<u>4,713</u>	<u>200,960</u>	<u>314,246</u>	<u>12,286</u>	<u>648,588</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 150,033</u>	<u>\$ 4,713</u>	<u>\$ 202,722</u>	<u>\$ 325,767</u>	<u>\$ 12,286</u>	<u>\$ 695,521</u>

EXHIBIT 14
HOLLIS SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2025

	Special Revenue Funds			Capital Projects (Formerly Major)	Permanent Fund	Total
	Food Service	Student Activities	Other			
REVENUES						
Local	\$ 248,958	\$ 16,180	\$ 125,029	\$ 7,557	\$ 775	\$ 398,499
State	4,263	-	-	-	-	4,263
Federal	76,050	-	-	-	-	76,050
Total revenues	<u>329,271</u>	<u>16,180</u>	<u>125,029</u>	<u>7,557</u>	<u>775</u>	<u>478,812</u>
EXPENDITURES						
Current:						
Instruction	-	14,926	51,777	-	-	66,703
Support services:						
Student	-	-	250	-	-	250
Instructional staff	-	-	670	-	-	670
General administration	-	-	-	-	33	33
School administration	-	-	3,756	-	-	3,756
Operation and maintenance of plant	-	-	208	-	-	208
Non-instructional services	344,169	-	-	-	-	344,169
Facilities acquisition and construction	-	-	-	147,184	-	147,184
Total expenditures	<u>344,169</u>	<u>14,926</u>	<u>56,661</u>	<u>147,184</u>	<u>33</u>	<u>562,973</u>
Excess (deficiency) of revenues over (under) expenditures	(14,898)	1,254	68,368	(139,627)	742	(84,161)
Other financing uses:						
Transfers out	-	-	-	-	(146)	(146)
Net change in fund balances	<u>(14,898)</u>	<u>1,254</u>	<u>68,368</u>	<u>(139,627)</u>	<u>596</u>	<u>(84,307)</u>
Fund balances, 06/30/24, as originally reported	131,281	3,459	132,592	-	11,690	279,022
Change in reporting entity (major to non-major)	-	-	-	453,873	-	453,873
Fund balances, 06/30/24, as restated	<u>131,281</u>	<u>3,459</u>	<u>132,592</u>	<u>453,873</u>	<u>11,690</u>	<u>732,895</u>
Fund balances, ending	<u>\$ 116,383</u>	<u>\$ 4,713</u>	<u>\$ 200,960</u>	<u>\$ 314,246</u>	<u>\$ 12,286</u>	<u>\$ 648,588</u>

EXHIBIT 15
HOLLIS SCHOOL DISTRICT
General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2025

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 13,255,935	\$ 13,255,935	\$ -
Other local sources:			
Tuition	-	55,783	55,783
Investment earnings	30,000	47,764	17,764
Rentals	25,000	23,970	(1,030)
Miscellaneous	40,000	37,753	(2,247)
Total from other local sources	95,000	165,270	70,270
State sources:			
Adequacy aid (grant)	1,476,286	1,476,286	-
Adequacy aid (tax)	1,604,203	1,604,203	-
Catastrophic aid	65,985	67,896	1,911
Reimbursement of state retirement contributions	-	2,100	2,100
Total from state sources	3,146,474	3,150,485	4,011
Federal sources:			
Medicaid	10,000	14,012	4,012
Other financing sources:			
Transfers in	-	146	146
Total revenues and other financing sources	16,507,409	\$ 16,585,848	\$ 78,439
Use of fund balance	637,111		
Total revenues, other financing sources and use of fund balance	\$ 17,144,520		

EXHIBIT 16
HOLLIS SCHOOL DISTRICT
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2025

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
Instruction:					
Regular programs	\$ 5,938	\$ 4,766,377	\$ 4,495,207	\$ -	\$ 277,108
Special programs	-	2,301,922	2,806,932	-	(505,010)
Total instruction	<u>5,938</u>	<u>7,068,299</u>	<u>7,302,139</u>	<u>-</u>	<u>(227,902)</u>
Support services:					
Student	-	999,697	1,083,380	-	(83,683)
Instructional staff	6,315	559,991	524,041	5,050	37,215
General administration	-	895,279	780,538	-	114,741
School administration	4,320	771,523	750,443	-	25,400
Operation and maintenance of plant	97,558	1,235,847	1,243,939	16,129	73,337
Student transportation	-	670,485	600,920	1,300	68,265
Central	-	1,000	-	-	1,000
Other	-	3,702,147	3,577,396	-	124,751
Total support services	<u>108,193</u>	<u>8,835,969</u>	<u>8,560,657</u>	<u>22,479</u>	<u>361,026</u>
Debt service:					
Principal	-	886,757	886,757	-	-
Interest	-	179,524	178,466	-	1,058
Total debt service	<u>-</u>	<u>1,066,281</u>	<u>1,065,223</u>	<u>-</u>	<u>1,058</u>
Facilities acquisition and construction	<u>365,135</u>	<u>1</u>	<u>4,645</u>	<u>-</u>	<u>360,491</u>
Other financing uses:					
Transfers out	<u>-</u>	<u>173,970</u>	<u>173,970</u>	<u>-</u>	<u>-</u>
Total encumbrances, appropriations, expenditures and other financing uses	<u>\$ 479,266</u>	<u>\$ 17,144,520</u>	<u>\$ 17,106,634</u>	<u>\$ 22,479</u>	<u>\$ 494,673</u>

EXHIBIT 17
HOLLIS SCHOOL DISTRICT
General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2025

Unassigned fund balance, beginning		\$	748,197
Changes:			
Fund balance used to reduce school district assessment			(463,141)
Fund balance appropriated			(173,970)
Budget summary:			
Revenue surplus (Exhibit 15)	\$	78,439	
Unexpended balance of appropriations (Exhibit 16)		494,673	
Budget surplus			573,112
Increase in nonspendable fund balance			(186,345)
Decrease in committed fund balance			25,000
Unassigned fund balance, ending		\$	522,853



Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S COMMUNICATION TO MANAGEMENT

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

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Hollis School District as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph above, and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

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

June 18, 2026

Roberts & Greene, PLLC