

GOFFSTOWN SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

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PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Goffstown School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Summary of Opinions

Opinion Unit

Governmental Activities

General Fund

Grants Fund

Aggregate Remaining Fund Information

Type of Opinion

Adverse

Unmodified

Unmodified

Unmodified

***Goffstown School District
Independent Auditor's Report***

Basis for Adverse Opinion on Governmental Activities

As discussed in Note 13-B to the financial statements, management has not recorded the long-term costs of retirement health care costs and obligations for other postemployment benefits in the governmental activities. Accounting principles generally accepted in the United States of America require that those costs be recorded, which would increase the assets, liabilities, decrease the net position, and increase the expenses of the governmental activities. The amount by which this departure would affect the assets, liabilities, net position, and expenses on the governmental activities has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Governmental Activities" paragraph, the financial statements referred to above do not present fairly the financial position of the governmental activities of the Goffstown School District, as of June 30, 2021, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and aggregate remaining fund information of the Goffstown School District as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the general fund and the grants fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

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

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

Other Information – Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Goffstown 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. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

The combining and individual fund schedules and the Schedule of Expenditures of Federal Awards 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 and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Goffstown School District
Independent Auditor's Report***

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2021 on our consideration of the Goffstown School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Goffstown School District's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Goffstown School District's internal control over financial reporting and compliance.

Sheryl A. Platt, CPA

December 27, 2021

PLODZIK & SANDERSON
Professional Association

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Goffstown School District ("District"), we offer readers of the District's Financial Statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

1. Financial Highlights

- The assets and deferred outflow of resources of the District fell short of its liabilities and deferred inflows of resources at the close of the most recent year by \$(14,559,923) (*net position*). Of this amount, \$(29,318,728) (*unrestricted net position*), had it been positive, may have been used to meet the government's ongoing obligations to citizens and creditors. The negative unrestricted *net position* is attributable to the reporting of the District's proportional share of the actuarially determined retirement system's unfunded pension liability less the system's net position ("net pension liability"). Reporting the District's proportional share of the net pension liability does not impact the District's ability to meet its current obligations.
- The District's total net position changed by \$(1,467,992). This was largely due to a slight reduction in total assets and the deferred outflow of resources, mostly related to pensions.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$5,229,413, a change of \$2,667,151 in comparison with the prior year (FY20 \$2,562,262)
- At the end of the current fiscal year, the District had \$3,335,402 remaining in unassigned fund balance. This money is *available for spending* at the District Town Meeting's discretion or for tax relief. In addition, \$665,000 has been assigned and retained for contingency in accordance with RSA 198:4-bII.
- Per GASB Statement Nos. 68 and 71, the District is required to record its related share of net pension liability of the New Hampshire Retirement System. The net pension liability is the District's proportionate share of the retirement system's actuarially determined unfunded pension liability less the system's net position. This amount is reported only on the government-wide financial statements and has no impact on the fund financial statements of the District. At the end of the most recent year, our net pension liability is \$42,254,475.
- Per GASB Statement Number 75, the District's proportionate share of OPEB liability (Other Post-Employment Benefits as it relates to the New Hampshire Retirement System was \$2,922,171 (See Note 12-A).

2. Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the items

reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the time of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

The governmental activities of the District include administration, instruction, support services, operations and maintenance, transportation, and non-instructional services.

Fund Financial Statements. A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

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

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

The District maintains seven individual governmental funds. Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general and capital project funds, which are considered to be major funds. Data from the other five funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its general and grants funds. A budgetary comparison statement has been provided for the major general fund to demonstrate compliance with this budget.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* and Single Audit required documentation. Required supplementary information is required to be disclosed by accounting principles generally accepted in the United States of America which includes this management discussion and analysis, the Schedule of School District's Proportionate Share of Net Pension Liability, Schedule of School District

Contributions – Pensions, Schedule of the District's Proportionate Share of the Net Other Postemployment Benefits Liability, Schedule of the District Contributions – Other Postemployment Benefits. Other supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. This includes the combining and individual fund schedules.

3. Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the District, assets and deferred outflows of resources fell short of liabilities and deferred inflows of resources by \$(14,559,923) at the close of the most recent fiscal year.

The largest portion of the District's net position \$14,577,952 reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment and furnishings), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following is a summary of condensed statement of net position and statement of activities for government-wide financial data for the current and prior fiscal years.

Summary of Net Position Governmental Activities

	2021	2020	% Change 2020-2021
Current and Other Assets	\$ 6,643,702	\$ 4,433,752	49.84%
Capital Assets	16,542,938	17,599,481	-6.00%
Total Assets	23,186,640	22,033,233	5.23%
Deferred Outflows of Resources	12,561,835	6,453,322	94.66%
Long-Term Liabilities Outstanding	48,370,132	38,640,045	25.18%
Other Liabilities	1,440,025	1,912,668	-24.71%
Total Liabilities	49,810,157	40,552,713	22.83%
Deferred Inflows of Resources	498,241	1,025,773	-51.43%
Net Investment in Capital Assets	14,577,952	14,628,916	-0.35%
Restricted Net Position	180,853	150,299	20.33%
Unrestricted Net Position	(29,318,728)	(27,871,146)	5.19%
Total Net Position	\$ (14,559,923)	\$ (13,091,931)	11.21%

Summary of Changes in Net Position
Governmental Activities

	2021 Amount	2020 Amount	\$ Difference	% Difference
Revenues:				
Program Revenue:				
Charges for Services	\$ 7,681,165	\$ 7,796,497	\$ (115,332)	-1.48%
Operating Grants and Contributions	2,871,362	1,834,650	1,036,712	56.51%
Capital Grants and Contributions	266,946	269,196	(2,250)	-0.84%
General Revenue:				
School District Assessment	23,351,338	22,719,375	631,963	2.78%
Unrestricted Grants	12,557,942	11,019,551	1,538,391	13.96%
Miscellaneous & Interest	570,658	833,749	(263,091)	-31.56%
Total Revenues	<u>47,299,411</u>	<u>44,473,018</u>	<u>2,826,393</u>	<u>6.36%</u>
Expenses:				
Instruction	33,590,107	31,059,564	2,530,543	8.15%
Support Services:				
Student	3,232,367	2,517,746	714,621	28.38%
Instructional Staff	882,565	872,161	10,404	1.19%
General Administration	82,354	73,125	9,229	12.62%
Executive Administration	2,092,913	1,883,132	209,781	11.14%
School Administration	2,707,852	2,697,177	10,675	0.40%
Business	-	3,124	(3,124)	-100.00%
Operation and Maintenance of Plant	3,679,861	3,648,620	31,241	0.86%
Student Transportation	1,504,861	1,943,905	(439,044)	-22.59%
Other	4,698	6,182	(1,484)	-24.01%
Noninstructional Services	971,712	1,072,784	(101,072)	-9.42%
Interest on Long-Term Debt	18,113	43,573	(25,460)	-58.43%
Total Expenses	<u>48,767,403</u>	<u>45,821,093</u>	<u>2,946,310</u>	<u>6.43%</u>
Change in Net Position	(1,467,992)	(1,348,075)	(119,917)	8.90%
Net Position, beginning, as restated	<u>(13,091,931)</u>	<u>(11,743,856)</u>	<u>(1,348,075)</u>	<u>11.48%</u>
Net Position, ending	<u>\$ (14,559,923)</u>	<u>\$ (13,091,931)</u>	<u>\$ (1,467,992)</u>	<u>11.21%</u>

Governmental Activities. As noted above, governmental activities net position changed by \$(1,467,992). Key elements of this change are as follows:

Governmental Activities:

Total net change in governmental funds fund balance:	
General Fund	\$ 1,836,367
Other Governmental Funds	830,784
	<u>2,667,151</u>
Depreciation expense, net of capital asset additions and disposal	(1,056,543)
Changes in long-term debt	1,005,579
Change in compensated absences	4,000
Change in net pension liability, net of deferred resources	(3,965,117)
Change in OPEB, net of deferred resources	(141,223)
Other GAAP accruals	18,161
Total net change	<u>\$ (1,467,992)</u>

4. Financial Analysis of the Government's Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end for the fiscal year.

As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$5,229,413, a change of \$2,667,151 in comparison with the prior year. (FY20 \$2,562,262)

Key elements of this change are as follows:

Governmental Funds:

General Fund	\$ 1,836,367
Other Governmental Funds:	
Food Service Fund	19,746
Capital Project Fund	789,228
Permanent Fund	10,808
Student Activity Funds	11,002
Total	<u>\$ 2,667,151</u>

5. General Fund Budgetary Highlights

The general fund is what most people think of as “the budget” since it is the fiscal point of the First Session of Annual Meeting (Deliberative) and largely supported by locally raised taxes. The general fund ended the fiscal year with an unassigned fund balance of \$4,000,402 of which \$3,335,402 will be returned to the taxpayers in 2021-2022 and \$665,000 will be retained in accordance with RSA 198:4-bII.

Comments on General Fund Budget Comparisons (See Exhibit D-1)

- General fund total actual revenues totaling \$44,190,047 exceeded budgeted revenues by \$1,285,570 or 3.0%
 - **Local sources** totaling \$7,916,417 exceeded budget by \$1,091,417 due to a combination of over collection of tuition revenue and an under estimation of local revenue sources.
 - **State sources** totaling \$12,871,415 exceeded budget by \$193,276 and is attributed to state special education aid revenues being higher than anticipated.
 - **Federal sources** totaling \$50,877 was slightly higher than the estimated revenue budget by \$877 due to a slight increase in Medicaid reimbursement.
- General fund appropriations, expenditures, other financing uses and encumbrances totaling \$41,199,514 were less than the appropriation of \$43,725,909. This underspend of the appropriation, coupled with encumbrances, left a positive variance of \$2,526,395. Overall, the impact of COVID-19 was the predominant factor in the underspend of the FY 21 budget.
 - **Instruction** totaling \$27,911,883 was below the budgeted appropriation of \$29,288,624 by \$1,376,741 due largely from the impact of COVID 19, coupled with lower than expected salary and associated benefit costs.
 - **Student Transportation costs** totaling \$1,504,861 was below budget by \$774,421. This was a result of savings from hybrid instruction, fewer bus routes due to driver shortages, and far fewer athletic and co-curricular transports. Special Education transportation was impacted by no in person instruction for the extended school year program, as well as a substantially reduced amount of funds spent on transportation to out of district placement facilities.

6. Capital Asset and Debt Administration

Capital Assets. The District’s investment in capital assets for its governmental activities as of June 30, 2021, amounted to \$16,542,938 (net of accumulated depreciation). This investment in capital assets includes land, buildings and building improvements, machinery and equipment and furnishings. The total change in the District’s investment in total capital assets for the current year was \$(1,056,543) as evidenced below:

Capital Assets at Year End
Governmental Activities

	June 30, 2021	June 30, 2020	% Change 2020-2021
Land	\$ 3,010,440	\$ 3,010,440	0.00%
Construction in Progress	-	914,228	100.00%
Buildings & Building Improvements	39,570,739	38,378,977	3.11%
Machinery, Equipment & Furnishings	3,956,666	3,898,965	1.48%
Less: Accumulated Depreciation	(29,994,907)	(28,603,129)	4.87%
Total	<u>\$ 16,542,938</u>	<u>\$ 17,599,481</u>	<u>-6.00%</u>

Capital Asset Additions:

Building and Building Improvement Additions:

Glen Lakes Modular	<u>\$ 1,191,762</u>
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Machinery and equipment Additions:

Convection Steamer	9,608
Servers	105,161
Digital Video Bridge	11,037
Slide Gate	16,985
Sonicwall Firewall	50,519
Auto Scrubber	34,928
Advanced Streaming System	11,990
	<u>240,228</u>

Capital Asset Disposals:

Construction in progress	(914,228)
Smart White Boards	(118,018)
Channel Control Console	(5,370)
Security Upgrades	(59,139)
Accumulated Depreciation	141,130
	<u>(955,625)</u>

Depreciation Expense	<u>(1,532,908)</u>
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Total change in capital assets	<u>\$ (1,056,543)</u>
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Additional information on the District's capital assets can be found in the notes to the financial statements at Note 5.

Long-Term Debt

The table below illustrates the long-term debt of the District as of June 30, 2021. The District has three capital leases as noted in Note 10. The compensated balances were calculated on vacation days and retirement stipend days for all eligible employees for compensation at retirement.

Long-Term Debt Outstanding at Year End Governmental Activities

	June 30, 2021	June 30, 2020	% Change 2020-2021
General Obligation Bond Payable	\$ 555,000	\$ 1,120,000	-50.45%
Capital Leases	1,409,986	1,850,565	-23.81%
Compensated Absences	1,228,500	1,232,500	-0.32%
Pension Related Liability	42,254,475	31,713,527	33.24%
Other Postemployment Benefits Payable	2,922,171	2,723,453	7.30%
Total	<u>\$ 48,370,132</u>	<u>\$ 38,640,045</u>	<u>25.18%</u>

Future Budgetary Implications

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

- Estimating revenues and expenditures for the Grants Fund remains challenging. In FY 21 for example, the District budgeted \$932,499 yet received and expended \$2,229,156 in mostly federal grants. The District anticipates additional funding from ESSER II and ESSER III grant funds through FY 24-25.
- The financial impact of COVID -19 remains a challenge in terms of expenses and revenues. The budget for fiscal year 2021-22 does not include expenses for PPE or other COVID-19 related expenses. State adequacy grants are based on student attendance, free and reduced meal counts and a variety of other factors that are directly impacted by the pandemic.
- The State shifting cost responsibilities to local governments may have an impact on taxation calculation.
- The unassigned Fund Balance established in this audit is intended to be returned at tax rate setting in November.
- Future budgets will continue to be developed based on actual expenditures in prior years, in particular reviewing salary and benefits. Additionally, a more accurate approach to revenues is being implemented focusing on funding derived from tuitions and other local sources.

7. **Request for Information**

This financial report is designed to provide a general overview of the District's financing for all those with an interest in the District's finances. Questions, concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, C/O SAU#19, 11 School Street, Goffstown, New Hampshire 03045.

BASIC FINANCIAL STATEMENTS

EXHIBIT A
GOFFSTOWN SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 5,752,601
Other receivables	5,130
Intergovernmental receivable	772,986
Inventory	21,168
Prepaid items	91,817
Capital assets, not being depreciated	3,010,440
Capital assets, net of accumulated depreciation	13,532,498
Total assets	<u>23,186,640</u>
DEFERRED OUTFLOWS OF RESOURCES	
Bond refunding charges	1,850
Amounts related to pensions	12,186,838
Amounts related to other postemployment benefits	373,147
Total deferred outflows of resources	<u>12,561,835</u>
LIABILITIES	
Accounts payable	273,604
Accrued salaries and benefits	255,914
Intergovernmental payable	860,821
Retainage payable	8,355
Accrued interest payable	41,331
Noncurrent obligations:	
Due within one year	886,357
Due in more than one year	47,483,775
Total liabilities	<u>49,810,157</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - grants and donations	15,595
Amounts related to pensions	474,179
Amounts related to other postemployment benefits	8,467
Total deferred inflows of resources	<u>498,241</u>
NET POSITION	
Net investment in capital assets	14,577,952
Restricted	180,853
Unrestricted	(29,318,728)
Total net position	<u>\$ (14,559,923)</u>

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

EXHIBIT B
GOFFSTOWN SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2021

		Program Revenues			Net (Expense)
		Charges	Operating	Capital	Revenue and
	Expenses	for	Grants and	Grants and	Change in
		Services	Contributions	Contributions	Net Position
Governmental activities:					
Instruction	\$ 33,590,107	\$ 7,639,922	\$ 1,720,914	\$ -	\$ (24,229,271)
Support services:					
Student	3,232,367	-	129,007	-	(3,103,360)
Instructional staff	882,565	-	77,424	-	(805,141)
General administration	82,354	-	-	-	(82,354)
Executive administration	2,092,913	-	-	-	(2,092,913)
School administration	2,707,852	-	25,437	-	(2,682,415)
Operation and maintenance of plant	3,679,861	-	345,909	266,946	(3,067,006)
Student transportation	1,504,861	-	22,608	-	(1,482,253)
Other	4,698	-	-	-	(4,698)
Noninstructional services	971,712	41,243	550,063	-	(380,406)
Interest on long-term debt	18,113	-	-	-	(18,113)
Total governmental activities	<u>\$ 48,767,403</u>	<u>\$ 7,681,165</u>	<u>\$ 2,871,362</u>	<u>\$ 266,946</u>	<u>(37,947,930)</u>
General revenues and contributions:					
School district assessment					23,351,338
Grants and contributions not restricted to specific programs					12,557,942
Interest					11,092
Miscellaneous					<u>559,566</u>
Total general revenues and contributions					<u>36,479,938</u>
Change in net position					(1,467,992)
Net position, beginning					<u>(13,091,931)</u>
Net position, ending					<u>\$ (14,559,923)</u>

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

EXHIBIT C-1
GOFFSTOWN SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2021

	General	Grants	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 5,465,122	\$ -	\$ 287,479	\$ 5,752,601
Receivables:				
Accounts	5,130	-	-	5,130
Intergovernmental	340,639	274,058	158,289	772,986
Interfund receivables	242,689	-	-	242,689
Inventory	21,168	-	-	21,168
Prepaid items	91,817	-	-	91,817
Total assets	<u>\$ 6,166,565</u>	<u>\$ 274,058</u>	<u>\$ 445,768</u>	<u>\$ 6,886,391</u>
LIABILITIES				
Accounts payable	\$ 202,303	\$ 10,411	\$ 60,890	\$ 273,604
Accrued salaries and benefits	229,118	20,056	6,740	255,914
Intergovernmental payable	860,821	-	-	860,821
Retainage payable	-	-	8,355	8,355
Interfund payable	-	242,689	-	242,689
Total liabilities	<u>1,292,242</u>	<u>273,156</u>	<u>75,985</u>	<u>1,641,383</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - grants and donations	-	902	14,693	15,595
FUND BALANCES				
Nonspendable	112,985	-	41,590	154,575
Restricted	-	-	139,263	139,263
Committed	445,203	-	-	445,203
Assigned	980,733	-	174,237	1,154,970
Unassigned	3,335,402	-	-	3,335,402
Total fund balances	<u>4,874,323</u>	<u>-</u>	<u>355,090</u>	<u>5,229,413</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,166,565</u>	<u>\$ 274,058</u>	<u>\$ 445,768</u>	<u>\$ 6,886,391</u>

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

EXHIBIT C-2
GOFFSTOWN SCHOOL DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2021

Total fund balances of governmental funds (Exhibit C-1)		\$ 5,229,413
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 46,537,845	
Less accumulated depreciation	<u>(29,994,907)</u>	
		16,542,938
Pension and other postemployment benefits (OPEB) related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources related to bond refunding	\$ 1,850	
Deferred outflows of resources related to pensions	12,186,838	
Deferred inflows of resources related to pensions	(474,179)	
Deferred outflows of resources related to OPEB	373,147	
Deferred inflows of resources related to OPEB	<u>(8,467)</u>	
		12,079,189
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (242,689)	
Payables	<u>242,689</u>	
		-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(41,331)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bond	\$ 555,000	
Capital leases	1,409,986	
Compensated absences	1,228,500	
Net pension liability	42,254,475	
Other postemployment benefits	<u>2,922,171</u>	
		(48,370,132)
Net position of governmental activities (Exhibit A)		<u>\$ (14,559,923)</u>

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

EXHIBIT C-3
GOFFSTOWN SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2021

	General	Grants	Other Governmental Funds	Total Governmental Funds
REVENUES				
School district assessment	\$ 23,351,338	\$ -	\$ -	\$ 23,351,338
Other local	7,922,026	1,970	329,797	8,253,793
State	12,871,415	267,674	13,303	13,152,392
Federal	50,877	1,959,512	531,499	2,541,888
Total revenues	44,195,656	2,229,156	874,599	47,299,411
EXPENDITURES				
Current:				
Instruction	27,938,564	1,646,118	93,062	29,677,744
Support services:				
Student	2,598,285	129,007	153	2,727,445
Instructional staff	813,641	77,424	-	891,065
General administration	82,354	-	-	82,354
Executive administration	1,775,596	-	-	1,775,596
School administration	2,668,415	25,437	-	2,693,852
Operation and maintenance of plant	3,164,278	345,909	57,626	3,567,813
Student transportation	1,504,861	-	-	1,504,861
Other	4,698	-	-	4,698
Noninstructional services	-	5,261	822,762	828,023
Debt service:				
Principal	565,000	-	-	565,000
Interest	36,275	-	-	36,275
Facilities acquisition and construction	-	-	277,534	277,534
Total expenditures	41,151,967	2,229,156	1,251,137	44,632,260
Excess (deficiency) of revenues over (under) expenditures	3,043,689	-	(376,538)	2,667,151
OTHER FINANCING SOURCES (USES)				
Transfers in	465	-	1,207,787	1,208,252
Transfers out	(1,207,787)	-	(465)	(1,208,252)
Total other financing sources (uses)	(1,207,322)	-	1,207,322	-
Net change in fund balances	1,836,367	-	830,784	2,667,151
Fund balances (deficit), beginning	3,037,956	-	(475,694)	2,562,262
Fund balances, ending	\$ 4,874,323	\$ -	\$ 355,090	\$ 5,229,413

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

EXHIBIT C-4
GOFFSTOWN SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2021

Net change in fund balances of total governmental funds (Exhibit C-3)		\$ 2,667,151
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense exceeded capital outlay expenditures in the current year, as follows:		
Capitalized capital outlay	\$ 517,762	
Depreciation expense	<u>(1,532,908)</u>	
		(1,015,146)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.		(41,397)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (1,208,252)	
Transfers out	<u>1,208,252</u>	
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal repayment of bond	\$ 565,000	
Principal repayment of capital leases	<u>440,579</u>	
		1,005,579
Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ 20,014	
Decrease in compensated absences payable	4,000	
Amortization of bond refunding charges	(1,853)	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	(3,965,117)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>(141,223)</u>	
		(4,084,179)
Change in net position of governmental activities (Exhibit B)		<u>\$ (1,467,992)</u>

EXHIBIT D-1
GOFFSTOWN SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
REVENUES				
School district assessment	\$ 23,351,338	\$ 23,351,338	\$ 23,351,338	\$ -
Other local	6,825,000	6,825,000	7,916,417	1,091,417
State	12,678,139	12,678,139	12,871,415	193,276
Federal	50,000	50,000	50,877	877
Total revenues	42,904,477	42,904,477	44,190,047	1,285,570
EXPENDITURES				
Current:				
Instruction	29,204,718	29,288,624	27,911,883	1,376,741
Support services:				
Student	2,687,466	2,610,001	2,548,285	61,716
Instructional staff	918,466	918,466	812,549	105,917
General administration	97,202	97,202	82,354	14,848
Executive administration	1,796,403	1,796,403	1,775,596	20,807
School administration	2,827,744	2,828,043	2,671,255	156,788
Operation and maintenance of plant	3,275,983	3,297,103	3,291,308	5,795
Student transportation	2,305,402	2,279,282	1,504,861	774,421
Other	11,240	9,500	(302)	9,802
Debt service:				
Principal	565,000	565,000	565,000	-
Interest	36,275	36,275	36,275	-
Facilities acquisition and construction	900,010	10	450	(440)
Total expenditures	44,625,909	43,725,909	41,199,514	2,526,395
Excess (deficiency) of revenues over (under) expenditures	(1,721,432)	(821,432)	2,990,533	3,811,965
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	465	465
Transfers out	(200,000)	(1,100,000)	(1,350,161)	(250,161)
Total other financing sources (uses)	(200,000)	(1,100,000)	(1,349,696)	(249,696)
Net change in fund balance	\$ (1,921,432)	\$ (1,921,432)	1,640,837	\$ 3,562,269
Increase in nonspendable fund balance			(13,867)	
Increase in assigned (non-encumbrance) fund balance			(665,000)	
Unassigned fund balance, beginning			2,373,432	
Unassigned fund balance, ending			\$ 3,335,402	

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

EXHIBIT D-2
GOFFSTOWN SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (GAAP Basis)
Grants Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Other local	\$ -	\$ 1,970	\$ 1,970	\$ -
State	-	267,674	267,674	-
Federal	932,499	1,959,512	1,959,512	-
Total revenues	932,499	2,229,156	2,229,156	-
EXPENDITURES				
Current:				
Instruction	747,499	1,646,118	1,646,118	-
Support services:				
Student	-	129,007	129,007	-
Instructional staff	185,000	77,424	77,424	-
School administration	-	25,437	25,437	-
Operation and maintenance of plant	-	345,909	345,909	-
Noninstructional services	-	5,261	5,261	-
Total expenditures	932,499	2,229,156	2,229,156	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, beginning			-	
Fund balance, ending			\$ -	

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

GOFFSTOWN SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

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JUNE 30, 2021

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GOFFSTOWN SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Goffstown School District, in Goffstown, New Hampshire (the School District), have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

1-A Reporting Entity

The Goffstown School District is a municipal corporation governed by an elected nine-member School Board. In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The School District has no component units to include in its reporting entity.

The following is a summary of the more significant accounting policies:

1-B Government-wide and Fund Financial Statements

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government. Generally, the effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported through assessments and intergovernmental revenues.

The *Statement of Net Position* presents the financial position of the School District at year-end. This Statement includes all of the School District's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Assessments and other items not meeting the definition of program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenue rather than program revenue.

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

In the governmental fund financial statements, expenditures are reported by character: current, support services, debt services, facilities acquisition, and construction or noninstructional. Current expenditures are subclassified by function and are for items such as salaries, grants, supplies, and services. Debt service includes both interest and principal outlays related to bonds. Capital outlay includes expenditures for equipment, real property, or infrastructure.

Other Financing Sources (Uses) – These additions to and reductions from resources in governmental fund financial statements normally result from transfers from/to other funds. Transfers are reported when incurred as "transfers in" by the receiving fund and as "transfers out" by the disbursing fund.

1-C Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement Focus and Basis of Accounting – The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement based grants, which use a period of one year. District assessments,

GOFFSTOWN SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Financial Statement Presentation – A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to report financial position and the results of operations, to demonstrate legal compliance, and to aid financial management by segregating transactions related to certain government functions or activities.

The School District reports the following major governmental funds:

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

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

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

1-D Cash and Cash Equivalents

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

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

1-E Receivables

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

1-F Inventory

Inventories are valued at cost (first-in, first-out) which approximates market. The School District's inventories include propane and heating oil. Inventorial items are recorded as expenditures when consumed at the schools (the consumption method). The nonspendable fund balance at the governmental fund level is a part of the amount of inventories at year-end to indicate the portion of the governmental fund balance that is nonspendable.

1-G Prepaid Items

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

GOFFSTOWN SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

I-H Capital Assets

Capital assets are reported in the governmental activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation, if received on or before June 15, 2015. Donated capital assets received after June 15, 2015, are recorded at acquisition value. The School District has established a threshold of \$5,000 or more and an estimated useful life in excess of one year for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The accounting and reporting treatment applied to capital assets associated with a fund are determined by the fund's measurement focus. General capital assets are assets of the School District as a whole. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the government-wide Statement of Net Position.

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

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

Capital Asset Class:	Years
Buildings and building improvements	20 -40
Machinery, equipment, and furnishings	3 - 5

I-I Interfund Activities

Interfund activities are reported as follows:

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

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

I-J Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of June 30, 2021.

I-K Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) until then.

Deferred inflows of resources, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

I-L Long-term Obligations

In the governmental activities Statement of Net Position, long-term debt and other long-term obligations are reported as liabilities.

GOFFSTOWN SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

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

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

1-M Compensated Absences

General leave for the School District includes retirement stipend pay, which is based on an employee's length of employment and is earned ratably during the span of employment. Upon retirement or termination, employees are paid full value for any accrued general leave earned as set forth by the School District's personnel policy.

Vested or accumulated general leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated general leave that are not expected to be liquidated with expendable financial resources are maintained separately and represent a reconciling item between the governmental fund and government-wide presentations.

1-N Defined Benefit Pension Plan

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

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

1-O Postemployment Benefits Other Than Pensions (OPEB)

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

New Hampshire Retirement System Plan – For the purposes of measuring the total other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Hampshire Retirement System OPEB Plan (the plan) and additions to/deductions from the plan's fiduciary net position has been determined on the same basis as they are reported by the New Hampshire Retirement System. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Single Employer Plan – The School District maintains a single employer plan, but has not obtained an actuarial report calculating the other postemployment benefit liability, deferred outflows of resources, and deferred inflows of resources in accordance with Government Accounting Standards Board pronouncement No. 75.

1-P Net Position/Fund Balances

Government-wide statements – Equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, or other debt attributable to the acquisition, construction, or improvement of those assets.

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

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

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

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

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

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

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

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

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

In accordance with RSA 198:4-bII, *Contingency Fund*, the School District voted to retain general fund unassigned fund balance of \$665,000 which is 2.5% of the net district assessment, to be used for emergency expenditures, or to use as a revenue source to reduce the tax rate.

1-Q Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include assessing the collectability of accounts receivable, recoverability of inventory, the useful lives of capital assets, net pension liability, other postemployment benefit liability, and deferred outflows and inflows of resources related to both pension and other postemployment benefits among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

1-R Material Change in Classification

The accompanying financial statements reflect a change in classification from the prior year. Specifically, the capital project fund did not qualify as a major fund for the current fiscal year. As such it was reclassified to the nonmajor governmental funds.

GOFFSTOWN SCHOOL DISTRICT
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NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the School District's operations. At its annual meeting, the School District adopts a budget for the current year for the general and grants funds, as well as the nonmajor food service fund. However, the School Board has voted and accepted the federal grants awarded to the District through the year, so these amounts are reported as a final budget for the grants fund, which is also reported as a major fund. Except as reconciled below, the budget was adopted on a basis consistent with United States generally accepted accounting principles.

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

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

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2021, \$1,721,432 of the beginning general fund unassigned fund balance was applied for this purpose. Additionally, \$200,000 was appropriated to fund the School District's capital reserve funds.

2-B Budgetary Reconciliation to GAAP Basis

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

Revenues and other financing sources:	
Per Exhibit D-1 (budgetary basis)	\$ 44,190,512
Adjustments:	
Basis difference:	
GASB Statement No. 54:	
Interest earnings related to the blended expendable trust funds	151
To recognize other local revenue of the blended funds	5,458
Per Exhibit C-3 (GAAP Basis)	<u>\$ 44,196,121</u>
Expenditures and other financing uses:	
Per Exhibit D-1 (budgetary basis)	\$ 42,549,675
Adjustments:	
Basis differences:	
Encumbrances, beginning	255,842
Encumbrances, ending	(307,282)
GASB Statement No. 54:	
To remove transfer from the general fund to the blended expendable trust fund	(200,000)
To recognize other regular program expenditures of the blended funds	3,893
To recognize transfer from the blended expendable trust to other funds	57,626
Per Exhibit C-3 (GAAP basis)	<u>\$ 42,359,754</u>

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DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The School District's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held by the School District's agent in the School District's name. The FDIC currently insures the first \$250,000 of the School District's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by collateral. As of year-end, the carrying amount of the School District's deposits was \$5,752,601 and the bank balances totaled \$5,797,827.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2021, consisted of accounts and intergovernmental amounts arising from grants, school lunch program, and expendable trust funds held by the Town of Goffstown Trustees of Trust Funds for the School District. Receivables are recorded on the School District's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, consisted of the following:

	Balance, beginning	Additions	Retirements	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 3,010,440	\$ -	\$ -	\$ 3,010,440
Construction in progress	914,228	-	(914,228)	-
Total capital assets not being depreciated	3,924,668	-	(914,228)	3,010,440
Being depreciated:				
Buildings and building improvements	38,378,977	1,191,762	-	39,570,739
Machinery, equipment and furnishings	3,898,965	240,228	(182,527)	3,956,666
Total capital assets being depreciated	42,277,942	1,431,990	(182,527)	43,527,405
Total capital assets	46,202,610	1,431,990	(1,096,755)	46,537,845
Less accumulated depreciation:				
Buildings and building improvements	(26,736,078)	(1,312,022)	-	(28,048,100)
Machinery, equipment and furnishings	(1,867,051)	(220,886)	141,130	(1,946,807)
Total accumulated depreciation	(28,603,129)	(1,532,908)	141,130	(29,994,907)
Net book value, capital assets being depreciated	13,674,813	(100,918)	(41,397)	13,532,498
Net book value, all capital assets	\$ 17,599,481	\$ (100,918)	\$ (955,625)	\$ 16,542,938

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

Instruction	\$ 1,244,467
Support services:	
Operation and maintenance of plant	285,924
Noninstructional services	2,517
Total depreciation expense	\$ 1,532,908

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NOTE 6 – INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances consisting of overdrafts in pooled cash and budgetary transfers at June 30, 2021, are as follows:

Receivable Fund	Payable Fund	Amount
General	Grants	\$ 242,689

Interfund transfers during the year ended June 30, 2021 are as follows:

	Transfers In:		
	General Fund	Nonmajor Funds	Total
Transfers out:			
General fund	\$ -	\$ 1,207,787	\$ 1,207,787
Nonmajor fund	465	-	465
Total	<u>\$ 465</u>	<u>\$ 1,207,787</u>	<u>\$ 1,208,252</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (2) use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 7 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments of \$860,821 at June 30, 2021, consist of the following:

	General Fund
Balance due to the New Hampshire Retirement System	\$ 772,433
Balance due to the Manchester School District	88,388
Total intergovernmental payables due	<u>\$ 860,821</u>

NOTE 8 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources at June 30, 2021, consist of amounts related to pensions totaling \$12,186,838 and amounts related to OPEB totaling \$373,147. For further discussion on these amounts, see Notes 11 and 13, respectively. Additionally, \$1,850 in deferred outflows of resources are related to the refunding bond charges that are being amortized over the life of the bond.

Deferred inflows of resources at June 30, 2021, consist of the following:

	Governmental Activities	Grants Fund	Other Governmental Funds
Grant and donation revenue collected in advance of eligible expenditures being made	\$ 15,595	\$ 902	\$ 14,693
Amounts related to pensions, see Note 11	474,179	-	-
Amounts related to OPEB, see Note 13	8,467	-	-
Total deferred inflows of resources	<u>\$ 498,241</u>	<u>\$ 902</u>	<u>\$ 14,693</u>

GOFFSTOWN SCHOOL DISTRICT
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NOTE 9 – CAPITAL LEASE OBLIGATIONS

The School District has entered into certain capital lease agreements under which the related equipment will become the property of the School District when all the terms of the lease agreements are met.

	Standard Interest Rate	Present Value of Remaining Payments as of June 30, 2021
Capital lease obligations:		
Energy conservation	2.10%	\$ 1,220,305
Computer equipment	2.49%	68,998
Modular classroom	4.70%	120,683
Total capital lease obligations		<u>\$ 1,409,986</u>

The annual requirements to amortize the capital leases payable as of June 30, 2021, including interest payments, are as follows:

Fiscal Year Ending June 30,	Governmental Activities
2022	\$ 364,378
2023	167,302
2024	167,303
2025	167,302
2026	167,303
2027-2031	<u>501,908</u>
Total requirements	1,535,496
Less: interest	<u>125,510</u>
Present value of remaining payments	<u>\$ 1,409,986</u>

Amortization of lease equipment under capital assets is included with depreciation expense.

NOTE 10 – LONG-TERM LIABILITIES

Changes in the School District's long-term liabilities consisted of the following for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year	Due In More Than One Year
Bond payable:						
Direct placement	\$ 1,120,000	\$ -	\$ (565,000)	\$ 555,000	\$ 555,000	\$ -
Capital leases	1,850,565	-	(440,579)	1,409,986	331,357	1,078,629
Compensated absences	1,232,500	106,500	(110,500)	1,228,500	-	1,228,500
Pension related liability	31,713,527	10,540,948	-	42,254,475	-	42,254,475
Net other postemployment benefits	2,723,453	198,718	-	2,922,171	-	2,922,171
Total long-term liabilities	<u>\$ 38,640,045</u>	<u>\$ 10,846,166</u>	<u>\$ (1,116,079)</u>	<u>\$ 48,370,132</u>	<u>\$ 886,357</u>	<u>\$ 47,483,775</u>

The long-term bond is comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate	Outstanding at June 30, 2021
Bond payable:					
Direct placement:					
2011 Bond Refunding	\$ 6,015,000	2011	2022	2.50-4.50%	<u>\$ 555,000</u>

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The annual requirements to amortize the general obligation bond outstanding as of June 30, 2021, including interest payments, are as follows:

Fiscal Year Ending June 30, 2022	Bond- Direct Placement		
	Principal	Interest	Total
	\$ 555,000	\$ 12,488	\$ 567,488

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

NOTE 11 – DEFINED BENEFIT PENSION PLAN

Plan Description – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system that administers one cost-sharing multiple-employer defined benefit pension plan (Pension Plan), a component unit of the State of New Hampshire, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* – an amendment of GASB Statement No. 25. The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan. The System issues a publicly available financial report that may be obtained by writing the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301.

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

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

Group II benefits are provided based on age, years of creditable service and benefit multiplier depending on vesting status as of 1/1/12. The maximum retirement allowance for Group II members vested by 1/1/12 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by 1/1/12 the benefit is calculated the same way, but the multiplier used in the calculation will change depending on age and years of creditable service as follows:

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

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

Contributions – The System is financed by contributions from both the employees and the School District. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees are required to contribute 7% of earnable compensation. For fiscal year 2021, the School District contributed 15.99% for teachers and 10.88% for other employees. The contribution requirement for the fiscal year 2021 was \$3,016,305 which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the School District reported a liability of \$42,254,475 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The School District's proportion of the net pension liability was

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based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2020, the School District's proportion was 0.66% which was an increase of 0.01% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized pension expense of \$6,981,417. At June 30, 2021, 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	\$ 1,236,167	\$ 20,487
Net difference between projected and actual investment earnings on pension plan investments	2,613,485	-
Changes in assumptions	4,179,806	-
Differences between expected and actual experience	1,141,075	453,692
Contributions subsequent to the measurement date	3,016,305	-
Total	<u>\$ 12,186,838</u>	<u>\$ 474,179</u>

The \$3,016,305 reported as deferred outflows of resources related to pensions results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2021	\$ 2,038,359
2022	2,460,108
2023	2,226,435
2024	1,971,452
2025	-
Thereafter	-
Totals	<u>\$ 8,696,354</u>

Actuarial Assumptions – The collective total pension liability was determined by an actuarial performed as of June 30, 2019, rolled forward to June 30, 2020, using the following assumptions:

Inflation:	2.0% per year
Wage inflation:	2.75% per year (2.25% for Teachers)
Salary increases:	5.6% average, including inflation
Investment rate of return:	6.75% net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

Long-term Rates of Return – The long-term expected rate of return on pension plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

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Following is a table presenting target allocations and long-term rates of return for 2020:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return
		2020
Large Cap Equities	22.50%	3.71%
Small/Mid Cap Equities	7.50%	4.15%
Total domestic equities	30.00%	
Int'l Equities (unhedged)	13.00%	3.96%
Emerging Int'l Equities	7.00%	6.20%
Total international equity	20.00%	
Core Bonds	9.00%	0.42%
Global Multi-Sector Fixed Income	10.00%	1.66%
Absolute Return Fixed Income	6.00%	0.92%
Total fixed income	25.00%	
Private equity	10.00%	7.71%
Private debt	5.00%	4.81%
Total alternative investments	15.00%	
Real estate	10.00%	2.95%
Total	100.00%	

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

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption		1% Increase 7.75%
		6.75%		
June 30, 2020	\$ 54,702,348	\$ 42,254,475		\$ 32,082,914

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit Pension Plan financial report.

NOTE 12 – SUPPLEMENTAL RETIREMENT PLANS

All employees employed by the School District are eligible to participate in a defined contribution pension plan administered by TSA. Participation can begin immediately upon employment. The School District has no requirement or obligation under State Statutes to contribute to this plan, however the School District has adopted the Supplemental Retirement Plan 457 and 403(b) for its employees. The School Board has the authority to establish and amend the benefit provisions and contribution requirements of

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the plan. The School District contributes varying percentages (based on position) of each employee's salary and all amounts contributed are vested immediately. Also, employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021, were \$16,800 from the School District, and \$514,666 from the employees.

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

13-A New Hampshire Retirement System (NHRS)

Plan Description – The New Hampshire Retirement System (NHRS or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2019 Comprehensive Annual Financial Report, which can be found on the system's website at www.nhrs.org.

Benefits Provided – Benefit amounts and eligibility requirements for the OPEB Plan are set by State law (RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b), and members are designated in statute by type. The four membership types are Group II, Police Officers and Firefighters; Group I, Teachers; Group I, Political Subdivision Employees; and Group I, State Employees. The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

Group I benefits are based on creditable service, age, and retirement date. Group II benefits are based on hire date, age, and creditable service. The OPEB plan is closed to new entrants.

Maximum medical subsidy rates paid during fiscal year 2019 were as follows:

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

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

Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2020, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2021, the School District contributed 1.81% for teachers and 0.29% for other employees. The contribution requirement for the fiscal year 2021 was \$318,106, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At June 30, 2021, the School District reported a liability of \$2,922,171 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The School District's proportion of the net OPEB liability was based on a projection of the School District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2020, the School District's proportion was 0.67% which was an increase of 0.05% from its proportion measured as of June 30, 2019.

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For the year ended June 30, 2021, the School District recognized OPEB expense of \$459,338. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 25,318	\$ -
Net difference between projected and actual investment earnings on OPEB plan investments	10,934	-
Changes in assumptions	18,789	-
Differences between expected and actual experience	-	8,467
Contributions subsequent to the measurement date	318,106	-
Total	<u>\$ 373,147</u>	<u>\$ 8,467</u>

The \$318,106 reported as deferred outflows of resources related to OPEB results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2021	\$ 36,468
2022	3,237
2023	3,858
2024	3,011
2025	-
Thereafter	-
Totals	<u>\$ 46,574</u>

Actuarial Assumptions – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2019, and a measurement date of June 30, 2020. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Price inflation:	2.0% per year
Wage inflation:	2.75% per year (2.25% for Teachers)
Salary increases:	5.6% average, including inflation
Investment rate of return:	6.75% net of OPEB plan investment expense, including inflation
Health care trend rate:	Not applicable, given that the benefits are fixed stipends

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

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

Long-term Rates of Return – The long-term expected rate of return on OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

GOFFSTOWN SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

Following is a table presenting target allocations and long-term rates of return for 2020:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return
		2020
Large Cap Equities	22.50%	3.71%
Small/Mid Cap Equities	7.50%	4.15%
Total domestic equities	30.00%	
Int'l Equities (unhedged)	13.00%	3.96%
Emerging Int'l Equities	7.00%	6.20%
Total international equity	20.00%	
Core Bonds	9.00%	0.42%
Global Multi-Sector Fixed Income	10.00%	1.66%
Absolute Return Fixed Income	6.00%	0.92%
Total fixed income	25.00%	
Private equity	10.00%	7.71%
Private debt	5.00%	4.81%
Total alternative investments	15.00%	
Real estate	10.00%	2.95%
Total	100.00%	

Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2020, was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2020	\$ 3,173,173	\$ 2,922,171	\$ 2,704,252

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

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit OPEB Plan financial report.

13-B Retiree Health Benefit Program

The School District provides postemployment benefit options for health care to eligible retirees, terminated employees, and their dependents in accordance with the provisions of various employment contracts. The benefit levels, employee contributions, and employer contributions are governed by the School District's contractual agreements. Expenses for the cost of providing health insurance for currently enrolled retirees are recognized in the general fund of the funds financial statements as payments are made.

GOFFSTOWN SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in 2015. GASB Statement No. 75 requires State and local government employers to recognize the net OPEB liability and the OPEB expense on their financial statements, along with the related deferred outflows and inflows of resources. The School District has not fully implemented GASB Statement No. 75 at June 30, 2021, or contracted with an actuarial firm to assist in evaluating the impact of this standard on the School District. The amounts that should be recorded as the net OPEB liability and the OPEB expense is unknown.

NOTE 14 - ENCUMBRANCES

Encumbrances outstanding in the general fund at June 30, 2021, are as follows:

Current:	
Instruction:	
Regular programs	\$ 88,505
Other programs	12,420
Total instruction	<u>100,925</u>
Support services:	
School administration	5,265
Operation and maintenance of plant	200,642
Total support services	<u>205,907</u>
Facilities acquisition and construction	450
Total encumbrances	<u>\$ 307,282</u>

NOTE 15 – GOVERNMENTAL ACTIVITIES NET POSITION

Net position reported on the government-wide Statement of Net Position at June 30, 2021, include the following:

	Governmental Activities
Net investment in capital assets:	
Net book value of all capital assets	\$ 16,542,938
Less:	
General obligation bond payable	(555,000)
Capital leases payable	<u>(1,409,986)</u>
Total net investment in capital assets	<u>14,577,952</u>
Restricted net position:	
Food service	135,325
Permanent fund - principal balance	41,590
Permanent fund - interest balance	3,938
Total restricted net position	<u>180,853</u>
Unrestricted	<u>(29,318,728)</u>
Total net position	<u>\$ (14,559,923)</u>

GOFFSTOWN SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

NOTE 16 – GOVERNMENTAL FUND BALANCES

Governmental fund balances at June 30, 2021, consist of the following:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Inventory	\$ 21,168	\$ -	\$ 21,168
Permanent fund - principal balance	-	41,590	41,590
Prepaid items	91,817	-	91,817
Total nonspendable fund balance	112,985	41,590	154,575
Restricted:			
Food service	-	135,325	135,325
Permanent fund - income balance	-	3,938	3,938
Total restricted fund balance	-	139,263	139,263
Committed:			
Expendable trust	245,203	-	245,203
Voted appropriation - March 2021	200,000	-	200,000
Total committed fund balance	445,203	-	445,203
Assigned:			
Encumbrances	307,282	-	307,282
Retained (RSA 198:4-bII)	665,000	-	665,000
Student activity funds	8,451	174,237	182,688
Total assigned fund balance	980,733	174,237	1,154,970
Unassigned	3,335,402	-	3,335,402
Total governmental fund balances	\$ 4,874,323	\$ 355,090	\$ 5,229,413

NOTE 17 – RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2021, the School District was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from July 1, 2020, to June 30, 2021 by Primex³, which retained \$2,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In fiscal year 2020-21 the School District paid \$148,331 and \$105,550, respectively, to Primex for workers' compensation and property/liability. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

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

NOTE 18 – CONTINGENT LIABILITIES

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

GOFFSTOWN SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

NOTE 19 – COVID-19

As a result of the spread of COVID-19, Coronavirus, economic uncertainties continue. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES Act) in response to the economic downfall caused by the COVID-19 pandemic. This Act provided funding through the Coronavirus Relief Fund (CRF) as well as the Education Stabilization Fund (ESF). On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) was signed into law, which provided additional funding for the ESF programs.

The CRF requires that the payment from these funds be used to cover expenses that: are necessary expenditures incurred due to the public health emergency with respect to COVID-19; were not accounted for in the most recently approved budget as of March 27, 2020; and were incurred during the period that begins March 1, 2020, and ends on December 31, 2021. The School District was awarded a portion of this Federal funding totaling \$718,132 in the fall of 2020, through the Supplemental Public School Response Fund (SPSRF).

The ESR provided funds to the School District through the Elementary and Secondary School Emergency Relief Fund (ESSER). The objective of ESSER is to provide local education agencies with emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the nation. This funding was awarded to the School District under the ESSER I and II grants, with the School District expending \$276,550 of this funding in the fiscal year 2021 and must be used for activities to prevent, prepare, and respond to the coronavirus.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

NOTE 20 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through December 27, 2021, the date the June 30, 2021, financial statements were available to be issued, and noted no events occurred that require recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT E
GOFFSTOWN SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2021
Unaudited

Fiscal year-end	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
School District's:								
Proportion of the net pension liability	0.59%	0.59%	0.59%	0.60%	0.60%	0.65%	0.65%	0.66%
Proportionate share of the net pension liability	\$ 25,549,777	\$ 22,151,628	\$ 23,179,316	\$ 31,873,638	\$ 29,362,259	\$ 31,132,323	\$ 31,713,527	\$ 42,254,475
Covered payroll (as of the measurement date)	\$ 15,809,239	\$ 16,237,185	\$ 16,658,424	\$ 17,143,764	\$ 17,486,216	\$ 18,054,762	\$ 19,111,577	\$ 19,111,577
Proportionate share of the net pension liability as a percentage of its covered payroll	161.61%	136.43%	139.14%	185.92%	167.92%	172.43%	165.94%	221.09%
Plan fiduciary net position as a percentage of the total pension liability	66.32%	59.81%	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%

EXHIBIT F
GOFFSTOWN SCHOOL DISTRICT
Schedule of School District Contributions - Pensions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2021
Unaudited

Fiscal year-end	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Contractually required contribution	\$ 1,476,153	\$ 1,914,569	\$ 1,962,978	\$ 2,146,324	\$ 2,187,207	\$ 2,732,661	\$ 2,868,274	\$ 3,016,305
Contributions in relation to the contractually required contributions	1,476,153	1,914,569	1,962,978	2,146,324	2,187,207	2,732,661	2,868,274	3,016,305
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll (as of the fiscal year)	\$ 15,809,239	\$ 16,237,185	\$ 16,658,424	\$ 17,143,764	\$ 17,486,216	\$ 18,054,762	\$ 19,111,577	\$ 19,655,418
Contributions as a percentage of covered payroll	9.34%	11.79%	11.78%	12.52%	12.51%	15.14%	15.01%	15.35%

GOFFSTOWN SCHOOL DISTRICT
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

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

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits E and F represent the actuarial determined costs associated with the School District's pension plan at June 30, 2021. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

The following assumptions were changed in the current year:

- Reduced the assumed rate of investment return from 7.25% to 6.75%
- Reduced the wage inflation from 3.25% to 2.75% (2.25% for teachers)
- Reduced price inflation from 2.5% to 2.0%
- Updated economic assumptions, including merit and longevity salary increases, disability rates, retirement rates, and mortality tables (specifically the new public pension plan mortality tables).

Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year 2020:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	20 years beginning July 1, 2019 (30 years beginning July 1, 2009)
Asset Valuation Method	5-year smooth market for funding purposes
Price Inflation	2.0% per year
Wage Inflation	2.755% per year (2.25% for Teachers) in the 2007 valuation
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	2.45% per year
Investment Rate of Return	6.75% per year, net of investment expenses including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

Other Information:

Notes	The board has adopted new assumptions based on the 2015-2019 experience study effective for employer contributions in the 2022-23 biennium.
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EXHIBIT G
GOFFSTOWN SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of the Net Other Postemployment Benefits Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2021
Unaudited

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
School District's proportion of the net OPEB liability	0.78%	0.78%	0.61%	0.62%	0.67%
School District's proportionate share of the net OPEB liability (asset)	\$ 3,780,181	\$ 3,571,882	\$ 2,796,139	\$ 2,723,453	\$ 2,922,171
School District's covered payroll (as of the measurement date) \$	17,143,764	\$ 17,486,216	\$ 18,054,762	\$ 19,111,577	\$ 19,111,577
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	22.05%	20.43%	15.49%	14.25%	15.29%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%

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

EXHIBIT H
GOFFSTOWN SCHOOL DISTRICT
Schedule of School District Contributions - Other Postemployment Benefits
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2021
Unaudited

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Contractually required contribution	\$ 453,727	\$ 463,014	\$ 270,138	\$ 283,495	\$ 318,108
Contributions in relation to the contractually required contribution	453,727	463,014	270,138	283,495	318,108
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll (as of the fiscal year)	\$ 17,143,764	\$ 17,486,216	\$ 18,054,762	\$ 19,111,577	\$ 19,655,418
Contributions as a percentage of covered payroll	2.65%	2.65%	1.50%	1.48%	1.62%

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

GOFFSTOWN SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFITS LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

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

As required by GASB Statement No. 75, Exhibits G and H represent the actuarial determined costs associated with the School District's other postemployment benefits at June 30, 2021. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

The following assumptions were changed in the current year:

- Reduced the assumed rate of investment return from 7.25% to 6.75%
- Reduced the wage inflation from 3.25% to 2.75% (2.25% for teachers)
- Reduced price inflation from 2.5% to 2.0%
- Updated economic assumptions, including merit and longevity salary increases, disability rates, retirement rates, and mortality tables (specifically the new public pension plan mortality tables).

Methods and Assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	Not applicable under statutory funding
Asset Valuation Method	5-year smooth market: 20% corridor
Price Inflation	2.0% per year
Wage Inflation	2.75% per year
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	2.45% per year
Investment Rate of Return	6.75% per year, net of OPEB plan investment expense, including inflation for determining solvency contributions
Funding Discount Rate	3.25% per year
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.
Health Care Trend Rates	Not applicable, given that benefits are fixed stipends.
Aging Factors	Not applicable, given that the benefits are fixed stipends.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE I
GOFFSTOWN SCHOOL DISTRICT
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2021

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 23,351,338	\$ 23,351,338	\$ -
Other local sources:			
Tuition	6,800,000	7,639,922	839,922
Investment earnings	5,000	10,573	5,573
Miscellaneous	20,000	265,922	245,922
Total from other local sources	6,825,000	7,916,417	1,091,417
State sources:			
Adequacy aid (grant)	8,901,798	8,913,818	12,020
Adequacy aid (tax)	3,285,021	3,285,021	-
School building aid	266,946	266,946	-
Catastrophic aid	202,099	359,103	157,004
Vocational aid	22,275	22,608	333
Other state aid	-	23,919	23,919
Total from state sources	12,678,139	12,871,415	193,276
Federal sources:			
Medicaid	50,000	50,877	877
Other financing sources:			
Transfers in	-	465	465
Total revenues and other financing sources	42,904,477	\$ 44,190,512	\$ 1,286,035
Use of fund balance to reduce school district assessment	1,721,432		
Use of fund balance - appropriated	200,000		
Total revenues, other financing sources, and use of fund balance	\$ 44,825,909		

SCHEDULE 2
GOFFSTOWN SCHOOL DISTRICT
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2021

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
Instruction:					
Regular programs	\$ 98,297	\$ 18,224,330	\$ 17,630,973	\$ 88,505	\$ 603,149
Special programs	-	9,918,530	9,245,120	-	673,410
Vocational programs	-	168,000	158,286	-	9,714
Other programs	25,416	881,563	799,761	12,420	94,798
Adult and continuing education programs	-	91,201	90,741	-	460
Community service programs	-	5,000	9,790	-	(4,790)
Total instruction	123,713	29,288,624	27,934,671	100,925	1,376,741
Support services:					
Student	50,000	2,610,001	2,598,285	-	61,716
Instructional staff	1,092	918,466	813,641	-	105,917
General administration	-	97,202	82,354	-	14,848
Executive administration	-	1,796,403	1,775,596	-	20,807
School administration	2,425	2,828,043	2,668,415	5,265	156,788
Operation and maintenance of plant	73,612	3,297,103	3,164,278	200,642	5,795
Student transportation	-	2,279,282	1,504,861	-	774,421
Other	5,000	9,500	4,698	-	9,802
Total support services	132,129	13,836,000	12,612,128	205,907	1,150,094
Debt service:					
Principal of long-term debt	-	565,000	565,000	-	-
Interest on long-term debt	-	36,275	36,275	-	-
Total debt service	-	601,275	601,275	-	-
Facilities acquisition and construction	-	10	-	450	(440)
Other financing uses:					
Transfers out	-	1,100,000	1,350,161	-	(250,161)
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 255,842	\$ 44,825,909	\$ 42,498,235	\$ 307,282	\$ 2,276,234

SCHEDULE 3
GOFFSTOWN SCHOOL DISTRICT
Major General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2021

Unassigned fund balance, beginning		\$ 2,373,432
Changes:		
Unassigned fund balance used to reduce school district assessment		(1,721,432)
Unassigned fund balance appropriated for use in 2020-2021		(200,000)
2020-2021 Budget summary:		
Revenue surplus (Schedule 1)	\$ 1,286,035	
Unexpended balance of appropriations (Schedule 2)	<u>2,276,234</u>	
2020-2021 Budget surplus		3,562,269
Increase in nonspendable fund balance		(13,867)
Increase in assigned (non-encumbrance) fund balance		<u>(665,000)</u>
Unassigned fund balance, ending		<u><u>\$ 3,335,402</u></u>

SCHEDULE 4
GOFFSTOWN SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2021

	Special Revenue Funds					
	Food Service	Private Donations	Student Activity	Capital Projects	Permanent Fund	Total
ASSETS						
Cash and cash equivalents	\$ 89,065	\$ 15,822	\$ 174,237	\$ 8,355	\$ -	\$ 287,479
Intergovernmental receivable	112,761	-	-	-	45,528	158,289
Total assets	<u>\$ 201,826</u>	<u>\$ 15,822</u>	<u>\$ 174,237</u>	<u>\$ 8,355</u>	<u>\$ 45,528</u>	<u>\$ 445,768</u>
LIABILITIES						
Accounts payable	\$ 59,761	\$ 1,129	\$ -	\$ -	\$ -	\$ 60,890
Accrued salaries and benefits	6,740	-	-	-	-	6,740
Retainage payable	-	-	-	8,355	-	8,355
Total liabilities	<u>66,501</u>	<u>1,129</u>	<u>-</u>	<u>8,355</u>	<u>-</u>	<u>75,985</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - grants and donations	-	14,693	-	-	-	14,693
FUND BALANCES						
Nonspendable	-	-	-	-	41,590	41,590
Restricted	135,325	-	-	-	3,938	139,263
Assigned	-	-	174,237	-	-	174,237
Total fund balances	<u>135,325</u>	<u>-</u>	<u>174,237</u>	<u>-</u>	<u>45,528</u>	<u>355,090</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 201,826</u>	<u>\$ 15,822</u>	<u>\$ 174,237</u>	<u>\$ 8,355</u>	<u>\$ 45,528</u>	<u>\$ 445,768</u>

SCHEDULE 5
GOFFSTOWN SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2021

	Special Revenue Funds					
	Food Service	Private Donations	Student Activity	Capital Project	Permanent Fund	Total
REVENUES						
Other local	\$ 47,545	\$ 1,747	\$ 102,730	\$ 166,762	\$ 11,013	\$ 329,797
State	13,303	-	-	-	-	13,303
Federal	531,499	-	-	-	-	531,499
Total revenues	592,347	1,747	102,730	166,762	11,013	874,599
EXPENDITURES						
Current:						
Instruction	-	1,129	91,728	-	205	93,062
Support services:						
Student	-	153	-	-	-	153
Operation and maintenance of plant	-	-	-	57,626	-	57,626
Noninstructional services	822,762	-	-	-	-	822,762
Facilities acquisition and construction	-	-	-	277,534	-	277,534
Total expenditures	822,762	1,282	91,728	335,160	205	1,251,137
Excess (deficiency) of revenues over (under) expenditures	(230,415)	465	11,002	(168,398)	10,808	(376,538)
OTHER FINANCING SOURCES (USES)						
Transfers in	250,161	-	-	957,626	-	1,207,787
Transfers out	-	(465)	-	-	-	(465)
Total other financing sources (uses)	250,161	(465)	-	957,626	-	1,207,322
Net change in fund balances	19,746	-	11,002	789,228	10,808	830,784
Fund balances (deficit), beginning	115,579	-	163,235	(789,228)	34,720	(475,694)
Fund balances, ending	\$ 135,325	\$ -	\$ 174,237	\$ -	\$ 45,528	\$ 355,090

SCHEDULE 6
GOFFSTOWN SCHOOL DISTRICT
Student Activity Funds
Combining Balance Sheet
June 30, 2021

	Student Activity Funds				Total
	Bartlett Elementary	Maple Avenue Elementary	Mountain View Middle	Goffstown High	
ASSETS					
Cash and cash equivalents	\$ 6,245	\$ 30,501	\$ 28,027	\$ 109,464	\$ 174,237
FUND BALANCES					
Assigned	\$ 6,245	\$ 30,501	\$ 28,027	\$ 109,464	\$ 174,237

SCHEDULE 7
GOFFSTOWN SCHOOL DISTRICT
Student Activity Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2021

	Student Activity Funds				
	Bartlett Elementary	Maple Avenue Elementary	Mountain View Middle	Goffstown High	Total
REVENUES					
Other local	\$ 11	\$ 2,400	\$ 9,196	\$ 91,123	\$ 102,730
EXPENDITURES					
Current:					
Instruction	519	1,181	1,438	88,590	91,728
Net change in fund balances	(508)	1,219	7,758	2,533	11,002
Fund balances, beginning	6,753	29,282	20,269	106,931	163,235
Fund balances, ending	\$ 6,245	\$ 30,501	\$ 28,027	\$ 109,464	\$ 174,237

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



PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Goffstown School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Goffstown School District's basic financial statements, and have issued our report thereon dated December 27, 2021. Our report on the financial statements of the governmental activities was adverse as indicated therein.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Goffstown 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 Goffstown School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Goffstown 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

December 27, 2021

Sheryl A. Platt, CPA
PLODZIK & SANDERSON
Professional Association



PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

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

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

Report on Compliance for Each Major Federal Program

We have audited the Goffstown School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Goffstown School District's major federal programs for the year ended June 30, 2021. The Goffstown School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Goffstown School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

Goffstown School District

**Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control
Over Compliance Required by the Uniform Guidance**

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

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

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

Sheryl A. Platt, CPA

December 27, 2021

PLODZIK & SANDERSON
Professional Association

SCHEDULE I
GOFFSTOWN SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified opinion on each major fund and aggregate remaining fund information; and an adverse opinion on governmental activities.

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

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

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

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027 and 84.173</u>	<u>Special Education Cluster</u>
<u>84.425D</u>	<u>COVID-19 – Education Stabilization Fund</u>

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes X no

SECTION II - FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

SCHEDULE II
GOFFSTOWN SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through the State of New Hampshire Department of Education				
CHILD NUTRITION CLUSTER				
School Breakfast Program	10.553	N/A	\$ -	\$ 88,821
COVID-19 - School Breakfast Program	10.553	N/A	-	16,336
National School Lunch Program <i>(note 4)</i>	10.555	N/A	-	371,347
COVID-19 - National School Lunch Program	10.555	N/A	-	45,387
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	-	9,608
CLUSTER TOTAL			-	531,499
U.S. DEPARTMENT OF EDUCATION				
Passed Through the State of New Hampshire Department of Education				
Adult Education - Basic Grants to States	84.002	20211145	-	1,765
Title I Grants to Local Educational Agencies:				
Title I	84.010	20200054	-	22,997
Title I	84.010	20210821	-	278,074
PROGRAM TOTAL			-	301,071
SPECIAL EDUCATION CLUSTER				
Special Education - Grants to States:				
IDEA	84.027	92566	-	3
Remote Learning	84.027	20193479	-	7,822
IDEA	84.027	202553	-	24,421
Comp Ed	84.027	20205014	-	19,860
IDEA	84.027	20210916	-	488,547
Special Education - Preschool Grants:				
Preschool	84.173	92566	-	482
Preschool	84.173	202553	-	36
Preschool	84.173	20210916	-	7,361
CLUSTER TOTAL			-	548,532
Supporting Effective Instruction State Grants:				
Title II-A	84.367	20190156	-	48,958
Title II-A	84.367	20200156	-	6,035
PROGRAM TOTAL			-	54,993
Student Support and Academic Enrichment Program:				
Title IV A	84.424	20190748	-	3,683
Title IV A	84.424	20200748	-	44,565
PROGRAM TOTAL			-	48,248
COVID-19 - Education Stabilization Fund	84.425D	20200812	-	276,550

(Continued)

The accompanying notes are an integral part of this schedule.

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
English Language Acquisition State Grants: Title III	84.365	20190182	1,294	4,569
Passed Through the Hudson School District, New Hampshire				
Title III	84.365	20200736	-	4,303
Passed Through the Pelham School District, New Hampshire				
Title III	84.365	20211310	-	1,349
<i>PROGRAM TOTAL</i>			1,294	10,221
<i>Total Expenditures of Federal Awards</i>			\$ 1,294	\$ 1,772,879

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GOFFSTOWN SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Goffstown School District under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Goffstown School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Goffstown School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

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

Note 4. Food Donation

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities on the date received. For the fiscal year ended June 30, 2021, the value of food donations received was \$72,198.