

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023



OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

To the School Board
Oyster River Cooperative School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oyster River Cooperative School District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Oyster River Cooperative School District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the budgetary comparison for the General Fund, and certain pension and OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management, and 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Marcum LLP

Andover, MA
December 12, 2023

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2023

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, 2023.

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 required 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 and 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., 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. The District's funds are categorized as 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 the District's near-term financing requirements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2023

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. Reconciliations are provided to facilitate the comparison between governmental funds and governmental activities.

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.

Required Supplementary 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.

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$(7,927,524), a change of \$907,035 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$4,535,050, a change of \$(3,944,552) in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$632,698 a change of \$(498,192) in comparison to the prior year.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2023

Government-Wide Financial Analysis

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

Net Position

	Governmental Activities	
	2023	2022
Assets		
Current and other assets	\$ 7,913,189	\$ 11,014,017
Capital assets	<u>82,905,988</u>	<u>80,566,771</u>
Total Assets	<u>90,819,177</u>	<u>91,580,788</u>
Deferred Outflows of Resources	<u>10,234,683</u>	<u>10,972,222</u>
Liabilities		
Other liabilities	4,008,963	3,214,641
Long-term liabilities	<u>100,756,682</u>	<u>95,282,637</u>
Total Liabilities	<u>104,765,645</u>	<u>98,497,278</u>
Deferred Inflows of Resources	<u>4,215,739</u>	<u>12,890,291</u>
Net Position		
Net investment in capital assets	30,306,016	29,848,923
Restricted	1,191,903	902,881
Unrestricted	<u>(39,425,443)</u>	<u>(39,586,363)</u>
Total Net Position	<u>\$ (7,927,524)</u>	<u>\$ (8,834,559)</u>

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At the close of the most recent fiscal year, total net position was \$(7,927,524), a change of \$907,035 in comparison to the prior year.

The largest portion of net position, \$30,306,016, reflects our investment in capital assets (e.g., land, buildings and improvements, machinery, equipment and furnishings, construction in progress, and right-to-use leased assets), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services; 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.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2023

An additional portion of net position, \$980,757 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 \$(39,214,297) primarily resulting from unfunded pension and OPEB liabilities.

Change in Net Position

	Governmental Activities	
	2023	2022
Revenues		
Program revenues		
Charges for services	\$ 890,735	\$ 181,945
Operating grants and contributions	1,454,169	2,202,501
General revenues:		
Property taxes	45,300,157	43,680,588
Tuition	3,249,457	3,266,130
Grants and contributions not restricted to specific programs	952,790	757,529
Investment income (loss)	154,638	(147,922)
Other	737,998	649,845
Total Revenues	<u>52,739,944</u>	<u>50,590,616</u>
Expenses		
Instruction	29,519,330	30,417,289
Other school services:		
Student	5,107,629	4,848,877
Instructional staff	1,398,012	930,066
General administration	1,669,288	1,579,236
School administration	2,204,406	1,956,888
Business	698,673	181,741
Operation and maintenance	4,844,116	2,670,273
Student transportation	3,494,687	3,311,180
Support service, central, and other	1,643,442	1,531,429
Interest expense	1,253,326	1,369,367
Loss on disposal of asset	--	4,502,490
Total Expenses	<u>51,832,909</u>	<u>53,298,836</u>
Change in Net Position	907,035	(2,708,220)
Net Position - Beginning of Year	<u>(8,834,559)</u>	<u>(6,126,339)</u>
Net Position - End of Year	<u>\$ (7,927,524)</u>	<u>\$ (8,834,559)</u>

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2023

Governmental Activities

Governmental activities for the year resulted in a change in net position of \$907,035. Key elements of this change are as follows:

Decrease in OPEB expense from GASB 75	\$	679,928
Other		<u>227,107</u>
	\$	<u><u>907,035</u></u>

Financial Analysis of the District's 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 the District's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$629,798, while total fund balance was \$3,343,147. The unassigned fund balance decreased by \$498,192 primarily from positive budgetary results of \$609,559 less the use of fund balance of \$1,022,100 toward the fiscal year 2024 budget. 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.

General Fund	6/30/23	6/30/22	Change	% of Total General Fund Expenditures
Unassigned fund balance	\$ 754,798	\$ 1,130,890	\$ (376,092)	1.5%
Total fund balance	\$ 3,343,147	\$ 3,706,994	\$ (363,847)	6.6%

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2023

The total fund balance of the General Fund changed by \$(363,847) during the current fiscal year. Key factors in this change are as follows:

Use of fund balance for fiscal year 2023	\$ (1,278,499)
Positive budgetary results	810,059
Other	<u>104,593</u>
	<u>\$ (363,847)</u>

Included in the total fund balance of the General Fund are the District's capital reserve accounts with the following balances:

	<u>6/30/23</u>	<u>6/30/22</u>	<u>Change</u>
Capital Reserve	<u>\$ 1,643,657</u>	<u>\$ 1,443,483</u>	<u>\$ 200,174</u>

Capital Projects Fund

The fund balance of the Capital Projects Fund of \$336,146 mostly represents unspent bond proceeds for the new middle school project.

Nonmajor Governmental Funds

The fund balance of nonmajor governmental funds of \$1,191,903, primarily represents grants restricted for specific purposes and student activity funds.

General Fund Budgetary Highlights

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

Capital Assets and Debt Administration

Capital Assets

Total investment in capital assets for governmental activities at year-end amounted to \$82,905,988 (net of accumulated depreciation/amortization). This investment in capital assets includes buildings and improvements, machinery, equipment, and furnishings, construction in progress, and right-to-use assets.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2023

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

Additions to:

Depreciable Assets:

Middle School renovations	\$	329,432
High School renovations		860,957
Middle School audio visual equipment		480,321

Construction in Progress:

Oyster River Middle School Project	\$	2,866,715
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Additional information on capital assets can be found in the Notes to Financial Statements.

Long-Term Debt

At the end of the current fiscal year, total bonds and loans payable outstanding was \$48,793,097 (excluding unamortized bond premiums), 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 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 the 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, 2023

Assets

Current Assets

Cash and short-term investments	\$ 5,740,218
Receivables:	
Departmental and other	243,663
Intergovernmental	1,884,616
Prepays	<u>44,692</u>

Total Current Assets 7,913,189

Noncurrent Assets

Capital assets:	
Land and construction in progress	48,070,339
Right-to-use leased assets, net of accumulated amortization	141,465
Other capital assets, net of accumulated depreciation	<u>34,694,184</u>

Total Noncurrent Assets 82,905,988

Total Assets 90,819,177

Deferred Outflows of Resources

Related to pension	9,307,902
Related to OPEB	<u>926,781</u>

Total Deferred Outflows of Resources 10,234,683

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

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2023

Liabilities

Current Liabilities

Accounts payable	40,011
Accrued liabilities	3,919,933
Other current liabilities	49,019
Current portion of long-term liabilities:	
Bonds and loans payable	1,470,843
Lease payable	67,364
Compensated absences liability	<u>140,760</u>

Total Current Liabilities 5,687,930

Noncurrent Liabilities

Bonds and loans payable, net of current portion	51,364,229
Lease payable, net of current portion	33,682
Compensated absences liability, net of current portion	1,266,840
Net pension liability	39,703,339
Net OPEB liability	<u>6,709,625</u>

Total Noncurrent Liabilities 99,077,715

Total Liabilities 104,765,645

Deferred Inflows of Resources

Related to pension	1,492,470
Related to OPEB	<u>2,723,269</u>

Total Deferred Inflows of Resources 4,215,739

Net Position

Net investment in capital assets	30,306,016
Restricted for:	
Grants and other statutory restrictions	1,191,903
Unrestricted	<u>(39,425,443)</u>

Total Net Position \$ (7,927,524)

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, 2023

		Program Revenues		Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction	\$ 29,519,330	\$ --	\$ 799,166	\$ (28,720,164)
Other school services:				
Student	5,107,629	882,711	--	(4,224,918)
Instructional staff	1,398,012	--	345,724	(1,052,288)
General administration	1,669,288	--	36,118	(1,633,170)
School administration	2,204,406	--	--	(2,204,406)
Business	698,673	--	--	(698,673)
Operation and maintenance	4,844,116	--	--	(4,844,116)
Student transportation	3,494,687	8,024	--	(3,486,663)
Support service, central, and other	1,643,442	--	273,161	(1,370,281)
Interest expense	<u>1,253,326</u>	<u>--</u>	<u>--</u>	<u>(1,253,326)</u>
Total Governmental Activities	<u>\$ 51,832,909</u>	<u>\$ 890,735</u>	<u>\$ 1,454,169</u>	(49,488,005)
		General Revenues		
				45,300,157
				3,249,457
				952,790
				154,638
				<u>737,998</u>
		Total General Revenues		<u>50,395,040</u>
		Change in Net Position		907,035
		Net Position, Beginning of year		<u>(8,834,559)</u>
		Net Position, End of year		<u>\$ (7,927,524)</u>

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

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2023

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and short-term investments	\$ 4,099,262	\$ 1,296,511	\$ 344,445	\$ 5,740,218
Receivables:				
Departmental and other	202,159	--	41,504	243,663
Intergovernmental	1,652,433	--	232,183	1,884,616
Due from other funds	673,721	--	286,644	960,365
Prepays	44,692	--	--	44,692
Total Assets	<u>\$ 6,672,267</u>	<u>\$ 1,296,511</u>	<u>\$ 904,776</u>	<u>\$ 8,873,554</u>
Liabilities				
Accounts payable	\$ 40,011	\$ --	\$ --	\$ 40,011
Accrued liabilities	3,289,109	--	--	3,289,109
Due to other funds	--	960,365	--	960,365
Other liabilities	--	--	49,019	49,019
Total Liabilities	<u>3,329,120</u>	<u>960,365</u>	<u>49,019</u>	<u>4,338,504</u>
Fund Balances				
Nonspendable	44,692	--	--	44,692
Restricted	--	336,146	855,757	1,191,903
Committed	2,543,657	--	--	2,543,657
Unassigned	754,798	--	--	754,798
Total Fund Balances	<u>3,343,147</u>	<u>336,146</u>	<u>855,757</u>	<u>4,535,050</u>
Total Liabilities and Fund Balances	<u>\$ 6,672,267</u>	<u>\$ 1,296,511</u>	<u>\$ 904,776</u>	<u>\$ 8,873,554</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, 2023

<i>Total Governmental Fund Balances</i>	\$ 4,535,050
Capital and right-to-use leased assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	82,905,988
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in governmental funds:	
Bonds payable	(46,155,750)
Bond premium	(4,041,975)
Loans payable	(2,637,347)
Pension liability, net of related deferred outflows and inflows of resources	(31,887,907)
OPEB liability, net of related deferred outflows and inflows of resources	(8,506,113)
Lease liability	(101,046)
Compensated absence liability	(1,407,600)
Accrued interest on long-term debt	<u>(630,824)</u>
<i>Net Position of Governmental Activities</i>	<u>\$ (7,927,524)</u>

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

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 45,300,157	\$ --	\$ --	\$ 45,300,157
Tuition	3,249,457	--	--	3,249,457
Intergovernmental	1,262,070	--	1,144,890	2,406,960
Charges for services	8,024	--	882,711	890,735
Investment income (loss)	182,742	(28,104)	--	154,638
Other	275,910	--	462,088	737,998
Total Revenues	<u>50,278,360</u>	<u>(28,104)</u>	<u>2,489,689</u>	<u>52,739,945</u>
Expenditures				
Current:				
Instruction	28,539,283	738,761	249,048	29,527,092
Other school services:				
Student	4,799,933	--	359,813	5,159,746
Instructional staff	871,496	--	530,779	1,402,275
General administration	1,700,590	--	--	1,700,590
School administration	2,170,255	--	--	2,170,255
Business	741,167	--	39,382	780,549
Operation and maintenance	4,914,816	--	1,232,791	6,147,607
Student transportation	2,414,102	--	--	2,414,102
Support service, central, and other	1,626,928	--	--	1,626,928
Debt service:				
Principal	1,170,000	--	--	1,170,000
Interest	1,474,409	--	--	1,474,409
Capital outlay	419,728	2,891,716	--	3,311,444
Total Expenditures	<u>50,842,707</u>	<u>3,630,477</u>	<u>2,411,813</u>	<u>56,884,997</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(564,347)</u>	<u>(3,658,581)</u>	<u>77,876</u>	<u>(4,145,052)</u>
Other Financing Sources (Uses)				
Issuance of notes	200,500	--	--	200,500
Total Other Financing Sources (Uses)	<u>200,500</u>	<u>--</u>	<u>--</u>	<u>200,500</u>
Change in Fund Balance	(363,847)	(3,658,581)	77,876	(3,944,552)
Fund Balance, at Beginning of Year	<u>3,706,994</u>	<u>3,994,727</u>	<u>777,881</u>	<u>8,479,602</u>
Fund Balance, at End of Year	<u>\$ 3,343,147</u>	<u>\$ 336,146</u>	<u>\$ 855,757</u>	<u>\$ 4,535,050</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, 2023

Net Changes in Fund Balances - Total Government Funds \$ (3,944,552)

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, net of disposals	4,537,425
Depreciation	(2,198,208)

The issuance of long-term debt 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 notes	(200,500)
Repayments of bonds	1,170,000
Repayments of notes	567,914
Bond premium amortization	171,679
Repayments of leases	67,364

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

Change in pension expense from GASB 68	(38,153)
Change in OPEB expense from GASB 75	679,928
Change in accrued interest	49,402
Change in compensated absence liability	44,736

Change in Net Position of Governmental Activities \$ 907,035

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

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Oyster River Cooperative School District (the District) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental and financial reporting principles. The following is a summary of significant policies of the District:

REPORTING ENTITY

The District is a municipal corporation governed by an elected School Board. As required by GAAP, these financial statements present the District and applicable component units for which the District is considered to be financially accountable. In fiscal year 2023, it was determined that no entities met the component units requirements of GASB 14 (as amended).

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 government. 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 are 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. Property 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. Major individual governmental funds are reported as separate columns in the fund financial statements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include property 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, claims and judgements, 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 *Capital Projects Fund* accounts for all financial transactions used for the acquisition or construction of major capital facilities for the District.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND 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 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. Generally, 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 financial statements under the caption “cash and short-term investments.”

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 “due from/to other funds” (i.e., the current portion of interfund loans).

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and right-to-use leased 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 five 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/amortized 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
Right-to-use leased assets	5
Computer equipment	5

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LEASES

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over its useful life. Leased assets are separately reported from capital assets as right-to-use leased assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

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.

LONG-TERM OBLIGATIONS

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

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 current assets/deferred outflows and current liabilities/deferred inflows. 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, as follows:

- *Nonspendable* represents amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. This fund balance classification includes General Fund reserves for prepaid expenditures.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND EQUITY (CONTINUED)

Fund Balance (Continued)

- *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.

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/amortization, 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 use either through 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.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of basic financial statements in conformity with GAAP 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 revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

At its 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.

NOTE 3 - DEPOSITS AND INVESTMENTS

State statutes (RSA 197.23-a) place certain limitation on the nature of deposits and investments available to the District. Deposits may be made in the New Hampshire Deposit Investment Pool (NHPDIP), in New Hampshire banks, or banks outside the State of New Hampshire if such banks pledge and deliver to a third-party custodial bank with various collateralized security, in accordance with RSA 383:22. NHDIP is under the control of the New Hampshire Banking Commission and Advisory Committee. Participation units of NHDIP are considered short-term for financial presentation purposes due to their high liquidity and are carried at amortized cost in accordance with Governmental Accounting Standards Board (GASB) Statement No. 79.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. As of June 30, 2023, none of the District's bank balance of \$6,283,422 was exposed to custodial credit risk as uninsured and/or uncollateralized.

NOTE 4 - DEPARTMENTAL AND OTHER RECEIVABLES

Departmental and other receivables at June 30, 2023 consisted of reimbursements for expenditures incurred in fiscal year 2023.

NOTE 5 - INTERGOVERNMENTAL RECEIVABLES

At June 30, 2023, this balance represents capital reserve funds held by the Trustees of the Trust Funds of the Town of Durham, New Hampshire, as well as amounts requested from federal and state agencies for expenditures incurred in fiscal year 2023.

NOTE 6 - INTERFUND 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 composition of interfund receivable and payable balances at June 30, 2023 was as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 673,721	\$ --
Capital Projects Fund	--	960,365
Nonmajor Governmental Funds:		
Special Revenue Funds	286,644	--
	\$ 960,365	\$ 960,365

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, being depreciated/amortized:				
Buildings and improvements	\$ 45,025,238	\$ 1,190,389	\$ --	\$ 46,215,627
Machinery, equipment, and furnishings	7,476,536	480,321	(20,520)	7,936,337
Right-to-use machinery, equipment, and furnishings	353,661	--	--	353,661
Total capital assets, being depreciated/amortized	52,855,435	1,670,710	(20,520)	54,505,625
Less accumulated depreciation/amortization for:				
Buildings and improvements	(13,323,367)	(1,426,800)	--	(14,750,167)
Machinery, equipment, and furnishings	(4,027,456)	(700,676)	20,520	(4,707,612)
Right-to-use machinery, equipment, and furnishings	(141,464)	(70,732)	--	(212,196)
Total accumulated depreciation/amortization	(17,492,287)	(2,198,208)	20,520	(19,669,975)
Total capital assets, being depreciated/amortized, net	35,363,148	(527,498)	--	34,835,650
Capital assets, not being depreciated:				
Construction in progress	45,203,623	2,866,715	--	48,070,338
Total capital assets, not being depreciated	45,203,623	2,866,715	--	48,070,338
Governmental activities capital assets, net	\$ 80,566,771	\$ 2,339,217	\$ --	\$ 82,905,988

Depreciation/amortization expense was charged to functions of the District as follows during fiscal year 2023:

Governmental Activities	
Instructional staff	\$ 1,078,210
School administration	9,119
Operation and maintenance	853,458
Student transportation	215,581
Other	41,840
Total governmental activities	\$ 2,198,208

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - DEFERRED OUTFLOWS OF RESOURCES

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

NOTE 9 - ACCRUED LIABILITIES

Accrued liabilities are comprised of accrued payroll and payroll related liabilities.

NOTE 10 - LEASE PAYABLE

The annual payments to retire the lease payable as of June 30, 2023 were as follows:

Year ended June 30, 2023

2024	\$	67,364
2025		<u>33,682</u>
	\$	<u><u>101,046</u></u>

NOTE 11 - LONG-TERM DEBT

GENERAL OBLIGATION BONDS AND LOANS

The District issues general obligation bonds (including direct placements) to provide funds for the acquisition and construction of major capital facilities. The District has also entered into loan agreements for the acquisition of vehicles and for building energy improvements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 - LONG-TERM DEBT (CONTINUED)

GENERAL OBLIGATION BONDS AND LOANS (CONTINUED)

General obligation bonds and loans outstanding as of June 30, 2023 were as follows:

	Original Issue	Date of Issuance	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/23
General Obligation Bonds					
Public offerings:					
New Middle School	\$ 23,041,800	7/14/2020	08/15/45	2.10-5.10%	\$ 23,041,800
New Middle School	22,513,950	7/14/2021	08/15/46	2.10-5.10%	<u>22,513,950</u>
Total public offerings					<u>45,555,750</u>
Direct placements:					
Field Track	1,500,000	6/22/2016	07/01/25	1.88%	<u>600,000</u>
Total direct placements					<u>600,000</u>
Total public offering and direct placements					<u>\$ 46,155,750</u>
Loans Payable					
Direct borrowings:					
Energy Improvement	\$ 3,602,240	5/8/2018	07/30/28	3.32%	\$ 2,245,226
2019 - 3 Buses	240,510	8/20/2019	08/20/23	3.69%	49,811
2020 - 2 Buses	181,566	7/15/2020	07/15/24	3.49%	73,808
2021 - 2 Buses	183,598	8/20/2021	08/20/25	3.50%	110,072
2022 - 2 Buses	200,500	8/5/2022	11/15/26	3.50%	<u>158,430</u>
Total loans payable					<u>\$ 2,637,347</u>

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 - LONG-TERM DEBT (CONTINUED)

FUTURE DEBT SERVICE

The annual payments to retire all general obligation bonds and loans outstanding as of June 30, 2023 were as follows:

	Bonds - Public Offerings		Bonds - Direct Placements	
	Principal	Interest	Principal	Interest
2024	\$ 646,800	\$ 1,430,931	\$ 150,000	\$ 11,125
2025	1,278,950	1,379,043	150,000	8,344
2026	1,340,000	1,309,479	150,000	5,563
2027	1,555,000	1,236,700	150,000	2,781
2028	1,330,000	1,160,351	--	--
2029 - 2033	8,605,000	4,582,348	--	--
2034 - 2038	10,315,000	2,869,387	--	--
2039 - 2043	11,600,000	1,580,380	--	--
2044 - 2047	8,885,000	343,162	--	--
Total	<u>\$ 45,555,750</u>	<u>\$ 15,891,781</u>	<u>\$ 600,000</u>	<u>\$ 27,813</u>

	Loans - Direct Borrowings		Total	
	Principal	Interest	Principal	Interest
2024	\$ 502,364	\$ 91,486	\$ 1,299,164	\$ 1,533,542
2025	468,473	73,708	1,897,423	1,461,095
2026	446,141	57,194	1,936,141	1,372,236
2027	422,610	41,436	2,127,610	1,280,917
2028	392,378	26,479	1,722,378	1,186,830
2029 - 2033	405,381	13,456	9,010,381	4,595,804
2034 - 2038	--	--	10,315,000	2,869,387
2039 - 2043	--	--	11,600,000	1,580,380
2044 - 2047	--	--	8,885,000	343,162
Total	<u>\$ 2,637,347</u>	<u>\$ 303,759</u>	<u>\$ 48,793,097</u>	<u>\$ 16,223,353</u>

The General Fund has been designated as the sole source to repay the governmental-type general obligation bonds and loans outstanding as of June 30, 2023.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 - LONG-TERM DEBT (CONTINUED)

CHANGES IN LONG-TERM LIABILITIES

During the year ended June 30, 2023, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
Bonds payable:						
Public offerings	\$ 46,575,750	\$ --	\$ (1,020,000)	\$ 45,555,750	\$ (646,800)	\$ 44,908,950
Direct placements	750,000	--	(150,000)	600,000	(150,000)	450,000
Loans payable (direct borrowings)	3,004,761	200,500	(567,914)	2,637,347	(502,364)	2,134,983
Unamortized premium	<u>4,213,654</u>	<u>--</u>	<u>(171,679)</u>	<u>4,041,975</u>	<u>(171,679)</u>	<u>3,870,296</u>
Subtotal	54,544,165	200,500	(1,909,593)	52,835,072	(1,470,843)	51,364,229
Lease payable liability	168,410	--	(67,364)	101,046	(67,364)	33,682
Compensated absences	1,452,336	--	(44,736)	1,407,600	(140,760)	1,266,840
Net pension liability	32,066,870	7,636,469	--	39,703,339	--	39,703,339
Net OPEB liability	<u>7,050,856</u>	<u>--</u>	<u>(341,231)</u>	<u>6,709,625</u>	<u>--</u>	<u>6,709,625</u>
	<u>\$ 95,282,637</u>	<u>\$ 7,836,969</u>	<u>\$ (2,362,924)</u>	<u>\$ 100,756,682</u>	<u>\$ (1,678,967)</u>	<u>\$ 99,077,715</u>

LONG-TERM DEBT SUPPORTING GOVERNMENTAL ACTIVITIES

Bonds and loans issued by the District for various projects are approved by the School Board and repaid with revenues recorded in the General Fund. All other long-term debt is repaid from the fund that the cost relates to, primarily the General Fund.

NOTE 12 - DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent the acquisition of net assets by the District that apply 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 are more fully described in the corresponding pension and OPEB notes.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 13 - GOVERNMENTAL FUNDS BALANCES

The District's fund balances at June 30, 2023 were comprised of the following:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable				
Prepaid expenditures	\$ 44,692	\$ --	\$ --	\$ 44,692
Total Nonspendable	<u>44,692</u>	<u>--</u>	<u>--</u>	<u>44,692</u>
Restricted				
Contributions to facility				
Grants and revolving funds	--	--	511,312	511,312
Student activity funds	--	--	344,445	344,445
New Middle School capital project	--	336,146	--	336,146
Total Restricted	<u>--</u>	<u>336,146</u>	<u>855,757</u>	<u>1,191,903</u>
Committed				
Capital reserves				
Facility Development Capital Reserve	245,323	--	--	245,323
Special Education Fund	508,882	--	--	508,882
Benefits Fund	453,735	--	--	453,735
Other	435,717	--	--	435,717
Contingency per RSA 198:4-b	900,000	--	--	900,000
Total Committed	<u>2,543,657</u>	<u>--</u>	<u>--</u>	<u>2,543,657</u>
Unassigned	<u>754,798</u>	<u>--</u>	<u>--</u>	<u>754,798</u>
Total Unassigned	<u>754,798</u>	<u>--</u>	<u>--</u>	<u>754,798</u>
Total Fund Balance	<u>\$ 3,343,147</u>	<u>\$ 336,146</u>	<u>\$ 855,757</u>	<u>\$ 4,535,050</u>

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 14 - RESTRICTED NET POSITION

The District's restricted net position at June 30, 2023 was comprised of the following:

Purpose	Governmental Activities
Student activity funds	\$ 344,445
School lunch	293,828
Middle school capital project	336,146
Miscellaneous grants and other	217,484
	\$ 1,191,903

NOTE 15 - NEW HAMPSHIRE 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).

PLAN DESCRIPTION

Full-time employees participate in the 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. NHRS provides 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 NHRS. 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.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 15 - NEW HAMPSHIRE RETIREMENT SYSTEM (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

The NHRS, 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 at www.nhrs.org.

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.

CONTRIBUTIONS

Plan members are required to contribute a percentage of their earnable compensation 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 13.75% to 19.48% of covered compensation. The District's contributions to NHRS for the year ended June 30, 2023 were \$4,007,724 which was equal to its annual required contribution.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2023, the District reported a liability of \$39,703,339 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. 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

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 15 - NEW HAMPSHIRE RETIREMENT SYSTEM (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

plan relative to the projected contributions of all participating employers, actuarially determined. At the most recent measurement date of June 30, 2022, the District's proportion was 0.69216221%, which was a decrease of 0.03138143% from its previous year proportion.

For the year ended June 30, 2023, the District recognized pension expense of \$4,253,098. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 745,161	\$ 152,415
Changes of assumptions	2,111,901	--
Differences between projected and actual earnings on pension plan investments	1,504,706	--
Changes in proportion and differences between contributions and proportionate share of contributions	734,573	1,340,055
Contributions subsequent to the measurement date	<u>4,211,561</u>	<u>--</u>
	<u>\$ 9,307,902</u>	<u>\$ 1,492,470</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year 2024.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 15 - NEW HAMPSHIRE RETIREMENT SYSTEM (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

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

Year ended June 30:

2024	\$ 1,423,773
2025	1,309,247
2026	(919,762)
2027	<u>1,790,613</u>
	<u>\$ 3,603,871</u>

ACTUARIAL ASSUMPTIONS

The total pension liability as of June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.00%
Wage inflation	2.75% per year (2.25% for Teachers)
Salary increases	5.40% average, including inflation
Investment rate of return	6.75%, net of plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 15 - NEW HAMPSHIRE RETIREMENT SYSTEM (CONTINUED)

TARGET ALLOCATIONS

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 following is a table presenting target allocations and geometric real rates of return for each asset class:

Asset Class	Target Allocation Percentage	Weighted Average Average Long- Term Expected Real Rate of Return
Broad US Equity	30.00 %	7.60%
Global Ex-US Equity	20.00	7.90%
Public Equity	50.00	
Real Estate Equity	10.00	6.60%
Private Equity	10.00	8.85%
Private Market Equity	20.00	
Core U.S. fixed income	25.00	3.60%
Total fixed income	25.00	
Private debt	5.00	7.25%
Total alternative investments	5.00	
Inflation	--	2.25%
	100.00 %	

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 15 - NEW HAMPSHIRE RETIREMENT SYSTEM (CONTINUED)

DISCOUNT RATE

The discount rate used to measure the total pension liability was 6.75%. 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.

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 6.75%, 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:

	Current Discount	
1%	Rate	1%
Decrease (5.75%)	(6.75%)	Increase (7.75%)
\$ 53,271,871	\$ 39,703,339	\$ 28,422,361

PENSION PLAN FIDUCIARY NET POSITION

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

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (GASB 75)

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This 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.

DISTRICT OPEB PLAN

All the following OPEB disclosures are based on a measurement date of June 30, 2023.

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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	20
Active employees	338
	<hr/>
	358
	<hr/> <hr/>

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (GASB 75) (CONTINUED)

DISTRICT OPEB PLAN (CONTINUED)

General Information about the OPEB Plan (Continued)

Funding Policy

The District'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 July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.50%
Discount rate	3.65%
Healthcare cost trend rates	7.50% for 2023, then decreasing to an ultimate rate of 4.54% until 2090
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 June 30, 2023.

Mortality rates were based on the Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 Teachers Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 Teachers Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021.

The actuarial assumptions used in the valuation for retirement and termination assumptions were updated to reflect the most recent tables from the New Hampshire Retirement System Comprehensive Annual Financial Report dated June 30, 2019. Morbidity assumptions were updated to use the Dale Yamamoto model published by the Society of Actuaries.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. 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.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (GASB 75) (CONTINUED)

DISTRICT OPEB PLAN (CONTINUED)

Total OPEB Liability

The District's total OPEB liability of \$4,096,297 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021.

Changes in the Total OPEB Liability

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

	<u>Total OPEB Liability</u>
Balance at beginning of year	\$ 4,181,707
Changes for the year:	
Service cost	193,672
Interest	148,406
Changes in assumptions or other inputs	(191,419)
Benefit payments	<u>(236,069)</u>
Net change	<u>(85,410)</u>
Balance at end of year	<u>\$ 4,096,297</u>

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

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (GASB 75) (CONTINUED)

DISTRICT OPEB PLAN (CONTINUED)

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 (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
\$ 4,330,889	\$ 4,096,297	\$ 3,868,328

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 (6.50%)	Current Healthcare Cost Trend (7.50%)	1% Increase (8.50%)
\$ 3,679,541	\$ 4,096,297	\$ 4,574,878

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

For the year ended June 30, 2023, the District recognized an OPEB expense of \$130,606. At June 30, 2023, the District reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 16,320	\$ 618,503
Change in assumptions	598,255	2,104,766
	<u>\$ 614,575</u>	<u>\$ 2,723,269</u>

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (GASB 75) (CONTINUED)

DISTRICT OPEB PLAN (CONTINUED)

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

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, 2023:

Year ended June 30:

2024	\$ (403,454)
2025	(524,899)
2026	(771,464)
2027	<u>(408,877)</u>
	<u>\$ (2,108,694)</u>

NEW HAMPSHIRE RETIREMENT SYSTEM MEDICAL SUBSIDY PLAN DESCRIPTION

General Information about the OPEB Plan

Plan Description

In addition to the OPEB plan discussed 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>.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (GASB 75) (CONTINUED)

NEW HAMPSHIRE RETIREMENT SYSTEM MEDICAL SUBSIDY PLAN DESCRIPTION (CONTINUED)

General Information about the OPEB Plan (Continued)

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 OPEB plan is closed to new entrants. 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 District contributed 0.31% of gross payroll for Group I employees and 1.54% 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

Actuarial assumptions are the same as the New Hampshire Retirement System footnote.

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, 2021 was \$2,613,328, representing 0.69156215%.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (GASB 75) (CONTINUED)

NEW HAMPSHIRE RETIREMENT SYSTEM MEDICAL SUBSIDY PLAN DESCRIPTION (CONTINUED)

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

For the year ended June 30, 2023, the District recognized an OPEB expense related to the NHRS Medical Subsidy of \$7,711. At June 30, 2023, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<hr/>	<hr/>
Contributions subsequent to the measurement date	\$ 305,064	\$ --
Net difference between projected and actual OPEB investment earnings	<hr/> 7,142	<hr/> --
	<hr/> <u>\$ 312,206</u>	<hr/> <u>\$ --</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, 2024.

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

<u>Year ended June 30:</u>	
2024	\$ 1,187
2025	308
2026	(2,810)
2027	<hr/> 8,457
	<hr/> <u>\$ 7,142</u>

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (GASB 75) (CONTINUED)

NEW HAMPSHIRE RETIREMENT SYSTEM MEDICAL SUBSIDY PLAN DESCRIPTION (CONTINUED)

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 (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
\$ 2,837,212	\$ 2,613,328	\$ 2,418,342

Healthcare Cost Trend Rate

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

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, 2023:

	Total Net OPEB Liability	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources	Total OPEB Expense
District OPEB Plan	\$ 4,096,297	\$ 614,575	\$ 2,723,269	\$ (130,606)
Proportionate share of NHRS Medical Subsidy Plan	<u>2,613,328</u>	<u>312,206</u>	<u>--</u>	<u>(7,711)</u>
	<u>\$ 6,709,625</u>	<u>\$ 926,781</u>	<u>\$ 2,723,269</u>	<u>\$ (138,317)</u>

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 17 - 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.

NOTE 18 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 12, 2023, which is the date the financial statements were available to be issued.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) – BUDGET AND ACTUAL – GENERAL FUND (Unaudited)

FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property taxes	\$ 45,300,158	\$ 45,300,158	\$ 45,300,157	\$ (1)
Tuition	3,250,000	3,250,000	3,249,457	(543)
Intergovernmental	1,093,608	1,093,608	1,131,573	37,965
Medicaid	100,000	100,000	130,497	30,497
Charges for services	3,000	3,000	8,024	5,024
Investment income	8,000	8,000	110,474	102,474
Other	30,000	30,000	259,614	229,614
Total Revenues	49,784,766	49,784,766	50,189,796	405,030
Expenditures				
Instruction	28,978,559	28,978,559	28,535,224	443,335
Student	4,872,126	4,872,126	4,799,933	72,193
Instructional staff	1,010,301	1,010,301	871,496	138,805
General administration	1,699,965	1,699,965	1,700,590	(625)
School administration	2,112,147	2,112,147	2,170,255	(58,108)
Business	635,683	635,683	741,167	(105,484)
Operation and maintenance	4,735,258	4,735,258	4,820,956	(85,698)
Student transportation	2,241,571	2,241,571	2,414,102	(172,531)
Support service, central and other	1,589,427	1,589,427	1,615,876	(26,449)
Debt service	2,644,370	2,644,370	2,644,409	(39)
Capital outlay	418,858	418,858	419,728	(870)
Total Expenditures	50,938,265	50,938,265	50,733,736	204,529
Excess (Deficiency) of Revenues over Expenditures	(1,153,499)	(1,153,499)	(543,940)	609,559
Other Financing Sources (Uses)				
Transfers out	(125,000)	(125,000)	(125,000)	--
Issuance of notes	--	--	200,500	200,500
Use of fund balance to reduce tax rate	1,278,499	1,278,499	1,278,499	--
Total Other Financing Sources (Uses)	1,153,499	1,153,499	1,353,999	200,500
Overall Budgetary Excess	\$ --	\$ --	\$ 810,059	\$ 810,059

See independent auditors' report and notes to required supplementary information.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR GENERAL FUND BUDGET

FOR THE YEAR ENDED JUNE 30, 2023

BUDGETARY BASIS

The General Fund final appropriation appearing on the previous page represents the final amended budget after all reserve fund transfers and supplemental appropriations.

BUDGET/GAAP RECONCILIATION

The budgetary data for the General Fund is based upon accounting principles that differ from 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, expenditures, and other financing sources (uses), to conform to the budgetary basis of accounting.

	Revenues	Expenditures	Other Financing Sources/Uses
GAAP Basis	\$ 50,278,360	\$ 50,842,707	\$ 200,500
To eliminate capital reserve activity	(86,226)	(11,052)	(125,000)
To record use of fund balance	--	--	1,278,499
Other GAAP adjustments	<u>(2,338)</u>	<u>(97,919)</u>	<u>--</u>
Budgetary Basis	<u>\$ 50,189,796</u>	<u>\$ 50,733,736</u>	<u>\$ 1,353,999</u>

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY *(Unaudited)*

New Hampshire Retirement System

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2023	June 30, 2022	0.69216229%	\$ 39,703,339	\$ 22,675,478	175.09%	65.12%
June 30, 2022	June 30, 2021	0.72354364%	\$ 32,066,870	\$ 21,534,072	148.91%	72.22%
June 30, 2021	June 30, 2020	0.71051541%	\$ 45,445,639	\$ 21,769,072	208.76%	58.72%
June 30, 2020	June 30, 2019	0.69276755%	\$ 33,333,582	\$ 20,720,880	160.87%	65.59%
June 30, 2019	June 30, 2018	0.70086645%	\$ 33,748,138	\$ 20,139,765	167.57%	64.73%
June 30, 2018	June 30, 2017	0.65124480%	\$ 32,028,173	\$ 19,772,974	161.98%	62.66%
June 30, 2017	June 30, 2016	0.62205870%	\$ 33,078,564	\$ 19,205,680	172.23%	58.30%
June 30, 2016	June 30, 2015	0.62481065%	\$ 24,752,043	\$ 17,963,642	137.79%	65.47%
June 30, 2015	June 30, 2014	0.61574181%	\$ 23,112,397	\$ 17,929,809	134.46%	66.32%

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

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

See independent auditors' report.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PENSION CONTRIBUTIONS

(Unaudited)

New Hampshire Retirement System

Fiscal Year	Measurement Date	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2023	June 30, 2022	\$ 4,007,724	\$ 4,007,724	\$ --	\$ 22,675,478	17.67%
June 30, 2022	June 30, 2021	\$ 3,324,150	\$ 3,324,150	\$ --	\$ 21,534,072	15.44%
June 30, 2021	June 30, 2020	\$ 3,307,608	\$ 3,307,608	\$ --	\$ 21,769,072	15.19%
June 30, 2020	June 30, 2019	\$ 3,146,225	\$ 3,146,225	\$ --	\$ 20,720,880	15.18%
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%

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

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

See independent auditors' report.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS (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	Covered Payroll	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, 2023	June 30, 2022	0.69156215%	\$ 2,613,328	\$ 22,675,478	11.52%	10.64%
June 30, 2022	June 30, 2021	0.71646897%	\$ 2,869,149	\$ 21,534,072	13.32%	11.06%
June 30, 2021	June 30, 2020	0.70332542%	\$ 3,078,519	\$ 20,720,880	14.86%	7.74%
June 30, 2020	June 30, 2019	0.63766395%	\$ 2,795,590	\$ 20,139,765	13.88%	7.75%
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	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
June 30, 2023	June 30, 2022	\$ 291,210	\$ 291,210	\$ --	\$ 22,675,478	1.28%
June 30, 2022	June 30, 2021	\$ 344,300	\$ 344,300	\$ --	\$ 21,534,072	1.60%
June 30, 2021	June 30, 2020	\$ 342,481	\$ 342,481	\$ --	\$ 21,769,072	1.57%
June 30, 2020	June 30, 2019	\$ 325,360	\$ 325,360	\$ --	\$ 20,720,880	1.57%
June 30, 2019	June 30, 2018	\$ 291,004	\$ 291,004	\$ --	\$ 20,139,765	1.44%
June 30, 2018	June 30, 2017	\$ 286,404	\$ 286,404	\$ --	\$ 19,772,974	1.45%
June 30, 2017	June 30, 2016	\$ 481,453	\$ 481,453	\$ --	\$ 19,205,680	2.51%

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

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

See independent auditors' report.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF CHANGES IN THE TOTAL OPEB LIABILITY

(Unaudited)

Oyster River Cooperative School District Plan *						
	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 193,672	\$ 194,688	\$ 462,918	\$ 452,909	\$ 287,147	\$ 294,513
Interest on unfunded liability - time value of money	148,406	140,208	166,924	156,766	173,379	196,582
Differences between expected and actual experience	--	(968,929)	--	55,412	(149,316)	(75,156)
Changes of assumptions	(191,419)	(3,063,593)	--	2,031,203	217,321	(586,970)
Benefit payments, including refunds of member contributions	<u>(236,069)</u>	<u>(227,762)</u>	<u>(151,710)</u>	<u>(148,430)</u>	<u>(146,165)</u>	<u>(89,545)</u>
Net Change in Total OPEB Liability	(85,410)	(3,925,388)	478,132	2,547,860	382,366	(260,576)
Total OPEB Liability - Beginning	<u>4,181,707</u>	<u>8,107,095</u>	<u>7,628,963</u>	<u>5,081,103</u>	<u>4,698,737</u>	<u>4,959,313</u>
Total OPEB Liability - Ending	<u>\$ 4,096,297</u>	<u>\$ 4,181,707</u>	<u>\$ 8,107,095</u>	<u>\$ 7,628,963</u>	<u>\$ 5,081,103</u>	<u>\$ 4,698,737</u>
Covered Employee Payroll	\$ 22,774,293	\$ 22,004,148	\$ 21,769,072	\$ 20,720,880	\$ 20,139,765	\$ 19,772,974
Contributions as a Percentage of Covered Employee Payroll	17.99%	19.00%	37.24%	36.82%	25.23%	23.76%

* Does not include New Hampshire Retirement System Medical Subsidy.

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