

**MONT VERNON, NEW HAMPSHIRE
SCHOOL DISTRICT**

Financial Statements

June 30, 2023

and

Independent Auditor's Report

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
FINANCIAL STATEMENTS
June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the School Board
Mont Vernon, New Hampshire School District

Opinions

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

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 the aggregate remaining fund information of the Mont Vernon, New Hampshire School District, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Mont Vernon, New Hampshire School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's proportionate share of the net OPEB liability, schedule of District OPEB contributions, schedule of changes in the District's total OPEB liability and related ratios, schedule of changes in the District's proportionate share of the net pension liability, and schedule of District pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries,

the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Vachon Clukay & Company PC

Manchester, New Hampshire
March 13, 2024

**MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2023**

Presented herewith please find the Management Discussion & Analysis Report for the Mont Vernon, New Hampshire School District (the District) for the fiscal year ending June 30, 2023. The responsibility for accuracy of the data, the completeness and fairness of this documentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material aspects. This report and its content have been designed to fairly present the District's financial position, including the results of operations of all the funds of the District. All the disclosures necessary to enable and to assist the reader in acquiring an accurate understanding of the District's financial activities have been included.

The District is responsible for establishing accounting and internal control structures designed to ensure that the physical, data, informational, intellectual, and human resource assets of the District are protected from loss, theft, and misuse, and to ensure that adequate accounting information is maintained and reported in conformity with generally accepted accounting principles (GAAP). Management also strives to ensure that these assets are put to good and effective use. The internal control structure is designed to provide reasonable assurances that these objectives are attained.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the District using the integrated approach as prescribed by GASB Statement 34.

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The basic financial statements are comprised of the following three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

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 most private-sector companies.

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the remaining difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain the control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and to demonstrate compliance with finance-related legal requirements. All the funds of the District are included in the governmental funds category.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, our readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between the governmental activities Statement of Net Position and Statement of Activities.

The District maintains numerous individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Food Service Fund and Grants Fund, which are considered major funds. Data for the other governmental funds, are combined into a single, aggregate presentation.

The District adopts an annual appropriation budget for its governmental funds. A budgetary comparison has been provided for the General Fund to demonstrate compliance with this budget. Budgetary information for the Food Service Fund and Grants Fund are not presented as they are not practical or meaningful.

Notes to the Basic Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

Financial Highlights

As of the close of the fiscal year, total assets and deferred outflows of resources were exceeded by liabilities and deferred inflows of resources by (\$2,023,248) (i.e., a deficit net position), a decrease of (\$234,249) from the previous fiscal year.

Governmental funds reported combined ending fund balances of \$474,422, a decrease of (\$368,506) from the previous fiscal year.

The General Fund shows an ending fund balance of \$467,143, a decrease of (\$332,327) from the previous fiscal year.

The Food Service Fund shows an ending fund balance of \$0, a decrease of (\$31,435) from the previous fiscal year.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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The Nonmajor Governmental Fund (Student Activities) shows an ending fund balance of \$7,279, a decrease of (\$4,744) from the previous fiscal year.

Government-Wide Financial Analysis

Statement of Net Position for the fiscal years ending June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Current and other assets:		
Capital assets - net	\$ 520,530	\$ 276,507
Other assets	552,064	976,763
Total assets	<u>1,072,594</u>	<u>1,253,270</u>
Deferred outflows of resources	<u>965,052</u>	<u>1,121,838</u>
Long-term and other liabilities:		
Long-term liabilities	3,793,783	3,120,846
Other liabilities	77,642	133,835
Total liabilities	<u>3,871,425</u>	<u>3,254,681</u>
Deferred inflows of resources	<u>189,469</u>	<u>909,426</u>
Net position:		
Net investment in capital assets	520,530	276,507
Restricted		31,435
Unrestricted	(2,543,778)	(2,096,941)
Total net position	<u>\$ (2,023,248)</u>	<u>\$ (1,788,999)</u>

Statement of Activities for the fiscal years ending June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Program revenues:		
Charges for services	\$ 81,767	\$ 30,918
Operating grants and contributions	391,720	362,540
Capital grants and contributions	54,589	
Total program revenues	<u>528,076</u>	<u>393,458</u>
General revenues:		
Property taxes	4,148,489	4,434,416
State adequacy education grant	1,117,127	891,251
Interest and investment earnings	18,701	1,147
Miscellaneous	4,018	38,030
Total general revenues	<u>5,288,335</u>	<u>5,364,844</u>
Total revenues	<u>5,816,411</u>	<u>5,758,302</u>

**MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2023**

Program expenses:		
Instruction	4,116,785	3,764,283
Supporting services	441,305	419,948
Instructional staff services	184,625	168,490
General administration	29,809	26,064
Executive administration	253,306	256,653
School administration	270,127	260,502
Operation and maintenance of plant	420,075	391,557
Pupil transportation	165,034	179,672
Central service	55,046	67,981
Food service	94,249	106,748
Other student	24,499	16,603
Total program expenses	<u>6,054,860</u>	<u>5,658,501</u>
Net gain (loss) on disposal of capital assets	<u>4,200</u>	<u>(83,045)</u>
Change in net position	(234,249)	16,756
Net position - beginning of year	<u>(1,788,999)</u>	<u>(1,805,755)</u>
Net position - ending of year	<u><u>\$ (2,023,248)</u></u>	<u><u>\$ (1,788,999)</u></u>

Financial Analysis

Government-Wide

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position was a deficit of (\$2,023,248), a decrease of (\$234,249) from the previous year. See page 6 of the Basic Financial Statements for a detailed reconciliation between the government-wide and fund financial statements change in net position.

A significant portion of net position \$520,530, reflects our investment in capital assets (e.g., buildings, improvements, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay any outstanding debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining unrestricted amount is what is available to meet the government's ongoing obligations to its citizens and creditors. The significant deficit unrestricted net position balance at year end (\$2,543,778) is the result of GASB Statements #68 and #75, whereby the District has recorded a liability and related deferred outflows of resources and deferred inflows of resources for its proportionate share of the State of New Hampshire Retirement System's unfunded pension and OPEB liabilities. Additionally, the District has reported a liability and related deferred outflows of resources and deferred inflows of resources for its single employer OPEB. The single employer OPEB is the result of the District having blended premium rates for insurance for all of its employees.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing

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FISCAL YEAR ENDING JUNE 30, 2023**

requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances for all funds of \$474,422, a decrease of (\$368,506) when compared to last year. This includes a (\$332,327) decrease in the total fund balance of the General Fund. The General Fund is the chief operating fund of the District.

Fund Balances for the District may fall into one of the five following classifications – Nonspendable, Restricted, Committed, Assigned and Unassigned.

Committed Fund Balances account for a large percentage of the total Fund Balances and includes Expendable Trusts balances of \$191,789 and \$130,000 for fiscal year 2024 appropriations. The Assigned Fund Balances includes \$12,832 for encumbrances and \$7,279 for student activities. Please see Note 8 Fund Balance Components, on page 23 for additional information.

General Fund Budgetary Highlights

Budgetary information for the District's major governmental funds (General Fund only) is included in the Required Supplementary Information section.

Actual revenues on the budgetary basis exceeded the budgeted amount by \$90,310. A significant portion of this difference is due to Medicaid Reimbursements in excess of budgeted amounts. Actual expenditures and other financing uses on the budgetary basis were \$172,207 lower than expected. Savings were realized in all General Fund expenditure functions. See Schedule 1 on page 26 for additional information.

Capital Assets

The District considers a capital asset to be an asset whose cost equals or exceeds \$20,000 and has a useful life of greater than five years. Assets are depreciated using the straight-line method over the course of their useful life. See Note 3 in the notes to the basic financial statements for additional information on the capital assets activity.

Long-Term Obligations

During the current year, compensated absences of the District had a net increase in potential future payments of \$8,854. The liabilities for other postemployment benefits and pension had a net decrease and increase in potential future payments of \$2,266 and \$666,349, respectively. See Notes 4, 5 and 6 in the Notes to the Basic Financial Statements for additional information regarding compensated absences, other postemployment benefits and the net pension liability.

**MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2023**

Contacting District's Financial Management

This financial report serves to provide our citizens and creditors with a general overview of the District's finances and to show accountability for the money it receives. If you have questions about this report or need to get additional information, contact SAU #39 Business Office at 1 School Street – PO Box 849, Amherst, NH 03031-0849.

EXHIBIT A
MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental <u>Activities</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 234,673
Accounts receivable	25
Due from other governments	317,366
Total Current Assets	<u>552,064</u>
Noncurrent Assets:	
Capital assets:	
Depreciable capital assets, net	<u>520,530</u>
Total Noncurrent Assets	<u>520,530</u>
Total Assets	<u>1,072,594</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	39,168
Deferred outflows related to pension	925,884
Total Deferred Outflows of Resources	<u>965,052</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	35,119
Accrued liabilities	26,682
Due to other governments	10,773
Unearned revenue	5,068
Total Current Liabilities	<u>77,642</u>
Noncurrent liabilities:	
Compensated absences payable	15,613
OPEB liability	466,269
Net pension liability	3,311,901
Total Noncurrent Liabilities	<u>3,793,783</u>
Total Liabilities	<u>3,871,425</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	97,115
Deferred inflows related to pension	92,354
Total Deferred Inflows of Resources	<u>189,469</u>
NET POSITION	
Net investment in capital assets	520,530
Unrestricted (deficit)	<u>(2,543,778)</u>
Total Net Position (deficit)	<u>\$ (2,023,248)</u>

See accompanying notes to the basic financial statements

EXHIBIT B
MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Instruction	\$ 4,116,785	\$ 18,157	\$ 297,755		\$ (3,800,873)
Supporting services	441,305		5,680		(435,625)
Instructional staff services	184,625		31,002		(153,623)
General administration	29,809				(29,809)
Executive administration	253,306				(253,306)
School administration	270,127		940		(269,187)
Operation and maintenance of plant	420,075		3,088	\$ 54,589	(362,398)
Pupil transportation	165,034				(165,034)
Central service	55,046		905		(54,141)
Food service	94,249	63,610	32,595		1,956
Other student	24,499		19,755		(4,744)
Total governmental activities	<u>\$ 6,054,860</u>	<u>\$ 81,767</u>	<u>\$ 391,720</u>	<u>\$ 54,589</u>	<u>(5,526,784)</u>
General revenues:					
Property taxes					4,148,489
State adequacy education grant					1,117,127
Interest and investment earnings					18,701
Miscellaneous					4,018
Net gain on disposal of capital assets					<u>4,200</u>
Total general revenues and net gain on disposal of capital assets					<u>5,292,535</u>
Change in net position					(234,249)
Net Position (deficit) - beginning of year					<u>(1,788,999)</u>
Net Position (deficit) - end of year					<u>\$ (2,023,248)</u>

See accompanying notes to the basic financial statements

EXHIBIT C
MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Food Service Fund	Grants Fund	Nonmajor Governmental Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 227,394			\$ 7,279	\$ 234,673
Accounts receivable	25				25
Due from other governments	279,789	\$ 17,075	\$ 20,502		317,366
Due from other funds	28,008				28,008
Total Assets	<u>535,216</u>	<u>17,075</u>	<u>20,502</u>	<u>7,279</u>	<u>580,072</u>
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 535,216</u>	<u>\$ 17,075</u>	<u>\$ 20,502</u>	<u>\$ 7,279</u>	<u>\$ 580,072</u>
LIABILITIES					
Accounts payable	\$ 34,834	\$ 285			\$ 35,119
Accrued liabilities	26,682				26,682
Due to other funds		8,630	\$ 19,378		28,008
Due to other governments	6,557	4,216			10,773
Unearned revenue		3,944	1,124		5,068
Total Liabilities	<u>68,073</u>	<u>17,075</u>	<u>20,502</u>	<u>\$ -</u>	<u>105,650</u>
DEFERRED INFLOWS OF RESOURCES					
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Committed	321,789				321,789
Assigned	12,832			7,279	20,111
Unassigned	132,522				132,522
Total Fund Balances	<u>467,143</u>	<u>-</u>	<u>-</u>	<u>7,279</u>	<u>474,422</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 535,216</u>	<u>\$ 17,075</u>	<u>\$ 20,502</u>	<u>\$ 7,279</u>	<u>\$ 580,072</u>

See accompanying notes to the basic financial statements

EXHIBIT C-1
MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2023

Total Fund Balances - Governmental Funds (Exhibit C)	\$ 474,422
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	520,530
Deferred outflows of resources and deferred inflows of resources that do not require or provide the use of current financial resources are not reported within the funds.	
Deferred outflows of resources related to OPEB	39,168
Deferred outflows of resources related to pension	925,884
Deferred inflows of resources related to OPEB	(97,115)
Deferred inflows of resources related to pension	(92,354)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of:	
Compensated absences payable	(15,613)
OPEB liability	(466,269)
Net pension liability	<u>(3,311,901)</u>
Net Position of Governmental Activities (Exhibit A)	<u>\$ (2,023,248)</u>

See accompanying notes to the basic financial statements

EXHIBIT D
MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General <u>Fund</u>	Food Service <u>Fund</u>	Grants <u>Fund</u>	Nonmajor Governmental <u>Fund</u>	Total Governmental <u>Funds</u>
Revenues:					
Taxes	\$ 4,148,489				\$ 4,148,489
Intergovernmental	1,293,416	\$ 32,595	\$ 217,670		1,543,681
Charges for services	18,157	63,610			81,767
Interest income	18,701				18,701
Miscellaneous	7,478	55	685	\$ 19,755	27,973
Total Revenues	<u>5,486,241</u>	<u>96,260</u>	<u>218,355</u>	<u>19,755</u>	<u>5,820,611</u>
Expenditures:					
Current operations:					
Instruction	3,922,548		121,581		4,044,129
Supporting services	423,561		5,680		429,241
Instructional staff services	147,457		31,572		179,029
General administration	29,809				29,809
Executive administration	243,162	10,144			253,306
School administration	254,878		940		255,818
Operation and maintenance of plant	570,885		57,677		628,562
Pupil transportation	165,034				165,034
Central service	54,141		905		55,046
Food service		124,644			124,644
Other student				24,499	24,499
Total Expenditures	<u>5,811,475</u>	<u>134,788</u>	<u>218,355</u>	<u>24,499</u>	<u>6,189,117</u>
Excess revenues over (under) expenditures	<u>(325,234)</u>	<u>(38,528)</u>	<u>-</u>	<u>(4,744)</u>	<u>(368,506)</u>
Other financing sources (uses):					
Transfers in		7,093			7,093
Transfers out	<u>(7,093)</u>	<u>7,093</u>	<u>-</u>	<u>-</u>	<u>(7,093)</u>
Total Other financing sources (uses)	<u>(7,093)</u>	<u>7,093</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(332,327)	(31,435)	-	(4,744)	(368,506)
Fund Balances at beginning of year	<u>799,470</u>	<u>31,435</u>	<u>-</u>	<u>12,023</u>	<u>842,928</u>
Fund Balances at end of year	<u>\$ 467,143</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,279</u>	<u>\$ 474,422</u>

See accompanying notes to the basic financial statements

EXHIBIT D-1

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT

**Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities**

For the Year Ended June 30, 2023

Net Change in Fund Balances - Governmental Funds (Exhibit D)	\$ (368,506)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlays and depreciation expense in the current period are as follows:

Capital outlays	281,752
Depreciation expense	(37,729)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(8,854)
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Governmental funds report OPEB and pension contributions as expenditures. However, in the statement of activities, OPEB and pension expense reflects the change in the OPEB liability and net pension liability and related deferred outflows and inflows of resources, and does not require the use of current financial resources. This is the amount by which OPEB and pension expense differed from OPEB and pension contributions in the current period.

Net changes in OPEB	20,503
Net changes in pension	<u>(121,415)</u>

Change in Net Position of Governmental Activities (Exhibit B)	<u>\$ (234,249)</u>
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MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Mont Vernon, New Hampshire School District conform to accounting principles generally accepted in the United States of America for local educational units of government, except as indicated hereinafter. The following is a summary of significant accounting policies.

Financial Reporting Entity

The Mont Vernon, New Hampshire School District (the District) is an independent governmental entity organized under the laws of the State of New Hampshire to provide public education within the borders of the Town of Mont Vernon, New Hampshire. The District's legislative body is the annual deliberative session followed by balloting of registered voters within the District and is governed by an elected School Board. Administrative services are provided to the District by School Administrative Unit #39. The District has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by the Governmental Accounting Standards Board (GASB).

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government-Wide Financial Statements:

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the financial condition of the governmental activities of the District at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that are required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements:

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District employs solely the use of governmental funds.

1. Governmental Funds:

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is reported as fund balance. The following are the District's major governmental funds:

The *General Fund* is the main operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

The *Food Service Fund* accounts for the financial resources related to the District's food service operations.

The *Grants Fund* accounts for the financial resources related to various state and federal education grants and the related expenditures.

Measurement Focus

1. Government-Wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the District are included on the Statement of Net Position.

2. Fund Financial Statements:

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

1. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 9). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest, tuition, and student fees.

Grants and entitlements received before the eligibility requirements are met are recorded as advances from grantors. On governmental fund financial statements, receivables that will not be collected within the available period are reported as deferred inflows of resources.

2. Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

Budgetary Data

The District's budget represents functional appropriations as authorized by annual or special District meetings. The school board may transfer funds between operating categories as they deem necessary. The District adopts its budget under State regulations, which differ somewhat from accounting principles

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

generally accepted in the United States of America in that the focus is on the entire governmental unit rather than on the basis of fund types.

State law requires balanced budgets but permits the use of beginning fund balance to reduce the property tax rate. For the year ended June 30, 2023, the District applied \$297,481 of its unassigned fund balance to reduce taxes.

Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of \$100,000 for infrastructure and \$20,000 for all other classes of capital assets. The District does not possess any infrastructure or intangible assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Years</u>
Buildings and improvements	20
Machinery and equipment	10

Compensated Absences

Employees earn vacation and sick leave as they provide services. Provision is made in the annual budget for vacation and sick leave. Pursuant to District personnel policy and collective bargaining agreements, employees may accumulate (subject to certain limitations) unused vacation and sick pay earned and, upon severance of employment, will be compensated for such amounts at current rates of pay.

For governmental fund financial statements, compensated absences are reported as liabilities and expenditures as payments come due each period upon the occurrence of employee death or retirement. The entire compensated absence liability is reported on the government-wide financial statements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current fiscal year.

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net 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 (NHRS) OPEB Plan and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, NHRS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for non-registered commingled funds valued at net asset value (NAV) as a practical expedient to estimate fair value.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Hampshire Retirement System (NHRS) and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance Policy

The District has segregated fund balance into five classifications: Nonspendable, Restricted, Committed, Assigned, and Unassigned. The components of fund balance are defined as follows:

- *Nonspendable Fund Balance*: Amounts that are not in a spendable form or are required to be maintained intact.
- *Restricted Fund Balance*: Amounts constrained to specific purposes by their providers through constitutional provisions or by enabling legislation.
- *Committed Fund Balance*: Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

- Assigned Fund Balance: Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned Fund Balance: Amounts that are available for any purpose; these amounts are reported only in the General Fund, with the exception of any deficit fund balance of another governmental fund.

The District's policy is to return to the Town, any unassigned fund balance at fiscal year-end, to be used to offset the subsequent fiscal year's tax rate.

Spending Prioritizations

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE 2—DEPOSITS

Deposits as of June 30, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ <u>234,673</u>

Deposits at June 30, 2023 consist of the following:

Deposits with financial institutions	\$ <u>234,673</u>
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The District's investment policy for governmental funds requires that deposits and investments be made in New Hampshire based financial institutions that are participants in one of the federal depository insurance programs. The District limits its investments to money market investment accounts, certificates of deposit, and United States Government obligations in accordance with New Hampshire State Law (RSA 197:23-a).

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

Deposits for the Student Activities Fund are at the discretion of the School Principal and Superintendent of School.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. In accordance with the District's investment policy, all deposits in excess of federal depository insurance must be secured by collateral having a value at least equal to the amount of such funds. Of the District's deposits with financial institutions at year end, \$113,664 was collateralized by securities held by the bank in the bank's name.

NOTE 3—CAPITAL ASSETS

The following is a summary of changes in capital assets of the governmental activities:

	Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2023</u>
Capital assets not being depreciated:				
Construction in progress	\$ 19,996		\$ (19,996)	\$ -
Total capital assets not being depreciated	<u>19,996</u>	<u>\$ -</u>	<u>(19,996)</u>	<u>-</u>
Other capital assets:				
Buildings and improvements	2,834,351	224,059		3,058,410
Machinery and equipment	<u>50,825</u>	<u>77,689</u>		<u>128,514</u>
Total other capital assets at historical cost	<u>2,885,176</u>	<u>301,748</u>	<u>-</u>	<u>3,186,924</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,599,707)	(23,963)		(2,623,670)
Machinery and equipment	<u>(28,958)</u>	<u>(13,766)</u>		<u>(42,724)</u>
Total accumulated depreciation	<u>(2,628,665)</u>	<u>(37,729)</u>	<u>-</u>	<u>(2,666,394)</u>
Total other capital assets, net	<u>256,511</u>	<u>264,019</u>	<u>-</u>	<u>520,530</u>
Total capital assets, net	<u>\$ 276,507</u>	<u>\$ 264,019</u>	<u>\$ (19,996)</u>	<u>\$ 520,530</u>

Depreciation expense was charged to governmental functions as follows:

Operation and maintenance of plant	\$ 30,682
Food service	<u>7,047</u>
	<u>\$ 37,729</u>

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

NOTE 4—LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The changes in the District's long-term obligations of the governmental activities for the year ended June 30, 2023 are as follows:

<u>Type</u>	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Compensated absences payable	\$ 6,759	\$ 8,854	\$ -	\$ 15,613	\$ -

Payments on compensated absences are paid out of the General Fund.

NOTE 5—OTHER POSTEMPLOYMENT BENEFITS

Total OPEB Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and OPEB Expense

	<u>Deferred</u> <u>Outflows</u>	<u>OPEB</u> <u>Liability</u>	<u>Deferred</u> <u>Inflows</u>	<u>OPEB</u> <u>Expense</u>
Cost-Sharing Multiple Employer Plan	\$ 28,134	\$ 228,479		\$ 1,730
Single Employer Plan	11,034	237,790	\$ 97,115	14,244
Total	<u>\$ 39,168</u>	<u>\$ 466,269</u>	<u>\$ 97,115</u>	<u>\$ 15,974</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to OPEB is reflected as a decrease to unrestricted net position in the amount of \$57,947.

COST-SHARING MULTIPLE EMPLOYER PLAN

Plan Description

The New Hampshire Retirement System (NHRS) administers a cost-sharing multiple-employer other postemployment benefit plan (OPEB Plan). The OPEB Plan provides a medical insurance subsidy to qualified retired members.

The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System at 54 Regional Drive, Concord, New Hampshire 03301 or from their website at www.nhrs.org.

The OPEB Plan is divided into four membership types. The four membership types are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees, and Group I State Employees. The OPEB plan is closed to new entrants.

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

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 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. Medical subsidy rates established by RSA 100-A:52 II are dependent upon whether retirees are eligible for Medicare. Retirees not eligible for Medicare may receive a maximum medical subsidy of \$375.56 for a single person plan and \$751.12 for a two-person plan. Retirees eligible for Medicare may receive a maximum medical subsidy of \$236.84 for a single person plan and \$473.68 for a two-person plan.

Funding Policy

Per RSA 100-A:16, contribution rates are established and may be amended by the New Hampshire State legislature and are determined by the NHRS Board of Trustees based on an actuarial valuation. The District's contribution rates for the covered payroll of political subdivision employees and teachers were 0.31% and 1.54%, respectively, for the year ended June 30, 2023. Contributions to the OPEB plan for the District were \$27,510 for the year ended June 30, 2023. Employees are not required to contribute to the OPEB plan.

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

At June 30, 2023, the District reported a liability of \$228,479 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by a roll forward of the actuarial valuation from June 30, 2021. The District's proportion of the net OPEB liability was based on actual contributions by the District during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2022, the District's proportion was approximately 0.0605 percent, which was a decrease of approximately 0.0016 percentage points from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of \$1,730. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 624	
District contributions subsequent to the measurement date	27,510	
Totals	<u>\$ 28,134</u>	<u>\$ -</u>

The District reported \$27,510 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net OPEB liability in the measurement period ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense for the measurement periods as follows:

<u>June 30,</u>	
2023	\$ 104
2024	27
2025	(246)
2026	739
	<u>\$ 624</u>

Actuarial Assumptions

The total OPEB liability was determined by a roll forward of the actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

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

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

The long-term expected rate of return on OPEB Plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and geometric real rates of return for each asset class:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Public Equity	50%	7.60-7.90%
Private Market Equity	20%	6.60-8.85%
Private Debt	5%	7.25%
Fixed income	25%	3.60%
Total	<u>100%</u>	

The discount rate used to measure the collective total OPEB liability as of June 30, 2022 was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and RSA 100-A:53. 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 District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 6.75 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Net OPEB liability	\$ 248,053	\$ 228,479	\$ 211,432

SINGLE EMPLOYER PLAN

Plan Description

The Mont Vernon, New Hampshire School District administers the retiree health care benefits program, a single employer defined benefits plan that is used to provide postemployment benefits other than pensions (OPEB) for all permanent full-time employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The District provides postemployment medical benefits to its eligible retirees and their spouses. The benefits are provided through fully insured plans that are sponsored by a state-wide health insurance consortium. Employees hired before July 1, 2011 must meet one of the following eligibility requirements: age 60 or older with no minimum service requirement, age 50 with 10 years of service, or age plus service equals 70 with a minimum of 20 years of service. Employees hired on or after July 1, 2011 must meet the following eligibility requirements: age 65 regardless of years of creditable service, or age 60 with at least 30 years of service. Retirees and their covered spouses pay the full cost of the medical premium. The

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

benefits, benefit levels, employee contributions and employer contributions are governed by RSA 100-A:50.

Employees Covered By Benefit Terms

As of the July 1, 2021 valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>28</u>
	<u>28</u>

Total OPEB Liability

The District's total OPEB liability of \$237,790 was measured as of June 30, 2023 and was determined by a rollforward of the actuarial valuation as of July 1, 2021.

Actuarial Assumptions and Other Inputs for OPEB

The total OPEB liability in the July 1, 2021 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	4.00%
Discount rate	3.54%
Healthcare cost trend rates	Initial rate of (1.50%), increasing to 7.00%, then decreasing to an ultimate rate of 4.24% for 2090

The discount rate was based on the Bond Buyer 20-Bond General Obligation Index as of June 30, 2022.

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022	\$ 220,028
Changes for the year:	
Service cost	19,099
Interest	7,630
Benefit payments	<u>(8,967)</u>
Net changes	<u>17,762</u>
Balance at June 30, 2023	<u>\$ 237,790</u>

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	\$ 252,221	\$ 237,790	\$ 223,426

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.00 percent decreasing to 3.24 percent) or 1-percentage-point higher (8.00 percent decreasing to 5.24 percent) than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	\$ 207,496	\$ 237,790	\$ 273,114

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$14,244. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		\$ 80,683
Changes of assumptions	\$ 11,034	16,432
Totals	<u>\$ 11,034</u>	<u>\$ 97,115</u>

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

<u>June 30,</u>	
2024	\$ (29,168)
2025	(27,697)
2026	(29,216)
	<u>\$ (86,081)</u>

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

NOTE 6—DEFINED BENEFIT PENSION PLAN

Plan Description

The District contributes to the New Hampshire Retirement System (NHRS), a public employee retirement system that administers a single cost-sharing multiple-employer defined benefit pension plan. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature.

The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 54 Regional Drive, Concord, New Hampshire 03301 or from their website at www.nhrs.org.

Substantially all full-time state and local employees, public school teachers, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan.

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.

Benefits Provided

Benefit formulas and eligibility requirements for the pension plan are set by State law (RSA 100-A).

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

Group II benefits are provided based on age, years of creditable service and a benefit multiplier depending on vesting status as of January 1, 2012. The maximum retirement allowance for Group II members vested by January 1, 2012 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by January 1, 2012 the benefit is calculated the same way, but the multiplier used in the calculation will change depending on age and years of creditable service as follows:

Years of Creditable Service as of <u>January 1, 2012</u>	Minimum <u>Age</u>	Minimum <u>Service</u>	Benefit <u>Multiplier</u>
At least 8 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

Funding Policy

Plan members are required to contribute 7.0% of their covered salary and the District is required to contribute at an actuarially determined rate. The District's contribution rates for the covered payroll of teachers and general employees were 19.48% and 13.75%, respectively, for the year ended June 30, 2023. The District contributes 100% of the employer cost for teachers and general employees of the District.

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

Per RSA 100-A:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The District's contributions to the NHRS for the year ending June 30, 2023 were \$360,292.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the District reported a liability of \$3,311,901 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by a roll forward of the actuarial valuation from June 30, 2021. The District's proportion of the net pension liability was based on actual contributions by the District during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2022, the District's proportion was approximately 0.0577 percent, which was a decrease of approximately 0.0020 percentage points from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$481,708. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 62,158	\$ 12,714
Changes of assumptions	176,167	
Net difference between projected and actual earnings on pension plan investments	125,517	
Changes in proportion and differences between District contributions and proportionate share of contributions	201,750	79,640
District contributions subsequent to the measurement date	<u>360,292</u>	
Totals	<u>\$ 925,884</u>	<u>\$ 92,354</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to pensions is reflected as an increase to unrestricted net position in the amount of \$833,530. The District reported \$360,292 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the measurement period ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the measurement periods as follows:

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

<u>June 30,</u>	
2023	\$ 217,819
2024	159,381
2025	(59,269)
2026	155,307
	<u>\$ 473,238</u>

Actuarial Assumptions

The total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2021, using the following actuarial assumptions:

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Public Equity	50%	7.60-7.90%
Private Market Equity	20%	6.60-8.85%
Private Debt	5%	7.25%
Fixed income	<u>25%</u>	3.60%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the collective pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer contributions are projected based on the expected payroll of current members

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

only. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the collective pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Net pension liability	\$ 4,443,736	\$ 3,311,901	\$ 2,370,885

NOTE 7—INTERFUND BALANCES AND TRANSFERS

The District has combined the cash resources of its governmental funds. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance. Interfund balances at June 30, 2023 are as follows:

<u>Fund</u>	Interfund Receivable	Interfund Payable
General Fund	\$ 28,008	
Food Service Fund		\$ 8,630
Grants Fund		19,378
	<u>\$ 28,008</u>	<u>\$ 28,008</u>

During the year ending June 30, 2023, the General Fund transferred \$7,093 to the Food Service Fund to offset the current year deficit. The transfer was made in accordance with budgetary authorizations.

NOTE 8—FUND BALANCE COMPONENTS

The District's fund balance components of governmental funds at year end are comprised as follows:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Total Governmental Funds</u>
Committed for:			
Designated for subsequent fiscal year appropriation	\$ 130,000		\$ 130,000
Capital reserves	191,789		191,789

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

Assigned for:			
Student activity funds		\$ 7,279	7,279
Encumbrances	12,832		12,832
Unassigned:			
General operations	132,522		132,522
	<u>\$ 467,143</u>	<u>\$ 7,279</u>	<u>\$ 474,422</u>

NOTE 9—PROPERTY TAXES

Property taxes levied to support the Mont Vernon, New Hampshire School District are based on the assessed valuation of the prior April 1st for all taxable real property.

Under state statutes, the Town of Mont Vernon, New Hampshire (an independent governmental unit) collects School District taxes and State of New Hampshire Education Taxes as part of local property tax assessments. As collection agent, the Town is required to pay over to the District its share of property tax assessments through periodic payments based on cash flow requirements of the District. The Town assumes financial responsibility for all uncollected property taxes under state statutes. For the year ended June 30, 2023, School District taxes were \$3,833,063 and State of New Hampshire Education taxes were \$315,426.

The District is entitled to receive monies under the established payment schedule and the unpaid amount at the fiscal year end, if any, is considered to be an “accounts receivable” since the revenue is both measurable and available.

NOTE 10—RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2023, the District was a member of and participated in a public entity risk pool (Trust) for property and liability insurance and worker’s compensation coverage. Coverage has not been significantly reduced from the prior year and settled claims have not exceeded coverage in any of the past three years.

The Trust agreements permit the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at June 30, 2023.

Property and Liability Insurance

The Trust provides certain property and liability insurance coverage to member school districts, school administrative units, and other qualified political subdivisions of New Hampshire. As a member of the Trust, the District shares in contributing to the cost of and receiving benefit from a self-insured pooled risk management program. The program includes a Self-Insured Retention Fund from which is paid up to \$200,000 for each and every covered property, crime and/or liability loss that exceeds \$1,000, up to an

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

aggregate of \$1,200,000. Each property loss is subject to a \$1,000 deductible. All losses over the aggregate are covered by insurance policies.

Worker's Compensation

The Trust provides statutory worker's compensation coverage to member school districts, school administrative units, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability coverage up to \$2,000,000. The program includes a Loss Fund from which is paid up to \$500,000 for each and every covered claim.

NOTE 11—CONTINGENT LIABILITIES

Federal Grants

The District participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amounts, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Litigation

In the opinion of District management, any potential claims against the District, which are not covered by insurance are immaterial and would not affect the financial position of the District.

NOTE 12—CHANGE IN ACCOUNTING PRINCIPLE

GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements

During the year ended June 30, 2023, the District implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. Under Statement No. 94, the District is required to record a receivable for installment payments and a deferred inflow of resources for the consideration received or to be received as part of the availability payment arrangement. Governmental fund revenue would be recognized in a systematic and rational manner over the term of the arrangement. No such arrangements have been identified by the District. Accordingly, management has determined that the effect of implementing GASB Statement No. 94 to its financial statements to be immaterial.

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. GASB Statement No. 96 defines a subscription-based information technology arrangement (SBITA) as a contract to use another party's software, alone or in combination with tangible capital assets as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this Statement, governments generally recognize a right-to-use subscription asset (intangible asset) and a corresponding subscription liability for each SBITA agreement greater than one year in length. The District has entered into various SBITA agreements for software. Management has evaluated its SBITA agreements and determined that the effect of implementing GASB Statement No. 96 related to such agreements is immaterial to the financial statements.

SCHEDULE 1

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT**Schedule of Revenues, Expenditures and Changes in Fund Balance****Budget and Actual (Budgetary Basis) - General Fund**

For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues:				
Taxes	\$ 4,148,489	\$ 4,148,489	\$ 4,148,489	\$ -
Intergovernmental	1,232,266	1,232,266	1,293,416	61,150
Charges for services	-	-	18,157	18,157
Interest income	600	600	8,395	7,795
Miscellaneous	70	4,270	7,478	3,208
Total Revenues	<u>5,381,425</u>	<u>5,385,625</u>	<u>5,475,935</u>	<u>90,310</u>
Expenditures:				
Current operations:				
Instruction	3,939,781	3,937,913	3,866,722	71,191
Supporting services	438,869	438,993	422,061	16,932
Instructional staff services	162,654	162,705	147,457	15,248
General administration	29,012	33,294	29,809	3,485
Executive administration	253,739	249,457	243,162	6,295
School administration	241,471	257,887	254,878	3,009
Operation and maintenance of plant	323,700	323,700	320,538	3,162
Pupil transportation	213,164	213,164	165,034	48,130
Central service	76,511	65,988	54,141	11,847
Capital outlay	4	4	-	4
Total Expenditures	<u>5,678,905</u>	<u>5,683,105</u>	<u>5,503,802</u>	<u>179,303</u>
Excess revenues over (under) expenditures	<u>(297,480)</u>	<u>(297,480)</u>	<u>(27,867)</u>	<u>269,613</u>
Other financing sources (uses):				
Transfers out	<u>(50,001)</u>	<u>(50,001)</u>	<u>(57,093)</u>	<u>(7,092)</u>
Total Other financing sources (uses)	<u>(50,001)</u>	<u>(50,001)</u>	<u>(57,093)</u>	<u>(7,092)</u>
Net change in fund balance	(347,481)	(347,481)	(84,960)	262,521
Fund Balances at beginning of year				
- Budgetary Basis	<u>347,482</u>	<u>347,482</u>	<u>347,482</u>	<u>-</u>
Fund Balances at end of year				
- Budgetary Basis	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 262,522</u>	<u>\$ 262,521</u>

See accompanying notes to the required supplementary information

SCHEDULE 2

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT

Schedule of Changes in the District's Proportionate Share of the Net OPEB Liability

For the Year Ended June 30, 2023

Measurement Period Ended	Cost-Sharing Multiple Employer Plan Information Only				
	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2022	0.06046211%	\$ 228,479	\$ 1,752,850	13.03%	10.64%
June 30, 2021	0.06205583%	\$ 248,507	\$ 1,756,590	14.15%	11.06%
June 30, 2020	0.05990882%	\$ 262,226	\$ 1,634,575	16.04%	7.74%
June 30, 2019	0.05118552%	\$ 224,403	\$ 1,484,617	15.12%	7.75%
June 30, 2018	0.04584362%	\$ 209,893	\$ 1,295,756	16.20%	7.53%
June 30, 2017	0.05532808%	\$ 252,979	\$ 1,184,754	21.35%	7.91%
June 30, 2016	0.05636757%	\$ 272,878	\$ 1,216,460	22.43%	5.21%
June 30, 2015	*	*	*	*	*
June 30, 2014	*	*	*	*	*
June 30, 2013	*	*	*	*	*

* 10 Year schedule, historical information not available

Significant Actuarial Assumptions					
Measurement Periods	Inflation	Salary Increases	Investment Rate of Return	Mortality Table	Mortality Scale
June 30, 2022	2.00%	5.40%	6.75%	Pub-2010	MP-2019
June 30, 2020 - 2021	2.00%	5.60%	6.75%	Pub-2010	MP-2019
June 30, 2016 - 2019	2.50%	5.60%	7.25%	RP-2014	MP-2015

See accompanying notes to the required supplementary information

SCHEDULE 3
MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
Schedule of District OPEB Contributions
For the Year Ended June 30, 2023

Cost-Sharing Multiple Employer Plan Information Only					
<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2023	\$ 27,510	\$ (27,510)	\$ -	\$ 1,886,374	1.46%
June 30, 2022	\$ 25,460	\$ (25,460)	\$ -	\$ 1,752,850	1.45%
June 30, 2021	\$ 29,820	\$ (29,820)	\$ -	\$ 1,756,590	1.70%
June 30, 2020	\$ 27,808	\$ (27,808)	\$ -	\$ 1,634,575	1.70%
June 30, 2019	\$ 23,356	\$ (23,356)	\$ -	\$ 1,484,617	1.57%
June 30, 2018	\$ 20,278	\$ (20,278)	\$ -	\$ 1,295,756	1.56%
June 30, 2017	\$ 32,739	\$ (32,739)	\$ -	\$ 1,184,754	2.76%
June 30, 2016	\$ 32,753	\$ (32,753)	\$ -	\$ 1,216,460	2.69%
June 30, 2015	*	*	*	*	*
June 30, 2014	*	*	*	*	*

* 10 Year schedule, historical information not available

See accompanying notes to the required supplementary information

SCHEDULE 4

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

For the Year Ended June 30, 2023

Single Employer Plan Information Only										
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total OPEB Liability:										
Service cost	\$ 19,099	\$ 18,446	\$ 29,151	\$ 28,521	\$ 23,577	\$ 23,115	*	*	*	*
Interest	7,630	7,040	6,825	6,196	10,009	9,489	*	*	*	*
Changes of assumptions or other inputs		(27,136)		47,518	(15,634)	(17,005)	*	*	*	*
Differences between expected and actual experience		(111,288)		(57,243)			*	*	*	*
Benefit payments	(8,967)	(8,660)	(6,336)	(6,199)	(8,656)		*	*	*	*
Net change in total OPEB liability	17,762	(121,598)	29,640	18,793	9,296	15,599	*	*	*	*
Total OPEB Liability - beginning of year	220,028	341,626	311,986	293,193	283,897	268,298	*	*	*	*
Total OPEB Liability - end of year	<u>\$ 237,790</u>	<u>\$ 220,028</u>	<u>\$ 341,626</u>	<u>\$ 311,986</u>	<u>\$ 293,193</u>	<u>\$ 283,897</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Covered employee payroll	\$ 1,534,868	\$ 1,461,779	\$ 1,519,682	\$ 1,461,232	\$ 1,433,006	\$ 1,311,478	*	*	*	*
Total OPEB liability as a percentage of covered employee payroll	15.49%	15.05%	22.48%	21.35%	20.46%	21.65%	*	*	*	*
Significant Actuarial Assumptions										
Discount rate	3.54%	3.54%	2.21%	2.21%	3.58%	3.58%	*	*	*	*
Health cost trend rates:										
Initial	(-1.50%) - 2021	(-1.50%) - 2021	2.20% - 2020	2.20% - 2020	9.50% - 2017	9.50% - 2017	*	*	*	*
Ultimate	4.24% - 2090	4.24% - 2090	5.00% - 2030	5.00% - 2030	5.00% - 2028	5.00% - 2028	*	*	*	*
Mortality improvement scale	MP-2021	MP-2021	MP-2019	MP-2019	RP-2000	RP-2000	*	*	*	*

Note To Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75

* 10 Year schedule, historical information not available

See accompanying notes to the required supplementary information

SCHEDULE 5

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT**Schedule of Changes in the District's Proportionate Share of the Net Pension Liability**

For the Year Ended June 30, 2023

<u>Measurement Period Ended</u>	<u>District's Proportion of the Net Pension Liability</u>	<u>District's Proportionate Share of the Net Pension Liability</u>	<u>District's Covered Payroll</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
June 30, 2022	0.05773753%	\$ 3,311,901	\$ 1,752,850	188.94%	65.12%
June 30, 2021	0.05969314%	\$ 2,645,552	\$ 1,756,590	150.61%	72.22%
June 30, 2020	0.05748893%	\$ 3,677,079	\$ 1,634,575	224.96%	58.72%
June 30, 2019	0.05255668%	\$ 2,528,846	\$ 1,484,617	170.34%	65.59%
June 30, 2018	0.04714169%	\$ 2,269,968	\$ 1,295,756	175.18%	64.73%
June 30, 2017	0.04077459%	\$ 2,005,291	\$ 1,184,754	169.26%	62.66%
June 30, 2016	0.04259562%	\$ 2,265,063	\$ 1,216,460	186.20%	58.30%
June 30, 2015	0.03961781%	\$ 1,569,470	\$ 1,125,471	139.45%	65.47%
June 30, 2014	0.04297594%	\$ 1,613,139	\$ 1,180,727	136.62%	66.32%
June 30, 2013	0.04584840%	\$ 1,973,216	\$ 1,274,661	154.80%	59.81%

Significant Actuarial Assumptions

<u>Measurement Periods</u>	<u>Inflation</u>	<u>Salary Increases</u>	<u>Investment Rate of Return</u>	<u>Mortality Table</u>	<u>Mortality Scale</u>
June 30, 2022	2.00%	5.40%	6.75%	Pub-2010	MP-2019
June 30, 2020 - 2021	2.00%	5.60%	6.75%	Pub-2010	MP-2019
June 30, 2016 - 2019	2.50%	5.60%	7.25%	RP-2014	MP-2015
June 30, 2013 - 2015	3.00%	3.75-5.80%	7.75%	RP-2000	Scale AA

See accompanying notes to the required supplementary information

SCHEDULE 6
MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
Schedule of District Pension Contributions
For the Year Ended June 30, 2023

<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2023	\$ 360,292	\$ (360,292)	\$ -	\$ 1,886,374	19.10%
June 30, 2022	\$ 334,308	\$ (334,308)	\$ -	\$ 1,752,850	19.07%
June 30, 2021	\$ 274,246	\$ (274,246)	\$ -	\$ 1,756,590	15.61%
June 30, 2020	\$ 255,390	\$ (255,390)	\$ -	\$ 1,634,575	15.62%
June 30, 2019	\$ 228,717	\$ (228,717)	\$ -	\$ 1,484,617	15.41%
June 30, 2018	\$ 199,248	\$ (199,248)	\$ -	\$ 1,295,756	15.38%
June 30, 2017	\$ 149,142	\$ (149,142)	\$ -	\$ 1,184,754	12.59%
June 30, 2016	\$ 152,526	\$ (152,526)	\$ -	\$ 1,216,460	12.54%
June 30, 2015	\$ 132,913	\$ (132,913)	\$ -	\$ 1,125,471	11.81%
June 30, 2014	\$ 139,424	\$ (139,424)	\$ -	\$ 1,180,727	11.81%

See accompanying notes to the required supplementary information

MONT VERNON, NEW HAMPSHIRE SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

NOTE 1—BUDGET TO ACTUAL RECONCILIATION

General Fund

Amounts recorded as budgetary amounts in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund (Schedule 1) are reported on the basis budgeted by the District. Those amounts differ from those reported in conformity with accounting principles generally accepted in the United States of America in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit D). General Fund budgetary revenues and other financing sources and expenditures and other financing uses were adjusted for non-budgetary activity, budgetary transfers, and encumbrances as follows:

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Per Exhibit D	\$ 5,486,241	\$ 5,818,568
Non-budgetary activity	(10,306)	(88,000)
Budgetary transfers		50,000
Encumbrances - June 30, 2022		(232,505)
Encumbrances - June 30, 2023		12,832
Per Schedule 1	<u>\$ 5,475,935</u>	<u>\$ 5,560,895</u>

Major Special Revenue Funds

The District adopts its budgets under regulations of the New Hampshire Departments of Education and Revenue Administration which differ from accounting principles generally accepted in the United States of America. Consequently, budgetary information is not presented for the Food Service Fund and the Grants Fund as the information is neither practical nor meaningful.