



**OYSTER RIVER  
COOPERATIVE SCHOOL DISTRICT**

Annual Financial Statements

For the Year Ended June 30, 2019

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## **INDEPENDENT AUDITORS' REPORT**

To the School Board  
Oyster River Cooperative School District

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Oyster River Cooperative School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

The District's 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.

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 unmodified audit opinion on the governmental activities, the major funds and the aggregate remaining fund information.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Oyster River Cooperative School District, as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the general 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 Management's Discussion and Analysis and certain Pension and OPEB schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient 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 Oyster River Cooperative School District's basic financial statements. The accompanying supplementary information and Schedule of Nonmajor Funds appearing on page 49 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Melanson Heath*

February 10, 2019

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Oyster River Cooperative School District (the District), we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019.

### A. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. 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 our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows/(inflows) of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position 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 timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into two categories: governmental funds and fiduciary 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 District's near-term financing requirements.

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

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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

**Notes to 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 certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

## **B. FINANCIAL HIGHLIGHTS**

- As of the close of the current fiscal year, the total of liabilities and deferred (inflows) exceeded assets and deferred outflows by \$(2,856,161) (i.e., net position), a change of \$1,547,584 in comparison to the prior year. See Note 19 as the beginning net position has been restated to capture a previously unrecorded infrastructure financed by a capital lease.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$1,935,282, a change of \$(111,549) in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$127,243, a change of \$(61,114) in comparison to the prior year.



### C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	<u>NET POSITION</u>	
	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 3,624,511	\$ 3,454,569
Capital assets	<u>41,295,572</u>	<u>39,879,955</u>
Total assets	44,920,083	43,334,524
Deferred outflows of resources	8,728,535	7,801,910
Current liabilities	3,868,898	3,595,351
Noncurrent liabilities	<u>50,894,035</u>	<u>50,937,698</u>
Total liabilities	54,762,933	54,533,049
Deferred inflows of resources	1,741,846	1,007,130
Net investment in capital assets	31,585,569	25,129,152
Restricted	216,489	181,857
Unrestricted	<u>(34,658,219)</u>	<u>(29,714,754)</u>
Total net position	<u>\$ (2,856,161)</u>	<u>\$ (4,403,745)</u>

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. At the close of the most recent fiscal year, total net position was \$(2,856,161), a change of \$1,547,584 in comparison to the prior year, as restated.

The largest portion of net position, \$31,585,569, reflects our investment in capital assets (e.g., land, buildings and improvements, machinery, equipment and furnishings, and construction in progress), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in 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.

An additional portion of net position, \$216,489, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position reflects a deficit of \$(34,658,219) primarily resulting from unfunded pension and OPBEB liabilities.

CHANGES IN NET POSITION

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Revenues:		
Program revenues		
Charges for services	\$ 735,021	\$ 699,423
Operating grants and contributions	1,477,239	819,242
General revenues and transfers:		
Property taxes	39,936,778	39,046,908
Tuition	2,759,591	2,246,047
Grants and contributions not restricted to specific programs	876,866	984,167
Investment income	92,479	16,494
Other	330,483	102,413
Total revenues	<u>46,208,457</u>	<u>43,914,694</u>
Expenses:		
Instruction	25,572,522	26,741,387
Other School Services:		
Student	4,049,763	3,827,600
Instruction staff	985,635	963,827
General administration	1,387,748	1,305,302
School administration	1,796,057	1,814,045
Business	705,662	713,573
Operation and maintenance	6,414,050	4,534,996
Student transportation	2,063,188	1,814,421
Other	1,426,234	1,336,629
Interest expense	260,014	283,983
Total expenses	<u>44,660,873</u>	<u>43,335,763</u>
Change in net position	1,547,584	578,931
Net position - beginning of year (as restated)	<u>(4,403,745)</u>	<u>(4,982,676)</u>
Net position - end of year	<u>\$ (2,856,161)</u>	<u>\$ (4,403,745)</u>

**Governmental activities.** Governmental activities for the year resulted in a change in net position of \$1,547,584. Key elements of this change are as follows:

General fund operations, as discussed further in Section D	\$ (146,181)
Other governmental funds operations	34,632
Depreciation expense in excess of principal debt service	(374,833)
Capital asset additions	3,075,450
Change in net pension liability and related deferred outflows/(inflows)	(1,121,917)
Other	<u>80,433</u>
Total	<u>\$ 1,547,584</u>

#### D. FINANCIAL ANALYSIS OF FUNDS

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$1,935,282, a change of \$(111,549) in comparison to the prior year. Key elements of this change are as follows:

General fund operations	\$ (146,181)
Nonmajor fund activity	<u>34,632</u>
Total	<u>\$ (111,549)</u>

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$127,243, while total fund balance was \$1,718,793. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below.

<u>General Fund</u>		<u>6/30/19</u>	<u>6/30/18</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$	127,243	\$ 188,357	\$ (61,114)	0.3%
Total fund balance	\$	1,718,793	\$ 1,864,974	\$ (146,181)	3.8%

The total fund balance of the general fund changed by \$(146,181) during the current fiscal year. Key factors in this change are as follows:

Use of fund balance as a funding source	\$	(292,842)
Revenues in excess of budget		582,496
Expenditures less than budget		44,187
Expenditures of prior year encumbrances		(43,305)
Change in capital reserve		64,184
Other (Fiscal year 2020 school project commenced in fiscal year 2019)		<u>(500,901)</u>
Total	\$	<u><u>(146,181)</u></u>

Included in the total general fund balance are the District's capital reserve account(s) with the following balance(s):

	<u>6/30/19</u>	<u>6/30/18</u>	<u>Change</u>
Capital Reserve	\$ <u>1,207,413</u>	\$ <u>1,143,229</u>	\$ <u>64,184</u>
Total	\$ <u><u>1,207,413</u></u>	\$ <u><u>1,143,229</u></u>	\$ <u><u>64,184</u></u>

**E. GENERAL FUND BUDGETARY HIGHLIGHTS**

There are no differences between the original budget and the final amended budget.

**F. CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** Total investment in capital assets for governmental activities at year-end amounted to \$41,295,572 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery, equipment and furnishings.

Major capital asset events during the current fiscal year included the following:

Additions to:

Depreciable Assets:

Mast Way Elementary - Classroom Addition	1,113,506
Mast Way Elementary - Administration Addition	606,469
Mast Way Elementary - Additions/Renovations	145,361
Mast Way Elementary - Front Façade	141,088

Construction in Progress:

Oyster River Middle	\$ 369,061
Moharimet Elementary - Entrance	315,752

Additional information on capital assets can be found in the Notes to the Financial Statements.

**Long-term debt.** At the end of the current fiscal year, total bonds payable outstanding was \$5,625,000, all of which was backed by the full faith and credit of the District.

Additional information on long-term debt can be found in the Notes to the Financial Statements.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Oyster River Cooperative School District's finances 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:

Office of Business Manager  
Oyster River Cooperative School District  
36 Coe Drive  
Durham, New Hampshire 03824

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2019

	Governmental <u>Activities</u>
<b>Assets</b>	
Current:	
Cash and short-term investments	\$ 2,061,146
Receivables, net of allowance for uncollectibles:	
Departmental and other	46,800
Due from fiduciary funds	3,000
Intergovernmental	1,479,428
Other assets	34,137
Noncurrent:	
Capital assets:	
Land and construction in progress	997,990
Other assets, net of accumulated depreciation	40,297,582
<b>Deferred Outflows of Resources</b>	
Related to pensions	8,268,694
Related to OPEB	<u>459,841</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>53,648,618</b>
<b>Liabilities</b>	
Current:	
Accounts payable	610,136
Accrued liabilities	244,358
Other current liabilities	918,314
Current portion of long-term liabilities:	
Bonds payable	1,285,000
Other	811,090
Noncurrent:	
Bonds payable, net of current portion	4,340,000
Net pension liability	33,748,138
Net OPEB liability	8,045,607
Other, net of current portion	4,760,290
<b>Deferred Inflows of Resources</b>	
Related to pensions	1,100,965
Related to OPEB	600,850
Other	<u>40,031</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>56,504,779</b>
<b>Net Position</b>	
Net investment in capital assets	31,585,569
Restricted for:	
Grants and other statutory restrictions	183,656
Permanent funds:	
Expendable	32,833
Unrestricted	<u>(34,658,219)</u>
<b>Total Net Position</b>	<b>\$ <u>(2,856,161)</u></b>

The accompanying notes are an integral part of these financial statements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities</b>				
Instruction	\$ 25,572,522	\$ -	\$ 615,188	\$ (24,957,334)
Other school services:				
Student	4,049,763	727,914	-	(3,321,849)
Instructional staff	985,635	-	155,779	(829,856)
General administration	1,387,748	-	-	(1,387,748)
School administration	1,796,057	-	-	(1,796,057)
Business	705,662	-	-	(705,662)
Operation and maintenance	6,414,050	-	-	(6,414,050)
Student transportation	2,063,188	7,107	-	(2,056,081)
Other	1,426,234	-	706,272	(719,962)
Interest expense	260,014	-	-	(260,014)
Total Governmental Activities	<u>\$ 44,660,873</u>	<u>\$ 735,021</u>	<u>\$ 1,477,239</u>	(42,448,613)
		<b>General Revenues</b>		
				39,936,778
				2,759,591
				876,866
				92,479
				330,483
				<u>43,996,197</u>
				1,547,584
		<b>Net Position</b>		
				<u>(4,403,745)</u>
				<u>\$ (2,856,161)</u>

The accompanying notes are an integral part of these financial statements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2019

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<b>Assets</b>			
Cash and short-term investments	\$ 2,061,146	\$ -	\$ 2,061,146
Receivables:			
Departmental and other	30,544	16,256	46,800
Intergovernmental	1,207,413	272,015	1,479,428
Due from other funds	30,961	-	30,961
Other assets	<u>34,137</u>	<u>-</u>	<u>34,137</u>
Total Assets	<u>\$ 3,364,201</u>	<u>\$ 288,271</u>	<u>\$ 3,652,472</u>
<b>Liabilities</b>			
Accounts payable	\$ 606,346	\$ 3,790	\$ 610,136
Accrued liabilities	120,748	-	120,748
Due to other funds	-	27,961	27,961
Other liabilities	<u>918,314</u>	<u>-</u>	<u>918,314</u>
Total Liabilities	1,645,408	31,751	1,677,159
<b>Deferred Inflows of Resources</b>			
Unavailable revenues	-	40,031	40,031
<b>Fund Balances</b>			
Nonspendable	34,137	-	34,137
Restricted	-	216,489	216,489
Committed	1,557,413	-	1,557,413
Unassigned	<u>127,243</u>	<u>-</u>	<u>127,243</u>
Total Fund Balances	<u>1,718,793</u>	<u>216,489</u>	<u>1,935,282</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,364,201</u>	<u>\$ 288,271</u>	<u>\$ 3,652,472</u>

The accompanying notes are an integral part of these financial statements.



OYSTER RIVER COOPERATIVE SCHOOL DISTRICT  
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND  
 BALANCES TO NET POSITION OF GOVERNMENTAL  
 ACTIVITIES IN THE STATEMENT OF NET POSITION

JUNE 30, 2019

<b>Total governmental fund balances</b>	\$	1,935,282
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		41,295,572
Long-term liabilities, including bonds payable, net pension liability, and net OPEB liability are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(52,990,125)
Net deferred outflows and (inflows) of resources related to net pension liability		7,167,729
Net deferred outflows and (inflows) of resources related to net OPEB liability		(141,009)
Other		<u>(123,610)</u>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>(2,856,161)</u></b>

The accompanying notes are an integral part of these financial statements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2019

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<b>Revenues</b>			
Property taxes	\$ 39,936,778	\$ -	\$ 39,936,778
Tuition	2,759,591	-	2,759,591
Intergovernmental	1,298,652	770,967	2,069,619
Medicaid	284,486	-	284,486
Charges for service	7,107	727,914	735,021
Investment income	90,734	1,745	92,479
Other	<u>300,806</u>	<u>29,677</u>	<u>330,483</u>
Total Revenues	44,678,154	1,530,303	46,208,457
<b>Expenditures</b>			
<b>Current</b>			
Instruction	25,391,299	579,932	25,971,231
Other school services:			
Student	3,969,046	175	3,969,221
Instructional staff	969,038	14,503	983,541
General administration	1,333,040	-	1,333,040
School administration	1,794,008	-	1,794,008
Business	635,990	32,882	668,872
Operation and maintenance	5,863,732	868,179	6,731,911
Student transportation	2,126,677	-	2,126,677
Other	1,377,912	-	1,377,912
Debt service	<u>1,536,593</u>	<u>-</u>	<u>1,536,593</u>
Total Expenditures	<u>44,997,335</u>	<u>1,495,671</u>	<u>46,493,006</u>
Excess (deficiency) of revenues over expenditures	(319,181)	34,632	(284,549)
<b>Other Financing Sources (Uses)</b>			
Capital lease issuance	<u>173,000</u>	<u>-</u>	<u>173,000</u>
Total Other Financing Sources (Uses)	<u>173,000</u>	<u>-</u>	<u>173,000</u>
Change in fund balance	(146,181)	34,632	(111,549)
Fund Balance, at Beginning of Year	<u>1,864,974</u>	<u>181,857</u>	<u>2,046,831</u>
Fund Balance, at End of Year	<u>\$ 1,718,793</u>	<u>\$ 216,489</u>	<u>\$ 1,935,282</u>

The accompanying notes are an integral part of these financial statements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

**Net changes in fund balances - total government funds** \$ (111,549)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay purchases, net of disposals	3,075,450
Depreciation	(1,659,833)

The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:

Issuance of capital lease	(173,000)
Repayments of debt	1,285,000
Repayments of capital leases	326,560

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Net pension liability and related deferred outflows and inflows of resources	(1,121,917)
Net OPEB liability and related deferred outflows and inflows of resources	(28,987)
Other	<u>(44,140)</u>

**Change in net position of governmental activities** \$ 1,547,584

The accompanying notes are an integral part of these financial statements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES AND OTHER SOURCES,  
AND EXPENDITURES AND OTHER USES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 39,930,482	\$ 39,930,482	\$ 39,930,482	\$ -
Tuition	2,900,000	2,900,000	2,759,591	(140,409)
Intergovernmental	723,550	723,550	1,298,652	575,102
Medicaid	325,000	325,000	284,486	(40,514)
Charges for services	2,500	2,500	7,107	4,607
Investment income	7,000	7,000	26,550	19,550
Other revenues	<u>136,646</u>	<u>136,646</u>	<u>300,806</u>	<u>164,160</u>
Total Revenues	44,025,178	44,025,178	44,607,674	582,496
<b>Expenditures</b>				
Instruction	25,908,366	25,908,366	25,347,468	560,898
Student	3,934,910	3,934,910	3,969,046	(34,136)
Instructional staff	1,020,563	1,020,563	969,038	51,525
General administration	1,282,560	1,282,560	1,333,040	(50,480)
School administration	1,819,072	1,819,072	1,794,008	25,064
Business	597,468	597,468	635,990	(38,522)
Operation and maintenance	4,761,157	4,761,157	5,357,061	(595,904)
Student transportation	2,021,045	2,021,045	1,953,677	67,368
Other uses	1,406,618	1,406,618	1,377,912	28,706
Debt service	<u>1,536,261</u>	<u>1,536,261</u>	<u>1,536,593</u>	<u>(332)</u>
Total Expenditures	<u>44,288,020</u>	<u>44,288,020</u>	<u>44,273,833</u>	<u>14,187</u>
Excess (deficiency) of revenues over expenditures	(262,842)	(262,842)	333,841	596,683
<b>Other Financing Sources/Uses</b>				
Transfers out	(30,000)	(30,000)	-	30,000
Use of fund balance				
To reduce tax rate	<u>292,842</u>	<u>292,842</u>	<u>292,842</u>	<u>-</u>
Total Other Financing Sources/Uses	<u>262,842</u>	<u>262,842</u>	<u>292,842</u>	<u>30,000</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 626,683</u>	<u>\$ 626,683</u>

The accompanying notes are an integral part of these financial statements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2019

	Private Purpose Trust <u>Funds</u>	Agency <u>Funds</u>
<b>Assets</b>		
Cash and short-term investments	\$ -	\$ 255,193
Intergovernmental receivable	<u>142,564</u>	<u>-</u>
<b>Total Assets</b>	142,564	255,193
<b>Liabilities</b>		
Due to other funds	3,000	-
Other liabilities	<u>-</u>	<u>255,193</u>
<b>Total Liabilities</b>	<u>3,000</u>	<u>\$ 255,193</u>
<b>Net Position</b>		
Restricted for other purposes	<u>139,564</u>	
<b>Total Net Position</b>	<u>\$ 139,564</u>	

The accompanying notes are an integral part of these financial statements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Private Purpose Trust Funds</u>
<b>Additions</b>	
Investment income	\$ 7,739
Contributions	<u>14,759</u>
Total additions	22,498
<b>Deductions</b>	
Other	<u>16,264</u>
Total deductions	<u>16,264</u>
Net increase	6,234
<b>Net position restricted for other purposes</b>	
Beginning of year	<u>133,330</u>
End of year	<u>\$ 139,564</u>

The accompanying notes are an integral part of these financial statements.

# OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

The accounting policies of the Oyster River Cooperative School District (the District) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

#### A. Reporting Entity

The District is a municipal corporation governed by an elected School Board. As required by generally accepted accounting principles, these financial statements present the District and applicable component units for which the District is considered to be financially accountable. In fiscal year 2019, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

#### B. Government-Wide and Fund Financial Statements

##### Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. 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 or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

##### Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

### C. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

#### Government-Wide Financial Statements

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 a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

#### Fund Financial Statements

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. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, claims and judgments, compensated absences, OPEB, and pension are recorded only when payment is due.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *fiduciary fund* financial statements are reported using the *economic resources measurement focus* and the *accrual basis* of accounting. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.



The District reports the following fiduciary funds:

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit private organizations or other non-capital reserve District trust funds.

The *agency fund* is used to account for money held by the District on behalf of others (e.g., student activity funds). Agency funds report only assets and liabilities and, therefore, have no measurement focus.

*D. Cash and Short-Term Investments*

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash and investment 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 short-term investments". The interest earnings attributable to each fund type are included under investment income.

*E. Interfund Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans).

*F. Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Vehicles	5
Office equipment	5
Computer equipment	5

#### *G. Compensated Absences*

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### *H. Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position.

#### *I. Fund Equity*

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

*Fund Balance* - Generally, fund balance represents the difference between the current assets/deferred outflows and current liabilities/ deferred (inflows). The District reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and, therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the District uses the following order to liquidate liabilities: restricted, committed, assigned and unassigned.

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

*J. Use of Estimates*

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

**2. Stewardship, Compliance, and Accountability**

*A. Budgetary Information*

At the annual meeting, the District adopts a budget for the next fiscal year. Management may transfer appropriations between operating categories as they deem necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered. In the case of emergency expenditures, over expenditures are allowed under the provisions of the Municipal Budget Law (RSA Chapter 32) if prior approval is secured from the State Department of Education. State statutes require balanced budgets; including provisions for the use of beginning unassigned fund balance to achieve that end.

At year end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

*B. Budgetary Basis*

The general fund final appropriation appearing on the “Budget and Actual” page of the fund financial statements represents the final amended budget after all reserve fund transfers and supplemental appropriations.

*C. Budget/GAAP Reconciliation*

The budgetary data for the general fund is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund

are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>General Fund</u>	<u>Revenues and Transfers In</u>	<u>Expenditures and Transfers Out</u>	<u>Other Financing Sources/Uses</u>
Revenues/expenditures (GAAP basis)	\$ 44,678,154	\$ 44,997,335	\$ -
Other Financing sources/(uses) (GAAP basis)	<u>173,000</u>	<u>-</u>	<u>-</u>
Subtotal (GAAP Basis)	44,851,154	44,997,335	-
Reverse beginning of year appropriation carryforwards from expenditures	-	(43,305)	-
To eliminate capital reserve activity	(64,184)	-	-
To record use of fund balance	-	-	292,842
Reverse capital lease proceeds	(173,000)	(173,000)	-
Other GAAP adjustments	<u>(6,296)</u>	<u>(507,197)</u>	<u>-</u>
Budgetary basis	<u>\$ 44,607,674</u>	<u>\$ 44,273,833</u>	<u>\$ 292,842</u>

### 3. Cash and Short-Term Investments

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of a failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Pursuant to NH Statute, “the treasurer shall insure that prior to acceptance of any moneys for deposit or investment, including repurchase agreements, the federally insured bank shall make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the District.” The District does not have a deposit policy for custodial credit risk.

As of June 30, 2019, none of the District’s bank balance of \$2,483,159 was exposed to custodial credit risk as uninsured and/or uncollateralized. The underlying securities of the District’s deposit in repurchase agreements of \$1,825,742 are held by the investment’s counterparty, not in the name of the District.

**4. Departmental Receivables**

Departmental receivables consist of reimbursements requested from various local agencies for expenditures incurred in fiscal 2019.

**5. Intergovernmental Receivables**

This balance represents capital reserve funds held by the Town's Trustees of the Trust funds, as well as amounts requested from Federal and State agencies for expenditures incurred in fiscal 2019.

**6. Interfund Fund Accounts**

**Receivables/Payables**

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is an analysis of the interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 30,961	\$ -
Nonmajor Funds:		
Special Revenue Funds	-	27,385
Permanent Trust Fund	-	576
Subtotal	-	27,961
Trust and Agency Funds:		
Private Purpose Trust	-	3,000
Total	\$ <u>30,961</u>	\$ <u>30,961</u>

## 7. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<b>Governmental Activities</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 45,908,377	\$ 5,817,496	\$ -	\$ 51,725,873
Machinery, equipment, and furnishings	<u>5,515,269</u>	<u>443,796</u>	<u>-</u>	<u>5,959,065</u>
Total capital assets, being depreciated	51,423,646	6,261,292	-	57,684,938
Less accumulated depreciation for:				
Buildings and improvements	(13,075,490)	(1,008,400)	-	(14,083,890)
Machinery, equipment, and furnishings	<u>(2,652,033)</u>	<u>(651,433)</u>	<u>-</u>	<u>(3,303,466)</u>
Total accumulated depreciation	<u>(15,727,523)</u>	<u>(1,659,833)</u>	<u>-</u>	<u>(17,387,356)</u>
Total capital assets, being depreciated, net	35,696,123	4,601,459	-	40,297,582
Capital assets, not being depreciated:				
Land	142,869	-	-	142,869
Construction in progress	<u>4,040,963</u>	<u>2,281,734</u>	<u>(5,467,576)</u>	<u>855,121</u>
Total capital assets, not being depreciated	<u>4,183,832</u>	<u>2,281,734</u>	<u>(5,467,576)</u>	<u>997,990</u>
Governmental activities capital assets, net	<u>\$ 39,879,955</u>	<u>\$ 6,883,193</u>	<u>\$ (5,467,576)</u>	<u>\$ 41,295,572</u>

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

<b>Governmental Activities</b>	
Instruction	\$ 930,902
Support services	
School administration	5,278
Operation and maintenance	446,785
Student transportation	276,407
Other	<u>461</u>
Total governmental activities	<u>\$ 1,659,833</u>

## 8. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net position by the District that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pensions and OPEB, in accordance with GASB Statements No. 68 and 75, are more fully discussed in the corresponding pension and OPEB notes.

**9. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses represent 2019 expenditures paid in 2020.

**10. Other Current Liabilities**

Other current liabilities primarily represent 2019 medical and dental withholding payables paid in 2020.

**11. Capital Lease Obligations**

The District is the lessee of certain equipment under capital and operating leases expiring in various years through fiscal year 2029. Future minimum lease payments under the capital and operating leases consisted of the following as of June 30, 2019:

<u>Fiscal Year</u>	<u>Capital Leases</u>
2020	\$ 662,452
2021	397,219
2022	410,738
2023	369,368
2024	344,356
Thereafter	<u>1,900,870</u>
Total minimum lease payments	<u>4,085,003</u>
Present Value of Minimum Lease Payments	<u>\$ 4,085,003</u>

**12. Long-Term Debt**

*A. General Obligation Bonds*

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds currently outstanding are as follows:

<u>Governmental Activities</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/19</u>
High School Additions and Renovations	11/01/21	3.10-4.70%	\$ 345,000
High School Addition	08/15/22	3.50-4.70%	4,080,000
Field Track	07/01/25	1.88%	<u>1,200,000</u>
Total Governmental Activities			<u>\$ 5,625,000</u>

**B. Future Debt Service**

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2019 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,285,000	\$ 198,848	\$ 1,483,848
2021	1,285,000	145,359	1,430,359
2022	1,285,000	90,791	1,375,791
2023	1,170,000	61,338	1,231,338
2024	150,000	11,125	161,125
2025-2029	<u>450,000</u>	<u>16,688</u>	<u>466,688</u>
Total	<u>\$ 5,625,000</u>	<u>\$ 524,149</u>	<u>\$ 6,149,149</u>

The general fund has been designated as the sole source to repay the governmental-type general obligation long-term debt outstanding as of June 30, 2019.

**C. Changes in General Long-Term Liabilities**

During the year ended June 30, 2019, the following changes occurred in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Less Current Portion</u>	<u>Equals Long-Term Portion</u>
<b>Governmental Activities</b>						
Bonds payable	\$ 6,910,000	\$ -	\$ (1,285,000)	\$ 5,625,000	\$ (1,285,000)	\$ 4,340,000
Net pension liability	32,028,173	1,719,965	-	33,748,138	-	33,748,138
Net OPEB liability	8,418,172	-	(372,565)	8,045,607	-	8,045,607
<b>Other:</b>						
Lease payable	4,238,563	173,000	(326,560)	4,085,003	(662,452)	3,422,551
Compensated absences	<u>1,450,658</u>	<u>35,719</u>	<u>-</u>	<u>1,486,377</u>	<u>(148,638)</u>	<u>1,337,739</u>
Total Other	<u>5,689,221</u>	<u>208,719</u>	<u>(326,560)</u>	<u>5,571,380</u>	<u>(811,090)</u>	<u>4,760,290</u>
Totals	<u>\$ 53,045,566</u>	<u>\$ 1,928,684</u>	<u>\$ (1,984,125)</u>	<u>\$ 52,990,125</u>	<u>\$ (2,096,090)</u>	<u>\$ 50,894,035</u>

**13. Deferred (Inflows) of Resources**

Deferred (inflows) of resources are the acquisition of net position by the District that are applicable to future reporting periods. Deferred (inflows) of resources have a negative effect on net position, similar to liabilities. Deferred (inflows) of resources related to pension and OPEB will be recognized as expense in future years and is more fully described in the corresponding pension and OPEB notes. *Unavailable revenues* are reported in the governmental funds balance sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.



#### 14. Governmental Funds – Balances

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The District has implemented *GASB Statement No. 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at June 30, 2019:

Nonspendable – Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance classification includes general fund reserves for prepaid expenditures and nonmajor governmental fund reserves for the principal portion of permanent trust funds.

Restricted – Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes general fund encumbrances funded by bond issuances, various special revenue funds, and the income portion of permanent trust funds.

Committed – Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision-making authority. This fund balance classification includes general fund encumbrances for non-lapsing, special article appropriations approved by the School Board, capital reserve funds set aside by School Board vote for future capital acquisitions and improvements, and various special revenue funds.

Assigned – Represents amounts that are constrained by the District’s intent to use these resources for a specific purpose. This fund balance classification includes general fund encumbrances that have been established by various District departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period.

Unassigned – Represents amounts that are available to be spent in future periods.

Following is a breakdown of the District's fund balances at June 30, 2019:

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Nonspendable			
Prepaid expenditures	\$ <u>34,137</u>	\$ <u>-</u>	\$ <u>34,137</u>
Total Nonexpendable	34,137	-	34,137
Restricted			
Special revenue funds	-	183,656	183,656
Expendable permanent funds	<u>-</u>	<u>32,833</u>	<u>32,833</u>
Total Restricted	-	216,489	216,489
Committed			
Capital reserve funds	1,207,413	-	1,207,413
Reserved for expenditures	<u>350,000</u>	<u>-</u>	<u>350,000</u>
Total Committed	1,557,413	-	1,557,413
Unassigned			
Unassigned	<u>127,243</u>	<u>-</u>	<u>127,243</u>
Total Unassigned	<u>127,243</u>	<u>-</u>	<u>127,243</u>
Total Fund Balance	<u>\$ 1,718,793</u>	<u>\$ 216,489</u>	<u>\$ 1,935,282</u>

**15. General Fund Unassigned Fund Balance**

The unassigned general fund balance reported on the balance sheet is stated in accordance with generally accepted accounting principles (GAAP), which differs in respect to how unassigned fund balance is reported in accordance with the budgetary basis for reporting for the State of New Hampshire for tax rate setting purpose.

The following summarizes the specific difference between GAAP basis and budgetary basis of reporting the general fund unassigned fund balance:

GAAP basis balance	\$ 127,243
Other GAAP entries	<u>608,861</u>
Tax Rate Setting Balance	<u>\$ 736,104</u>

## 16. Retirement System

The District follows the provisions of *GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS).

### A. Plan Description

Full-time employees participate in the New Hampshire Retirement System (NHRS), a cost sharing, multiple-employer defined benefit contributory pension plan and trust established in 1967 by RSA 100-A:2 and qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The 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 of New Hampshire are eligible and required to participate in the system. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters belong to *Group II*, which is not applicable for the District. All assets are held in a single trust and are available to each group. Additional information is disclosed in the NHRS annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507.

### B. Benefits Provided

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.

### C. Contributions

Plan members are required to contribute a percentage of their gross earnings to the pension plan, for which the contribution rates are 7% for employees and teachers. The District makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16 and range from 11.08% to 27.79% of covered compensation. The District's contributions to NHRS for the year ended June 30, 2019 were \$3,014,797, which was equal to its annual required contribution.

### D. Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred (inflows) of resources related to pensions, and pension expense,

information about the fiduciary net position of the NHRS and additions to/deductions from NHRS' fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

*E. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to Pensions*

At June 30, 2019, the District reported a liability of \$33,748,138 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District's proportion was 0.70086645%.

For the year ended June 30, 2019, the District recognized pension expense of \$4,136,716. In addition, the District reported deferred outflows of resources and deferred (inflows) of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Differences between expected and actual experience	\$ 269,371	\$ (273,260)
Changes of assumptions	2,335,538	-
Net difference between projected and actual earnings on pension plan investments	-	(780,961)
Changes in proportion and differences between contributions and proportionate share of contributions	2,648,988	(46,744)
Contributions subsequent to the measurement date	<u>3,014,797</u>	<u>-</u>
Total	<u>\$ 8,268,694</u>	<u>\$ (1,100,965)</u>

The amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in

2020. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 2,142,111
2021	1,733,420
2022	43,732
2023	<u>233,669</u>
Total	\$ <u>4,152,932</u>

*F. Actuarial Assumptions*

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	5.6% average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the most recent actuarial experience study.

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

Asset Class	Target Allocation Percentage	Weighted Average Average Long-Term Expected Real Rate of Return
Large Cap Equities	22.50 %	4.25%
Small/Mid Cap Equities	7.50	4.50%
Total domestic equities	30.00	
Int'l Equities (unhedged)	13.00	4.50%
Emerging Int'l Equities	7.00	6.00%
Total international equities	20.00	
Core Bonds	4.50	0.50%
Short Duration	2.50	-0.25%
Global Multi-Sector Fixed Income	11.00	1.80%
Absolute Return Fixed Income	7.00	1.14%
Total fixed income	25.00	
Private equity	5.00	6.25%
Private debt	5.00	4.25%
Opportunistic	5.00	2.15%
Total alternative investments	15.00	
Real estate	10.00	3.25%
Total	100.00 %	

#### G. Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the 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 and 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 investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. *Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
\$ 44,902,174	\$ 33,748,138	\$ 24,400,715

I. *Pension Plan Fiduciary Net Position*

Detailed information about the pension plan’s fiduciary net position is available in the separately issued NHRS financial report.

**17. Other Post-Employment Benefits (GASB 75)**

*GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of *Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred (inflows) of resources, and expense/expenditures. This Statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

A. *District OPEB Plan*

All the following OPEB disclosures are based on a measurement date of June 30, 2019.

*General Information about the OPEB Plan*

Plan Description

The District indirectly provides post-employment healthcare for retired employees through an implicit rate covered by current employees. Retirees of the District who participate in this single-employer plan pay 100% of the healthcare premiums to

participate in the District’s healthcare program. Since they are included in the same pool as active employees, the insurance rates are implicitly higher for current employees due to the age consideration. This increased rate is an implicit subsidy the District pays for the retirees.

The District’s OPEB plan is not administered through a trust that meets the criteria in paragraph 4 of GASB 75.

Benefits Provided

The District provides medical and prescription drug insurance to retirees and their covered dependents. All active employees who retire from the District and meet the eligibility criteria are eligible to receive these benefits.

Plan Membership

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Active employees	<u>350</u>
Total	<u><u>359</u></u>

Funding Policy

The Town’s funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute.

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.00%, average, including inflation
Discount rate	3.58%
Healthcare cost trend rates	0.30% for 2018, increasing to 9.50% for 2019, then fluctuating 0.50%, to an ultimate rate of 5.00% as of 2028 and later years
Retirees' share of benefit-related costs	100%

The discount rate was based on the index provided by Bond Buyer 20-Bond General Obligation Index based on the 20-year AA municipal bond rate as of July 1, 2017.



Mortality rates were based on the RP-2000 Combined Healthy Participant Table Projected 10 Years using Projection Scale AA.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study as of July 1, 2017.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.58%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Total OPEB Liability

The District's total OPEB liability of \$5,081,103 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2019.

Changes in the Total OPEB Liability

The following summarizes the changes to the total OPEB liability for the past year:

	Total OPEB Liability
Balances at beginning of year	\$ 4,698,737
Changes for the year:	
Service cost	287,147
Interest	173,379
Differences between expected and actual experience	(149,316)
Changes in assumptions or other inputs	217,321
Benefit payments	<u>(146,165)</u>
Net Changes	<u>382,366</u>
Balances at end of year	<u>\$ 5,081,103</u>

Changes of assumptions and other inputs reflect a change in the actuarial cost method.

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

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

1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
\$ 5,449,697	\$ 5,081,103	\$ 4,580,032

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

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

1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
\$ 4,558,202	\$ 5,081,103	\$ 5,684,870

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

For the year ended June 30, 2019, the District recognized an OPEB expense of \$428,176. At June 30, 2019, the District reported deferred (inflows) and outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Change in assumptions	\$ <u>151,436</u>	\$ <u>(429,913)</u>
Total	\$ <u><u>151,436</u></u>	\$ <u><u>(429,913)</u></u>

Amounts reported as deferred (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	
2019	\$ (32,350)
2020	(32,350)
2021	(32,350)
2022	(32,350)
2023	(32,634)
Thereafter	<u>(116,443)</u>
Total	\$ <u><u>(278,477)</u></u>

*B. New Hampshire Retirement System Medical Subsidy Plan Description*

General Information about the OPEB Plan

Plan Description

In addition to the OPEB plan discussed in above, the District participates in the New Hampshire Retirement System (NHRS) Medical Subsidy. The NHRS administers a cost-sharing, multiple-employer other post-employment benefit plan (OPEB Plan) for retiree health insurance subsidies. Benefit amounts and eligibility requirements are set by state law, and members are designated by type. The four membership types are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees and Group I State Employees. Collectively, they are referred to as the OPEB Plan.

NHRS issues publicly available financial reports that can be obtained by writing to them at 54 Regional Drive, Concord, NH 03301-8507 or from their website at <http://www.nhrs.org>.

Benefits Provided

The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical subsidy is a payment made by NHRS to the former employer or their insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certifiably dependent children with a disability who are living in the household and being cared for by the retiree. Under specific conditions, the qualified beneficiaries of members who die while in service may also be eligible for the medical subsidy. The eligibility requirements for receiving OPEB Plan benefits differ for Group I and Group II members. The monthly Medical Subsidy rates are:

1 Person - \$375.56  
2 Person - \$751.12  
1 Person Medicare Supplement - \$236.84  
2 person Medicare Supplement - \$473.68

### Contributions

Pursuant to RSA 100-A:16, III, and the biennial actuarial valuation, funding for the medical subsidy payment is via the employer contribution rates set forth by NHRS. Employer contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the NHRS actuary using the entry age normal funding method and are expressed as a percentage of gross payroll. The Town contributed 0.30% of gross payroll for Group I employees and 1.66% of gross payroll for Group I teachers. Employees are not required to contribute. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the medical subsidy plan.

### Actuarial Assumptions and Other Inputs

The District's proportionate share of the NHRS Medical Subsidy as of June 30, 2019 is based upon an actuarial valuation performed as of June 30, 2017 (rolled forward to June 30, 2018) using a measurement date of June 30, 2018. The actuarial valuation used the following actuarial assumptions:

Price inflation	2.50%
Wage inflation	3.25%
Salary increases	5.60%
Investment rate of return	7.25%
Discount rate	7.25%

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the most recent experience study, which was for the period July 1, 2010 – June 30, 2015.

Net OPEB Liability, Expense, and Deferred Outflows and (Inflows)

The District's proportionate share of the total NHRS Medical Subsidy (total OPEB liability) as of the measurement date of June 30, 2018 was \$2,964,504, representing 0.64748977%.

For the year ended June 30, 2019, the District recognized an OPEB expense related to the NHRS Medical Subsidy of \$(265,695). At June 30, 2019, the District reported deferred outflows and (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Contributions subsequent to the measurement date	\$ 291,004	\$ -
Difference between expected and actual experience	17,401	-
Changes in proportion	-	(161,518)
Net difference between projected and actual OPEB investment earnings	<u>-</u>	<u>(9,419)</u>
Total	<u>\$ 308,405</u>	<u>\$ (170,937)</u>

The amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ending June 30, 2020.

Other amounts reported as deferred outflows and (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	
2019	\$ (147,056)
2020	(2,939)
2021	(2,939)
2022	<u>(602)</u>
Total	<u>\$ (153,536)</u>

Sensitivity of the Total NHRS Medical Subsidy OPEB Liability to Changes in the Discount Rate

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

1% Decrease (6.25%)	Current Discount Rate	1% Increase (8.25%)
\$ 3,085,469	\$ 2,964,504	\$ 2,625,661

Healthcare Cost Trend Rate

Healthcare cost trend rates are not applicable given that the benefits are fixed stipends.

*C. Consolidation of Total OPEB Liabilities and Related Deferred Outflows and (Inflows)*

The following consolidates the District's total OPEB liability and related deferred outflows/(inflows), and the District's proportionate share of the NHRS Medical Subsidy total OPEB liability and related deferred outflows/(inflows) at June 30, 2019:

	Total OPEB Liability	Total Deferred Outflows of Resources	Total Deferred (Inflows) of Resources	Total OPEB Expense
District OPEB Plan	\$ 5,081,103	\$ 151,436	\$ (429,913)	\$ 428,176
Proportionate share of NHRS Medical Subsidy Plan	<u>2,964,504</u>	<u>308,405</u>	<u>(170,937)</u>	<u>(265,695)</u>
Total	<u>\$ 8,045,607</u>	<u>\$ 459,841</u>	<u>\$ (600,850)</u>	<u>\$ 162,481</u>

**18. Commitments and Contingencies**

Outstanding Legal Issues – On an ongoing basis, there are typically pending legal issues in which the District is involved. The District's management is of the opinion that the potential future settlement of these issues would not materially affect its financial statements taken as a whole.

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

**19. Beginning Net Position Restatement**

The beginning (July 1, 2018) net position of the District has been restated in order to capture a previously unrecorded infrastructure capital lease.

Government-Wide Financial Statements:

	<u>Governmental Activities</u>
As previously reported	\$ (8,005,985)
Prior year infrastructure addition funded by capital lease	<u>3,602,240</u>
As restated	<u><u>\$ (4,403,745)</u></u>

**OYSTER RIVER COOPERATIVE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY (GASB 68)**

JUNE 30, 2019  
(Unaudited)

New Hampshire Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2019	June 30, 2018	0.70086645%	\$ 33,748,138	\$ 19,772,974	170.68%	64.73%
June 30, 2018	June 30, 2017	0.65124480%	\$ 32,028,173	\$ 19,205,680	166.76%	62.66%
June 30, 2017	June 30, 2016	0.62205870%	\$ 33,078,564	\$ 17,963,643	184.14%	58.30%
June 30, 2016	June 30, 2015	0.62481065%	\$ 24,752,043	\$ 17,929,809	138.05%	65.47%
June 30, 2015	June 30, 2014	0.61574181%	\$ 23,112,397	\$ 17,189,314	134.46%	66.32%

*Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.*

See Independent Auditors' Report.



**OYSTER RIVER COOPERATIVE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PENSION CONTRIBUTIONS (GASB 68)**

JUNE 30, 2019  
(Unaudited)

New Hampshire Retirement System						
<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2019	June 30, 2018	\$ 3,014,796	\$ 3,014,796	\$ -	\$ 20,139,765	14.97%
June 30, 2018	June 30, 2017	\$ 2,962,266	\$ 2,962,266	\$ -	\$ 19,772,974	14.98%
June 30, 2017	June 30, 2016	\$ 2,382,996	\$ 2,382,996	\$ -	\$ 19,205,680	12.41%
June 30, 2016	June 30, 2015	\$ 2,227,460	\$ 2,227,460	\$ -	\$ 17,963,629	12.40%
June 30, 2015	June 30, 2014	\$ 2,096,839	\$ 2,096,839	\$ -	\$ 17,929,809	11.69%

*Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.*

See Independent Auditors' Report.

**OYSTER RIVER COOPERATIVE SCHOOL DISTRICT**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE AND CONTRIBUTIONS  
 OF THE TOTAL OPEB LIABILITY (GASB 75)

JUNE 30, 2019  
 (Unaudited)

**Schedule of Proportionate Share**

New Hampshire Retirement System Medical Subsidy

Fiscal Year	Measurement Date	Proportion of the Total OPEB Liability	Proportionate Share of the Total OPEB Liability	<u>Covered Payroll</u>	Proportionate Share of the Total OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total OPEB Liability
June 30, 2019	June 30, 2018	0.64748977%	\$2,964,504	\$ 19,772,974	14.99%	7.53%
June 30, 2018	June 30, 2017	0.81346437%	\$3,719,435	\$ 19,205,680	19.37%	7.91%
June 30, 2017	June 30, 2016	0.77151095%	\$3,734,925	\$ 17,963,643	20.79%	5.21%

**Schedule of Contributions**

New Hampshire Retirement System Medical Subsidy

Fiscal Year	Measurement Date	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	<u>Contribution Deficiency (Excess)</u>	Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
June 30, 2019	June 30, 2019	\$291,004	\$291,004	\$0	\$ 20,139,765	1.44%
June 30, 2018	June 30, 2018	\$286,404	\$286,404	\$0	\$ 19,772,974	1.45%
June 30, 2017	June 30, 2017	\$481,453	\$481,453	\$0	\$ 19,205,680	2.51%

*Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.*

See Independent Auditors' Report.

**OYSTER RIVER COOPERATIVE SCHOOL DISTRICT  
OTHER POST-EMPLOYMENT BENEFITS (OPEB)  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY (GASB 75)**

(Unaudited)

Oyster River Cooperative School District Plan \*

	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>		
Service cost	\$ 287,147	\$ 294,513
Interest on unfunded liability - time value of money	173,379	196,582
Differences between expected and actual experience	(149,316)	(75,156)
Changes of assumptions	217,321	(586,970)
Benefit payments, including refunds of member contributions	<u>(146,165)</u>	<u>(89,545)</u>
Net change in total OPEB liability	382,366	(260,576)
Total OPEB liability - beginning	<u>4,698,737</u>	<u>4,959,313</u>
Total OPEB liability - ending	<u>\$ 5,081,103</u>	<u>\$ 4,698,737</u>

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

\* Does not include New Hampshire Retirement System Medical Subsidy.

See notes to the District's financial statements for summary of significant actuarial methods and assumptions and Independent Auditors' Report.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT  
SCHEDULE OF NONMAJOR FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Fund Balance, Beginning</u>	<u>Revenue, Net of Deferred Portion</u>	<u>Expenditures</u>	<u>Fund Balance, Ending</u>
<u>Special Revenue Funds</u>				
<u>Federal</u>				
Title I (18-19)	\$ -	\$ 45,700	\$ 45,700	\$ -
Title II (18-19)	-	21,372	21,372	-
Title II (17-18)	-	14,503	14,503	-
Title III - ESOL	-	2,100	2,100	-
IDEA (18-19)	-	477,184	477,184	-
IDEA (17-18)	-	3,628	3,628	-
Total Federal	-	564,487	564,487	-
<u>State</u>				
Other Grants	93,245	77,378	52,180	118,443
Total State	93,245	77,378	52,180	118,443
School Lunch	57,524	848,949	841,260	65,213
School Lunch Commodities	-	37,744	37,744	-
Total Special Revenue Funds	150,769	1,528,558	1,495,671	183,656
<u>Permanent Trust</u>				
Dunn Library	534	33		567
Bruce Smith Library Fund	30,554	1,712	-	32,266
Total Permanent Trust	31,088	1,745	-	32,833
Total Nonmajor Funds	\$ <u>181,857</u>	\$ <u>1,530,303</u>	\$ <u>1,495,671</u>	\$ <u>216,489</u>

See Independent Auditors' report.