

**AMHERST SCHOOL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2017**

**AMHERST SCHOOL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
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# PLODZIK & SANDERSON

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## ***INDEPENDENT AUDITOR'S REPORT***

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

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Amherst School District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of the Amherst School District as of June 30, 2017, and the respective changes in financial position, and the respective budgetary comparison for the general and grants funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

**Required Supplementary Information** – Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Funding Progress for Other Postemployment Benefit Plan, Schedule of the School District's Proportionate Share of Net Pension Liability, and Schedule of the School District Contributions 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

*Amherst School District  
Independent Auditor's Report*

basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

The combining and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

December 20, 2017

*Plodzik & Sanderson  
Professional Association*

**Amherst School District**  
**Management's Discussion and Analysis (MD&A)**  
**Of the Annual Financial Report for the Year Ended June 30, 2017**

## **INTRODUCTION**

The Superintendent of Schools and Business Administrator of New Hampshire School Administrative Unit (SAU) #39, as management of the Amherst School District (the District), offer this Management's Discussion and Analysis of the financial activities of the District for the fiscal year which ended June 30, 2017. Readers are encouraged to consider the information presented here in conjunction with additional information found within the body of the annual financial statements.

## **FINANCIAL HIGHLIGHTS**

- The District's total net position of (\$14,253,937) on June 30, 2017, consisted of \$5,371,009 in capital assets net of debt- an increase of \$306,920, \$40,612 restricted for use in the Food Service fund, \$31 restricted for use in the Capital Projects fund, and (\$19,665,679) unrestricted net position balance- a decrease of \$1,030,260. This was a decrease in Total Net Position of \$682,728 from the previous fiscal year. See Note 10
- Governmental funds reported combined ending fund balances of \$339,639, a decrease of \$77,526 from the previous fiscal year. General Governmental Funds, which include the General fund and Trust Funds show an ending fund balance of \$298,996, a decrease of \$118,138, and Nonmajor Governmental Funds, which includes the Food Service Fund, shows an ending balance of \$40,643, an increase of \$40,612 from the previous fiscal year. See Note 11
- The District's non-current portion of long-term obligations of \$27,887,025 consists of \$3,235,000 in bonds and \$129,703 in unamortized bond premiums, \$1,805,919 in compensated absences, \$920,160 in other postemployment benefits, and \$21,796,243 in net pension liability. These liabilities are reflected as a reduction in net position. See Note 7

## **OVERVIEW OF FINANCIAL STATEMENTS**

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

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

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. This statement of net position includes debt and contractual obligations as elements of the liabilities of the District.

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 result in cash flows only in future fiscal periods. Growth in net position over time can generally be expected to reflect improving financial condition, while decline would indicate weakening financial condition.

**Fund Financial Statements.** The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes or to show that the District is meeting legal responsibilities for using certain revenues. The District has two kinds of funds:

- Governmental funds – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. The governmental funds statements provide a detailed short-term view that helps one to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided with the governmental funds statements explaining the relationship (or differences) between them.
- Fiduciary funds – The District is the trustee, or fiduciary, for assets that belong to others; student activities funds and private-purpose trust funds are fiduciary funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate *Statement of Net Position* (Exhibit E). These activities are excluded from the district-wide financial statements because the District cannot use the assets to finance its operations.

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

## NET POSITION

The District's negative net position is due to the following: As of June 30, 2016, the School District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires the School District to report their proportionate share of the New Hampshire Retirement System's net pension liability based upon their plan contributions for the year. The New Hampshire Retirement System has a statutory funding schedule whose goal is to reach 100% plan funding by June 30, 2039.

Change in net position for fiscal year 2017 compared to fiscal year 2016:

### Statement of Net Position

	<u>2017</u>	<u>2016</u> (as restated)
Current and Other Assets	\$694,524	\$801,821
Capital Assets	<u>\$8,735,802</u>	<u>\$8,837,026</u>
Total Assets	\$9,430,326	\$9,638,847
 Deferred Outflows of Resources	 \$5,571,867	 \$2,510,186
 Current Liabilities	 \$399,500	 \$423,905
Other Liabilities	<u>\$27,887,025</u>	<u>\$22,515,055</u>
Total Liabilities	\$28,286,525	\$22,938,960
 Deferred Inflows of Resources	 \$969,605	 \$2,781,282
 Net Position:		
Net Investment in Capital Assets	\$5,371,099	\$5,064,179
Restricted	\$40,643	\$31
Unrestricted	<u>(\$19,665,679)</u>	<u>(\$18,635,419)</u>
Total Net Position	<u><u>(\$14,253,937)</u></u>	<u><u>(\$13,571,209)</u></u>

See Note 12 for prior period restatement

## Summary of Changes in Net Position

	<u>2017</u>	<u>2016</u> (as restated)
<b>Revenues:</b>		
Program Revenue:		
Charges for Services	\$1,371,219	\$1,583,314
Operating Grants and Contributions	\$997,195	\$875,756
Capital Grants and Contributions	\$143,916	\$143,916
General Revenue:		
School District Assessment	\$17,399,384	\$16,614,254
Unrestricted Grants and Contributions	\$4,389,437	\$4,394,276
Unrestricted Investment Income	\$5,897	\$10,632
Miscellaneous	\$7,992	\$28,824
Total Revenues	<u>\$24,315,040</u>	<u>\$23,650,972</u>
<b>Expenses:</b>		
Instruction	\$15,222,087	\$14,531,324
Support Services: Student	\$2,920,636	\$2,864,773
Support Services: Instructional Staff	\$742,565	\$506,336
Administration & Business	\$2,589,014	\$2,525,359
Operation and Maintenance of Plant	\$1,752,171	\$1,649,258
Student Transportation	\$857,402	\$1,013,502
Other	\$410,298	\$397,748
Debt Service	\$117,530	\$133,462
Food Service	\$386,065	\$420,260
Total Expenses	<u>\$24,997,768</u>	<u>\$24,042,022</u>
Change in Net Position	(\$682,728)	(\$391,050)
Net Position, beginning	<u>(\$13,571,209)</u>	<u>(\$13,180,159)</u>
Net Position, ending	<u><u>(\$14,253,937)</u></u>	<u><u>(\$13,571,209)</u></u>

See Note 12 for prior period restatement

**Changes in Net Position.** The District's total revenue was \$24,315,040 with the total expenses \$24,997,768 results in a decrease of net position of (\$682,728). The majority of the District's revenue (71.6%) came from the local tax. The majority of the District's expenses (60.9%) were for instruction.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

On June 30, 2017, the District reported capital assets of \$8,735,802 (net of accumulated depreciation), which consists of a broad range of capital assets, including buildings improvements, and machinery, equipment & furniture. More detailed information about the District's capital assets is presented in the notes to the financial statements. See Note 1-F and Note 5



**Long-Term Debt**

The District showed a decrease in general obligation bonds of \$390,000 due to scheduled payments made on existing debt and a decrease of \$18,144 due to amortization of the related bond premium. Compensated absences had a net increase in potential future payments of \$64,781. The liabilities for other post-employment benefits and net pension had a net increase in potential future payments of \$156,819 and \$5,558,514, respectively. More detailed information about the District's long term liabilities is presented in the notes to the financial statements. See Note 7

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact Peter Warburton, Superintendent, or Adam Steel, Business Administrator, at (603) 673-2690 or by mail at:

Amherst School District  
ATTN: Business Office  
PO Box 849  
Amherst, NH 03031

## ***BASIC FINANCIAL STATEMENTS***

**EXHIBIT A**  
**AMHERST SCHOOL DISTRICT**  
*Statement of Net Position*  
*June 30, 2017*

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 158,773
Intergovernmental receivable	532,047
Other receivables	3,704
Capital assets, not being depreciated	850,170
Capital assets, net of accumulated depreciation	7,885,632
Total assets	<u>9,430,326</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Amounts related to pensions	<u>5,571,867</u>
<b>LIABILITIES</b>	
Accounts payable	234,694
Intergovernmental payable	39,346
Accrued interest payable	52,546
Accrued salaries and benefits	72,914
Noncurrent obligations:	
Due within one year	554,025
Due in more than one year	27,333,000
Total liabilities	<u>28,286,525</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue	7,931
Amounts related to pensions	961,674
Total deferred inflows of resources	<u>969,605</u>
<b>NET POSITION</b>	
Net investment in capital assets	5,371,099
Restricted	40,643
Unrestricted	<u>(19,665,679)</u>
Total net position	<u>\$ (14,253,937)</u>

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

**EXHIBIT B**  
**AMHERST SCHOOL DISTRICT**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2017

		Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
	Expenses				
Governmental activities:					
Instruction	\$ 15,222,087	\$ 1,022,197	\$ 813,053	\$ -	\$ (13,386,837)
Support services:					
Student	2,920,636	-	22,367	-	(2,898,269)
Instructional staff	742,565	-	73,102	-	(669,463)
General administration	94,000	-	200	-	(93,800)
Executive administration	1,133,183	-	-	-	(1,133,183)
School administration	1,348,835	-	-	-	(1,348,835)
Business	12,996	-	12,500	-	(496)
Operation and maintenance of plant	1,752,171	-	-	-	(1,752,171)
Student transportation	857,402	-	-	-	(857,402)
Other	410,298	-	806	-	(409,492)
Noninstructional services	386,065	349,022	75,167	-	38,124
Interest on long-term debt	117,530	-	-	143,916	26,386
Total governmental activities	<u>\$ 24,997,768</u>	<u>\$ 1,371,219</u>	<u>\$ 997,195</u>	<u>\$ 143,916</u>	<u>(22,485,438)</u>
General revenues:					
School district assessment					17,399,384
Grants and contributions not restricted to specific programs					4,389,437
Interest					5,897
Miscellaneous					7,992
Total general revenues					<u>21,802,710</u>
Change in net position					(682,728)
Net position, beginning, as restated (see Note 12)					<u>(13,571,209)</u>
Net position, ending					<u>\$ (14,253,937)</u>

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

**EXHIBIT C-1**  
**AMHERST SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2017**

	General	Grants	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 158,742	\$ -	\$ 31	\$ 158,773
Receivables:				
Accounts	3,698	-	6	3,704
Intergovernmental	453,079	65,751	13,217	532,047
Interfund receivables	11,915	-	52,408	64,323
Total assets	<u>\$ 627,434</u>	<u>\$ 65,751</u>	<u>\$ 65,662</u>	<u>\$ 758,847</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 215,270	\$ -	\$ 19,424	\$ 234,694
Accrued salaries and benefits	72,914	-	-	72,914
Intergovernmental payable	33,751	-	5,595	39,346
Interfund payable	-	64,323	-	64,323
Total liabilities	<u>321,935</u>	<u>64,323</u>	<u>25,019</u>	<u>411,277</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	<u>6,503</u>	<u>1,428</u>	<u>-</u>	<u>7,931</u>
<b>FUND BALANCES</b>				
Restricted	-	-	40,643	40,643
Committed	248,699	-	-	248,699
Unassigned	50,297	-	-	50,297
Total fund balances	<u>298,996</u>	<u>-</u>	<u>40,643</u>	<u>339,639</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 627,434</u>	<u>\$ 65,751</u>	<u>\$ 65,662</u>	<u>\$ 758,847</u>

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

*EXHIBIT C-2*  
*AMHERST SCHOOL DISTRICT*  
*Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position*  
*June 30, 2017*

Total fund balances of governmental funds (Exhibit C-1)		\$ 339,639
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds.		
Cost	\$ 16,772,120	
Less accumulated depreciation	<u>(8,036,318)</u>	8,735,802
Certain items are not current financial resources in the governmental funds, but instead are reported in the Statement of Net Position.		
Deferred outflows of resources related to pensions	\$ 5,571,867	
Deferred inflows of resources related to pensions	<u>(961,674)</u>	4,610,193
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (64,323)	
Payables	<u>64,323</u>	-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(52,546)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds.		
Bonds	\$ 3,235,000	
Unamortized bond premium	129,703	
Compensated absences	1,805,919	
Other postemployment benefits	920,160	
Net pension liability	<u>21,796,243</u>	(27,887,025)
Net position of governmental activities (Exhibit A)		<u><u>\$ (14,253,937)</u></u>

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

**EXHIBIT C-3**  
**AMHERST SCHOOL DISTRICT**  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*For the Fiscal Year Ended June 30, 2017*

	General	Grants	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
School district assessment	\$ 17,399,384	\$ -	\$ -	\$ 17,399,384
Other local	1,036,086	1,777	349,714	1,387,577
State	4,830,475	-	3,604	4,834,079
Federal	245,925	377,204	70,871	694,000
Total revenues	<u>23,511,870</u>	<u>378,981</u>	<u>424,189</u>	<u>24,315,040</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	14,376,176	270,006	-	14,646,182
Support services:				
Student	2,801,224	22,367	-	2,823,591
Instructional staff	642,719	73,102	-	715,821
General administration	93,800	200	-	94,000
Executive administration	1,133,183	-	-	1,133,183
School administration	1,288,909	-	-	1,288,909
Business	496	12,500	-	12,996
Operation and maintenance of plant	1,503,869	-	-	1,503,869
Student transportation	857,402	-	-	857,402
Other	399,967	806	-	400,773
Noninstructional services	-	-	383,577	383,577
Debt service:				
Principal	390,000	-	-	390,000
Interest	142,263	-	-	142,263
Total expenditures	<u>23,630,008</u>	<u>378,981</u>	<u>383,577</u>	<u>24,392,566</u>
Net change in fund balances	(118,138)	-	40,612	(77,526)
Fund balances, beginning	417,134	-	31	417,165
Fund balances, ending	<u>\$ 298,996</u>	<u>\$ -</u>	<u>\$ 40,643</u>	<u>\$ 339,639</u>

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

**EXHIBIT C-4**  
**AMHERST SCHOOL DISTRICT**  
*Reconciliation of the Statement of Revenues, Expenditures, and*  
*Changes in Fund Balances of Governmental Funds to the Statement of Activities*  
*For the Fiscal Year Ended June 30, 2017*

Net change in fund balances of total governmental funds (Exhibit C-3)		\$ (77,526)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. In the Statement of Activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capitalized capital outlay in the current period.		
Capitalized capital outlay	\$ 376,846	
Depreciation expense	<u>(478,070)</u>	
		(101,224)
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 current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Principal repayment of bond	\$ 390,000	
Amortization of bond premium	<u>18,144</u>	
		408,144
Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ 6,589	
Increase in compensated absences payable	(64,781)	
Increase in other postemployment benefits	(156,819)	
Increase in net pension liability and deferred outflows and inflows of resources related to pensions	<u>(697,111)</u>	
		(912,122)
Change in net position of governmental activities (Exhibit B)		<u><u>\$ (682,728)</u></u>

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



**EXHIBIT D-1**  
**AMHERST SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
<b>REVENUES</b>				
School district assessment	\$ 17,399,384	\$ 17,399,384	\$ 17,399,384	\$ -
Other local	1,210,000	1,210,889	1,035,255	(175,634)
State	4,779,442	4,779,442	4,830,475	51,033
Federal	200,000	200,000	245,925	45,925
Total revenues	<u>23,588,826</u>	<u>23,589,715</u>	<u>23,511,039</u>	<u>(78,676)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	14,586,502	14,418,117	14,376,176	41,941
Support services:				
Student	2,952,641	2,789,598	2,801,224	(11,626)
Instructional staff	451,887	659,786	642,719	17,067
General administration	86,568	99,368	93,800	5,568
Executive administration	1,133,183	1,133,183	1,133,183	-
School administration	1,322,802	1,310,002	1,288,909	21,093
Business	900	900	496	404
Operation and maintenance of plant	1,443,080	1,490,779	1,503,869	(13,090)
Student transportation	861,215	967,415	857,402	110,013
Other	415,082	407,601	399,967	7,634
Debt service:				
Principal	390,000	390,000	390,000	-
Interest	142,264	142,264	142,263	1
Facilities acquisition and construction	12,000	-	-	-
Total expenditures	<u>23,798,124</u>	<u>23,809,013</u>	<u>23,630,008</u>	<u>179,005</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(209,298)</u>	<u>(219,298)</u>	<u>(118,969)</u>	<u>100,329</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	31	31	-	(31)
Transfers out	(60,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	<u>(59,969)</u>	<u>(49,969)</u>	<u>(50,000)</u>	<u>(31)</u>
Net change in fund balance	<u>\$ (269,267)</u>	<u>\$ (269,267)</u>	<u>(168,969)</u>	<u>\$ 100,298</u>
Unassigned fund balance, beginning			219,266	
Unassigned fund balance, ending			<u>\$ 50,297</u>	

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

**EXHIBIT D-2**  
**AMHERST SCHOOL DISTRICT**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual (GAAP Basis)*  
**Grants Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
<b>REVENUES</b>				
Local	\$ 3,000	\$ 3,205	\$ 1,777	\$ (1,428)
Federal	318,000	457,332	377,204	(80,128)
Total revenues	<u>321,000</u>	<u>460,537</u>	<u>378,981</u>	<u>(81,556)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	270,000	333,303	270,006	63,297
Support services:				
Student	-	31,024	22,367	8,657
Instructional staff	51,000	79,703	73,102	6,601
General administration	-	200	200	-
Business	-	12,500	12,500	-
Other	-	3,807	806	3,001
Total expenditures	<u>321,000</u>	<u>460,537</u>	<u>378,981</u>	<u>81,556</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning			-	
Fund balance, ending			<u>\$ -</u>	

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

*EXHIBIT E*  
*AMHERST SCHOOL DISTRICT*  
*Fiduciary Funds*  
*Statement of Net Position*  
*June 30, 2017*

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	<u>Agency</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 123,124</u>
<b>LIABILITIES</b>	
Due to student groups	<u>\$ 123,124</u>

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

**AMHERST SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2017**

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**AMHERST SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Amherst School District, in Amherst, New Hampshire (the School District), have been prepared in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

***1-A Reporting Entity***

The Amherst School District is a municipal corporation governed by an elected 5-member School Board. In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The School District has no component units to include in its reporting entity.

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

***1-B Government-wide and Fund Financial Statements***

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

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

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

***Fund Financial Statements*** - Separate financial statements are provided for governmental funds 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.

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

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

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

***Measurement Focus and Basis of Accounting*** - The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements, except for agency funds which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**AMHERST SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement based grants, which use a period of one year. District assessments, intergovernmental revenue, and other local sources associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

The School District reports the following major governmental funds:

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

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

**Fiduciary Fund Financial Statements** – Fiduciary fund financial statements include a Statement of Net Position. These funds account for resources held by the School District for the benefit of other parties. Fiduciary funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting.

**Nonmajor Funds** – The School District also reports two nonmajor governmental funds. All the governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements.

**1-D Cash and Cash Equivalents**

The School District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits and savings accounts.

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

**1-E Receivables**

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

**1-F Capital Assets**

Capital assets are defined by the School District as assets with an initial individual cost of \$5,000 or more and an estimated life in excess of 5 years. Capital assets include property, plant, and equipment and are reported in governmental activities.

**AMHERST SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**JUNE 30, 2017**

The accounting and reporting treatment applied to capital assets associated with a fund are determined by the fund's measurement focus. General capital assets are assets of the School District as a whole. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the governmental activities column of the government-wide Statement of Net Position. When cost of general capital assets cannot be determined from available records, estimated historical cost is used.

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend lives are not capitalized.

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

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

	<u>Years</u>
Land improvements	20
Buildings and building improvements	10-40
Machinery, equipment, and vehicles	5-20
Books	5-7

***1-G Interfund Activities***

Interfund activities are reported as follows:

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

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

***1-H Accounts Payable***

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of June 30, 2017.

***1-I Deferred Outflows/Inflows of Resources***

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

*Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

***1-J 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. Bond premiums are deferred and amortized over the life of the bond using the straight-line method. Bonds payable are reported net of the applicable bond premium. In the fund financial statements, governmental fund types report bond premiums during the current period.

**AMHERST SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**JUNE 30, 2017**

***1-K Compensated Absences***

The School District's policy allows certain employees to earn varying amounts of vacation and sick pay based on the employee's length of employment. Upon retirement or termination of employment, employees are paid in full for any accrued leave earned as set forth by personnel policy.

An expense and a liability for vacation, sick pay, and salary-related payments are accrued as the leave is earned in the government-wide financial statements. The compensated absences liability is liquidated using funds to which the liability accrued as the accumulated leave is used.

***1-L Defined Benefit Pension Plan***

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

The schedules are prepared by New Hampshire Retirement System, and are audited by the plan's independent auditors.

***1-M Net Position/Fund Balances***

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

**Net Investment in Capital Assets** – This classification includes the School District's capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted Net Position** – This classification includes assets that have third-party (statutory, bond covenant, or granting agency) limitation on their use. The School District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

**Unrestricted Net Position** – This classification typically includes unrestricted liquid assets.

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

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

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

**Unassigned** – This classification is the portion of fund balance that has not been restricted, committed, or assigned for a specific purpose.

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



**AMHERST SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2017**

***1-N Use of Estimates***

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

***NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY***

***2-A Budgetary Information***

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the School District's operations. At its annual meeting, the School District adopts a budget for the current year for the general, and grants funds, as well as the nonmajor food service fund. Except as reconciled below, the budget was adopted on a basis consistent with United States generally accepted accounting principles.

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

State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2017, \$269,267 of the beginning general fund unassigned fund balance was applied for this purpose.

***2-B Budgetary Reconciliation to GAAP Basis***

The School District employs certain accounting principles for budgetary reporting purposes that differ from a GAAP basis. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis presents the actual results to provide a comparison with the budget.

The following reconciles the general fund budgetary basis to the GAAP basis:

Revenues:	
Per Exhibit D-1 (budgetary basis)	\$ 23,511,039
Adjustments:	
Basis difference:	
GASB Statement No. 54:	
Interest earnings related to the blended expendable trust funds	831
Per Exhibit C-3 (GAAP Basis)	<u>\$ 23,511,870</u>
Expenditures and other financing uses:	
Per Exhibit D-1 (budgetary basis)	\$ 23,680,008
Adjustments:	
Basis difference:	
GASB Statement No. 54:	
Expenditures of the blended expendable trust funds	(50,000)
Per Exhibit C-3 (GAAP basis)	<u>\$ 23,630,008</u>

**AMHERST SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2017**

**DETAILED NOTES ON ALL FUNDS**

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The School District's deposits are covered by federal depository insurance (FDIC) or by collateral held by the School District's agent in the School District's name. The FDIC currently insures the first \$250,000 of the School District's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by collateral. As of year-end, the carrying amount of the School District's deposits was \$281,896 and the bank balances totaled \$1,226,813.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 158,773
Cash per Statement of Net Position - Fiduciary Funds (Exhibit E-1)	123,124
Total cash and cash equivalents	<u>\$ 281,897</u>

**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2017, consisted of accounts and intergovernmental amounts arising from grants, school lunch programs, and school tuition. Receivables are recorded on the School District's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017 consisted of the following:

	<u>Balance, beginning</u>	<u>Additions</u>	<u>Balance, ending</u>
At cost:			
Not being depreciated:			
Land	\$ 850,170	\$ -	\$ 850,170
Being depreciated:			
Land improvements	591,567	-	591,567
Buildings and building improvements	14,071,462	142,114	14,213,576
Machinery, equipment, and vehicles	412,491	234,732	647,223
Books	469,584	-	469,584
Total capital assets being depreciated	<u>15,545,104</u>	<u>376,846</u>	<u>15,921,950</u>
Total capital assets	<u>16,395,274</u>	<u>376,846</u>	<u>16,772,120</u>
Less accumulated depreciation:			
Land improvements	(255,420)	(29,579)	(284,999)
Buildings and building improvements	(6,653,930)	(343,794)	(6,997,724)
Machinery, equipment, and vehicles	(220,493)	(70,253)	(290,746)
Books	(428,405)	(34,444)	(462,849)
Total accumulated depreciation	<u>(7,558,248)</u>	<u>(478,070)</u>	<u>(8,036,318)</u>
Net book value, capital assets being depreciated	<u>7,986,856</u>	<u>(101,224)</u>	<u>7,885,632</u>
Net book value, all capital assets	<u>\$ 8,837,026</u>	<u>\$ (101,224)</u>	<u>\$ 8,735,802</u>

**AMHERST SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2017**

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

Instruction	\$ 86,385
Support services:	
Instructional staff	2,976
School administration	20,472
Operation and maintenance of plant	367,639
Noninstructional services	598
Total depreciation expense	<u>\$ 478,070</u>

**NOTE 6 – INTERFUND BALANCES**

Interfund receivable and payable balances consisting of budgetary transfers at June 30, 2017 are as follows:

Receivable Fund	Payable Fund	Amount
General	Grants	\$ 11,915
Nonmajor	Grants	52,408
		<u>\$ 64,323</u>

**NOTE 7 – LONG-TERM LIABILITIES**

Changes in the School District's long-term liabilities consisted of the following for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 3,625,000	\$ -	\$ (390,000)	\$ 3,235,000	\$ 385,000
Premium	147,847	-	(18,144)	129,703	18,144
Total bonds payable	3,772,847	-	(408,144)	3,364,703	403,144
Compensated absences	1,741,137	64,781	-	1,805,919	150,881
Net other postemployment benefits	763,341	156,819	-	920,160	-
Pension related liability	16,237,729	5,558,514	-	21,796,243	-
Total long-term liabilities	<u>\$ 22,515,054</u>	<u>\$ 5,780,114</u>	<u>\$ (408,144)</u>	<u>\$ 27,887,025</u>	<u>\$ 554,025</u>

Long-term bonds are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate	Outstanding at June 30, 2017
General obligation bonds payable:					
School renovations	\$ 3,883,620	2008	2029	4.24%	\$ 2,325,000
AMS renovations	\$ 1,717,000	2011	2022	1.62%	910,000
					<u>\$ 3,235,000</u>

**AMHERST SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2017**

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2017, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ 385,000	\$ 126,250	\$ 511,250
2019	380,000	110,388	490,388
2020	375,000	94,019	469,019
2021	375,000	78,822	453,822
2022	370,000	65,453	435,453
2023-2027	970,000	190,059	1,160,059
2028-2029	380,000	17,100	397,100
Totals	<u>\$ 3,235,000</u>	<u>\$ 682,091</u>	<u>\$ 3,917,091</u>

**NOTE 8 – DEFINED BENEFIT PENSION PLAN**

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

**Benefits Provided:** The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II. All assets are held in a single trust and available to pay retirement benefits to all members. Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is 1/60 or 1.667% of average final compensation (AFC) multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at 1/66 or 1.515% of AFC multiplied by years of creditable service.

Group II members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have nonvested status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the member attains 52.5 years of age by  $\frac{1}{4}$  of 1% or age 60.

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

**Contributions:** The System is financed by contributions from both the employees and the School District. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees are required to contribute 7% of earnable compensation. For fiscal year 2017, the School District contributed 15.67% for teachers and 11.17% for other employees. The contribution requirements for the fiscal years 2015, 2016, and 2017 were \$1,593,974, \$1,764,330, and \$1,756,095, respectively, which were paid in full in each year.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions:** At June 30, 2017, the School District reported a liability of \$21,796,243 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was

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determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2016, the School District's proportion was .40988908% which was an increase of .00000349% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School District recognized pension expense of \$2,162,182. At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 116	\$ 686,442
Net difference between projected and actual investment earnings on pension plan investments	1,363,685	-
Changes in assumptions	2,682,425	-
Differences between expected and actual experience	60,572	275,232
Contributions subsequent to the measurement date	1,465,069	-
Total	<u>\$ 5,571,867</u>	<u>\$ 961,674</u>

The \$1,465,069 reported as deferred outflows of resources related to pensions results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2017	\$ 509,866
2018	509,866
2019	1,069,674
2020	1,005,232
2021	50,486
Totals	<u>\$ 3,145,124</u>

**Actuarial Assumptions:** The collective total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2015, using the following actuarial assumptions which, accordingly apply to 2016 measurements:

Inflation:	2.5%
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 last experience study.

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

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

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Following is a table presenting target allocations and long-term rates of return for 2016:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return <u>2016</u>
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%	4.75%
Emerging Int'l Equities	7.00%	6.25%
Total international equity	20.00%	
Core Bonds	5.00%	0.64%
Short Duration	2.00%	(0.25%)
Global Multi-Sector Fixed Income	11.00%	1.71%
Absolute Return Fixed Income	7.00%	1.08%
Total fixed income	25.00%	
Private equity	5.00%	6.25%
Private debt	5.00%	4.75%
Opportunistic	5.00%	3.68%
Total alternative investments	15.00%	
Real estate	10.00%	3.25%
Total	100.00%	

**Discount Rate:** The discount rate used to measure the collective total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan's actuarial funding policy as required by RSA 100-A:16. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Pension Plan investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:** The following table presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.25% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

Actuarial Valuation Date	1% Decrease 6.25%	Current Single Rate Assumption 7.25%	1% Increase 8.25%
June 30, 2016	\$ 28,006,687	\$ 21,796,243	\$ 16,645,663

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

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description and Annual OPEB Cost -** The School District provides postemployment benefit options for health care to eligible retirees, terminated employees, and their dependents in accordance with the provision of various employment contracts. The benefit levels, employee contributions, and employer contributions are governed by the School District's contractual agreements.

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GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* requires that the long-term cost of retirement health care and obligations for other postemployment benefits (OPEB) be determined on an actuarial basis and reported similar to pension plans. GASB Statement No. 45 does not mandate the pre-funding of postemployment benefit liabilities. However, any pre-funding of these benefits will help minimize or eliminate the postemployment benefit obligation that will be required to be reported on the financial statements.

The School District has only partially funded (on a pay-as-you-go basis) the annual required contribution (ARC), an actuarially determined rate in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table presents the OPEB cost for the year, the amount contributed and changes in the OPEB plan for fiscal year 2017:

Annual required contribution/OPEB cost	\$ 214,017
Interest on net OPEB obligation	30,534
Adjustment to annual required contribution	<u>(43,287)</u>
Annual OPEB cost (expense)	201,264
Contributions made	<u>(44,445)</u>
Increase in net OPEB obligation	156,819
Net OPEB obligation - beginning of year	<u>763,341</u>
Net OPEB obligation - end of year	<u><u>\$ 920,160</u></u>

The School District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2017 and the four preceding years were as follows:

Fiscal Year Ended	Annual OPEB Contribution Cost	Expected Contributions (pay-as-you-go)	Percentage Contributed	Net OPEB Obligation
June 30, 2017	\$ 201,264	\$ 44,445	22.08%	\$ 920,160
June 30, 2016	\$ 207,874	\$ 12,292	5.91%	\$ 763,341
June 30, 2015	\$ 210,939	\$ 17,819	8.45%	\$ 567,759
June 30, 2014	\$ 140,045	\$ 61,349	43.81%	\$ 374,639
June 30, 2013	\$ 134,100	\$ 45,726	34.10%	\$ 295,943

As of July 1, 2016, the date of the most recent actuarial valuation, the actuarial accrued liability (AAL) for benefits was \$2,051,972, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,051,972. The covered payroll (annual payroll of active employees covered by the plan) was \$8,967,460 during fiscal year 2017, and the ratio of the UAAL to the covered payroll was 22.88%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for Other Postemployment Benefits Plan, presented as required supplementary information following the notes to the financial statements, is designed to present multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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In the July 1, 2016 actuarial valuation, the actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return per annum. The projected annual healthcare cost trend is 12.2% initially, reduced by decrements to an ultimate rate of 5.0% for years 2018 and later. The UAAL is being amortized as a level dollar amount over an open basis. The remaining amortization period at June 30, 2017 was 29 years.

**NOTE 10 – GOVERNMENTAL ACTIVITIES NET POSITION**

Governmental activities net position reported on the government-wide Statement of Net Position at June 30, 2017 include the following:

Net investment in capital assets:	
Net book value of all capital assets	\$ 8,735,802
Less:	
General obligation bonds payable	(3,235,000)
Unamortized bond premiums	(129,703)
Total net investment in capital assets	<u>5,371,099</u>
Restricted for capital projects	
Capital projects	31
Food service	40,612
Total restricted	<u>40,643</u>
Unrestricted	<u>(19,665,679)</u>
Total net position	<u><u>\$ (14,253,937)</u></u>

**NOTE 11 – GOVERNMENTAL FUND BALANCES**

Governmental fund balances at June 30, 2017 consist of the following:

<b>Restricted:</b>		
Nonmajor fund:		
Capital project	\$ 31	
Food service	40,612	
Total restricted fund balance		40,643
<b>Committed:</b>		
Major fund:		
General:		
Expendable trust	\$ 198,699	
Voted appropriation - March 2017	50,000	
Total committed fund balance		248,699
<b>Unassigned general</b>		50,297
Total governmental fund balances		<u><u>\$ 339,639</u></u>

**NOTE 12 – PRIOR PERIOD ADJUSTMENT**

Net position at July 1, 2016 was restated for the following:

	Government-wide Statements
To adjust prior deferred outflows of resources related to pension expense to actual	\$ (296,603)
Net position, as previously reported	<u>(13,274,606)</u>
Net position, as restated	<u><u>\$ (13,571,209)</u></u>



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**NOTE 13 – RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2017, the School District was a member of the New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs. This entity is considered a public entity risk pool, currently operating as common risk management and insurance program for member School Districts and cities.

The New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from July 1 to June 30, 2017 by Primex<sup>3</sup>, which retained \$1,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The estimated net contribution from the Amherst School District billed and paid for the year ended June 30, 2017 was \$49,162 for workers' compensation and \$61,200 for property/liability. The workers' compensation section of the self-insurance membership agreement permits Primex<sup>3</sup> to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. At this time, Primex<sup>3</sup> foresees no likelihood of any additional assessment for this or any prior year.

**NOTE 14 – CAFETERIA BENEFIT PLAN**

Effective August 22, 2000, the School District implemented a cafeteria benefit plan pursuant to Section 125 of the IRS code. Under this plan, eligible employees may direct a contribution, made by the School District, into any combination of the following benefit categories:

1. Medical Insurance Premium Account;
2. Out of Pocket Medical Spending Account; or
3. Dependent Care Spending Account.

In addition to directing the School District's contribution to the above categories, eligible employees may elect to contribute pre-tax dollars to these categories. Under no circumstances may an employee direct more than \$5,000 annually into the Dependent Care Spending Account, and \$2,500 into the Medical Spending Account. This cap applies to both School District contributions and employee pre-tax contributions.

All regular full-time and part-time employees employed on a regular and continuous basis, including certain contractual employees, are eligible to participate in this plan. Temporary and casual employees are not eligible. The plan year adopted by the School District begins on July 1 and ends on June 30. To obtain reimbursement of expenses incurred within a plan year within the spending accounts (items 2 and 3 above), employees must submit claims within ninety days of the end of the plan year or separation of service from the School District, whichever occurs first. Funds unclaimed after ninety days of the close of the plan year are then remitted to the School District.

**NOTE 15 – CONTINGENT LIABILITIES**

There are various claims and suits pending against the School District which arose in the normal course of the School District's activities. In the opinion of management, the ultimate disposition of these various claims and suits will not have a material effect on the financial position of the School District.

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

**NOTE 16 – SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent

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events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through December 20, 2017, the date the June 30, 2017 financial statements were available to be issued, and no events occurred that require recognition or disclosure.

***REQUIRED SUPPLEMENTARY INFORMATION***

**EXHIBIT F**  
**AMHERST SCHOOL DISTRICT**  
*Schedule of Funding Progress for Other Postemployment Benefit Plan*  
*For the Fiscal Year Ended June 30, 2017*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
July 1, 2016	\$ -	\$ 2,051,972	\$ 2,051,972	0.00%	\$ 8,967,460	22.88%
July 1, 2014	\$ -	\$ 1,980,239	\$ 1,980,239	0.00%	\$ 12,084,479	16.39%
July 1, 2012	\$ -	\$ 958,812	\$ 958,812	0.00%	\$ 12,397,044	7.73%
July 1, 2010	\$ -	\$ 1,025,084	\$ 1,025,084	0.00%	\$ 10,937,427	9.37%

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

**EXHIBIT G**  
**AMHERST SCHOOL DISTRICT**  
*Schedule of the School District's Proportionate Share of Net Pension Liability*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended June 30, 2017*

<u>Fiscal Year End</u>	<u>Valuation Date</u>	<u>District's Proportion of Net Pension Liability</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Covered Payroll</u>	<u>District Proportionate Share of Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
June 30, 2017	July 1, 2016	0.40988908%	\$ 21,796,243	\$ 11,840,148	184.09%	58.30%
June 30, 2016	July 1, 2015	0.40988559%	\$ 16,237,729	\$ 11,770,429	137.95%	65.47%
June 30, 2015	July 1, 2014	0.41877520%	\$ 15,719,086	\$ 11,620,271	135.27%	66.32%
June 30, 2014	July 1, 2013	0.44124139%	\$ 18,990,078	\$ 12,326,226	154.06%	59.81%

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

**EXHIBIT H**  
**AMHERST SCHOOL DISTRICT**  
*Schedule of School District Contributions*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended June 30, 2017*

<u>Fiscal Year End</u>	<u>Valuation Date</u>	<u>Contractually Required Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2017	July 1, 2016	\$ 1,467,727	\$ 1,467,727	\$ -	\$ 11,840,148	12.40%
June 30, 2016	July 1, 2015	\$ 1,375,118	\$ 1,375,118	\$ -	\$ 11,770,429	11.68%
June 30, 2015	July 1, 2014	\$ 1,358,604	\$ 1,358,604	\$ -	\$ 11,620,271	11.69%
June 30, 2014	July 1, 2013	\$ 1,097,163	\$ 1,097,163	\$ -	\$ 12,326,226	8.90%

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

**AMHERST SCHOOL DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
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***Schedule of Funding Progress for Other Postemployment Benefits (OPEB)***

As required by GASB Statement No. 45, as amended in December 2009 by GASB Statement No. 57, Exhibit F represents the actuarial determined costs associated with the School District's other postemployment benefits at June 30, 2017, and the preceding three years.

The GASB standard on accounting for postretirement benefits other than pensions requires the following disclosures in the financial statements with regard to the retiree benefit liability:

1. **PLAN TYPES:** The School District provides medical insurance benefits to its eligible retirees. The benefits are provided through fully insured plans that are sponsored by a regional health insurance consortium. Benefits are provided to the retiree and covered dependent s.
2. **ELIGIBILITY REQUIREMENTS:** All Employees are eligible to retire in accordance with New Hampshire Statute 100- A:50. The following guidelines govern eligibility.

**RETIREMENT ELIGIBILITY REQUIREMENTS:**

- Hired prior to July 1, 2011:
    - (1) Age 60 regardless of years of Creditable Service, or
    - (2) Age 50 with at least 10 years of Creditable Service, or
    - (3) At any age if have at least 20 years of Creditable Service and sum of age and years of Creditable Service is at least 70.
  - Hired on or after July 1, 2011:
    - (1) Age 65 regardless of years of Creditable Service, or
    - (2) Age 60 with at least 30 years of Creditable Service.
3. **RETIREE AND SPOUSE BENEFIT:** Retirees and their covered spouses are required to pay 100% of the premium for medical and dental coverage. As discussed in the previous page this report values the Implicit Subsidy which is the difference between the age- adjusted premiums and the actual premiums paid by retirees and covered spouses.
  4. **DURATION OF BENEFITS:** All benefits end when the retiree or covered dependent reach age 65.
  5. **SPOUSE BENEFIT:** Spouses of retired employees are required to pay 100% of the premium for their medical coverage.
  6. **SURVIVING SPOUSE BENEFITS:** Spouses of deceased retirees may continue coverage in the plan by continuing to pay 100% of the premiums.

**Annual Gross Premiums:**

Plan	2016 - 2017		2017 - 2018	
	Single	Two Person	Single	Two Person
Access Blue NE HMO ABS(07)-R\$3/1Sm\$1	\$8,904.96	\$17,810.04	\$9,991.44	\$19,982.76
Access Blue NE HMO ABS(07)-RX10/20/45	\$8,460.00	\$16,920.00	\$9,492.12	\$18,984.24
Blue Choice POS BC2T10(07)-R\$3/1SM\$3/7	\$9,410.88	\$18,821.76	\$10,559.04	\$21,118.08
Blue Choice POS BC2T10(07)-RX10/20/45	\$9,039.48	\$18,079.08	\$10,142.28	\$20,284.68
Lumenos2500(07)	\$6,520.08	\$13,040.28	\$7,315.56	\$14,631.12

**AMHERST SCHOOL DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
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***Schedule of the School District's Proportionate Share of Net Pension Liability & Schedule of School District Contributions***

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits G and H represent the actuarial determined costs associated with the School District's pension plan at June 30, 2017.

**Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year 2016:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	23 years beginning July 1, 2016 (30 years beginning July 1, 2009)
Asset Valuation Method	5-year smooth market for funding purposes
Price Inflation	2.5% per year
Wage Inflation	3.25% per year
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	2.85% per year
Investment Rate of Return	7.25% per year
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	RP-2014 Employee generational mortality table for males and females, adjusted for mortality improvements using Scale MP -2015, based in the last experience study.

**Other Information:**

Notes	Contribution rates for Fiscal Year 2016 were determined based on the benefit changes adopted under House Bill No. 2 as amended by 011-2513-CofC.
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***COMBINING AND INDIVIDUAL FUND SCHEDULES***

**SCHEDULE 1**  
**AMHERST SCHOOL DISTRICT**  
**Major General Fund**  
*Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)*  
*For the Fiscal Year Ended June 30, 2017*

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 17,399,384	\$ 17,399,384	\$ -
Other local sources:			
Tuition	1,090,000	983,167	(106,833)
Investment earnings	10,000	5,066	(4,934)
Student activities	20,000	29,238	9,238
Miscellaneous	90,889	17,784	(73,105)
Total from other local sources	1,210,889	1,035,255	(175,634)
State sources:			
Adequacy aid (grant)	2,089,664	2,080,690	(8,974)
Adequacy aid (tax)	2,306,831	2,306,831	-
School building aid	143,916	143,916	-
Catastrophic aid	239,031	297,122	58,091
Other state aid	-	1,916	1,916
Total from state sources	4,779,442	4,830,475	51,033
Federal sources:			
Medicaid	200,000	245,925	45,925
Other financing sources:			
Transfers in	31	-	(31)
Total revenues and other financing sources	23,589,746	\$ 23,511,039	\$ (78,707)
Use of fund balance to reduce school district assessment	219,267		
Use of fund balance - appropriated	50,000		
Total revenues, other financing sources, and use of fund balance	\$ 23,859,013		

**SCHEDULE 2**  
**AMHERST SCHOOL DISTRICT**  
**Major General Fund**  
*Schedule of Appropriations and Expenditures (Non-GAAP Budgetary Basis)*  
*For the Fiscal Year Ended June 30, 2017*

	<u>Appropriations</u>	<u>Expenditures</u>	Variance Positive (Negative)
Current:			
Instruction:			
Regular programs	\$ 10,145,612	\$ 10,108,355	\$ 37,257
Special programs	4,121,678	4,117,022	4,656
Other	150,827	150,799	28
Total instruction	<u>14,418,117</u>	<u>14,376,176</u>	<u>41,941</u>
Support services:			
Student	2,789,598	2,801,224	(11,626)
Instructional staff	659,786	642,719	17,067
General administration	99,368	93,800	5,568
Executive administration	1,133,183	1,133,183	-
School administration	1,310,002	1,288,909	21,093
Business	900	496	404
Operation and maintenance of plant	1,490,779	1,503,869	(13,090)
Student transportation	967,415	857,402	110,013
Other	407,601	399,967	7,634
Total support services	<u>8,858,632</u>	<u>8,721,569</u>	<u>137,063</u>
Debt service:			
Principal of long-term debt	390,000	390,000	-
Interest on long-term debt	142,264	142,263	1
Total debt service	<u>532,264</u>	<u>532,263</u>	<u>1</u>
Other financing uses:			
Transfers out	50,000	50,000	-
Total appropriations, expenditures, and other financing uses	<u>\$ 23,859,013</u>	<u>\$ 23,680,008</u>	<u>\$ 179,005</u>

*SCHEDULE 3*  
*AMHERST SCHOOL DISTRICT*  
*Major General Fund*  
*Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)*  
*For the Fiscal Year Ended June 30, 2017*

Unassigned fund balance, beginning		\$ 219,266
Changes:		
Unassigned fund balance used to reduce school district assessment		(219,267)
Unassigned fund balance appropriated for use in 2016-2017		(50,000)
2016-2017 Budget summary:		
Revenue shortfall (Schedule 1)	\$ (78,707)	
Unexpended balance of appropriations (Schedule 2)	<u>179,005</u>	
2016-2017 Budget surplus		<u>100,298</u>
Unassigned fund balance, ending		<u><u>\$ 50,297</u></u>

**SCHEDULE 4**  
**AMHERST SCHOOL DISTRICT**  
*Nonmajor Governmental Funds*  
**Combining Balance Sheet**  
**June 30, 2017**

	Special Revenue Funds		
	Food Service	Capital Project	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 31	\$ 31
Receivables:			
Accounts	6	-	6
Intergovernmental	13,217	-	13,217
Interfund receivable	52,408	-	52,408
Total assets	<u>\$ 65,631</u>	<u>\$ 31</u>	<u>\$ 65,662</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 19,424	\$ -	\$ 19,424
Intergovernmental payable	5,595	-	5,595
Total liabilities	<u>25,019</u>	<u>-</u>	<u>25,019</u>
<b>FUND BALANCES</b>			
Restricted	40,612	31	40,643
Total liabilities and fund balances	<u>\$ 65,631</u>	<u>\$ 31</u>	<u>\$ 65,662</u>

**SCHEDULE 5**  
**AMHERST SCHOOL DISTRICT**  
**Nonmajor Governmental Funds**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2017**

	Special Revenue Funds		
	Food Service	Capital Project	Total
Revenues:			
Local	\$ 349,714	\$ -	\$ 349,714
State	3,604	-	3,604
Federal	70,871	-	70,871
Total revenues	<u>424,189</u>	<u>-</u>	<u>424,189</u>
Expenditures:			
Current:			
Noninstructional services	<u>383,577</u>	<u>-</u>	<u>383,577</u>
Net change in fund balances	40,612	-	40,612
Fund balances, beginning	-	31	31
Fund balances, ending	<u>\$ 40,612</u>	<u>\$ 31</u>	<u>\$ 40,643</u>

**SCHEDULE 6**  
**AMHERST SCHOOL DISTRICT**  
*Student Activities Funds*  
**Combining Schedule of Changes in Student Activities Funds**  
**For the Fiscal Year Ended June 30, 2017**

	Balance, beginning	Additions	Deductions	Balance, ending
Schools:				
Amherst Middle School	\$ 56,763	\$ 310,391	\$ 264,486	\$ 102,668
Clark Elementary School	1,061	4,225	2,671	2,615
Wilkins Elementary School	17,784	56,734	56,677	17,841
Totals	<u>\$ 75,608</u>	<u>\$ 371,350</u>	<u>\$ 323,834</u>	<u>\$ 123,124</u>