

# SCHOOL ADMINISTRATIVE UNIT THIRTY-NINE

Amherst, Mont Vernon, and Souhegan Cooperative School Districts

ADAM A. STEEL  
Superintendent of Schools

CHRISTINE M. LANDWEHRLE  
Assistant Superintendent

MARGARET A. BEAUCHAMP  
Director of Student Services

MICHELE CROTEAU  
Business Administrator



## Souhegan Cooperative School Board Meeting

Tuesday, December 17<sup>th</sup>, 2019 – 6:00 PM

Brick School House  
1 School Street  
Amherst, NH 03031

Agenda Item	Time	Desired Action	Backup Materials
Call to Order	6:00 PM	SCSB Chair, Mr. Jim Manning, to call the meeting to order	None
Public Comment I of II	6:05 PM		None
Superintendent's Report	6:10 PM	Mr. Steel to present his Superintendent's Report	None
Principal's Report	6:20 PM	Principal of SHS, Mr. Bill Hagen, to present his Report. Additional teacher presentation on Standards Based Instruction/Learning.	None
Committee Updates	6:30 PM	Board Members to give updates on their Committees	None
Community Council Update	6:40 PM	Board to receive update on Community Council	None
Consent Agenda- Approval	6:50 PM	1. 11 18 19 Draft Minutes 2. NWEA Fall Update 3. Policy BEDG from 11 18 19 Meeting 4. Audit Presentation	10 24 19 Draft Minutes NWEA Fall 2019 Results Policy BEDG Audit Gov. Letter and SCSD Annual Financial Report
Grading and Reporting Discussion and Update	6:55 PM	Board to receive an update on SHS progress with Competency Based Grading and Reporting	Grading and Reporting Update Implementation Plan

First Reading Policy- JIH	7:10 PM	Board to review and discuss Policy JIH (From SAU Meeting on 11 14 19)	Policy JIH
FY' 21 Budget Discussion	7:15 PM	Board to review and discuss FY'21 Budget	None
Public Comment II of II	7:50 PM		
Non-Public Session	7:55 PM	RSA 91 A:3 II	
Meeting Adjourned	8:00 PM		

**Consent Agenda Item #1**

Souhegan Cooperative Board Meeting

Monday, November 18<sup>th</sup>, 2019

Meeting Minutes- Not Approved

## Attendees:

Administrative Team: Adam Steel- Superintendent, Christine Landwehrle- Assistant Superintendent, Bill Hagen- Principal SHS, Michele Croteau- SAU #39 Business Administrator, Meg Beauchamp- Director of Student Services, Karen Chininis- Director of Guidance, Dr. Lisa Femia-Hou- SAU Administrator for Special Programs, Social Emotional Learning, and Behavioral Science, Jenn Huard- SHS Special Education Administrator, Sheelu Joshi Flegal- SHS Social Worker and Kelly Driscoll- Dean of Students

Souhegan Cooperative School Board: Jim Manning- Chair, Pim Grondstra- Vice Chair, Laura Taylor- Secretary, Steve Coughlan, Amy Facey, and David Chen.

Souhegan Advisory Finance Committee: Martin Goulet, Chairman, Continuing-Amherst (2017), John Stover, Continuing-Amherst (2018), Charlie York, Continuing-Mont Vernon (2018), Peg Harris, Continuing-Amherst (2017), Jeanne Ludt, Continuing-Amherst (2018 alternate appointed full member) (2019), Joel Gordon, Appointed full member (2019). *Alternates-* Dan Veilleux, appointed alternate (2019), Mark Vincent, appointed alternate (2019), John Bowkett, appointed alternate (2019) and Howard Brown.

SHS Student Videographer: Shannon Hargreaves

Board Minutes: Danae A. Marotta

Public: Jeanne Ludt, SAFC Member, Amherst NH, Delaney Facques, SHS Community Council Liaison, Stephanie Grund, Amherst NH, SHS Students and Community Members

## I. Call to Order

**Chair of the SCSB, Mr. Jim Manning, called the meeting to order at 6:01PM**

## II. Superintendent's Report

Follow Up Items

Superintendent, Mr. Adam Steel, noted that he had a few follow up items for discussion first starting with Competitor School Districts (Neighbors), Competency Based Education Districts and High Achieving Districts. They will use these districts as a basis for comparison in terms of budget and enrollment in the future.

He remarked that he will send this information out for Board review and input.

Enrollment Trends

Last week, Amherst Community Member, Mr. Steve Frades, gave his presentation on enrollment trends to the SAU Board. He has also done significant work on the Master Schedule.

35 Mr. Steel then showed the Board a comparison of Teacher's Class Load from last year to the  
36 current year.

37 He then explained the Student Load Distribution by Teacher chart. He added that they have a  
38 target of 80.

39 Mr. Steel concluded by stating that Master Schedule efficiency has slightly improved from last  
40 year to this year, sections with low enrollment are still dominated by advanced and capstone  
41 courses and a significant reduction in staffing will result in the reduction of AP courses.

#### 42 Schedule Redesign Process

43 Principal of SHS, Mr. Bill Hagen, discussed that every schedule design has constraints and  
44 presents obstacles to meeting needs. Their current schedule design supports some identified  
45 needs but also creates constraints and challenges.

46 They have been working to develop data from staff around the priorities of learning. They had a  
47 great response and it was very helpful. The top priorities are, long instructional blocks, common  
48 planning, flex time for students, greater student access to courses and consistency.

49 Additionally, beginning November 25<sup>th</sup>, Staff and Community Council Members have been  
50 invited to participate in a schedule redesign that will best meet articulated priorities and future  
51 considerations (Late Start)

52 They will then look at a cost /benefit analysis of the "Team" model. There are pros and cons and  
53 they have to decide what is best for their kids and as many kids as possible.

54 Ms. Karen Chininis, Dean of Guidance, then reviewed the Program of Studies process. They are  
55 well underway in that process.

56 In exploring and developing ideas for new courses, teachers are asked to consider the following,  
57 student interest, competencies/ next generation standards, research, and habits of learning.

58 Mr. Manning asked for Board questions.

59 Mr. Chen asked about the difference between capstone and dual enrollment courses and how  
60 many can they run. He then asked if they have decided on that yet.

61 Superintendent Steel replied that they have not decided on that yet.

62 Ms. Facey noted that this looks like a teacher driven process. She then asked if they have taken a  
63 global look at courses.

64 Principal Hagen replied that relevance and student interest is very important to them. When they  
65 went from trimesters to semesters they had to thoroughly review the courses that were  
66 meaningful.

67 Ms. Chininis added that they have looked and found AP courses that they did not have and then  
68 brought forward. They look at other high schools and what classes have not run in a while.

69 Ms. Facey clarified that their program of studies should reflect student need first.

70 Mr. Steel agreed with Ms. Facey.

71 Staffing Update

72 Mr. Steel then discussed that the initial budget left a placeholder for staffing.

73 Additionally, the remaining questions to be answered are: how many of the early retirement  
74 requests will be accepted, what efficiencies will be created by the new schedule being developed,  
75 and what savings will be achieved through retirement turnover.

76 He then commented that his recommendation is to reduce the proposed budget by \$300k. The  
77 anticipated savings are likely to be higher than projected.

78 Right now, the proposed budget is at \$18, 457,961 an increase of \$359,672 over FY'20 (1.99%).

79 Mr. Chen asked about the Unexpended Fund Balance. He then added that it is November and  
80 when will they see it. He then noted that it is in the minutes.

81 Ms. Croteau added that she would be happy to look at that but there could be more expenditures.  
82 She understands that he would like to the UFB more frequently and they will work to that end.

83 Mr. Chen then asked if they can see it in December, May and June.

84 Superintendent Steel replied, yes.

85 Mr. Chen asked about the current policy in regards to teacher facing.

86 Mr. Steel replied that 80 is an average. He then explained that policy states that if they go over a  
87 certain threshold that they get a 5% increase in pay. There are a few teachers that fall under that  
88 category.

89 Mr. Chen added that there can be greater optimization with the classes under 15.

90 Mr. Steel, agreed and noted that there are still constraints. Principal Hagen is thoroughly  
91 reviewing the schedule.

92 The Board thanked Superintendent Steel.

93 III. Public Input I of II

94 Ms. Jeanne Ludt, member of the Souhegan AFC, Amherst NH, asked if they are taking in to  
95 account class sizes. She then noted that this school was not meant for large classes. She does not  
96 know how they would add the larger classes.

97 The Board thanked Ms. Ludt.

98 IV. Principal's Report

99 Principal Hagen then discussed that all 9<sup>th</sup> grade students received hard copy progress reports to  
100 take home this past Friday. Competency scores were reported along with teacher comments for  
101 courses through the Empower progress report.

102 In grades ten and eleven, paper progress reports went home on Friday as well. Letter grades were  
103 reported for all courses using the MMS progress report. Parents are also able to see grades in the  
104 MMS Parent Portal.

105 Students in grade twelve received hard copy first quarter report cards with letter grades for all  
106 courses using the MMS report card. Student grades are also open in the MMS parent portal.  
107 These report card grades are used to send to universities and colleges as part of the application  
108 process.

109 In regards to grade 9 Social Studies, they have been spending the first few months of school  
110 introducing the political spectrum to students. They push our students to examine the issues of  
111 the day and to begin to determine their own point of view after careful analysis of a range of  
112 perspectives. It is fascinating to see their growth as they investigate the political spectrum.  
113 Students have been assessed on their knowledge of the political spectrum and are about to start to  
114 apply that knowledge with the Letter to the Editor Performance Assessment. The Letter to the  
115 Editor will ask them to write a persuasive argument backed by solid thesis and claims, evidence  
116 and analysis, and a counterclaim. They encourage all families to engage their children in a  
117 discussion about their research and topics that they are studying. Moving forward, they will be  
118 looking at the evolution of Democracy from Greece to the Romans and how both of those  
119 democratic systems impact their political system in America.

120 Finally, the Fall sports season has come to an end and, it was very successful.

121 He then added that he will be happy to answer questions.

122 Ms. Taylor asked about the percentage in students that participate in sports.

123 Principal Hagen added that 270 students in sports and 725 students in the school.

124 Mr. Manning replied that would be 37%.

125 Mr. Chen asked about GPA and sports participation.

126 Principal Hagen replied that afterschool life helps with responsibility and generally is good for  
127 their entire wellbeing.

128 Mr. Chen noted that there is great value to it.

129 Ms. Facey added that she is guessing that it is most of the student body.

130 Mr. Manning asked to see how many kids participate in sports/activities and averages of their  
131 GPA's. It would be interesting to present that at the Deliberative Session.

132 Mr. Steel remarked that the SHS Drama Department is performing the play "Filtered" starting on  
133 Thursday, Nov 21<sup>st</sup>, and showing on Friday, Nov 22<sup>nd</sup> and Saturday, Nov 23<sup>rd</sup> at 7:00PM. There  
134 is a video of him interviewing two of the stars of the show. He emphasized that it is well done  
135 and encouraged everyone to go and see it.

136 The Board thanked Principal Hagen.

137 V. Committee Updates

138 Ms. Taylor on the Facilities Committee commented that she did a walk through with Director of  
139 Facilities, Mr. John Robichaud. She noted that he did an excellent job.

140 Mr. Grondstra thanked her for the invitation of their meeting, but noted that he could not attend.  
141 He then asked about identifying any major projects.

142 Ms. Taylor replied, yes, this is her first year with the process with warrant articles and budgeting.  
143 The biggest things are the Science Labs in the Annex and the Chemistry Labs in this main  
144 building that are 24 years old. The Boys Locker Rooms were also in great disrepair.

145 Mr. Manning noted that he had a couple of parents that have reached out to him about the Boys  
146 Locker Rooms. He added that as it related to the budget the Science Labs would take top  
147 priority.

148 Mr. Steel agreed that the Science Labs are the number one academic need.

149 Mr. Coughlan added that he has a Non-Public Session agenda item regarding PPC.

150 Ms. Facey noted that the next meeting of the Principal Search Committee is Dec 6<sup>th</sup>.

151 Mr. Chen asked about the process and timeline.

152 Ms. Facey added that she will give the Board a more comprehensive update at the next Board  
153 Meeting.

154 Mr. Chen added that the Bean Foundation will have a presentation on Dec 4<sup>th</sup> at 3:00PM in the  
155 SHS Auditorium. The Keynote Speaker will be Superintendent Steel. The Bean Foundation  
156 provides benefits to families of Amherst and Manchester.

#### 157 VI. Community Council- Update

158 Ms. Delaney Facques, Community Council Liaison, mentioned that they discussed the later start  
159 time and they were all actually against it. They are looking for more concrete facts to inform the  
160 rest of the school.

161 Mr. Manning asked for further questions.

162 There were no further questions

#### 163 VII. Consent Agenda

164 Ms. Taylor pulled the 1. October 24<sup>th</sup> 2019 Draft Minutes.

165 Mr. Coughlan noted the change to line 51.

166 From:

167 *"He then noted their website: [ethicsforum@sau39.org](mailto:ethicsforum@sau39.org)"*

168 To:

169 *"He then noted their website: [ethicsforum.sau39.org](http://ethicsforum.sau39.org)"*

170 Mr. Chen then noted the change on lines 189-191.

171 From:

172 *“Mr. Grondstra asked about the clarification of Special Education students, out-of-district, not*  
 173 *190 being included in the CCP, however, they do have to account for them in the budget. Budget*  
 174 *191 goes up and CCP stays down. Whereas here, the budget goes down and CCP goes up.”*

175 To:

176 *“Mr. Grondstra asked about the clarification of Special Education students, out-of-district, not*  
 177 *190 being included in the CPP, however, they do have to account for them in the budget. Budget*  
 178 *191 goes up and CPP stays down. Whereas here, the budget goes down and CPP goes up.”*

179 Ms. Taylor asked about Policy BDD. She added that Mr. Coughlan was going to get more  
 180 information for her.

181 Mr. Coughlan explained how Policy BDD is the mortar between two irregular bricks.

182 Ms. Taylor noted the change on line 270.

183 From:

184 *“Mr. Chen asked if they can identify the top 5% of districts to compare themselves to. He added*  
 185 *that their goal is to be measured against the top 5%.”*

186 To:

187 *“Mr. Chen asked if they can identify the top 5 of districts to compare themselves to. He added*  
 188 *that their goal is to be measured against the top 5”*

189 She then noted the change on Line 295.

190 From:

191 *“Ms. Taylor added that in 2017-2018 they had a huge middle school math focus”.*

192 To:

193 *“Ms. Taylor noted that the students (Juniors) who took the SAT in 2017 and 2018 were part of a*  
 194 *middle school emphasis on Math while in middle school”.*

195 Mr. Grondstra asked about the Joshua Tree Fieldtrip. He then asked about clarifying if it is Italy  
 196 or Greece.

197 Principal Hagen clarified that it is the Italy trip.

198 Ms. Taylor noted that the Joshua Tree Fieldtrip does say that it is Wintercession.

199 Superintendent Steel noted that it is definitely not a Wintercession trip.

200 **Ms. Facey motioned to approve the Consent Agenda Items 1. October 24<sup>th</sup> 2019 Draft**  
 201 **Minutes, as amended, 2. Oct 2019 Treasurer’s Report, 3. Policies from 10 24 19 SCSB**  
 202 **Meeting- BBAB/BDB, BDC, BDD, BEDA, BEDB, BGA, BGC, DKC, GBEC/ADB, JI,**  
 203 **JICD, JICDD, JICH, JICK, and JIHB. 4. SHS Italy Trip 2020 5. SHS Joshua Tree**



204 **National Park Fieldtrip and 6. SHS Bermuda Trip 2020. Mr. Coughlan seconded the**  
 205 **motion. The vote was unanimous, motion passed.**

206 VIII. FY' 21 Budget

207 Mr. Steel thanked the AFC, emphasizing that they have done excellent work. He added that Ms.  
 208 Croteau has also done a wonderful job.

209 Mr. Martin Goulet, Chair of the AFC, thanked the Board and Administration for all of their  
 210 assistance. He then introduced the members of the committee.

211 He then explained that they did a few "Reasonableness" tests. He added that roughly \$500K is in  
 212 Special Education.

213 Mr. Goulet then noted some improvement areas for next year's process.

- 214 • Strategic Direction for SHS, articulated consistently to all stakeholders would help them  
 215 evaluate more than just the numbers but whether the numbers support the stated  
 216 objectives.
- 217 • The SAU Business Administrator and a designated Board Liaison should be regular,  
 218 active participants in SAFC meetings.
- 219 • The continued absence of a broad capital/building plan and associated funding strategy, is  
 220 really worrisome and must be addressed. He then referenced the Gail Report.
- 221 • Past enrollment projections have been low. Better enrollment forecasting, starting with  
 222 tracking forecast accuracy is required for multi-year planning.
- 223 • A collaboration location for SAFC work product sharing would be efficient and improve  
 224 year to year knowledge transfer.

225 Mr. Manning asked if they have had ample time and interface with the BA.

226 Mr. Steel remarked that they will be addressing some of those items at the Joint Facilities  
 227 Meeting on December 5<sup>th</sup> that will include discussing long range capital projects and a capital  
 228 maintenance plan.

229 Mr. Goulet added that they did not have that context.

230 Ms. Facey mentioned that Mr. Steve Frades, Amherst Community Member, was at the recent  
 231 SAU Board Meeting discussing enrollment projections.

232 Mr. Steel commented that Mr. Frades has done an analysis and did a significant data dive. He did  
 233 that work last year and projected 95 Kindergarteners and they have 128.

234 Mr. Goulet then reviewed AFC provisional recommendations. He added that these are the things  
 235 that they want the Board to be thinking about.

236 He added that they are concerned about the Budget Buffers (budget-actual) and those should be  
 237 under increased scrutiny.

238 He finalized that they look forward to voting.

239 Mr. Manning then asked the Board for open conversation.

240 Mr. Chen added that he is concerned about programs that are break even and there is no way to  
241 track it. He noted that he is thinking of the laptop funds.

242 Mr. Steel replied that with the laptop funds the fees are a part of the annual audit.

243 Mr. Manning noted that they will follow up on that. He then asked for further questions or  
244 comments.

245 Ms. Taylor commented that there are people that use their facilities and then they have to pay for  
246 the janitors.

247 The Board thanked the Advisory Finance Committee.

#### 248 IX. Social Emotional Program Development Presentation

249 Director of Student Services, Ms. Meg Beauchamp, introduced SAU Administrator for Special  
250 Programs, Social Emotional Learning, and Behavioral Science, Dr. Lisa Femia- Hou, SHS  
251 Special Education Administrator, Ms. Jenn Huard, and SHS Social Worker, Ms. Sheelu Joshi  
252 Flegal. She then commented that they do tremendous work.

253 Last spring the Board had asked for a review on programs for students with Social/Emotional  
254 needs. They were still working on that during that time.

255 Dr. Lisa Femia- Hou then discussed that that they are seeing a different type of need. This is not  
256 unique to Amherst.

257 In looking more specifically at NH, this shows an anxiety disorder and the rise is quite large.

258 “The rate of major depression among young adults, ages 18 to 25 rose 63% between 2009 and  
259 2017, according to a national study published earlier this year in the Journal of Abnormal  
260 Psychology” (Schoenberg, 2019).

261 Dr. Femia- Hou then reviewed statistics from the National Institute of Mental Health.

262 In discussing resources, there are fewer than 17 child and adolescent psychiatrists in the US per  
263 100,000 children. Hillsborough County is in the severe shortage category. 6 months is the  
264 minimum wait time if they are even accepting new children.

265 Ms. Joshi Flegal then discussed that trying to be more proactive for their students. What she  
266 would like to do more of is to allow for more proactive measures and teaching kids how to build  
267 up inner resiliency. She then reviewed an important visual for the Board.

268 She then reviewed the supports that are available for all students. This included a showing of  
269 Angst, Resilience, have a Wellness Day, and Connect.

270 She mentioned that she also is the Advisory Coordinator this year and dovetails nicely with all  
271 the Social Emotional work that they are doing.

272 Ms. Jenn Huard then reviewed some additional supports that are available for students. They  
273 start with transition planning with AMS, they also offer Saber Startup and Saber Support. They

274 also have group counseling available, anxiety, grief, etc. They also have proactive measures to  
275 support student success.

276 Additionally, they have interventions available for highest need students. They were lucky  
277 enough to hire a BCBA (Board Certified Behavior Analyst).

278 She then reviewed some community resources.

279 Ms. Huard noted what they will be working on for the future, Challenge Day, Staff-wide  
280 training, improved data management system, expanding alternative pathways to postsecondary  
281 goals, DOE approval for Alternative Support, specialized training for paraprofessionals, and  
282 continued family and community engagement.

283 Principal Hagen added that the numbers are alarming and real. One of the things that they need  
284 most are adults that are building relationships with kids. He will be looking at the budget,  
285 however, if you put too many students with adults you are losing that process.

286 Ms. Facey asked about Advisory. She then asked what she is looking at and trainings for  
287 Advisors and that is a great place for kids to let their guards down in addition to the classroom.

288 Ms. Joshi Flegal replied that she would like to be able to protect the Advisory with approx. 10  
289 students. She added that making new she has been open to Advisors and about any support that  
290 she can give.

291 Mr. Coughlan asked about teachers assessing competencies.

292 Ms. Sheelu replied that they are looking at the 5 competencies for Social Emotional Learning  
293 through Advisory. SEL is happening in all curriculums all over the place. She then explained that  
294 she frequently gives advice to teachers.

295 Mr. Coughlan asked about a feedback loop.

296 Ms. Sheelu replied that is the Dean of Faculty and Department Heads. There is also ease of  
297 discussion as far as that goes.

298 Principal Hagen added that as they learn the competencies through the Advisory, they are taking  
299 the time to have those discussions.

300 Mr. Chen asked about the boundary line between the family and the school.

301 Ms. Beauchamp replied that they help to support families but the bottom line is that they work  
302 with families. They have to have supports for them in school because this is where they are.

303 Mr. Chen added that it sounds like a first responder type of model.

304 Ms. Beauchamp replied yes, they do have students like that but they have to work collaboratively  
305 with the families.

306 Mr. Steel referenced the work of Mr. Jamie Vollmer and then explained that it is a greater  
307 question than what they do at school.

308 Mr. Chen asked about distinct State Laws.

309 Ms. Beauchamp added that when they were going in the tiered level of supports that student  
310 would not be in school. The reason why they have tiered system is so that does not occur.

311 Mr. Manning commented that there is no bright line. He then discussed the difference in health  
312 issues and there is not.

313 Ms. Beauchamp added that they are a public school system and need to make sure that they can  
314 access the educational opportunities for all students.

315 Ms. Huard added that her line is when it is impacting their education.

316 Ms. Joshi Flegal added that she talks a lot about risk protective factor.

317 The Board thanked Ms. Beauchamp, Dr. Femia-Hou, Ms. Joshi Flegal and Ms. Huard.

318 X. Public Input

319 Ms. Stephanie Grund, 5 Colonel Wilkins Road, Amherst NH, asked about holding Project  
320 Safeguard.

321 Ms. Kelly Driscoll, Dean of Students, replied that they do plan to do a Wellness day on Jan 3<sup>rd</sup>.  
322 There is a planning team and they are looking at research and best practice.

323 Ms. Stephanie Grund asked Ms. Facques asked about having another vote on later start times.

324 Mr. Manning replied that they take the recommendation of Community Council very seriously.  
325 They would have to dig into it and it is an SAU discussion.

326 Ms. Facey mentioned that there was a number of outstanding issues that the committee is  
327 working on. Student input is a huge part of that.

328 Mr. Manning asked if CC has had a formal presentation from leadership on later start times.

329 Ms. Facques replied that they had an open discussion today with members of the committee and  
330 then students gave their opinions.

331 Superintendent Steel added that he would be happy to come to Community Council and present  
332 on behalf of the SAU Board. He then asked if she could find out if CC would be open and  
333 comfortable to give their input on things.

334 Ms. Facques replied, yes, she will find out.

335 XI. First Reading Policy- BEDG (from 10 22 19 SAU meeting)

336 Mr. Manning noted that Policy BEDG- Minutes, was discussed at the SAU Meeting last  
337 Thursday.

338 Ms. Taylor asked if this is their standard practice now.

339 Superintendent Steel replied, yes, it is standard practice.

340 Mr. Manning asked if it comes from NHSBA (New Hampshire School Board Association).

341 Mr. Coughlan noted that one of the things that he looks at is if it reflects the current practice.

342 Mr. Chen then asked about the editing.

343 Ms. Landwehrle replied that it is the first page of the policy.

344 Mr. Manning remarked that on several occasions he has asked for Board Correspondence to be in  
345 the Minutes and they are.

346 Mr. Steel noted that the Board Minutes are posted in the Trello within that 5-day period. He then  
347 noted that if there are no objections, Policy BEDG will be added to the Consent Agenda for next  
348 month's meeting.

349 Mr. Manning asked the Board for further discussion.

350 Mr. Grondstra remarked that there have been questions, especially during budget season, about  
351 Turf Field replacement. He noted that the fees for athletic use is down and asked the Board to  
352 start thinking about putting together a committee to collect and maintain funds for the turf field  
353 replacement.

354 The Board thanked Mr. Grondstra.

355 XII. Non-Public Session- RSA 91 A:3 II

356 **Mr. Grondstra motioned to enter into Non-Public Session RSA 91 A:3 II (a) and (i) at 8:07**  
357 **PM. Mr. Chen seconded the motion. The vote was unanimous, motion passed.**

358 **Mr. Manning called a Roll Call: Manning-Yes, Grondstra-Yes, Taylor- Yes, Coughlan-Yes,**  
359 **Facey- Yes, and Chen- Yes.**

360 Other Persons Present during Non-Public Session: Michele Croteau, Christine Landwehrle and  
361 Adam Steel.

362 Description of matters discussed and final decisions made: Employee Compensation and Safety  
363 and Security Discussed

364 **Mr. Manning motioned to exit Non-Public Session and return to public session. Mr.**  
365 **Grondstra seconded the motion. The vote was unanimous, motion passed.**

366 Public session reconvened at 9:43PM.

367

**Consent Agenda Item #2**

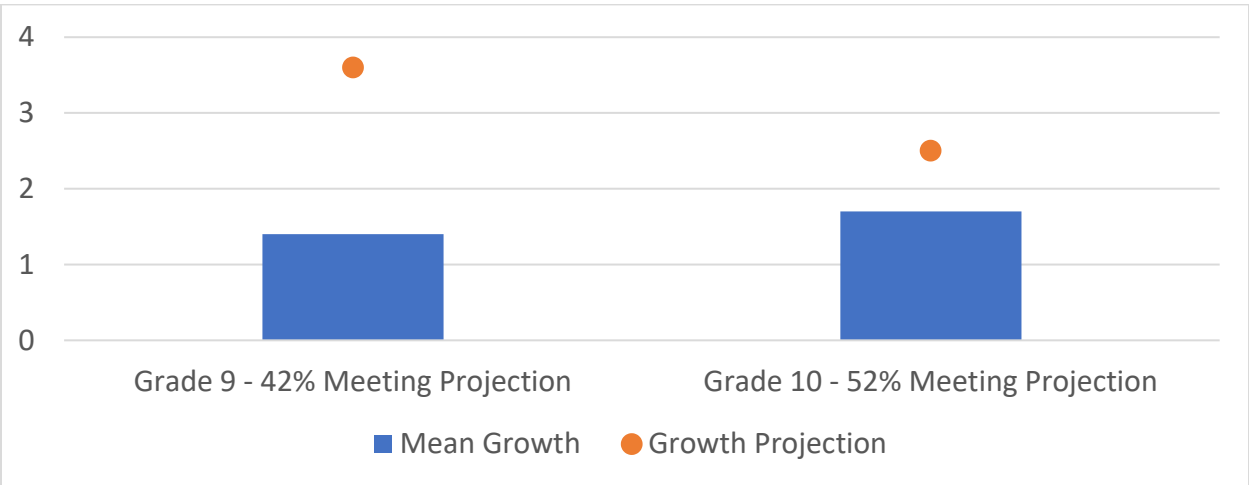
**Souhegan Fall 2019 NWEA Assessment Results**

*The NWEA Measures of Academic Progress assessment is a standardized assessment given to our students in grades K-10 in reading and math. We use the results to help us measure and monitor student growth and progress. This computer adaptive assessment establishes a student’s instructional level and identifies areas of focus for growth.*

**Reading – Mean RIT Scores (achievement) and Percentiles**

Grade	Student Count	Mean RIT	Percentile
9	161	229.4	90 <sup>th</sup>
10	175	233.6	95 <sup>th</sup>

**Reading Growth Summary – Fall 2018 to Fall 2019**



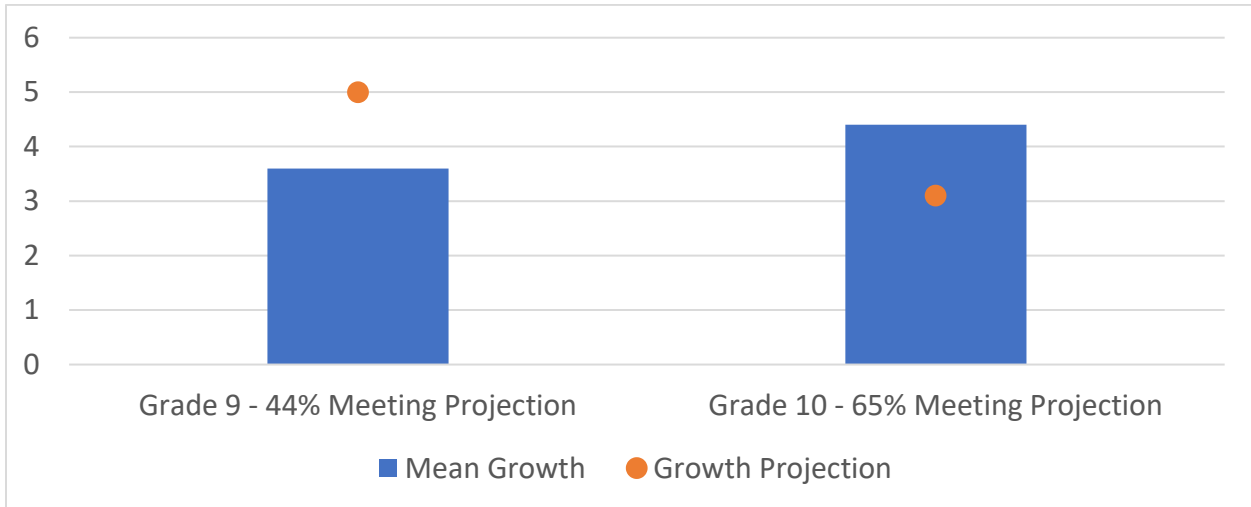
**Reading Summary**

Our NWEA reading achievement levels for grade 9 and 10 are very high, at the 90<sup>th</sup> and 95<sup>th</sup> percentiles respectively. Our grade 9 reading growth results are reflective of grade 8 instruction. Our grade 10 results show strong growth from grade 9 to 10 for individual students meeting target growth. 52% of students met target growth, just over the norm of 50%. The class as a whole made an average of 1.7 RIT score points growth, just short of the expected 2.5 RIT score points. The English department spent significant time this summer re-evaluating their curriculum, looking at alignment to standards and text choice.

### Math – Mean RIT Scores (achievement) and Percentiles

Grade	Student Count	Mean RIT	Percentile
9	161	240.0	86 <sup>th</sup>
10	176	248.2	97 <sup>th</sup>

### Math Growth Summary – Fall 2018 to Fall 2019



### Math Summary

Our NWEA math achievement levels for grade 9 and 10 are high, at the 86<sup>th</sup> and 97<sup>th</sup> percentiles respectively. Our grade 9 math growth results are reflective of grade 8 instruction. Our grade 10 results show extremely strong growth from grade 9 to 10 for individual students meeting target growth. 65% of students met target growth, significantly over the norm of 50%. As a whole, the grade level made an average of 4.4 RIT score points of growth, exceeding the expected 3.1 RIT score points.

## AMHERST, MONT VERNON, SOUHEGAN, and SAU39 POLICY

### Consent Agenda Item #3

#### BEDG - MINUTES

*Category: Recommended*

Under RSA 91-A, the school board, and each of the school board's committees (whether standing or ad hoc, or whether deemed a sub-committee or an advisory committees) is required to keep minutes for every "meeting" as defined under 91-A:2, I. As used below, "Board" shall mean and include the district school board, and each such board committee.

The Board will keep a record of the actions taken at Board meetings in the form of minutes. At a minimum, all minutes, public and non-public, shall include:

- 1) the names of members participating,
- 2) persons appearing before the School Board (any persons other than board members who address the board or speak at the meeting;
- 3) a brief description of each subject matter discussed;
- 4) identification of each member who made a first or second of any motion;
- 5) a record of all final decisions;
- 6) When a recorded roll call vote on a motion is required by law or called for by the Chair (or other presiding officer), a record of how each board member voted on the motion; and
- 7) In the event that a board member objects to the subject matter discussed by the board, if the board continues the discussion above the member's objection, and upon the request of the objecting member, then - and irrespective of whether the objection/discussion occurred in public or non-public session - the public minutes shall also reflect (i) the objecting member's name, (ii) a statement that the member objected, and (iii) a "reference to the provision of RSA 91-A:3, II that was the basis for the discussion." (See RSA 91-A:2, II-a.).

Copies of the draft minutes of a meeting will be sent to the members of the Board before the meeting at which they are to be approved. The preceding sentence, however, shall not apply to minutes of non-public sessions when the Board has sealed such minutes by a recorded roll call vote taken in public session with 2/3 of the board members present supporting the motion. Drafts of non-public minutes will be provided to the Board either at the conclusion of the non-public session and may be approved at the time - prior to any vote to seal, or if sealed, provided to Board at the meeting at which they are to be approved.

Draft minutes of all public meetings, clearly marked as drafts, will be made available for public inspection no later than five (5) business days after each public session. Minutes for non-public sessions shall be kept as a separate document. Draft minutes for all non-public sessions, will be made available for public inspection within seventy-two (72) hours after the non-public session, unless sealed in accordance with the procedure described in the preceding paragraph.

Notes and other materials used in the preparation of the minutes must be retained until the minutes are approved or finalized.

All minutes, including draft minutes, will be kept in accordance with RSA 91-A:2 and RSA 91-A:3 and will be in the custody of the Superintendent.



## AMHERST, MONT VERNON, SOUHEGAN, and SAU39 POLICY

### BEDG - MINUTES

Approved minutes, except those non-public session minutes which are sealed, shall be consistently posted on the District's web site in a reasonably accessible location or the web site shall contain a notice describing where the minutes may be reviewed and copies requested. Draft minutes will be available for inspection at the District's administrative office.

Sealed minutes shall be reviewed periodically and unsealed by majority vote of the Board if the circumstances justifying sealing the minutes no longer apply. The Superintendent shall identify and bring to the Board's attention minutes which have been sealed because disclosure would render the proposed action ineffective where the action has been completed and the minutes no longer need to be sealed. The Superintendent will also identify any other sealed minutes where the justification for sealing no longer applies due to the passage of time. Generally, non-public session minutes sealed because divulgence of the information would likely affect adversely the reputation of a person other than a member of the School Board, will remain sealed.

#### **District Policy History:**

*First reading:* \_\_\_\_\_

*Second reading/adopted:* \_\_\_\_\_

*District revision history:*

#### **Legal References:**

*RSA 91-A:2 II, Public Records and Meetings: Meetings Open to Public*

*RSA 91-A:2,II-a,*

*RSA 91-A:3 III, Public Records and Meetings: Non-Public Sessions*

*RSA 91-A:4 I, Public Records and Meetings: Minutes and Records available for Public Inspection*

## Consent Agenda Item #4



James A. Sojka, CPA\*

Sheryl A. Pratt, CPA\*\*\*

Michael J. Campo, CPA, MACCY

Scott T. Eagen, CPA, CFE

Donna M. LaClair, CPA\*\*

Ashley J. Miller-Klem, CPA, MSA

Tyler A. Paine, CPA\*\*\*

Kyle G. Gingras, CPA

Ryan T. Gibbons, CPA, CFE

Derek M. Barton, CPA

Sylvia Y. Petro, MSA, CFE

December 9, 2019

To the Members of the School Board  
Souhegan Cooperative School District  
1 School Street  
P.O. Box 849  
Amherst, NH 03031

Dear Members of the School Board:

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Souhegan Cooperative School District for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 24, 2019. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Souhegan Cooperative School District are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2018-2019. We noted no transactions entered into by the Souhegan Cooperative School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Souhegan Cooperative School District's financial statements were:

Management's estimates of the capital asset useful lives are based on historical information and industry guidance. We evaluated the key factors and assumptions used to develop the capital asset useful lives in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimates of the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense are based on assumptions of future events, such as employment, mortality and estimates of value of reported amounts. We evaluated the key factors and assumptions used to develop the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimates of the other postemployment benefit (OPEB) liabilities, deferred outflows and inflows of resources related to OPEB, and OPEB expense are based on the assumptions of future events, such as employment, mortality, and the healthcare cost

**PLODZIK & SANDERSON, P.A.**  
*Certified Public Accountants*

trend, as well as estimates of the value of reported amounts. We evaluated key factors and assumptions used to develop the OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Adjustments proposed and approved were primarily of a routine nature and a list of these adjustments for the general fund are attached to this letter.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 9, 2019.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Souhegan Cooperative School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Souhegan Cooperative School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Fixed Asset Policy**

The School District's fixed asset policy is missing several significant items, for example, it fails to define what a fixed asset is and does not include information as to the maintenance of the fixed asset recordings including accumulated depreciation and useful lives. This is a crucial policy covering some of the School District's largest assets and should contain more specific and detailed information. This lack of detail can cause a lack of consistency when reporting and tracking these assets. We recommend that the School District review the current policy and consider adjusting it to include more specifics regarding what items will be considered fixed assets, etc.

**Project Close Out**

The School District has not formally closed a capital project fund bank account and general ledger fund, which was completed in prior years. The bank account remains open and continues to earn interest, which should be recorded in the general fund. The project was previously completed, and funds were determined to be moved to the general fund; however, the bank account has never been closed and funds have not been moved. We recommend that the School District take action to close this fund in the general ledger and bank account and move the amounts as was previously determined.



### **Student Activity Fund Deposits**

Two cash receipts tested were deposited to the bank over two weeks after they were received by the School. The School District's internal controls policies and procedures require funds to be deposited at least weekly in order to reduce the risk of misstatement or misappropriation. We recommend that the School District ensure that all funds received are deposited to the bank within a timely manner.

### Other Matters

#### **Implementation of New GASB Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements.

**GASB Statement No. 84, *Fiduciary Activities***, issued in January 2017, will be effective for the School District beginning with its fiscal year ending June 30, 2020. This Statement will improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

**GASB Statement No. 87, *Leases***, issued in June 2017, will be effective for the School District with its fiscal year ending June 30, 2021. This Statement will improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases.

**GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period***, issued June 2018, will be effective for the School District with its fiscal year ending June 30, 2021. This Statement will enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period.

**GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and 61***, issued August 2018, will be effective for the School District with its fiscal year ending June 30, 2020. This Statement will improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

**GASB Statement No. 91, *Conduit Debt Obligations***, issued May 2019, will be effective for the School District with its fiscal year ending June 30, 2022. This Statement will provide a single method of reporting conduit debt obligations and eliminate differences in practice.

We applied certain limited procedures to the following, which are required supplementary information (RSI) that supplements the basic financial statements:

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

Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the members of the School Board and management of the Souhegan Cooperative School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully,



PLODZIK & SANDERSON  
Professional Association

*Attachment*

Client: **1081 - Souhegan Cooperative School District**  
 Engagement: **2019 - Souhegan Coop. School District**  
 Period Ending: **8/30/2019**  
 Trial Balance: **001.0000 - Government Fund Trial Balance**  
 Workpaper: **910.0031 - Copy of General Fund Journal Entry Report**  
 Fund Level: **Fund**  
 Index: **10**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries</b>				
<b>Adjusting Journal Entries JE # 1</b>				
	To reclassify amount to begining fund balance	<b>400.0020</b>		
10-7700-000-00-000000	REVENUE FROM UFB		596,532.00	
10-0770-000-00-000000	UNRESERVED FUND BALANCE			596,532.00
<b>Total</b>			<b>596,532.00</b>	<b>596,532.00</b>
<b>Adjusting Journal Entries JE # 2</b>				
	To adjust begining fund balance to actual by recording the expenditure of prior year encumbrances	<b>400.0020</b>		
10-2660-430-30-000000	Security Services- Repair and Maint		333,959.00	
10-0770-000-00-000000	UNRESERVED FUND BALANCE			333,959.00
<b>Total</b>			<b>333,959.00</b>	<b>333,959.00</b>
<b>Adjusting Journal Entries JE # 3</b>				
	To reclassify pooled cash	<b>300.8100</b>		
10-0402-000-00-000000	INTERFUND ACCT PAYABLE		1,086.00	
10-0130-000-00-000000	POOLED CASH			1,086.00
<b>Total</b>			<b>1,086.00</b>	<b>1,086.00</b>
<b>Total Adjusting Journal Entries</b>			<b>931,577.00</b>	<b>931,577.00</b>
<b>Total All Journal Entries</b>			<b>931,577.00</b>	<b>931,577.00</b>

**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2019**

**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2019**

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# PLODZIK & SANDERSON

*Professional Association/Accountants & Auditors*

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

## *INDEPENDENT AUDITOR'S REPORT*

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Souhegan Cooperative School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Souhegan Cooperative School District, as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the general fund and the grants fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

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

- Management's Discussion and Analysis,
- Schedule of the School District's Proportionate Share of Net Pension Liability,
- Schedule of School District Contributions – Pensions,

***Souhegan Cooperative School District  
Independent Auditor's Report***

- Schedule of the School District's Proportionate Share of the Net Other Postemployment Benefits Liability,
- Schedule of School District Contributions – Other Postemployment Benefits,
- Schedule of Changes in the School District's Total Other Postemployment Benefits Liability and Related Ratios, and
- Notes to the Required Supplementary Information

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

**Other Information** – Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Souhegan Cooperative 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 9, 2019

*Plodzik & Sanderson  
Professional Association*

**Souhegan Cooperative School District  
Management's Discussion and Analysis (MD&A)  
Of the Annual Financial Report for the Year Ended June 30, 2019**

**INTRODUCTION**

The Superintendent of Schools of New Hampshire School Administrative Unit #39, as management offers this Management's Discussion and Analysis of the financial activities of the Souhegan Cooperative School District for the fiscal year which ended June 30, 2019. 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 (\$5,650,460) on June 30, 2019, consisted of \$8,323,512 in net investment in capital assets- a decrease of \$221,481, \$800 restricted for use- an increase of \$44, and (\$13,974,772) unrestricted net position balance- an increase of \$566,283. This was an increase in Total Net Position of \$344,846 from the previous fiscal year. See Note 12.
- Governmental funds reported combined ending fund balances of \$1,982,543, an increase of \$360,853 from the previous fiscal year. The General fund shows an ending fund balance of \$1,943,806, an increase of \$344,286, and Other Governmental Funds show an ending balance of \$38,737, an increase of \$16,567 from the previous fiscal year. See Note 13.
- The District's non-current portion of long-term obligations of \$18,380,556 consists of \$338,408 in total bonds payable, \$1,088,078 in compensated absences, \$13,958,273 pension related liability, and \$2,995,797 in other post-employment benefits. These liabilities are reflected as a reduction in net position. See Note 8.

**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 and liabilities, with the difference between the two 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 the 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 operation.

**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 2019 compared to fiscal year 2018:

Summary of Net Position  
Governmental Activities

	June 30, 2019	June 30, 2018
Current and Other Assets	\$ 2,425,444	\$ 1,998,566
Capital Assets	8,661,920	9,052,605
Total Assets	<u>11,087,364</u>	<u>11,051,171</u>
Deferred Outflows of Resources	<u>3,208,279</u>	<u>3,699,809</u>
Current Liabilities	414,030	373,305
Other Liabilities	18,380,556	19,069,087
Total Liabilities	<u>18,794,586</u>	<u>19,442,392</u>
Deferred Inflows of Resources	<u>1,151,517</u>	<u>1,303,894</u>
Net Position:		
Net Investment in Capital Assets	8,323,512	8,544,993
Restricted	800	756
Unrestricted	(13,974,772)	(14,541,055)
Total Net Position	<u>\$ (5,650,460)</u>	<u>\$ (5,995,306)</u>

Summary of Changes in Net Position  
Governmental Activities

	June 30, 2019	June 30, 2018
<b>Revenues:</b>		
<b>Program Revenue:</b>		
Charges for Services	\$ 555,296	\$ 581,963
Operating Grants and Contributions	700,053	666,184
<b>General Revenue:</b>		
School District Assessment	13,361,835	12,874,657
Grants and contributions not restricted to specific programs	3,193,690	3,343,210
Interest	94,085	26,816
Miscellaneous	53,123	58,119
Total Revenues	17,958,082	17,550,949
<b>Expenses:</b>		
Instruction	10,296,342	10,445,166
Student Services	1,631,617	1,732,619
Instructional Staff	585,529	545,996
General Administration	86,742	94,178
Executive Administration	795,529	811,191
School Administration	757,592	766,138
Business	2,244	2,179
Operation and Maintenance of Plant	2,034,798	1,793,812
Student Transportation	577,858	663,345
Other	425,299	401,387
Food Service	416,589	390,540
Interest on Long-Term Debt	3,097	11,777
Total Expenses	17,613,236	17,658,328
Change in Net Position	344,846	(107,379)
Net Position, beginning	(5,995,306)	(5,887,927)
Net Position, ending	\$ (5,650,460)	\$ (5,995,306)

**Changes in Net Position.** The District's total revenue was \$17,958,082 with the total expenses \$17,613,236 results in an increase of net position of \$344,846. The majority of the District's revenue (74.4%) came from the School District Assessment. The majority of the District's expenses (58.5%) were for Instruction.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

On June 30, 2019, the District reported capital assets of \$8,661,920 (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 Liabilities**

General Obligation Bonds were reduced by \$169,204. Compensated absences had a net increase in potential future payments of \$988. The liabilities for other post-employment benefits had a net decrease in potential future payments of \$371,485. Net pension related liabilities had a net decrease in potential future payments of \$148,830. More detailed information about the District's long-term liabilities is presented in the notes to the financial statements. See Note 1-J, 1-K, 1-L, 1-M, and Note 8.

## **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 Adam Steel, Superintendent, at (603) 673-2690 or by mail at:

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



***BASIC FINANCIAL STATEMENTS***

**EXHIBIT A**  
**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
*Statement of Net Position*  
*June 30, 2019*

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,621,138
Other receivables	603
Intergovernmental receivable	803,703
Capital assets, not being depreciated	2,305,090
Capital assets, net of accumulated depreciation	6,356,830
Total assets	11,087,364
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Amounts related to pensions	2,410,488
Amounts related to other postemployment benefits	797,791
Total deferred outflows of resources	3,208,279
<b>LIABILITIES</b>	
Accounts payable	235,405
Accrued salaries and benefits	168,885
Intergovernmental payable	3,699
Accrued interest payable	6,041
Noncurrent obligations:	
Due within one year	187,299
Due in more than one year	18,193,257
Total liabilities	18,794,586
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - received in advance	3,193
Unavailable revenue - grants	31,719
Amounts related to pensions	1,028,953
Amounts related to other postemployment benefits	87,652
Total deferred inflows of resources	1,151,517
<b>NET POSITION</b>	
Net investment in capital assets	8,323,512
Restricted	800
Unrestricted	(13,974,772)
Total net position	\$ (5,650,460)

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

**EXHIBIT B**  
**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2019

	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	\$ 10,296,342	\$ 200,970	\$ 637,735	\$ (9,457,637)
Support services:				
Student	1,631,617	-	3,261	(1,628,356)
Instructional staff	585,529	-	29,009	(556,520)
General administration	86,742	-	-	(86,742)
Executive administration	795,529	-	-	(795,529)
School administration	757,592	-	-	(757,592)
Business	2,244	-	-	(2,244)
Operation and maintenance of plant	2,034,798	17,148	-	(2,017,650)
Student transportation	577,858	-	2,027	(575,831)
Other	425,299	-	7,771	(417,528)
Noninstructional services	416,589	337,178	20,250	(59,161)
Interest on long-term debt	3,097	-	-	(3,097)
Total governmental activities	<u>\$ 17,613,236</u>	<u>\$ 555,296</u>	<u>\$ 700,053</u>	<u>(16,357,887)</u>
General revenues:				
School district assessment				13,361,835
Grants and contributions not restricted to specific programs				3,193,690
Interest				94,085
Miscellaneous				53,123
Total general revenues				<u>16,702,733</u>
Change in net position				344,846
Net position, beginning				(5,995,306)
Net position, ending				<u>\$ (5,650,460)</u>

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

**EXHIBIT C-1**  
**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
*Governmental Funds*  
*Balance Sheet*  
*June 30, 2019*

	General	Grants	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,574,322	\$ -	\$ 46,816	\$ 1,621,138
Receivables:				
Accounts	293	-	310	603
Intergovernmental	682,465	100,842	20,396	803,703
Interfund receivables	81,808	-	-	81,808
Total assets	<u>\$ 2,338,888</u>	<u>\$ 100,842</u>	<u>\$ 67,522</u>	<u>\$ 2,507,252</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 219,305	\$ -	\$ 16,100	\$ 235,405
Accrued salaries and benefits	168,885	-	-	168,885
Intergovernmental payable	3,699	-	-	3,699
Interfund payable	-	69,123	12,685	81,808
Total liabilities	<u>391,889</u>	<u>69,123</u>	<u>28,785</u>	<u>489,797</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - received in advance	3,193	-	-	3,193
Unavailable revenue - grants	-	31,719	-	31,719
Total deferred inflows of resources	<u>3,193</u>	<u>31,719</u>	<u>-</u>	<u>34,912</u>
<b>FUND BALANCES</b>				
Restricted	-	-	800	800
Committed	659,365	-	37,937	697,302
Assigned	33,248	-	-	33,248
Unassigned	1,251,193	-	-	1,251,193
Total fund balances	<u>1,943,806</u>	<u>-</u>	<u>38,737</u>	<u>1,982,543</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,338,888</u>	<u>\$ 100,842</u>	<u>\$ 67,522</u>	<u>\$ 2,507,252</u>

*EXHIBIT C-2*  
*SOUHEGAN COOPERATIVE SCHOOL DISTRICT*  
*Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position*  
*June 30, 2019*

Total fund balances of governmental funds (Exhibit C-1)		\$ 1,982,543
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 21,859,495	
Less accumulated depreciation	<u>(13,197,575)</u>	8,661,920
Pension and other postemployment benefits (OPEB) related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources related to pensions	\$ 2,410,488	
Deferred inflows of resources related to pensions	(1,028,953)	
Deferred outflows of resources related to OPEB	797,791	
Deferred inflows of resources related to OPEB	<u>(87,652)</u>	2,091,674
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (81,808)	
Payables	<u>81,808</u>	-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(6,041)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bonds	\$ 310,000	
Unamortized bond premium	28,408	
Compensated absences	1,088,078	
Net pension liability	13,958,273	
Other postemployment benefits	<u>2,995,797</u>	(18,380,556)
Net position of governmental activities (Exhibit A)		<u>\$ (5,650,460)</u>

**EXHIBIT C-3**  
**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2019**

	General	Grants	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
School district assessment	\$ 13,361,835	\$ -	\$ -	\$ 13,361,835
Other local	347,846	18,234	354,658	720,738
State	3,554,802	-	757	3,555,559
Federal	43,081	257,376	19,493	319,950
Total revenues	<u>17,307,564</u>	<u>275,610</u>	<u>374,908</u>	<u>17,958,082</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	10,098,197	235,569	-	10,333,766
Support services:				
Student	1,673,207	3,261	-	1,676,468
Instructional staff	576,657	29,009	-	605,666
General administration	86,748	-	-	86,748
Executive administration	795,529	-	-	795,529
School administration	824,767	-	-	824,767
Business	2,244	-	-	2,244
Operation and maintenance of plant	1,589,081	-	-	1,589,081
Student transportation	577,858	-	-	577,858
Other	419,409	7,771	-	427,180
Noninstructional services	-	-	422,384	422,384
Debt service:				
Principal	155,000	-	-	155,000
Interest	20,538	-	-	20,538
Facilities acquisition and construction	80,000	-	-	80,000
Total expenditures	<u>16,899,235</u>	<u>275,610</u>	<u>422,384</u>	<u>17,597,229</u>
Excess (deficiency) of revenues over (under) expenditures	<u>408,329</u>	<u>-</u>	<u>(47,476)</u>	<u>360,853</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	64,043	64,043
Transfers out	(64,043)	-	-	(64,043)
Total other financing sources (uses)	<u>(64,043)</u>	<u>-</u>	<u>64,043</u>	<u>-</u>
Net change in fund balances	344,286	-	16,567	360,853
Fund balances, beginning	1,599,520	-	22,170	1,621,690
Fund balances, ending	<u>\$ 1,943,806</u>	<u>\$ -</u>	<u>\$ 38,737</u>	<u>\$ 1,982,543</u>

*EXHIBIT C-4*  
**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
*Reconciliation of the Statement of Revenues, Expenditures, and*  
*Changes in Fund Balances - Governmental Funds to the Statement of Activities*  
*For the Fiscal Year Ended June 30, 2019*

Net change in fund balances of total governmental funds (Exhibit C-3)		\$ 360,853
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense exceeded capital outlay expenditures in the current year, as follows:		
Capitalized capital outlay	\$ 441,552	
Depreciation expense	<u>(818,661)</u>	(377,109)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales and donations) is to decrease net position.		(13,576)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (64,043)	
Transfers out	<u>64,043</u>	-
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal repayment of bond	\$ 155,000	
Amortization of bond premium	<u>14,204</u>	169,204
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	\$ 3,237	
Increase in compensated absences payable	(988)	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	128,973	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>74,252</u>	<u>205,474</u>
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 344,846</u></u>

**EXHIBIT D-1**  
**SOUHEGAN COOPERATIVE 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, 2019*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
School district assessment	\$ 13,361,835	\$ 13,361,835	\$ 13,361,835	\$ -
Other local	162,140	162,263	275,237	112,974
State	3,352,957	3,352,957	3,554,802	201,845
Federal	60,000	60,000	43,081	(16,919)
Total revenues	<u>16,936,932</u>	<u>16,937,055</u>	<u>17,234,955</u>	<u>297,900</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	10,598,164	10,502,486	10,093,105	409,381
Support services:				
Student	1,850,724	1,841,625	1,673,207	168,418
Instructional staff	586,264	628,237	576,657	51,580
General administration	49,977	78,877	86,748	(7,871)
Executive administration	841,315	803,609	795,529	8,080
School administration	798,447	832,782	824,767	8,015
Business	3,000	3,000	2,244	756
Operation and maintenance of plant	1,217,458	1,255,123	1,211,189	43,934
Student transportation	752,796	723,235	577,858	145,377
Other	449,548	424,797	419,409	5,388
Debt service:				
Principal	155,000	155,000	155,000	-
Interest	20,538	20,538	20,538	-
Facilities acquisition and construction	150,000	150,000	80,000	70,000
Total expenditures	<u>17,473,231</u>	<u>17,419,309</u>	<u>16,516,251</u>	<u>903,058</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(536,299)</u>	<u>(482,254)</u>	<u>718,704</u>	<u>1,200,958</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(75,000)</u>	<u>(129,045)</u>	<u>(64,043)</u>	<u>65,002</u>
Net change in fund balance	<u>\$ (611,299)</u>	<u>\$ (611,299)</u>	654,661	<u>\$ 1,265,960</u>
Unassigned fund balance, beginning			596,532	
Unassigned fund balance, ending			<u>\$ 1,251,193</u>	



**EXHIBIT D-2**  
**SOUHEGAN COOPERATIVE 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, 2019**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other local	\$ -	\$ 46,949	\$ 18,234	\$ (28,715)
Federal	252,000	343,698	257,376	(86,322)
Total revenues	<u>252,000</u>	<u>390,647</u>	<u>275,610</u>	<u>(115,037)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	230,000	270,952	235,569	35,383
Support services:				
Student	-	34,868	3,261	31,607
Instructional staff	22,000	64,579	29,009	35,570
Other	-	20,248	7,771	12,477
Total expenditures	<u>252,000</u>	<u>390,647</u>	<u>275,610</u>	<u>115,037</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*  
*SOUHEGAN COOPERATIVE SCHOOL DISTRICT*  
*Fiduciary Funds*  
*Statement of Net Position*  
*June 30, 2019*

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	<u>Agency</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 174,669</u>
<b>LIABILITIES</b>	
Due to student groups	<u>\$ 174,669</u>

**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2019**

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**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2019**

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

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

**1-A Reporting Entity**

The Souhegan Cooperative School District is a municipal corporation governed by an elected 7-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. All remaining governmental funds are aggregated and reported as nonmajor governmental funds, and are presented in the other governmental column of the fund financial statements.

In the governmental fund financial statements, expenditures are reported by character: current, 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 the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2019**

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, debt service, and facilities acquisition and construction. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, guidance the other student funds, and expendable trust funds are consolidated in the general fund.

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

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

**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 and include the agency funds. Fiduciary funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting.

### ***1-D Cash and Cash Equivalents***

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

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

### ***1-E Receivables***

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

**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2019**

***1-F Capital Assets***

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

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

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

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

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

<b>Capital Asset Class:</b>	<u>Years</u>
Land improvements	20
Buildings and building improvements	10 - 30
Equipment, and vehicles	5 - 20

***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). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

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

***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, 2019.

***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) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

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***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 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 bond premium.

***1-K Compensated Absences***

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

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

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

***1-M Postemployment Benefits Other Than Pensions (OPEB)***

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

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

***Single Employer Plan*** – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the School District's actuarial report. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

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

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

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

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

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

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

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

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

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

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

When multiple net position/fund balance classifications are available for use, it is the 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.

***1-O Use of Estimates***

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include assessing the collectability of accounts receivable and the useful lives of capital 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.



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

State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2019, \$611,299 of the beginning general fund unassigned fund balance was applied for this purpose.

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

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

Revenues:	
Per Exhibit D-1 (budgetary basis)	\$ 17,234,955
Adjustments:	
Basis difference:	
GASB Statement No. 54:	
Interest earnings related to the blended expendable trust funds	67,517
Other local revenue of the blended funds	5,092
Per Exhibit C-3 (GAAP Basis)	<u>\$ 17,307,564</u>
Expenditures and other financing uses:	
Per Exhibit D-1 (budgetary basis)	\$ 16,580,294
Adjustments:	
Basis difference:	
Encumbrances, beginning	410,000
Encumbrances, ending	(32,108)
GASB Statement No. 54:	
Other regular program expenditures of the blended funds	5,092
Per Exhibit C-3 (GAAP basis)	<u>\$ 16,963,278</u>

**DETAILED NOTES ON ALL FUNDS**

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The School District’s deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held by the School District’s agent in the School District’s name. The FDIC currently insures the first \$250,000 of the School District’s deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by collateral. As of year-end, the carrying amount of the School District’s deposits was \$1,795,807 and the bank balances totaled \$2,447,656. Petty cash totaled \$795.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$1,621,138
Cash per Statement of Net Position - Fiduciary Funds (Exhibit E)	174,669
Total cash and cash equivalents	<u>\$1,795,807</u>

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**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2019, consisted of accounts and intergovernmental amounts arising from grants, school lunch program, and expendable trust funds held by the Town of Amherst Trustees of Trust Funds for the School District. Receivables are recorded on the School District's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018 consisted of the following:

	Balance, beginning	Additions	Retirements	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 1,949,231	\$ -	\$ -	\$ 1,949,231
Construction in progress	-	355,859	-	355,859
Total capital assets not being depreciated	<u>1,949,231</u>	<u>355,859</u>	<u>-</u>	<u>2,305,090</u>
Being depreciated:				
Land improvements	1,336,414	9,344	-	1,345,758
Buildings and building improvements	17,230,832	-	(19,628)	17,211,204
Equipment and vehicles	921,094	76,349	-	997,443
Total capital assets being depreciated	<u>19,488,340</u>	<u>85,693</u>	<u>(19,628)</u>	<u>19,554,405</u>
Total capital assets	<u>21,437,571</u>	<u>441,552</u>	<u>(19,628)</u>	<u>21,859,495</u>
Less accumulated depreciation:				
Land improvements	(63,414)	(119,517)	-	(182,931)
Buildings and building improvements	(11,826,432)	(590,342)	6,052	(12,410,722)
Equipment and vehicles	(495,120)	(108,802)	-	(603,922)
Total accumulated depreciation	<u>(12,384,966)</u>	<u>(818,661)</u>	<u>6,052</u>	<u>(13,197,575)</u>
Net book value, capital assets being depreciated	<u>7,103,374</u>	<u>(732,968)</u>	<u>(13,576)</u>	<u>6,356,830</u>
Net book value, all capital assets	<u>\$ 9,052,605</u>	<u>\$ (377,109)</u>	<u>\$ (13,576)</u>	<u>\$ 8,661,920</u>

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	\$ 59,203
Support services:	
General administration	14,712
Operation and maintenance of plant	725,918
Other support	17,913
Noninstructional services	915
Total depreciation expense	<u>\$ 818,661</u>

**NOTE 6 – INTERFUND BALANCES AND TRANSFERS**

Interfund receivable and payable balances consisting of overdrafts in pooled cash and budgetary transfers at June 30, 2019 are as follows:

Receivable Fund	Payable Fund	Amount
General	Grants	\$ 69,123
	Nonmajor	12,685
		<u>\$ 81,808</u>

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Interfund transfers during the year ended June 30, 2019 are as follows:

	Transfers In:
	Nonmajor Fund
Transfers out:	
General fund	\$ 64,043

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

**NOTE 7 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

Deferred outflows of resources of at June 30, 2019 consist of amounts related to pensions totaling \$2,410,488 and amounts related to OPEB totaling \$797,791. For further discussion on these amounts, see Notes 9 and 10, respectively.

Deferred inflows of resources of at June 30, 2019 consist of amounts related to pensions totaling \$1,028,953 and amounts related to OPEB totaling \$87,652. For further discussion on these amounts, see Notes 9 and 10, respectively.

Deferred inflows of resources reported in the governmental funds for unavailable revenues are as follows:

	General Fund	Grants Fund
Fiscal year 2020 funds received in advance	\$3,193	\$ -
Local grant revenue collected in advance of eligible expenditures	-	31,719
Total deferred inflows of resources	\$3,193	\$31,719

**NOTE 8 – LONG-TERM LIABILITIES**

Changes in the School District's long-term liabilities consisted of the following for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Bond payable:					
General obligation bond	\$ 465,000	\$ -	\$(155,000)	\$ 310,000	\$ 155,000
Premium	42,612	-	(14,204)	28,408	14,204
Total bonds payable	507,612	-	(169,204)	338,408	169,204
Compensated absences	1,087,090	988	-	1,088,078	18,095
Pension related liability	14,107,103	-	(148,830)	13,958,273	-
Net other postemployment benefits	3,367,282	20,905	(392,390)	2,995,797	-
Total long-term liabilities	\$19,069,087	\$ 21,893	\$(710,424)	\$ 18,380,556	\$ 187,299

The long-term bond is comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate	Outstanding at June 30, 2019
General obligation bond payable:					
2013 Series C	\$ 1,090,000	2013	2021	2.14%	\$ 310,000

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The annual requirements to amortize the general obligation bond outstanding as of June 30, 2019, including interest payments, are as follows:

Fiscal Year Ending	Principal	Interest	Total
June 30,			
2020	\$ 155,000	\$ 12,245	\$ 167,245
2021	155,000	4,146	159,146
Totals	<u>\$ 310,000</u>	<u>\$ 16,391</u>	<u>\$ 326,391</u>

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

**NOTE 9 – 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 ¼ 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 2019, the School District contributed 15.70% for teachers and 11.08% for other employees. The contribution requirement for the fiscal year 2019 was \$1,228,264, which was paid in full.

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**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions** – At June 30, 2019, the School District reported a liability of \$13,958,273 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of 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, 2018, the School District’s proportion was 0.29% which was an increase of 0.003% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School District recognized pension expense of \$1,105,363. At June 30, 2019, 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	\$ 108,758	\$ 592,925
Net difference between projected and actual investment earnings on pension plan investments	-	323,007
Changes in assumptions	965,982	-
Differences between expected and actual experience	111,412	113,021
Contributions subsequent to the measurement date	1,224,336	-
Total	\$2,410,488	\$1,028,953

The \$1,224,336 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2019	\$ 300,763
2020	260,027
2021	(372,393)
2022	(31,198)
Thereafter	-
Totals	\$ 157,199

**Actuarial Assumptions** – The collective total pension liability was determined by an actuarial performed as of June 30, 2017, rolled forward to June 30, 2018, using the following assumptions:

Inflation:	2.5% per year
Wage inflation	3.25% per year
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, 2018 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 2018:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return
		2018
Large Cap Equities	22.50%	4.25%
Small/Mid Cap Equities	7.50%	4.50%
Total domestic equities	30.00%	
Int'l Equities (unhedged)	13.00%	4.50%
Emerging Int'l Equities	7.00%	6.00%
Total international equity	20.00%	
Core Bonds	4.50%	0.50%
Short Duration	2.50%	(0.25%)
Global Multi-Sector Fixed Income	11.00%	1.80%
Absolute Return Fixed Income	7.00%	1.14%
Total fixed income	25.00%	
Private equity	5.00%	6.25%
Private debt	5.00%	4.25%
Opportunistic	5.00%	2.15%
Total alternative investments	15.00%	
Real estate	10.00%	3.25%
Total	100.00%	

**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	1% Increase
		7.25%	8.25%
June 30, 2018	\$ 18,571,597	\$ 13,958,273	\$ 10,092,167

**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 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**10-A New Hampshire Retirement System (NHRS)**

**Plan Description** – The New Hampshire Retirement System (NHRS or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2018 Comprehensive Annual Financial Report, which can be found on the system’s website at [www.nhrs.org](http://www.nhrs.org).

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

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

Maximum medical subsidy rates paid during fiscal years 2017 and 2016 were as follows:

- For qualified retirees not eligible for Medicare, the amounts were \$375.56 for a single-person plan and \$751.12 for a two-person plan.
- For those qualified retirees eligible for Medicare, the amounts were \$236.84 for a single-person plan and \$473.68 for a two-person plan.

**Contributions** – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2018, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2019, the School District contributed 1.66% for teachers and 0.30% for other employees. The contribution requirement for the fiscal year 2018 was \$116,243, which was paid in full.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – At June 30, 2019, the School District reported a liability of \$1,195,298 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The School District’s proportion of the net OPEB liability was based on a projection of the School District’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2018, the School District’s proportion was 0.26% which was a decrease of 0.09% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School District recognized OPEB expense of \$224,990. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ -	\$ 83,854
Net difference between projected and actual investment earnings on OPEB plan investments	7,016	3,798
Contributions subsequent to the measurement date	115,087	-
Total	\$ 122,103	\$ 87,652

The \$115,087 reported as deferred outflows of resources related to OPEB results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020.

**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2019	\$(78,023)
2020	(1,185)
2021	(1,185)
2022	(243)
Thereafter	-
Totals	<u>\$ (80,636)</u>

**Actuarial Assumptions** – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2017 and a measurement date of June 30, 2018. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Price inflation:	2.5% per year
Wage inflation:	3.25% per year
Salary increases:	5.6% average, including inflation
Investment rate of return:	7.25% net of OPEB plan investment expense, including inflation
Health care trend rate:	Not applicable, given that the benefits are fixed stipends

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

The actuarial assumptions used in the June 30, 2018 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 OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2018:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return <u>2018</u>
Large Cap Equities	22.50%	4.25%
Small/Mid Cap Equities	7.50%	4.50%
Total domestic equities	<u>30.00%</u>	
Int'l Equities (unhedged)	13.00%	4.50%
Emerging Int'l Equities	7.00%	6.00%
Total international equity	<u>20.00%</u>	
Core Bonds	4.50%	0.50%
Short Duration	2.50%	(0.25%)
Global Multi-Sector Fixed Income	11.00%	1.80%
Absolute Return Fixed Income	7.00%	1.14%
Total fixed income	<u>25.00%</u>	
Private equity	5.00%	6.25%
Private debt	5.00%	4.75%
Opportunistic	5.00%	2.15%
Total alternative investments	<u>15.00%</u>	
Real estate	10.00%	3.25%
Total	<u>100.00%</u>	



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**Discount Rate** – The discount rate used to measure the total OPEB liability as of June 30, 2018 was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

**Sensitivity of the School District’s Proportionate Share of the OPEB Liability to Changes in the Discount Rate** – The following table presents the School District’s proportionate share of the OPEB liability calculated using the discount rate of 7.25% as well as what the School District’s proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (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, 2018	\$ 1,244,071	\$ 1,195,298	\$ 1,058,675

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

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

**10-B Retiree Health Benefit Program**

**Plan Description** – GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefit. The postemployment benefit liability is recognized on the Statement of Net Position over time.

**Benefits Provided** – The School District provides postemployment healthcare benefits for certain eligible retirees. The School District provides medical benefits to its eligible retirees. The benefits are provided through the New Hampshire HealthTrust.

**Employees Covered by Benefit Terms** – At July 1, 2017 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	6
Active employees	123
Total participants covered by OPEB plan	129

**Total OPEB Liability** – The School District’s total OPEB liability of \$1,800,499 was measured as of July 1, 2017 and was determined by an actuarial valuation of that date.

**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
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**Actuarial Assumptions and Other Inputs** – The total OPEB liability of \$1,800,499 in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	3.58%
Healthcare Cost Trend Rates:	
Current Year Trend	9.50%
Second Year Trend	9.00%
Decrement	0.50%
Ultimate Trend	5.00%
Year Ultimate Trend is Reached	2028
Salary Increases:	2.00%

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

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

**Changes in the Total OPEB Liability**

	June 30,	
	2018	2019
Total OPEB liability beginning of year	\$ 1,719,470	\$ 1,779,594
Changes for the year:		
Service cost	82,067	83,708
Interest	60,530	62,469
Assumption changes and difference between actual and expected experience	(25,106)	(55,955)
Benefit payments	(57,367)	(69,317)
Total OPEB liability end of year	<u>\$ 1,779,594</u>	<u>\$ 1,800,499</u>

**Sensitivity of the School District's OPEB Liability to Changes in the Discount Rate** – The July 1, 2017 actuarial valuation was prepared using a discount rate of 3.58%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$1,677,066 or by 6.86%. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$1,931,152 or by 7.28%.

	Discount Rate		
	1% Decrease	Baseline 3.58%	1% Increase
Total OPEB Liability	<u>\$ 1,931,512</u>	<u>\$ 1,800,499</u>	<u>\$ 1,677,066</u>

**Sensitivity of the School District's OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The July 1, 2017 actuarial valuation was prepared using an initial trend rate of 9.50%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$2,012,100 or by 11.75%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$1,617,453 or by 10.17%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 9.50%	1% Increase
Total OPEB Liability	<u>\$ 1,617,453</u>	<u>\$ 1,800,499</u>	<u>\$ 2,012,100</u>

**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
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**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – For the year ended June 30, 2019, the School District recognized OPEB expense of \$335,412. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Changes in assumptions	\$ 48,519
Differences between expected and actual experience	627,169
Total	<u>\$ 675,688</u>

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

Fiscal Year Ending June 30,	
2020	\$ 174,763
2021	174,763
2022	174,763
2023	151,399
Thereafter	-
Totals	<u>\$ 675,688</u>

**NOTE 11 – ENCUMBRANCES**

Encumbrances in the amount of \$32,108 outstanding at June 30, 2019 are for operation and maintenance of plant.

**NOTE 12 – GOVERNMENTAL ACTIVITIES NET POSITION**

Governmental activities net position reported on the government-wide Statement of Net Position at June 30, 2019 include the following:

Net investment in capital assets:	
Net book value of all capital assets	\$ 8,661,920
Less:	
General obligation bond payable	(310,000)
Unamortized bond premiums	(28,408)
Total net investment in capital assets	8,323,512
Restricted for capital project	800
Unrestricted	(13,974,772)
Total net position	<u>\$ (5,650,460)</u>

**NOTE 13 – GOVERNMENTAL FUND BALANCES**

Governmental fund balances at June 30, 2019 consist of the following:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Restricted:</b>			
Capital project	\$ -	\$ 800	\$ 800
<b>Committed:</b>			
Expendable trust	659,365	-	659,365
Recreation revolving	-	37,937	37,937
Total committed fund balance	<u>659,365</u>	<u>37,937</u>	<u>697,302</u>

*(Continued)*

**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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*Governmental fund balances continued:*

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assigned:</b>			
Encumbrances	32,108	-	32,108
Student balances	1,140	-	1,140
Total assigned fund balance	<u>33,248</u>	<u>-</u>	<u>33,248</u>
<b>Unassigned</b>	1,251,193	-	1,251,193
Total governmental fund balances	<u>\$ 1,943,806</u>	<u>\$ 38,737</u>	<u>\$ 1,982,543</u>

**NOTE 14 – 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 2019, the School District was a member of the New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs.

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, 2018 to June 30, 2019 by Primex<sup>3</sup>, which retained \$2,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits 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. In fiscal year 2018-19 the School District paid \$50,173 and \$46,707, respectively, to Primex for workers' compensation and property/liability. At this time, Primex<sup>3</sup> foresees no likelihood of any additional assessment for this or any prior year.

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

**NOTE 15 – 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.

***SOUHEGAN COOPERATIVE SCHOOL DISTRICT***  
***NOTES TO THE BASIC FINANCIAL STATEMENTS***  
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***NOTE 16 – 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 17 – SUBSEQUENT EVENTS***

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through December 9, 2019, the date the June 30, 2019 financial statements were available to be issued, and no events occurred that require recognition or disclosure.

***REQUIRED SUPPLEMENTARY INFORMATION***

**EXHIBIT F**  
**SOUHEGAN COOPERATIVE 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, 2019*

	June 30,					
	2014	2015	2016	2017	2018	2019
School District's:						
Proportion of the net pension liability	0.32%	0.32%	0.30%	0.30%	0.29%	0.29%
Proportionate share of the net pension liability	\$ 13,979,235	\$ 11,951,376	\$ 11,956,064	\$ 15,984,325	\$ 14,107,103	\$ 13,958,273
Covered payroll	\$ 9,088,182	\$ 8,856,904	\$ 8,860,121	\$ 8,705,717	\$ 8,512,284	\$ 8,188,416
Proportionate share of the net pension liability as a percentage of its covered payroll	153.82%	134.94%	134.94%	183.61%	165.73%	170.46%
Plan fiduciary net position as a percentage of the total pension liability	59.81%	66.32%	65.47%	58.30%	62.66%	64.73%

The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.

**EXHIBIT G**  
**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
*Schedule of School District Contributions - Pensions*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended June 30, 2019*

	June 30,					
	2014	2015	2016	2017	2018	2019
Contractually required contribution	\$ 807,658	\$1,032,960	\$1,012,518	\$1,076,361	\$1,050,844	\$1,225,197
Contributions in relation to the contractually required contributions	807,658	1,032,960	1,012,518	1,076,361	1,050,844	1,225,197
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$9,088,182	\$8,856,904	\$8,860,121	\$8,705,717	\$8,512,284	\$8,188,416
Contributions as a percentage of covered payroll	8.89%	11.66%	11.43%	12.36%	12.35%	14.96%

The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.





**EXHIBIT H**  
**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
*Schedule of the School District's Proportionate Share of the Net Other Postemployment Benefits Liability*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended June 30, 2019*

	June 30,		
	2017	2018	2019
School District's proportion of the net OPEB liability	0.36%	0.35%	0.26%
School District's proportionate share of the net OPEB liability (asset)	\$ 1,759,875	\$ 1,587,688	\$ 1,195,298
School District's covered payroll	\$ 8,705,717	\$ 8,512,284	\$ 8,188,416
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	20.22%	18.65%	14.60%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%

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

**EXHIBIT I**  
**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
*Schedule of School District Contributions - Other Postemployment Benefits*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended June 30, 2019*

	June 30,		
	2017	2018	2019
Contractually required contribution	\$ 211,234	\$ 205,808	\$ 115,479
Contributions in relation to the contractually required contribution	211,234	205,808	115,479
Contribution deficiency (excess)	\$ -	\$ -	\$ -
School District's covered payroll	\$ 8,705,717	\$ 8,512,284	\$8,188,416
Contributions as a percentage of covered payroll	2.43%	2.42%	1.41%

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

**EXHIBIT J**  
**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
*Schedule of Changes in the School District's Total Other Postemployment Benefits Liability and Related Ratios*  
*For the Fiscal Year Ended June 30, 2019*

	June 30,		
	2017	2018	2019
OPEB liability, beginning of year	\$ 662,711	\$ 1,719,470	\$ 1,779,594
Changes for the year:			
Service cost	34,652	82,067	83,708
Interest	26,456	60,530	62,469
Assumption changes and difference between actual and expected experience	998,285	(25,106)	(55,955)
Benefit payments	(2,634)	(57,367)	(69,317)
OPEB liability, end of year	<u>\$ 1,719,470</u>	<u>\$ 1,779,594</u>	<u>\$ 1,800,499</u>
Covered payroll	<u>\$ 7,992,560</u>	<u>\$ 7,992,560</u>	<u>\$ 8,152,411</u>
Total OPEB liability as a percentage of covered payroll	21.51%	22.27%	22.09%

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

**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**OTHER POSTEMPLOYMENT BENEFITS LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2019**

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

As required by GASB Statement No. 75, Exhibits H and I represent the actuarial determined costs associated with the School District’s other postemployment benefits at June 30, 2019. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

There were no changes to benefit terms or assumptions in the current actuarial valuation report.

**Methods and Assumptions:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	Not applicable under statutory funding
Asset Valuation Method	5-year smooth market: 20% corridor
Price Inflation	2.5% per year
Wage Inflation	3.25% per year
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	3.62% per year
Investment Rate of Return	7.25% per year, net of OPEB plan investment expense, including inflation for determining solvency contributions
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 Healthy Annuitant and Employee generational mortality tables for males and females with credibility adjustments, adjusted for fully generational mortality improvements using Scale MP-2015, based on the last experience study.

***Schedule of Changes in School District’s Total Other Postemployment Benefits Liability and Related Ratios***

As required by GASB Statement No. 75, Exhibit J represents the actuarial determined costs associated with the School District’s other postemployment benefits at June 30, 2019. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

***COMBINING AND INDIVIDUAL FUND SCHEDULES***

**SCHEDULE 1**  
**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
**Major General Fund**  
*Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)*  
**For the Fiscal Year Ended June 30, 2019**

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 13,361,835	\$ 13,361,835	\$ -
Other local sources:			
Tuition	34,540	77,930	43,390
Investment earnings	12,600	26,525	13,925
Student activities	115,000	123,040	8,040
Miscellaneous	123	47,742	47,619
Total from other local sources	<u>162,263</u>	<u>275,237</u>	<u>112,974</u>
State sources:			
Adequacy aid (grant)	1,656,069	1,656,069	-
Adequacy aid (tax)	1,537,621	1,537,621	-
Catastrophic aid	158,767	199,085	40,318
Vocational aid	500	2,027	1,527
Other state aid	-	160,000	160,000
Total from state sources	<u>3,352,957</u>	<u>3,554,802</u>	<u>201,845</u>
Federal sources:			
Medicaid	60,000	43,081	(16,919)
Total revenues	16,937,055	<u>\$ 17,234,955</u>	<u>\$ 297,900</u>
Use of fund balance to reduce school district assessment	611,299		
Total revenues and use of fund balance	<u>\$ 17,548,354</u>		

**SCHEDULE 2**  
**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
**Major General Fund**  
*Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)*  
**For the Fiscal Year Ended June 30, 2019**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
<b>Current:</b>					
<b>Instruction:</b>					
Regular programs	\$ -	\$ 7,233,305	\$ 7,157,106	\$ -	\$ 76,199
Special programs	-	2,553,663	2,245,759	-	307,904
Vocational programs	-	18,661	18,661	-	-
Other programs	-	696,857	671,579	-	25,278
Total instruction	<u>-</u>	<u>10,502,486</u>	<u>10,093,105</u>	<u>-</u>	<u>409,381</u>
<b>Support services:</b>					
Student	-	1,841,625	1,673,207	-	168,418
Instructional staff	-	628,237	576,657	-	51,580
General administration	-	78,877	86,748	-	(7,871)
Executive administration	-	803,609	795,529	-	8,080
School administration	-	832,782	824,767	-	8,015
Business	-	3,000	2,244	-	756
Operation and maintenance of plant	410,000	1,255,123	1,589,081	32,108	43,934
Student transportation	-	723,235	577,858	-	145,377
Other	-	424,797	419,409	-	5,388
Total support services	<u>410,000</u>	<u>6,591,285</u>	<u>6,545,500</u>	<u>32,108</u>	<u>423,677</u>
<b>Debt service:</b>					
Principal of long-term debt	-	155,000	155,000	-	-
Interest on long-term debt	-	20,538	20,538	-	-
Total debt service	<u>-</u>	<u>175,538</u>	<u>175,538</u>	<u>-</u>	<u>-</u>
Facilities acquisition and construction	-	150,000	80,000	-	70,000
<b>Other financing uses:</b>					
Transfers out	-	129,045	64,043	-	65,002
Total appropriations, expenditures, other financing uses, and encumbrances	<u>\$ 410,000</u>	<u>\$ 17,548,354</u>	<u>\$ 16,958,186</u>	<u>\$ 32,108</u>	<u>\$ 968,060</u>



*SCHEDULE 3  
SOUHEGAN COOPERATIVE SCHOOL DISTRICT  
Major General Fund  
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2019*

Unassigned fund balance, beginning		\$ 596,532
Changes:		
Unassigned fund balance used to reduce school district assessment		(611,299)
2018-2019 Budget summary:		
Revenue surplus (Schedule 1)	\$ 297,900	
Unexpended balance of appropriations (Schedule 2)	968,060	
2018-2019 Budget surplus		<u>1,265,960</u>
Unassigned fund balance, ending		<u><u>\$1,251,193</u></u>

**SCHEDULE 4**  
**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
*Nonmajor Governmental Funds*  
**Combining Balance Sheet**  
**June 30, 2019**

	Special Revenue Funds		Capital Project Fund	Total
	Food Service	Recreation Revolving	Turf Field Project	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 795	\$ 37,937	\$ 8,084	\$ 46,816
Accounts receivable	310	-	-	310
Intergovernmental receivable	20,396	-	-	20,396
<b>Total assets</b>	<b>\$ 21,501</b>	<b>\$ 37,937</b>	<b>\$ 8,084</b>	<b>\$ 67,522</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 16,100	\$ -	\$ -	\$ 16,100
Interfund payable	5,401	-	7,284	12,685
<b>Total liabilities</b>	<b>21,501</b>	<b>-</b>	<b>7,284</b>	<b>28,785</b>
<b>FUND BALANCES</b>				
Restricted	-	-	800	800
Committed	-	37,937	-	37,937
<b>Total fund balances</b>	<b>-</b>	<b>37,937</b>	<b>800</b>	<b>38,737</b>
<b>Total liabilities and fund balances</b>	<b>\$ 21,501</b>	<b>\$ 37,937</b>	<b>\$ 8,084</b>	<b>\$ 67,522</b>

**SCHEDULE 5**  
**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
*Nonmajor Governmental Funds*  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2019**

	Special Revenue Funds		Capital Project Fund	Total
	Food Service	Recreation Revolving	Turf Field Project	
<b>REVENUES</b>				
Other local	\$ 338,091	\$ 16,523	\$ 44	\$ 354,658
State	757	-	-	757
Federal	19,493	-	-	19,493
Total revenues	<u>358,341</u>	<u>16,523</u>	<u>44</u>	<u>374,908</u>
<b>EXPENDITURES</b>				
Current:				
Noninstructional services	<u>422,384</u>	<u>-</u>	<u>-</u>	<u>422,384</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(64,043)</u>	<u>16,523</u>	<u>44</u>	<u>(47,476)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>64,043</u>	<u>-</u>	<u>-</u>	<u>64,043</u>
Net change in fund balances	-	16,523	44	16,567
Fund balances, beginning	-	21,414	756	22,170
Fund balances, ending	<u>\$ -</u>	<u>\$ 37,937</u>	<u>\$ 800</u>	<u>\$ 38,737</u>

**SCHEDULE 6**  
**SOUHEGAN COOPERATIVE SCHOOL DISTRICT**  
*Student Activities Funds*  
**Combining Schedule of Changes in Student Activities Funds**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Balance, beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, ending</u>
Schools:				
Souhegan High School	\$ 231,116	\$ 753,553	\$ 815,335	\$ 169,334
High School Athletics	6,065	55,314	56,044	5,335
Totals	<u>\$ 237,181</u>	<u>\$ 808,867</u>	<u>\$ 871,379</u>	<u>\$ 174,669</u>

# GRADING AND REPORTING UPDATE DECEMBER 2019

SOUHEGAN COOPERATIVE  
SCHOOL BOARD



### **SAU-wide strategic plan**

Common reporting  
system

Competency based  
assessment model



### **NH Minimum Standards for School Approval**

Performance  
Assessment

Recording student  
progress in meeting  
competencies



### **College and Career Ready Standards**

Require application of  
learning

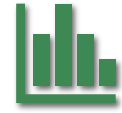
Assessing deeper  
learning



### **Need for consistency in grading practices**

Equity within and  
across grade levels and  
content areas

Separating academics  
from work habits



### **Home – School Connection**

Greater partnership  
between teacher,  
student and parent to  
support growth

# Our purpose for changing practice

2018-2019

## Grading and Reporting Implementation



All Grade 9 and 10 team teachers scored on 1-4 scale against standards, had rolling grades, allowed for reassessment, utilized Empower for gradebooks



All progress reports and report cards were the same as what had been used in prior years



Grade 11 and 12 teachers worked on finalizing competencies and learning targets

# 2019-2020 Implementation Grading and Reporting Practices

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## Teachers of courses with students in grades 9, 10, and 11 are:

- Scoring on a 1-4 scale against standards
- Using Empower for their gradebooks
- Using rolling grades
- Ensuring reassessment is available

## Teachers of grade 12 students:

- Have the option of using Empower
- If they are using Empower as their gradebook, students are scored on a 1-4 scale against standards, grades are rolling, and reassessment is available.



# 2019-2020 Implementation: Progress Reports and Report Cards

Grade 9 progress reports are competency-based and printed from Empower. Progress reports and report cards use the same format.

Progress reports are sent home:

- mid-semester one
- semester one
- mid-semester two

Report cards are sent home at the end of semester two (end of the school year).

The Empower portal will be open for students at the end of November and will be open to parents mid-January.



Student Name

**Souhegan High School**  
412 Boston Post Rd  
Amherst, NH 03031  
(603) 673-9940 bhagen@sau39.org

Bill Hagen, Principal

<http://empower.sau39.org>

Reporting End Date: 11/12/2019  
Print Date: 11/13/2019

<b>Advisory Gr9 PR - 9110-08</b>		<b>SHSQ1</b>
Teacher Name	Prg	P
<b>Core Math 1 PR - 2105-02</b>		<b>SHSQ1</b>
Teacher Name	Prg	
Algebra HS		2.50
Functions 8-HS		3.00
Number and Quantity HS		2.00
WSP - Self-Direction		3.00
<b>Cultural Foundations PR - 1110-02</b>		<b>SHSQ1</b>
Teacher Name	Prg	
1. Reading: Literature		3.00
3. Writing		3.00
4. Language		2.50
5. Speaking & Listening		2.00
WSP - Collaboration		3.00
WSP - Creativity		3.00
WSP - Self-Direction		4.00
<b>Cultural Foundations PR - 9110-02</b>		<b>SHSQ1</b>
Teacher Name	Prg	
Civics		3.00
Social Studies Inquiry		3.00
WSP - Collaboration		3.00
WSP - Self-Direction		3.00
<b>Design Studio 2D PR - 4111-01</b>		<b>SHSQ1</b>
Teacher Name	Prg	
Creating		1.50
WSP - Self-Direction		2.00

<b>Earth Science PR-2210-02</b>		<b>SHSQ1</b>
Teacher Name	Prg	
3. Energy, Matter and Systems		2.00
4. Scientific Investigation		2.00
6. Scientific Explanation		2.50
WSP - Self-Direction		2.50
<b>Spanish 2 PR - 3120-01</b>		<b>SHSQ1</b>
Teacher Name	Prg	
Communication		3.50
Culture		1.00
<b>Wellness 9 PR - 8100-05</b>		<b>SHSQ1</b>
Teacher Name	Prg	
Motor Skills and Movement Patterns		2.00
Personal and Social Responsibility		2.50
WSP - Self-Direction		2.50

# What are the differences this year?



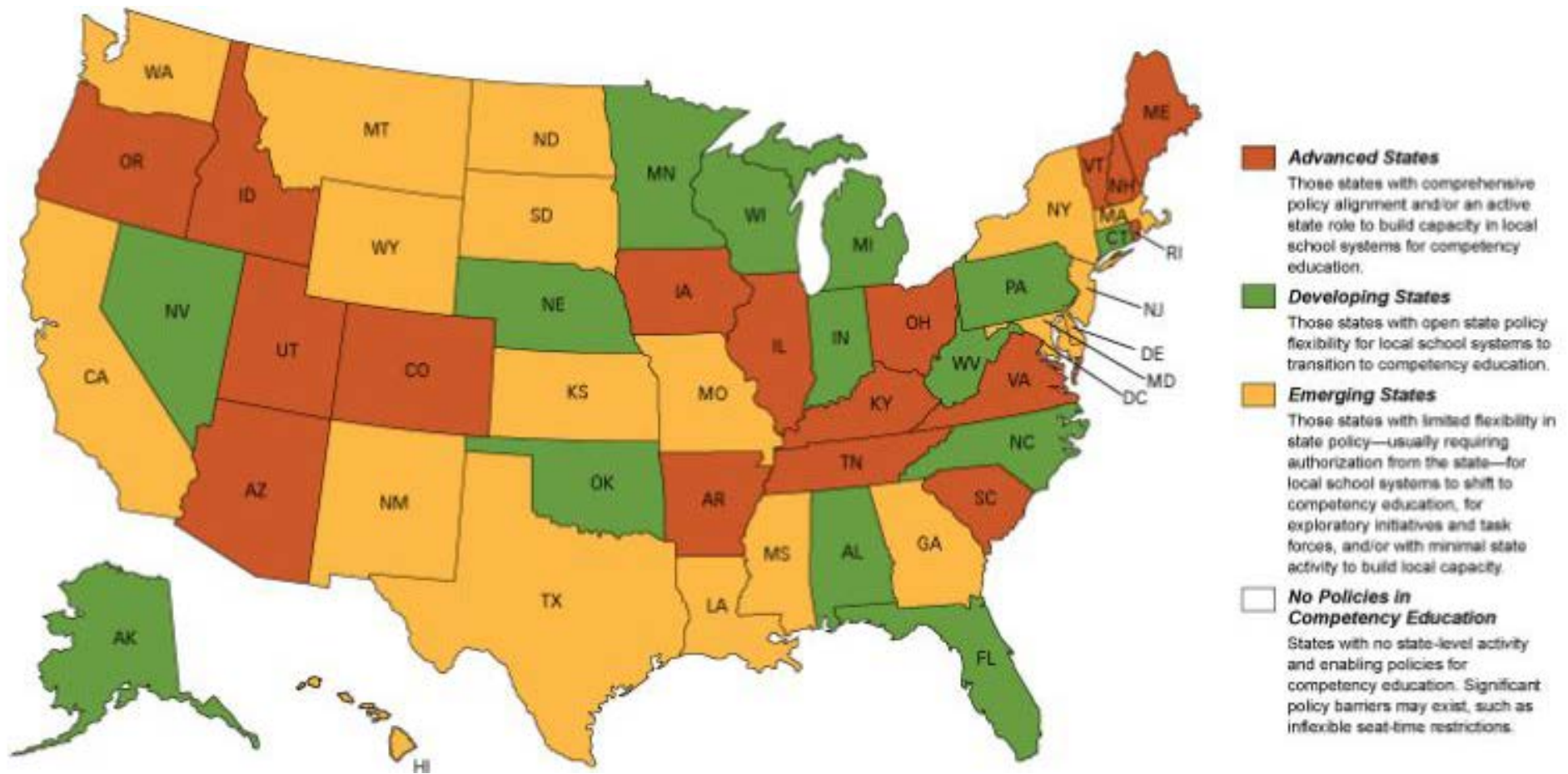
Grade 9 students aren't experiencing anything different than what they experienced last year at AMS.



Grade 10 and 11 students are experiencing the same grading and reporting practices they had last year with their team teachers.



Grade 12 students are experiencing some new grading practices such as rolling grades and reassessment, but report cards and progress reports are the same as prior years.



## States with Competency-Based Education Policy

[Link to updated map released December 2, 2019](#)



# Teacher Panel

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## Grading and Reporting Implementation Plan – Souhegan High School

### 2018 – 2019 School Year Implementation

- All Grade 9 and 10 team teachers scored students on a 1-4 scale against standards, had rolling grades throughout the year, allowed reassessment, and utilized Empower for their gradebooks.
- All progress reports and report cards were the same as what had been used in prior years. Progress reports and report cards were accessed through MMS. A common conversion scale was used to translate 1-4 scores to a letter grade for report cards.
- Grade 11 and 12 teachers worked on finalizing their competencies and standards to be able to score standards based.

### 2019 – 2020 School Year Implementation

- *Grading and Reporting Practices*
  - Teachers of courses with students in grades 9, 10, and 11 are scoring on a 1-4 scale against standards and using Empower for their gradebooks. Grades are rolling and reassessments is available.
  - Teachers of grade 12 students have the option of using Empower. Many classes with seniors include other grade levels so it is much easier for a teacher to choose to score all students the same way. If they are using Empower as their gradebook, students are scored on a 1-4 scale against standards, grades are rolling, and reassessment is available.
- *Progress Reports and Report Cards*
  - Grade 9 progress reports will be competency-based and printed from Empower. Click here for a [sample](#) progress report. Progress reports and report cards use the same format. Progress reports are sent home mid-semester one, semester one, and mid-semester two. Report cards are sent home at the end of semester two (end of the school year). The Empower portal will be open for students at the end of November and will be open to parents mid-January.
  - Grade 10 and 11 students will receive the same progress report and report card they have received in prior years. Progress reports provide a brief comment on student progress along with a grade score range, such as in the range of a B (sent mid-semester 1 and mid semester 2). Report cards are used at the end of the first semester and the end of the second semester (end of year). Progress reports and report cards are accessed through MMS. A common conversion scale is used to translate 1-4 scores to a letter grade for progress report ranges and scores on report cards. Click here for a [sample](#) progress report.
  - Grade 12 students will receive the same progress report and report card they have received in prior years. The only difference with seniors is that mid-semester one is a report card since colleges need an updated transcript in the fall. This report card is the same report card that has been used for years. They will receive another report card at the end of semester 1 and end of semester 2. A common conversion scale is used to translate 1-4 scores to a letter grade for report cards. Click here for a [sample](#) report card.

### **What are the major differences for the 19-20 school year?**

Grade 9 students are not experiencing anything different than what they experienced last year at AMS. Students are scored on the same 1-4 scale, grades are rolling, students are given reassessment opportunities, and they will receive competency-based progress reports and report cards from Empower.

Grade 10 and 11 students are experiencing exactly what they experienced last year with their team teachers. They are scored on a 1-4 scale against standards, grades are rolling, and reassessment is available. Teachers are using Empower as their gradebook. Grades are converted using a common conversion scale and students receive a letter grade report card from MMS.

For grade 12 students, many teachers have chosen to use Empower with all of their courses which means that grade 12 students are being scored on a 1-4 scale against standards. A 1-4 scale has been consistently used by teachers at Souhegan in the past so this should not be completely new to students. Grades are rolling which is most likely a new concept for students but one that allows students to show mastery over time and not be penalized for earlier work where they may have not yet shown mastery. Reassessment is also not a new concept to students. Many teachers in the past would offer reassessment opportunities to students. Seniors are used to progress reports at the mid-semester time, not report cards. Seniors need a report card at the mid-semester mark so updated transcripts can be sent to colleges. This is a consistent practice for seniors in prior years but one that is new for these students.

### **2020 – 2021 School Year Implementation**

- All Grade 9 and 10 teachers will score students on a 1-4 scale against standards, grades will be rolling throughout the year, reassessment will be available, and teachers will use Empower for their gradebooks. Students and parents will be able to access Empower. Progress reports and report cards will be printed from Empower.
- All teachers of grade 11 and 12 students will be scoring on a 1-4 scale against standards and using Empower for their gradebooks. Grades will be rolling, and reassessments will be available. Progress reports and report cards will be the same as what had been used in prior years and accessed through our Student Information System. A common conversion scale will be used to translate 1-4 scores to a letter grades for report cards.

Implementation will continue in future years with the class of 2022 being the last class to receive traditional report cards with letter grades and the class of 2023 will be the first class to receive competency-based progress reports, report cards, and transcripts.

First Reading Policy:

JIH- Student Searches and Their Property

December 17<sup>th</sup>, 2019

**JIH - STUDENT SEARCHES AND THEIR PROPERTY**

*Category R*

The superintendent, principal, security personnel of the school or other authorized personnel as designated by the superintendent may detain and search any student or students on the premises of the public schools, or while attending, or while in transit to, any event or function sponsored or authorized by the school under the following conditions:

1. When any authorized person has reasonable suspicion that the student may have on the students' person or property alcohol; dangerous weapons; prohibited electronic devices; controlled dangerous substances as defined by law or stolen property if the property in question is reasonably suspected to have been taken from a student, a school employee, or the school during school activities; or any other items which have been or may reasonably be disruptive of school operations or in violation of student discipline rules and applicable provisions of the student handbook.
2. School lockers and school desks are the property of the school, not the student. Students who use school district lockers, desks, and other storage areas or compartments have no reasonable expectation of privacy from school employees as to the contents of those areas. Lockers, desks, and other storage areas or compartments may be subjected to searches at any time with or without reasonable suspicion. Students are not to use any school area or property to store anything that should not be at school. Students shall not exchange lockers or desks. Students shall not use any lockers or desks other than those assigned to them by the principal or designee. A shared locker or storage area implies shared responsibility.
3. Authorized personnel may conduct a search of the student's person or the student's belongings, as noted above, whenever a student freely and voluntarily consents to such a search. Consent obtained through threats or coercion is not considered to be freely and voluntarily given.
4. Strip searches are forbidden. No clothing except cold weather/outdoor garments and footwear will be requested to be removed before or during a search.
5. Authorized personnel conducting a search shall have authority to detain the student or students and to preserve any contraband seized. Contraband seized during the course of a search will be preserved and held in accordance with applicable administrative rules and procedures.
6. Whenever possible, two authorized persons shall be present during any search of a student or student property.
7. The Superintendent is authorized to arrange for the use of trained canines to aid in the search process.
8. Items that may be seized during an unauthorized search, in addition to those mentioned in Paragraph 1 above, shall include but not be limited to, any item, object, instrument, or material commonly recognized as unlawful or prohibited by law or by district policy. For example: prescription or non-prescription medicines, switchblade knives, brass knuckles, billy clubs, and pornographic literature are commonly recognizable as unlawful or prohibited items. Such items, or any other items which may pose a threat to a student, the student body, or school personnel shall be seized, identified as to ownership if possible, and



## **AMHERST, MONT VERNON, and SOUHEGAN POLICY**

held for release to proper authority.

In conducting searches of students and property, school officials should consult with legal counsel and law enforcement authorities to be aware of circumstances when involvement of the police is advisable and/or necessary.

Searches of student automobiles are governed by Board Policy JIHB.

### **Legal References:**

*NH Constitution, Pt. 1, Art. 19*

*State v. Drake, 139 NH 662 (1995)*

*State v. Tinkham, 143 NH 73 (1998)*

*Appendix JIH-R*