HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT

FINANCIAL REPORT

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

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INDEPENDENT AUDITOR'S REPORT

To the Members of the School Board
Hollis-Brookline Cooperative 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-Brookline Cooperative School District as of and for the year ended June 30, 2025, 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-Brookline Cooperative School District as of June 30, 2025 and the respective changes in financial position thereof, and the budgetary comparisons for the General and Food Service Funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit opinions.

Change in Accounting Principle

As discussed in Note I.B.5. to the financial statements, in fiscal year 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.

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.

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 those charged 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.

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 3-13 and 41-44 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 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 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 16, 2026

Roberts & Greene, PLLC

HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2025

This section of the Hollis-Brookline 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 MD&A 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 district-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.

DISTRICT-WIDE STATEMENTS

The district-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 district-wide statements present an aggregate view of the finances of the school district by answering the question, "How did the school district do financially

during the 2024-2025 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 district-wide financial statements, the district's activities are listed as governmental activities, which include 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 two types of funds:

- 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 district-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.
- Fiduciary Funds – The district is the trustee, or fiduciary, for assets that belong to others, such as the student activities funds. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the district's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in the fiduciary net position. These activities are not included in the district-wide financial statements because the district cannot use these assets to finance its operations.

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-Brookline Cooperative School District

Statement of Net Position

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

	2024	2025	Increase (Decrease)	% Increase (Decrease)
Assets				
Current and Other Assets	4,427,330	4,702,738	275,408	6.22%
Capital Assets	21,726,781	21,437,528	(289,253)	-1.33%
Total Assets	**26,154,111**	**26,140,266**	**(13,845)**	**-0.05%**
Deferred Outflow of Resources	**3,546,026**	**2,804,334**	**(741,692)**	**-20.92%**
Liabilities				
Long-term Liabilities Outstanding	24,215,721	23,630,696	(585,025)	-2.42%
Other Liabilities	1,527,447	786,969	(740,478)	-48.48%
Total Liabilities	**25,743,168**	**24,417,665**	**(1,325,503)**	**-5.15%**
Deferred Inflows of Resources	**420,495**	**869,869**	**449,374**	**106.87%**
Net Position				
Net Investment in Capital Assets	17,757,807	18,384,774	626,967	3.53%
Restricted	545,665	572,739	27,074	4.96%
Unrestricted	(14,766,998)	(15,300,447)	(533,449)	3.61%
Total Net Position	**3,536,474**	**3,657,066**	**120,592**	**3.41%**

Hollis-Brookline Cooperative School District

Statement of Activities

Change in fund revenues and expenses for fiscal year 2025 compared to fiscal year 2024

Program Revenues:	**2024**	**2025**	**$ Change**	**% Change**
Program Revenues:				
Charges for Services	758,894	810,937	52,043	6.86%
Operating Grants and Contributions	434,563	687,481	252,918	58.20%
Capital Grants and Contributions	613,959	532,882	(81,077)	-13.21%
General Revenues:				
Assessment	20,717,123	23,128,009	2,410,886	11.64%
Grants and Contributions	5,370,163	5,385,469	15,306	0.29%
Miscellaneous	415,754	403,655	(12,099)	-2.91%
Total Revenues	**28,310,456**	**30,948,433**	**2,637,977**	**9.32%**
Program Expenses:				
Instruction	12,472,759	13,710,019	1,237,260	9.92%
Student Support	1,723,326	1,757,883	34,557	2.01%
Instructional Staff	898,510	920,347	21,837	2.43%
General Administration	80,075	97,038	16,963	21.18%
Executive Administration	1,140,822	1,169,828	29,006	2.54%
School Administration	1,143,001	1,248,428	105,427	9.22%
Operation and Maintenance of Plant	1,910,008	2,235,431	325,423	17.04%
Student Transportation	1,393,670	1,338,114	(55,556)	-3.99%
Other	6,056,101	6,173,628	117,527	1.94%
Non-instructional Services	632,872	745,529	112,657	17.80%
Facilities Acquisition and construction	26,283	23,291	(2,992)	-11.38%
Interest on Long-Term Debt	113,146	84,372	(28,774)	-25.43%
Total Expenses	**27,590,573**	**29,503,908**	**1,913,335**	**6.93%**
Change in Net Position	**719,883**	**1,444,525**		
Net Position - Beginning, as restated	**2,816,591**	**2,212,541**	**(604,050)**	**-21.45%**
Net Position - Ending	**3,536,474**	**3,657,066**	**120,592**	**3.41%**

Revenues

As a total, revenue received was $2,637,977 higher in Fiscal Year 2025 than in Fiscal Year 2024.

Details on the major revenue sources are listed below, with corresponding increases or decreases from prior fiscal year.

***Increases* in Revenue from FY 2024 to FY 2025**

- Local Property Tax Assessments (+ $2,410,886)
    - The assessment revenue is based on what the district approves at its annual meeting.
- Grants (including Title II, Title IV, SAFE, and IDEA) (* $178 K)
    - Title II is a Dept. of Education grant program that provides supplemental funding to help support effective instruction.
    - Title IV is a federal grant that supports academic achievement and school conditions.
    - SAFE = Security Action for Education grant established in 2022 to support school security and safety improvements.
    - IDEA = Individuals with Disabilities Education Act. These are federal funds based on the number of special education students.
- Special Education aid (+ 66 K)
    - 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.
- Food Service Cafeteria Sales (+ $ 31 K)
- Tuition (+ $21 K)
    - Non-resident students paying for tuition to either the Middle School or High School.
- Building Aid (+ $ 10 K)
    - School Building Aid is a program through which the State of New Hampshire provides financial assistance to local school districts for the construction or substantial renovation of educational facilities for grades K-12.
- Adequacy Aid grant (+ $ 4 K)
    - Adequacy Aid is a state aid program, and is based on the average daily membership of resident students.
- Medicaid (+ $ 4 K)
    - These are federal funds, coming from the state of NH, for reimbursable costs to Medicaid approved students.

***Decreases* in Revenue from FY 2024 to FY 2025**

- Food Service state revenue (- $10 K)
    - Annual state matching funds, and State of NH DOE reimbursements. This is offset by the food service increased revenue from cafeteria sales.

Expenditures

As a total, expenditures were $1,913,335 higher in Fiscal Year 2025 than in Fiscal Year 2024. Below is a list of areas the district had significant increased expenses from prior year.

INCREASED EXPENSES

- Salary increases across the board, and corresponding benefits (taxes and retirement)
- Special education contracted, out of district services, and tuition
- Replacement computer equipment
- Snow removal services
- Utilities: Gas and Electric
- Board approved year end building & maintenance improvements
- Special education transportation
- Health insurance (due to higher rates and changing enrollments)

General Fund Budgetary Highlights

Revenue Budget

General Fund

Revenue	FY25 Budget	FY25 Actual	Variance
School District Assessment	23,128,009	23,128,009	-
Other Local	95,000	162,360	67,360
State	5,922,532	6,007,135	84,603
Federal	5,000	8,253	3,253
Total Revenues	**29,150,541**	**29,305,757**	**155,216**
Transfers In	5,000	8,029	3,029
Use of Fund Balance to reduce school district assessment & other funding	1,083,304	-	(1,083,304)
Total Revenues and Use of Fund Balance	**30,238,845**	**29,313,786**	**(925,059)**

Revenue recognized by the Hollis Brookline Cooperative School District's general fund amounted to $155,216 more than budgeted, as detailed in the chart above. School District Assessment accounts for 79% of the entire budget; this budget is based on what the district approves at its annual meeting, so the assessment budget matches actual revenue received. The primary areas where revenue exceeded budget in the general fund was in special education aid.

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

- "Other Local" revenue sources include tuition, investment earnings, and impact fees.
- "State" revenue sources include the adequacy aid grant, school building aid, and special education aid, vocational tuition aid, and reimbursement of retirement contributions.
- "Federal" revenue sources include Medicaid funds.

** All revenue sources are explained in greater detail on pages 7 and 8.

Expense Budget

General Fund

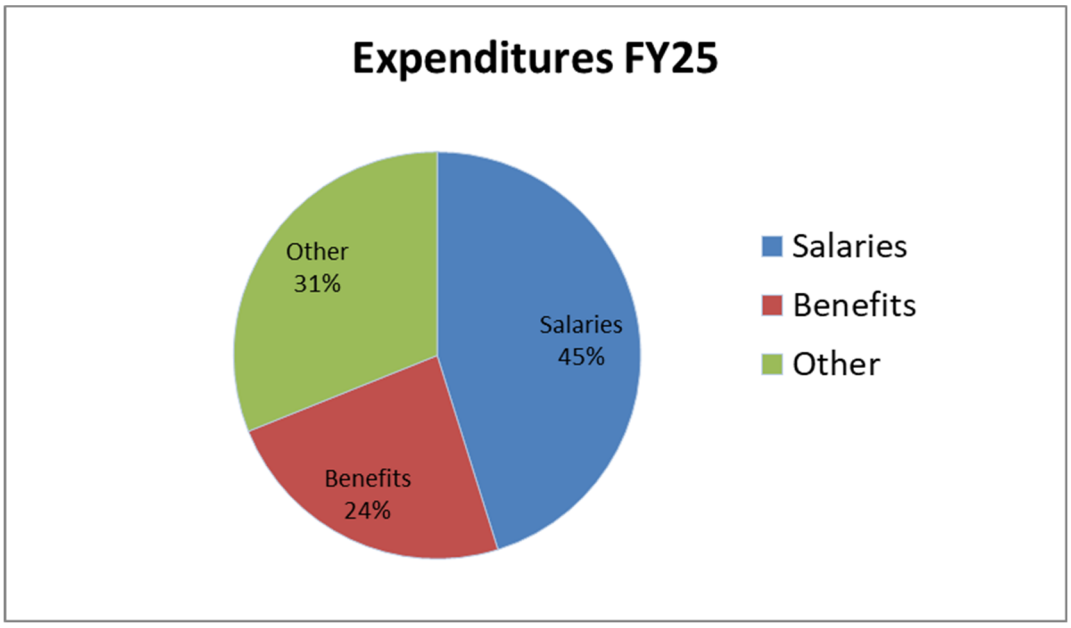
Expenditures	FY25 Budget	FY25 Actual	Variance
Instruction	12,792,127	12,292,376	499,751
Student & Instructional Support	2,779,416	2,594,029	185,387
General, Executive & School Admin	2,650,690	2,709,115	(58,425)
Operation & Maintenance of Plant	2,298,342	2,161,408	136,934
Student Transportation	1,497,248	1,336,217	161,031
Other Support Services	6,885,258	6,726,937	158,321
Debt Service	1,035,762	1,035,762	-
Facilities acquisition and construction	2	(5,934)	5,936
Total Appropriation & Expenditures	**29,938,845**	**28,849,910**	**1,088,935**

The general fund expenditures were under-budget, resulting in significant savings of $1,088,935. Areas which contributed to these savings include the following:

- Savings in fewer teacher lane changes (moving to a higher rate of pay on the salary grid based on education).
- Hiring savings, and corresponding lower employer paid benefits (taxes and retirement)
- Savings in special education contracted and out of district services, due to students switching from residential programs to day programs, or moving out of our district
- Contingency fund of $125,000 budgeted but not needed
- Savings in utilities
- Savings in vocational programs due to enrollment changes
- Savings resulting from unfilled positions for coaching and extra-curricular stipends
- Savings in bus and vocational education transportation

Break-down of Costs

Salaries and benefits make up 2/3 of the district's total expenses, which is illustrated in the chart below. "Other" expenses account for contracted services, transportation, operation & maintenance of buildings, debt service, and general operational materials. The disbursement of costs has remained fairly consistent over the years.



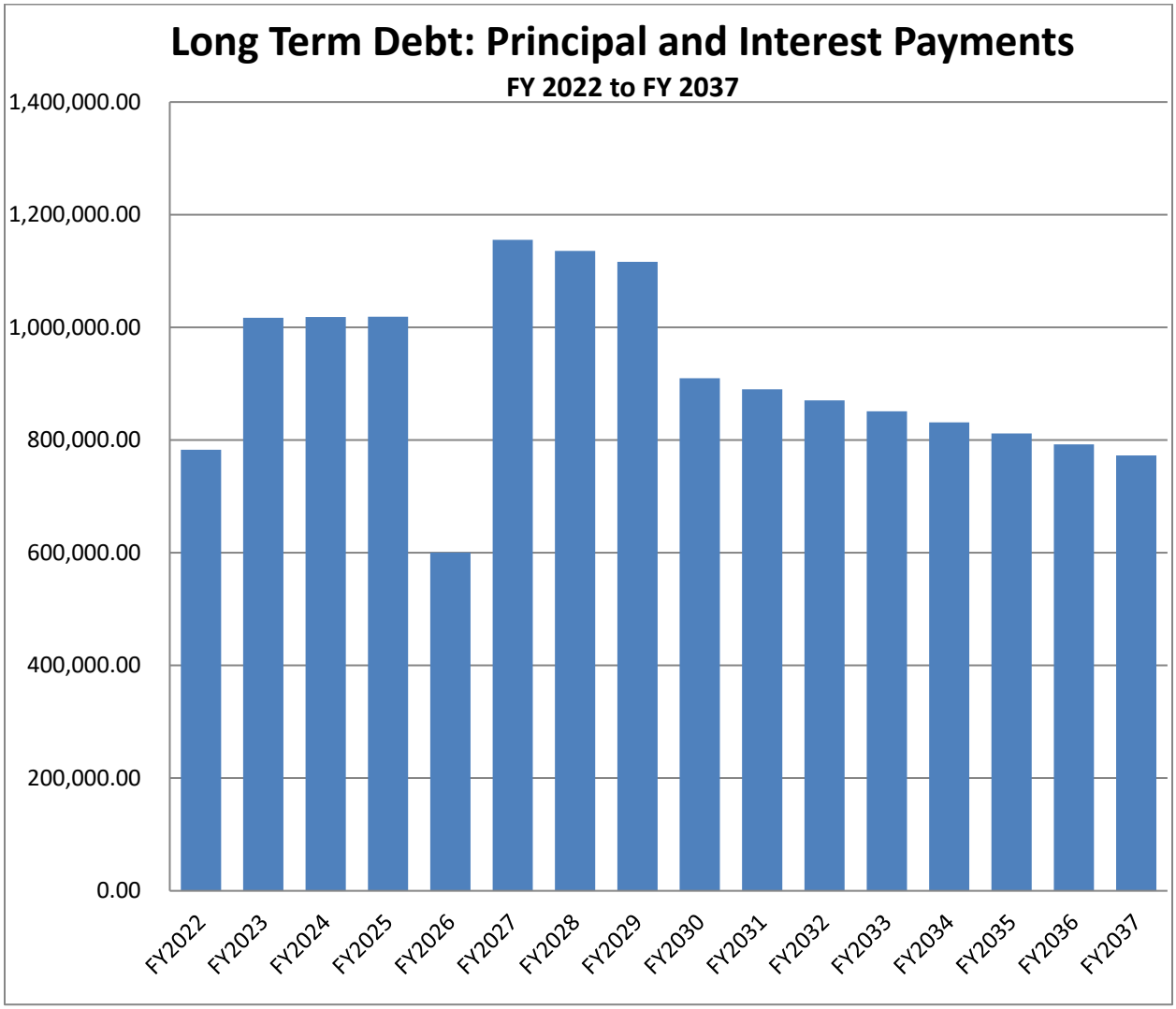
Capital Assets

The Hollis Brookline Cooperative School District's investment in capital assets for its governmental activities as of June 30, 2025, totals $21,437,528. These assets include construction in progress, land improvements, buildings and building improvements, machinery, vehicles and equipment.

DEBT ADMINISTRATION

As of June 30, 2025, the District carried debt on one bond and one 15-year lease. The Hollis Brookline High School turf athletic field bond was originally issued on 12/17/18, for $1,660,000, and then refinanced in 2021 at a lower interest rate; remaining principal and interest balance due on this bond is $747,898.43, and it will mature in August 2028. The District also has a 15-year lease for the High School HVAC system in the amount of $2,886,491; remaining principal and interest balance due on this lease is $2,809,279.14, and will be paid in full in August 2036.

The renovation of the Hollis Brookline Middle School 2004 bond for $7,703,400 expired in the beginning of FY2025 (August 2024).



OTHER DISCUSSION

The district's financial status is sound. Being that the majority of cost is associated with salary and benefits, the budget is rather predictable from year to year. The district adopted for the 2013-2014 fiscal year the ability to retain fund balance for emergency expenditures and over-expenditures. This tool has greatly improved the financial position of the district to deal with unexpected costs that may arise during the course of operations. Were a situation to arise prior to the adoption of this mechanism, the district would have had 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-BROOKLINE COOPERATIVE SCHOOL DISTRICT
Statement of Net Position
June 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 3,099,205
Intergovernmental receivables	1,225,228
Other receivables, net of allowance for uncollectibles	3,384
Inventory	15,385
Prepaid items	359,536
Capital assets, not being depreciated:	
Construction in progress	15,905
Capital assets, net of accumulated depreciation:	
Land improvements	2,443,717
Buildings and building improvements	18,512,217
Machinery, equipment and vehicles	465,689
Total assets	26,140,266
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	2,676,234
Deferred amounts related to OPEB	128,100
Total deferred outflows of resources	2,804,334
LIABILITIES	
Accounts payable	146,339
Accrued salaries and benefits	141,783
Intergovernmental payable	53,173
Accrued interest payable	75,096
Noncurrent obligations:	
Due within one year:	
Note outstanding	172,736
Capital lease payable	165,639
Compensated absences payable	32,203
Due in more than one year:	
Note outstanding	539,252
Capital lease payable	2,175,127
Compensated absences payable	1,515,053
Termination benefits payable	446,426
Net pension liability	17,426,400
OPEB liability	1,528,438
Total liabilities	24,417,665
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	38,155
Deferred amounts related to pensions	704,167
Deferred amounts related to OPEB	127,547
Total deferred inflows of resources	869,869
NET POSITION	
Net investment in capital assets	18,384,774
Restricted for endowments:	
Nonexpendable	473,866
Expendable	98,873
Unrestricted	(15,300,447)
Total net position	$ 3,657,066

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

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

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes In Net Position
Governmental activities:					
Instruction	$ 13,710,019	$ 242,237	$ 682,024	$ -	$ (12,785,758)
Support services:					
Student	1,757,883	-	-	-	(1,757,883)
Instructional staff	920,347	-	-	-	(920,347)
General administration	97,038	-	-	-	(97,038)
Executive administration	1,169,828	-	-	-	(1,169,828)
School administration	1,248,428	-	-	-	(1,248,428)
Operation and maintenance of plant	2,235,431	-	-	439,990	(1,795,441)
Student transportation	1,338,114	-	-	-	(1,338,114)
Other	6,173,628	-	-	-	(6,173,628)
Non-instructional services	745,529	568,700	5,457	92,892	(78,480)
Facilities acquisition and construction	23,291	-	-	-	(23,291)
Interest on long-term debt	84,372	-	-	-	(84,372)
Total primary government	$ 29,503,908	$ 810,937	$ 687,481	$ 532,882	(27,472,608)
General revenues:					
School district assessment					23,128,009
Grants and contributions not restricted to specific programs					5,385,469
Miscellaneous					403,655
Total general revenues					28,917,133
Change in net position					1,444,525
Net position, beginning, as previously reported					3,536,474
Implementation of accounting principle					(1,323,933)
Net position, beginning, as restated					2,212,541
Net position, ending					$ 3,657,066

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

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

	General	Food Service	Permanent	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 2,320,209	$ 471,222	$ -	$ 307,774	$ 3,099,205
Receivables, net of allowance for uncollectibles:					
Accounts	3,384	-	-	-	3,384
Intergovernmental	627,522	3,171	572,739	21,796	1,225,228
Interfund receivable	21,553	-	-	-	21,553
Inventory	-	15,385	-	-	15,385
Prepaid items	359,536	-	-	-	359,536
Total assets	$ 3,332,204	$ 489,778	$ 572,739	$ 329,570	$ 4,724,291
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 145,981	$ 97	$ -	$ 261	$ 146,339
Accrued salaries and benefits	134,791	6,119	-	873	141,783
Intergovernmental payable	53,173	-	-	-	53,173
Interfund payable	-	-	-	21,553	21,553
Total liabilities	333,945	6,216	-	22,687	362,848
Deferred inflows of resources:					
Deferred revenue	-	38,155	-	-	38,155
Fund balances:					
Nonspendable	359,536	15,385	473,866	-	848,787
Restricted	-	-	98,873	-	98,873
Committed	1,028,137	430,022	-	306,883	1,765,042
Assigned	460,359	-	-	-	460,359
Unassigned	1,150,227	-	-	-	1,150,227
Total fund balances	2,998,259	445,407	572,739	306,883	4,323,288
Total liabilities, deferred inflows of resources, and fund balances	$ 3,332,204	$ 489,778	$ 572,739	$ 329,570	$ 4,724,291

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

EXHIBIT 4
HOLLIS-BROOKLINE COOPERATIVE 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)		$ 4,323,288
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	$ 43,016,514	
Less accumulated depreciation	(21,578,986)	
		21,437,528
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	$ (21,553)	
Payables	21,553	
		-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(75,096)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Note outstanding	$ 711,988	
Capital lease payable	2,340,766	
Compensated absences payable	1,547,256	
Termination benefits payable	446,426	
Net pension liability	17,426,400	
OPEB liability	1,528,438	
		(24,001,274)
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	$ 2,676,234	
Deferred outflows of resources related to OPEB	128,100	
Deferred inflows of resources related to pensions	(704,167)	
Deferred inflows of resources related to OPEB	(127,547)	
		1,972,620
Net position of governmental activities (Exhibit 1)		$ 3,657,066

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

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

	General	Food Service	Permanent	Other Governmental Funds	Total Governmental Funds
REVENUES					
School district assessment	$ 23,128,009	$ -	$ -	$ -	$ 23,128,009
Other local	194,611	568,700	36,100	415,181	1,214,592
State	6,007,135	5,457	-	198,628	6,211,220
Federal	8,253	92,892	-	293,467	394,612
Total revenues	29,338,008	667,049	36,100	907,276	30,948,433
EXPENDITURES					
Current:					
Instruction	12,341,113	-	-	694,541	13,035,654
Support services:					
Student	1,746,730	-	-	4,381	1,751,111
Instructional staff	883,525	-	-	16,349	899,874
General administration	94,038	-	-	3,000	97,038
Executive administration	1,169,828	-	-	-	1,169,828
School administration	1,252,581	-	-	-	1,252,581
Operation and maintenance of plant	2,439,436	-	-	198,628	2,638,064
Student transportation	1,338,117	-	-	-	1,338,117
Other	6,726,937	-	-	-	6,726,937
Non-instructional services	-	713,753	-	-	713,753
Debt service:					
Principal	920,241	-	-	-	920,241
Interest	98,621	-	-	-	98,621
Facilities acquisition and construction	2,500	-	-	-	2,500
Total expenditures	29,013,667	713,753	-	916,899	30,644,319
Excess (deficiency) of revenues over (under) expenditures	324,341	(46,704)	36,100	(9,623)	304,114
Other financing sources (uses):					
Transfers in	8,029	-	-	997	9,026
Transfers out	-	-	(9,026)	-	(9,026)
Total other financing sources and uses	8,029	-	(9,026)	997	-
Net change in fund balances	332,370	(46,704)	27,074	(8,626)	304,114
Fund balances, beginning	2,665,889	492,111	545,665	315,509	4,019,174
Fund balances, ending	$ 2,998,259	$ 445,407	$ 572,739	$ 306,883	$ 4,323,288

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

EXHIBIT 6
HOLLIS-BROOKLINE COOPERATIVE 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)		$ 304,114
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	$ 797,868	
Depreciation expense	(1,087,121)	
		(289,253)
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	$ (9,026)	
Transfers out	9,026	
		-
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 repayment of note	$ 755,288	
Principal repayment of capital lease	160,932	
		916,220
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	$ 18,270	
Increase in compensated absences payable	(205,554)	
Decrease in termination benefits payable	147,419	
Change in OPEB related balances	216,035	
		176,170
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	$ 2,211,321	
Cost of benefits, net of employee contributions	(1,874,047)	
		337,274
Change in net position of governmental activities (Exhibit 2)		$ 1,444,525

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

EXHIBIT 7
HOLLIS-BROOKLINE COOPERATIVE 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	$ 23,128,009	$ 23,128,009	$ -
Other local	95,000	162,360	67,360
State	5,922,532	6,007,135	84,603
Federal	5,000	8,253	3,253
Total revenues	29,150,541	29,305,757	155,216
EXPENDITURES			
Current:			
Instruction	12,792,127	12,292,376	499,751
Support services:			
Student	1,905,485	1,746,730	158,755
Instructional staff	873,931	847,299	26,632
General administration	228,300	92,638	135,662
Executive administration	1,169,828	1,169,828	-
School administration	1,252,562	1,446,649	(194,087)
Operation and maintenance of plant	2,298,342	2,161,408	136,934
Student transportation	1,497,248	1,336,217	161,031
Other	6,885,258	6,726,937	158,321
Debt service:			
Principal	937,141	937,141	-
Interest	98,621	98,621	-
Facilities acquisition and construction	2	(5,934)	5,936
Total expenditures	29,938,845	28,849,910	1,088,935
Excess (deficiency) of revenues over (under) expenditures	(788,304)	455,847	1,244,151
Other financing sources (uses):			
Transfers in	5,000	8,029	3,029
Transfers out	(300,000)	(300,000)	-
Total other financing sources and uses	(295,000)	(291,971)	3,029
Net change in fund balance	$ (1,083,304)	163,876	$ 1,247,180
Increase in nonspendable fund balance		(131,953)	
Unassigned fund balance, beginning		1,118,304	
Unassigned fund balance, ending		$ 1,150,227	

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

EXHIBIT 8
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
Food Service 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			
Local	$ 300,000	$ 568,700	$ 268,700
State	10,000	5,457	(4,543)
Federal	90,000	92,892	2,892
Total revenues	400,000	667,049	267,049
EXPENDITURES			
Current:			
Non-instructional services	400,000	713,753	(313,753)
Net change in fund balance	$ -	(46,704)	$ (46,704)
Fund balance, beginning		492,111	
Fund balance, ending		$ 445,407	

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

NOTES TO THE FINANCIAL STATEMENTS

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-Brookline Cooperative 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-Brookline Cooperative School District is a municipal corporation governed by a school board consisting of seven 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 towns, unrestricted state aid, and revenue from other sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

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

Food Service Fund – Reports as a special revenue fund and accounts for the revenues and expenditures of the School District's food service operations.

Permanent Fund – Used to account for financial assets held by the trustees of trust funds from which only income, and not principal, is used for supporting the School District's purposes.

The School District also reported four nonmajor funds: the student activities, athletic revolving, miscellaneous, and grants special revenue funds.

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

For the fiscal year ended June 30, 2025, the School District implemented Governmental Accounting Standards Board Statements No. 101, *Compensated Absences*. This statement 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 in cash 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 payrate 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*

Inventory is valued at cost using the first-in/first-out (FIFO) method. The inventory of governmental funds is recorded as expenditures when consumed rather than when purchased.

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:

	Years
Land improvements	3-20
Buildings and building improvements	10-50
Machinery, equipment and vehicles	5-20

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

Although certain revenues and expenditures/expenses are measurable, they are not available or recognized, because the activity represents a consumption or acquisition of fund balance or net position 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 and receipts for meals that have not yet been served. Deferred outflows and inflows of resources in the governmental activities consist of resources related to pensions and other postemployment benefits that will be recognized in a subsequent period.

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.

I.C.6. *Compensated Absences*

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums. Sick leave also 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. The sick leave benefit is only eligible for those employees hired on or before June 30, 2016.

Compensated absences are reported as accrued in the governmental activities. 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 are entitled to a retirement benefit after meeting certain employment requirements. 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 of the School District held by the Town of Hollis Trustees of Trust Funds for school district purposes.

- 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 cannot be spent because of their form; and the principal amount of endowments held by the Town of Hollis Trustees of Trust Funds, which is not spendable in accordance with legal requirements.

- Restricted, which represents the expendable portion of the endowment held by the Town of Hollis Trustees of Trust Funds, which can only be spent for instruction in accordance with the restrictions established by the donors.

- Committed, which represents the balances of the Special Revenue Funds, the Expendable Trust Fund, and amounts voted by the 2026 School District Meeting to be transferred to the Expendable Trust Fund.

- Assigned, which represents encumbrances for instruction, support services, and debt service 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 major 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 fiscal year 2025, $658,304 of the fund balance from the fiscal year 2024 was so used, and $425,000 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 balance 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, executive administration, school administration, operation and maintenance of plant, student transportation, other support services, non-instructional services, facilities acquisition and construction, and debt service. 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)	$ 29,313,786
Adjustment:	
Perspective difference:	
Expendable trust fund earnings	32,251
Per Exhibit 5 (GAAP basis)	$ 29,346,037
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	$ 29,149,910
Adjustments:	
Basis difference:	
Encumbrances, beginning	428,456
Encumbrances, ending	(460,359)
Perspective difference:	
Expendable trust fund expenditures	195,660
Transfers to expendable trust fund	(300,000)
Per Exhibit 5 (GAAP basis)	$ 29,013,667

For the Food Service Fund there is no difference between the budgetary basis and GAAP. The Permanent Fund was not formally budgeted.

III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. *Receivables*

Significant receivables consist of reimbursements and 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.

III.A.2. *Capital Assets*

Changes in Capital Assets

This table provides a summary of changes in capital assets during the year:

	Balance, beginning	Additions	Deductions	Balance, ending
At cost:				
Not being depreciated:				
Construction in progress	$ 326,098	$ 15,905	$ (326,098)	$ 15,905
Being depreciated:				
Land improvements	3,776,540	-	-	3,776,540
Buildings and building improvements	37,156,007	1,081,641	-	38,237,648
Machinery, equipment and vehicles	960,001	26,420	-	986,421
Total capital assets being depreciated	41,892,548	1,108,061	-	43,000,609
Total all capital assets	42,218,646	1,123,966	(326,098)	43,016,514
Less accumulated depreciation:				
Land improvements	(1,135,300)	(197,523)	-	(1,332,823)
Buildings and building improvements	(18,905,182)	(820,249)	-	(19,725,431)
Machinery, equipment and vehicles	(451,383)	(69,349)	-	(520,732)
Total accumulated depreciation	(20,491,865)	(1,087,121)	-	(21,578,986)
Net book value, capital assets being depreciated	21,400,683	20,940	-	21,421,623
Net book value, all capital assets	$ 21,726,781	$ 36,845	$ (326,098)	$ 21,437,528

Depreciation Expense

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

Instruction	$ 629,244
Support services:	
Instructional staff	9,985
Executive administration	3,249
Operation and maintenance of plant	404,184
Non-instructional services	19,668
Facilities acquisition and construction	20,791
Total depreciation expense	$ 1,087,121

III.B. Long-Term Liabilities

Notes are approved by the voters and repaid with general revenues (property taxes), and are backed by the full faith and credit of the School District.

Long-term liabilities currently outstanding are as follow:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at June 30, 2025	Current Portion
Note payable:						
Artificial turf field	$ 1,711,780	2019	2029	3.8	$ 711,988	$ 172,736
Capital lease payable:						
HVAC	$ 2,886,491	2023	2037	2.93	2,340,766	165,639
Compensated absences payable:						
Vested sick leave					8,213	-
Accrued vacation leave					1,539,043	32,203
					1,547,256	32,203
Termination benefits payable					446,426	-
Net pension liability					17,426,400	-
Other postemployment benefits liability					1,528,438	-
					$ 24,001,274	$ 370,578

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 Note Payable	Capital Lease Payable	Compensated Absences Payable	Termination Benefits Payable	Net Pension Liability	Other Postemployment Benefits Liability	Total
Balance, beginning	$ 1,467,276	$ 2,501,698	$ 1,341,702	$ 593,845	$ 18,970,177	$ 1,722,224	$ 26,596,922
Additions	-	-	205,554	-	-	-	205,554
Reductions	(755,288)	(160,932)	-	(147,419)	(1,543,777)	(193,786)	(2,801,202)
Balance, ending	$ 711,988	$ 2,340,766	$ 1,547,256	$ 446,426	$ 17,426,400	$ 1,528,438	$ 24,001,274

Debt Service Requirements to Maturity

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 172,736	$ 28,156	$ 200,892
2027	176,190	21,511	197,701
2028	179,714	14,610	194,324
2029	183,348	7,463	190,811
Totals	$ 711,988	$ 71,740	$ 783,728

The future minimum lease obligations for the capital lease are as follow:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 165,639	$ 68,467	$ 234,106
2027	170,484	63,622	234,106
2028	175,471	58,636	234,107
2029	180,603	53,503	234,106
2030	185,886	48,221	234,107
2031-2035	1,014,238	156,293	1,170,531
2036-2037	448,445	19,770	468,215
Totals	$ 2,340,766	$ 468,512	$ 2,809,278

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." There is $21,553 due to the General Fund from the nonmajor Grants Fund which represents an overdraft of pooled cash.

III.C.2. *Transfers*

There were transfers within the reporting entity for the purpose of distributing income earned on the Permanent Fund of $9,026 in the amounts of $8,029 to the General Fund and $997 to the Miscellaneous Special Revenue Fund. The government-wide statement of activities eliminates transfers reported within the governmental activities columns.

The following schedule reports transfers within the reporting entity:

	Transfers In:		
	General Fund	Nonmajor Funds	Total
Transfers out:			
Nonmajor funds	$ 8,029	$ 997	$ 9,026

The notes continue on the next page.

III.D. Restatement of Net Position

Change in Accounting Principle

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The School District implemented GASB Statement No. 101, *Compensated Absences*, as described in Note I.B.5. The effect of that implementation changed beginning net position as follows:

	Governmental Activities
Net position as previously reported	$ 3,536,474
To implement GASB 101	(1,323,933)
Net position as restated	$ 2,212,541

III.E. Components of Fund Equity

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

	General Fund	Food Service Fund	Permanent Fund	Nonmajor Funds
Nonspendable:				
Endowment	$ -	$ -	$ 473,866	$ -
Inventory	-	15,385	-	-
Prepaid items	359,536	-	-	-
Total nonspendable	359,536	15,385	473,866	-
Restricted for:				
Instruction	-	-	98,873	-
Committed for:				
Non-instructional services	-	430,022	-	306,883
Capital outlay	1,028,137	-	-	-
Total committed	1,028,137	430,022	-	306,883
Assigned to:				
Instruction	23,788	-	-	-
Support services	419,671	-	-	-
Debt service	16,900	-	-	-
Total assigned	460,359	-	-	-
Unassigned	1,150,227	-	-	-
Total fund balances	$ 2,998,259	$ 445,407	$ 572,739	$ 306,883

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 workers' compensation and unemployment compensation coverage, and property and liability coverages in various amounts.

Contributions paid in fiscal year 2025 to be recorded as an insurance expenditure/expense totaled $42,464 for workers' compensation and $85,775 for property/liability. The School District also paid $7,941 for unemployment compensation coverage. There were no unpaid contributions for the year.

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 was 7.00% 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 $2,019,108, $2,025,617, and $2,211,321, 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 $17,426,400 for its proportionate share of the net pension liability. The net pension liability was based on a June 30, 2023 actuarial valuation,

rolled forward to determine the net pension liability as of June 30, 2024. The roll-forward of the total pension liability from June 30, 2023 to June 30, 2024 reflects expected service and interest costs reduced by actual benefits payments, refunds, and administrative expenses for the plan year. 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 date used for the 2025 valuation), the School District's reported proportion was 0.3361%, which was a decrease of 0.0028% from its proportion as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized pension expense of $1,874,047. 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	$ 76,975	$ 253,448
Net differences between projected and actual earnings on pension plan investments	-	243,264
Changes of assumptions	-	203,951
Differences between expected and actual experience	387,938	3,504
School District contributions subsequent to the measurement date	2,211,321	-
	$ 2,676,234	$ 704,167

The School District reported $2,211,321 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 Ended June 30,	
2026	$ (617,168)
2027	775,985
2028	(210,395)
2029	(187,676)
	$ (239,254)

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	2.00% per year
Wage Inflation	2.75% 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 Rate	Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each member classification (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2024 valuations 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	$ 24,364,083	$ 17,426,400	$ 11,647,096

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

IV.C. Other Postemployment Benefits

Plan Description

The School District is part of two different OPEB plans, one that is a retiree healthcare 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 of 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 Revised Statutes Annotated 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."

Since the same premiums are charged to active employees and retirees, and the School District is unable to obtain age-adjusted premium information for the retirees, GAAP require the School District to calculate age-adjusted premiums for the purpose of projecting future benefits for retirees.

The School District offers postemployment medical benefits to retirees and their covered dependents. The School 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

Medical coverage continues to the spouse after the death of the retiree provided the spouse makes the required contributions. The current medical premiums are as follow:

Non-Medicare Plans	*Individual*	*2-Person*	*Family*
ABSOS20/40/1KDED(07L)-RX10/20/45/5K(L)	$984.37	$1,698.73	$2,657.79
AB10IPDED(07L)-RX10/20/45/3K(L)	$1,265.52	$2,531.04	$3,416.91

Currently, there are 171 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. As of the June 30, 2024 measurement date, participants of the postretirement plan that met eligibility requirements were comprised of 171 active employees and retirees.

Total OPEB Liability

The School District's total OPEB liability of $1,528,438 consists of $517,818 for the implicit rate subsidy determined by an actuarial valuation as of July 1, 2024 and $1,010,620 for the medical insurance subsidy, determined by an actuarial valuation as of June 30, 2024, rolled forward to the measurement date using actuarial assumptions, applied to all periods included in the measurement.

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions and inputs:

Discount Rate:	5.20%, 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	Trend
1	8.00%
2	7.50%
3	7.00%
4	6.50%
5	6.00%
Ultimate	4.00%

Mortality Rates:	Pre-Retirement: PubG-2010 headcount-weighted Employee General Mortality Tables, projected with fully generational mortality improvement using Scale MP-2021. Post-Retirement: Healthy Retirees: 102% of PubG-2010 headcount-weighted Retiree General Mortality Tables for males and 107% of PubG-2010 below median headcount-weighted Retiree General Mortality Tables for females, projected with fully generational mortality improvement using Scale MP-2021. Surviving spouses: PubG-2010 Contingent Survivor General Mortality Tables, projected with fully generational mortality improvement using Scale MP-2021. Disabled Retirees: PubG-2010 Disabled General Mortality Tables, projected with fully generational mortality improvement using Scale MP-2021.
Inflation:	2.50%

Actuarial assumptions for the medical insurance subsidy were previously noted in Note IV.B. Retirement Pensions on page 35.

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.

Healthcare Cost Trend Rates

Healthcare cost trend 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.

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 and healthcare cost trend rates. The following presents the total OPEB liability calculated using the current discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher.

Implicit Rate Subsidy:	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
School District's total OPEB liability	$ 555,223	$ 517,818	$ 482,935

Medical Subsidy:	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School District's total OPEB liability	$ 1,105,603	$ 1,010,620	$ 944,997

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 that is one percentage point lower or one percentage point higher.

	1% Decrease (7.00%)	Current Healthcare Cost Trend Rate (8.00%)	1% Increase (9.00%)
School District's total OPEB liability	$ 460,081	$ 517,818	$ 585,573

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 $61,366. At year-end, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings on OPEB plan investments	$ -	$ 239
Changes of assumptions	1,085	69,959
Differences between expected and actual experience	-	57,349
School District contributions subsequent to the measurement date	127,015	-
	$ 128,100	$ 127,547

The School District reported $127,015 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 net 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	$ (53,002)
2027	(37,158)
2028	(14,907)
2029	(13,680)
2030	(7,715)
	$ (126,462)

IV.D. 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.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT 9

HOLLIS-BROOKLINE COOPERATIVE 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 Net Position as a Percentage of the Total Pension Liability
2025	0.3361%	$ 17,426,400	$ 12,357,409	141.02%	70.33%
2024	0.3389%	$ 18,970,177	$ 11,370,890	166.83%	67.18%
2023	0.3363%	$ 19,288,136	$ 10,727,079	179.81%	65.12%
2022	0.3415%	$ 15,137,117	$ 10,268,172	147.42%	72.22%
2021	0.3452%	$ 22,079,478	$ 10,084,846	218.94%	58.72%
2020	0.3418%	$ 16,448,472	$ 9,903,761	166.08%	65.59%
2019	0.3329%	$ 16,028,584	$ 9,776,399	163.95%	64.77%
2018	0.3023%	$ 14,868,758	$ 9,241,057	160.90%	62.66%
2017	0.3017%	$ 16,040,564	$ 8,842,517	181.40%	58.30%
2016	0.2973%	$ 11,777,417	$ 8,622,422	136.59%	65.47%

EXHIBIT 10
HOLLIS-BROOKLINE COOPERATIVE 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	$ 2,211,321	$ (2,211,321)	$ -	$ 12,357,409	17.89%
2024	$ 2,025,617	$ (2,025,617)	$ -	$ 11,370,890	17.81%
2023	$ 2,019,108	$ (2,019,108)	$ -	$ 10,727,079	18.82%
2022	$ 1,940,216	$ (1,940,216)	$ -	$ 10,268,172	18.90%
2021	$ 1,729,218	$ (1,729,218)	$ -	$ 10,084,846	17.15%
2020	$ 1,522,353	$ (1,522,353)	$ -	$ 9,903,761	15.37%
2019	$ 1,469,135	$ (1,469,135)	$ -	$ 9,776,399	15.03%
2018	$ 1,547,264	$ (1,547,264)	$ -	$ 9,241,057	16.74%
2017	$ 1,343,016	$ (1,343,016)	$ -	$ 8,842,517	15.19%
2016	$ 1,310,915	$ (1,310,915)	$ -	$ 8,622,422	15.20%

EXHIBIT 11

HOLLIS-BROOKLINE COOPERATIVE 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	$ 33,959	$ 33,777	$ 32,918	$ 51,235	$ 47,504	$ 46,402	$ 39,691	$ 38,504	$ 97,923
Interest	103,665	114,876	120,135	122,120	130,458	133,551	22,959	21,779	16,277
Plan net investment income	(12,871)	(12,631)	9,765	(37,463)	(1,401)	(6,434)	-	-	-
Administrative expense	(1,117)	(820)	(811)	601	596	924	-	-	-
Changes of assumptions and differences between expected and actual experience	(93,785)	(82,388)	(48,465)	(95,194)	(27,367)	(26,576)	14,879	(10,676)	(23,535)
Changes in proportion of medical subsidy	(67,407)	(23,774)	(9,971)	(111,300)	202,734	40,803	(370,676)	1,824,143	-
Benefit payments	(156,230)	(170,677)	(194,849)	(198,006)	(197,786)	(188,720)	(32,321)	(30,541)	(22,198)
Net change in total OPEB liability	(193,786)	(141,637)	(91,278)	(268,007)	154,738	(50)	(325,468)	1,843,209	68,467
Total OPEB liability, beginning	1,722,224	1,863,861	1,955,139	2,223,146	2,068,408	2,068,458	2,393,926	550,717	482,250
Total OPEB liability, ending	$ 1,528,438	$ 1,722,224	$ 1,863,861	$ 1,955,139	$ 2,223,146	$ 2,068,408	$ 2,068,458	$ 2,393,926	$ 550,717
Covered payroll	$ 12,357,409	$ 11,370,890	$ 10,727,079	$ 10,268,172	$ 10,084,846	$ 10,365,663	$ 9,776,399	$ 10,343,728	$ 9,958,961
Total OPEB liability as a percentage of covered payroll	12.37%	15.15%	17.38%	19.04%	22.04%	19.95%	21.16%	23.14%	5.53%
School District's proportion of net OPEB liability for the medical insurance subsidy	0.3250%	0.3460%	0.3464%	0.3500%	0.3526%	0.3248%	0.3175%	0.3989%	-

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

EXHIBIT 12
HOLLIS-BROOKLINE COOPERATIVE 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	$ 127,015	$ 141,208	$ 168,078	$ 135,485	$ 143,453	$ 136,239	$ 64,274	$ 58,255	$ 73,913
Contributions in relation to the actuarially determined contribution	(133,826)	(166,646)	(198,774)	(114,729)	(116,421)	(103,609)	(32,321)	(30,541)	(23,559)
Contribution (excess) deficiency	$ (6,811)	$ (25,438)	$ (30,696)	$ 20,756	$ 27,032	$ 32,630	$ 31,953	$ 27,714	$ 50,354
Covered-employee payroll	$12,357,409	$ 11,370,890	$ 10,727,079	$ 10,268,172	$ 10,084,846	$ 10,365,663	$ 9,776,399	$ 10,343,728	$ 9,958,961
Contributions as a percentage of covered-employee payroll	1.03%	1.24%	1.57%	1.32%	1.42%	1.31%	0.66%	0.56%	0.74%

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

HOLLIS-BROOKLINE COOPERATIVE 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 related information for ten years. Because this is the eighth year that the School District has presented 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-BROOKLINE COOPERATIVE SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025

	Special Revenue Funds				
	Student Activities	Athletic Revolving	Miscellaneous	Grants	Total
ASSETS					
Cash and cash equivalents	$ 46,457	$ 41,471	$ 219,846	$ -	$ 307,774
Intergovernmental receivables	-	-	243	21,553	21,796
Total assets	$ 46,457	$ 41,471	$ 220,089	$ 21,553	$ 329,570
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ -	$ 261	$ -	$ 261
Accrued salaries and benefits	-	-	873	-	873
Interfund payable	-	-	-	21,553	21,553
Total liabilities	-	-	1,134	21,553	22,687
Fund balances:					
Committed	46,457	41,471	218,955	-	306,883
Total liabilities and fund balances	$ 46,457	$ 41,471	$ 220,089	$ 21,553	$ 329,570

EXHIBIT 14
HOLLIS-BROOKLINE COOPERATIVE 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				
	Student Activities	Athletic Revolving	Miscellaneous	Grants	Total
REVENUES					
Local	$ 186,257	$ 86,782	$ 142,142	$ -	$ 415,181
State	-	-	-	198,628	198,628
Federal	-	-	-	293,467	293,467
Total revenues	186,257	86,782	142,142	492,095	907,276
EXPENDITURES					
Current:					
Instruction	181,982	85,393	156,568	270,598	694,541
Support services:					
Student	-	-	861	3,520	4,381
Instructional staff	-	-	-	16,349	16,349
General administration	-	-	-	3,000	3,000
Operation and maintenance of plant	-	-	-	198,628	198,628
Total expenditures	181,982	85,393	157,429	492,095	916,899
Excess (deficiency) of revenues over (under) expenditures	4,275	1,389	(15,287)	-	(9,623)
Other financing sources:					
Transfers in	-	-	997	-	997
Net change in fund balances	4,275	1,389	(14,290)	-	(8,626)
Fund balances, beginning	42,182	40,082	233,245	-	315,509
Fund balances, ending	$ 46,457	$ 41,471	$ 218,955	$ -	$ 306,883

EXHIBIT 15
HOLLIS-BROOKLINE COOPERATIVE 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	$ 23,128,009	$ 23,128,009	$ -
Other local sources:			
Tuition	30,000	55,980	25,980
Investment earnings	40,000	81,184	41,184
Impact fees	25,000	20,896	(4,104)
Rentals	-	1,960	1,960
Services provided to others	-	2,340	2,340
Total from other local sources	95,000	162,360	67,360
State sources:			
Adequacy aid (grant)	5,372,045	5,372,043	(2)
School building aid	241,362	241,362	-
Catastrophic aid	300,000	377,151	77,151
Vocational tuition aid	7,000	11,406	4,406
Reimbursement of retirement contributions	2,125	5,173	3,048
Total from state sources	5,922,532	6,007,135	84,603
Federal sources:			
Medicaid	5,000	8,253	3,253
Other financing sources:			
Transfers in	5,000	8,029	3,029
Total revenues and other financing sources	29,155,541	$ 29,313,786	$ 158,245
Use of fund balance	1,083,304		
Total revenues, other financing sources and use of fund balance	$ 30,238,845		

EXHIBIT 16
HOLLIS-BROOKLINE COOPERATIVE 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	$ -	$ 7,280,376	$ 7,181,239	$ 2,718	$ 96,419
Special programs	63,525	4,567,117	4,250,944	2,295	377,403
Vocational programs	-	73,000	58,924	18,654	(4,578)
Other	9,000	871,634	850,006	121	30,507
Total instruction	72,525	12,792,127	12,341,113	23,788	499,751
Support services:					
Student	-	1,905,485	1,746,730	-	158,755
Instructional staff	51,659	873,931	883,525	15,433	26,632
General administration	1,400	228,300	94,038	-	135,662
Executive administration	-	1,169,828	1,169,828	-	-
School administration	447	1,252,562	1,252,581	194,515	(194,087)
Operation and maintenance of plant	292,091	2,298,342	2,243,776	209,723	136,934
Student transportation	1,900	1,497,248	1,338,117	-	161,031
Other	-	6,885,258	6,726,937	-	158,321
Total support services	347,497	16,110,954	15,455,532	419,671	583,248
Debt service:					
Principal	-	937,141	920,241	16,900	-
Interest	-	98,621	98,621	-	-
Total debt service	-	1,035,762	1,018,862	16,900	-
Facilities acquisition and construction	8,434	2	2,500	-	5,936
Other financing uses:					
Transfers out	-	300,000	300,000	-	-
Total encumbrances, appropriations, expenditures and other financing uses	$ 428,456	$ 30,238,845	$ 29,118,007	$ 460,359	$ 1,088,935

EXHIBIT 17
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
General Fund
Schedule of Changes in Unassigned Fund Balance
For the Fiscal Year Ended June 30, 2025

Unassigned fund balance, beginning		$ 1,118,304
Changes:		
Fund balance used to reduce school district assessment		(658,304)
Fund balance appropriated		(425,000)
Budget summary:		
Revenue surplus (Exhibit 15)	$ 158,245	
Unexpended balance of appropriations (Exhibit 16)	1,088,935	
Budget surplus		1,247,180
Increase in nonspendable fund balance		(131,953)
Unassigned fund balance, ending		$ 1,150,227

EXHIBIT 18
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
Middle School Student Activities Fund
Summary of Activity
For the Fiscal Year Ended June 30, 2025

	Balance, beginning	Additions	Deductions	Balance, ending
Band Club	$ 149	$ 230	$ 330	$ 49
Field Trips	4,395	22,995	25,461	1,929
Mountain Bike Club	63	-	63	-
Ski Program	2,179	13,279	12,410	3,048
Student Council	1,024	1,081	1,105	1,000
Tri-County League - Athletics	-	10	10	-
Wood Working	153	-	153	-
Yearbook	631	1,136	105	1,662
Interest	80	58	100	38
Total	$ 8,674	$ 38,789	$ 39,737	$ 7,726

EXHIBIT 19
HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT
High School Student Activities Fund
Summary of Activity
For the Fiscal Year Ended June 30, 2025

	Balance, beginning	Additions	Deductions	Balance, ending
Art Club	$ 1,799	$ 48	$ 834	$ 1,013
Chess Club	175	-	-	175
Class of 2024	6,000	40	1,000	5,040
Class of 2025	1,230	56,897	49,336	8,791
Class of 2026	976	3,362	2,027	2,311
Class of 2027	3,914	2,225	-	6,139
Class of 2028	-	607	223	384
Climbing Club	20	-	-	20
CWA Community Wellness	548	443	932	59
DECA	-	240	-	240
Field Trips	-	8,976	8,699	277
French Club	314	31	129	216
Gay Straight Alliance	127	-	-	127
Girl Up	982	-	-	982
Green Group	850	-	-	850
HB The Change	13	-	-	13
Her Story	411	-	-	411
Homefront Group	381	-	175	206
Interest	238	277	311	204
Journalism Honor Society	8	-	-	8
Latin Club	27	57	-	84
National Honor Society	1,196	5,741	2,592	4,345
National Honor Society - Art	47	-	47	-
Outing Club	-	186	-	186
PF All State	27	5,253	5,280	-
PF Trips	186	1,662	1,784	64
PF Tri-M	-	856	638	218
Red Cross Club	647	460	277	830
Scholarships	-	1,000	1,000	-
Science Olympiad	98	112	-	210
Ski and Snowboard Club	1,579	2,670	4,200	49
Spanish Club	2,761	375	2,285	851
Student Council	707	-	594	113
10 Percent Fund	243	1,122	1,069	296
Thespian Society	2,231	2,983	2,118	3,096
We the People	2,158	46,684	48,211	631
Yearbook	3,615	5,141	8,464	292
Bank Fees	-	20	20	-
	$ 33,508	$ 147,468	$ 142,245	$ 38,731

INDEPENDENT AUDITOR'S COMMUNICATION TO MANAGEMENT

To the Members of the School Board
Hollis-Brookline Cooperative 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-Brookline Cooperative 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 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.

We again noted the following ongoing instance of noncompliance with laws or regulations:

Food Service Fund Resource Management

Sections 210.14(b) and 210.19(a) of the Cost Principles of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) require the School District to limit its net cash resources in the Food Service Fund to the maximum allowable amount of three months of average expenditures. We noted that the Food Service Fund's net cash resources exceeded the maximum allowable amount by $215,896. This is a decrease in excess funds from the previous year. We recommend that the School District continue to implement a spend-down plan to reduce the Food Service Fund's net cash resources below the maximum allowable amount.

June 16, 2026

Roberts & Greene, PLLC

PO Box 463 ▪ Keene, NH 03431
(603) 856-8005
info@roberts-greene.com