

SOUHEGAN COOPERATIVE SCHOOL DISTRICT

Financial Statements

June 30, 2023

and

Independent Auditor's Report

SOUHEGAN COOPERATIVE SCHOOL DISTRICT
FINANCIAL STATEMENTS
June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the School Board
Souhegan Cooperative 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 Souhegan Cooperative School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Souhegan Cooperative 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 Souhegan Cooperative 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 Souhegan Cooperative 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 Souhegan Cooperative 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 Souhegan Cooperative 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 Souhegan Cooperative 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.

Vashon Clukay & Company PC

Manchester, New Hampshire
March 7, 2024

**SOUHEGAN COOPERATIVE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2023**

Presented herewith please find the Management Discussion & Analysis Report for the Souhegan Cooperative 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 one category, governmental funds.

**SOUHEGAN COOPERATIVE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2023**

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, which is considered a major fund. Data for the other governmental funds, such as the Grants Fund, Food Service Fund, Student Activity Fund, and Turf Field Revolving Fund, 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.

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 (\$7,595,333) (i.e., net position), a decrease of (\$627,497) from the previous fiscal year.

Governmental funds reported combined ending fund balances of \$2,686,741, a decrease of (\$179,422) from the previous fiscal year.

The General Fund shows an ending fund balance of \$2,236,951, a decrease of (\$285,302) from the previous fiscal year.

The Nonmajor Governmental Funds show an ending fund balance of \$449,790, an increase of \$105,880 from the previous fiscal year.

**SOUHEGAN COOPERATIVE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2023**

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	\$ 6,868,449	\$ 7,050,559
Other assets	<u>3,429,502</u>	<u>3,415,139</u>
Total assets	<u>10,297,951</u>	<u>10,465,698</u>
Deferred outflows of resources	<u>4,436,964</u>	<u>4,040,545</u>
Current and other liabilities:		
Other liabilities	742,761	548,976
Long-term liabilities	<u>20,810,525</u>	<u>16,363,008</u>
Total liabilities	<u>21,553,286</u>	<u>16,911,984</u>
Deferred inflows of resources	<u>776,962</u>	<u>4,562,095</u>
Net position:		
Net investment in capital assets	6,868,449	7,050,559
Unrestricted	<u>(14,463,782)</u>	<u>(14,018,395)</u>
Total net position	<u>\$ (7,595,333)</u>	<u>\$ (6,967,836)</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	\$ 520,457	\$ 344,953
Operating grants and contributions	1,180,971	1,370,483
Capital grants and contributions	<u>17,919</u>	<u>17,919</u>
Total program revenues	<u>1,701,428</u>	<u>1,733,355</u>
General revenues:		
Property taxes	15,591,360	16,242,057
State adequacy education grant	1,978,939	1,745,889
Interest and investment earnings (losses)	84,814	(24,308)
Miscellaneous	<u>61,258</u>	<u>243,751</u>
Total general revenues	<u>17,716,371</u>	<u>18,207,389</u>
Total revenues	<u>19,417,799</u>	<u>19,940,744</u>

**SOUHEGAN COOPERATIVE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2023**

Program expenses:		
Instruction	12,161,613	11,169,935
Supporting services	1,831,977	1,766,620
Instructional staff services	582,406	501,022
General administration	59,326	67,943
Executive administration	1,143,338	1,098,795
School administration	777,437	730,034
Operation and maintenance of plant	1,908,633	2,095,683
Pupil transportation	635,063	557,855
Central services	232,159	265,904
Food service	408,089	375,879
Other student	305,255	269,762
Total program expenses	<u>20,045,296</u>	<u>18,899,432</u>
Change in net position	(627,497)	1,041,312
Net position - beginning of year	<u>(6,967,836)</u>	<u>(8,009,148)</u>
Net position - ending of year	<u>\$ (7,595,333)</u>	<u>\$ (6,967,836)</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 (\$7,595,333), a decrease of (\$627,497) from the previous fiscal 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 \$6,868,449, reflects our investment in capital assets (e.g., land, buildings, 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 this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of net position represents resources that are subject to external restrictions on how they may be used. The District did not have any restricted net position at current fiscal year end. 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 is due to reporting requirements in which the District is required to include its proportionate share of the New Hampshire Retirement System's unfunded pension and OPEB liabilities. A deficit unrestricted net position balance is expected to continue into subsequent years.

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 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.

**SOUHEGAN COOPERATIVE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2023**

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,686,741, a decrease of (\$179,422) when compared to last fiscal year. This includes a (\$285,302) 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 significant percentage of the total Fund Balance and includes \$870,236 for expendable trusts, \$315,000 for fiscal year 2024 appropriations and \$288,652 for the turf field revolving fund. Assigned fund balances include \$106,800 for encumbrances, \$161,138 for student activity funds, \$3,043 for athletics and \$375 for students. Please see Note 8 in the Notes to the Basic Financial Statements, Components of Fund Balance, on pages 23-24 for additional information.

General Fund Budgetary Highlights

Budgetary information for the District's major governmental funds (General Fund only, see below) is included in the "Required Supplementary Information" section. Please see Note 1 in the Notes to the Required Supplementary Information, Budget to Actual Reconciliation, for a reconciliation of the modified accrual basis of accounting to the budgetary basis of the General Fund.

Actual revenues on the budgetary basis exceeded the budgeted amount by \$440,745. There were no significant variances between budgeted and actual revenues in the current year. Actual expenditures and other financing uses on the budgetary basis were \$817,582 lower than expected. Significant savings were realized in supporting services, instructional staff services and central services functions. See Schedule 1 on page 27 for additional information.

Capital Assets

The District considers a capital asset to be an asset whose cost equals or exceeds \$100,000 for infrastructure and \$20,000 for all other categories and has a useful life of greater than two years. Assets are depreciated using the straight-line method over the course of their estimated 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 the District showed a net decrease in its compensated absences liability of (\$16,289). The liabilities for other postemployment benefits and net pension had net increases in potential future payments of (\$130,756) and (\$4,333,050), respectively. See Notes 4, 5 and 6 in the Notes to the Basic Financial Statements for additional information regarding the compensated absences, net pension liability, other postemployment benefits obligations.

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 the SAU #39 Business Office at 1 School Street – PO Box 849, Amherst, NH 03031-0849.

EXHIBIT A
SOUHEGAN COOPERATIVE SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental <u>Activities</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 2,243,566
Accounts receivable	8
Due from other governments	<u>1,185,928</u>
Total Current Assets	<u>3,429,502</u>
Noncurrent Assets:	
Capital assets:	
Non-depreciable capital assets	1,949,231
Depreciable capital assets, net	<u>4,919,218</u>
Total Noncurrent Assets	<u>6,868,449</u>
Total Assets	<u>10,297,951</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	342,735
Deferred outflows related to pension	<u>4,094,229</u>
Total Deferred Outflows of Resources	<u>4,436,964</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	178,264
Accrued liabilities	206,727
Due to other governments	224,805
Unearned revenue	23,886
Unearned impact fees	109,079
Current portion of compensated absences payable	<u>5,712</u>
Total Current Liabilities	<u>748,473</u>
Noncurrent liabilities:	
Compensated absences payable	838,905
OPEB liability	3,525,672
Net pension liability	<u>16,440,236</u>
Total Noncurrent Liabilities	<u>20,804,813</u>
Total Liabilities	<u>21,553,286</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	237,958
Deferred inflows related to pension	<u>539,004</u>
Total Deferred Inflows of Resources	<u>776,962</u>
NET POSITION	
Net investment in capital assets	6,868,449
Unrestricted (deficit)	<u>(14,463,782)</u>
Total Net Position (deficit)	<u>\$ (7,595,333)</u>

See accompanying notes to the basic financial statements

EXHIBIT B
SOUHEGAN COOPERATIVE SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		Net (Expense) Revenue and Changes in Net Position
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
Instruction	\$ 12,161,613	\$ 159,277	\$ 812,515	\$ (11,189,821)
Supporting services	1,831,977		9,886	(1,822,091)
Instructional staff services	582,406		8,995	(573,411)
General administration	59,326			(59,326)
Executive administration	1,143,338			(1,143,338)
School administration	777,437		3,540	(773,897)
Operation and maintenance of plant	1,908,633		2,880	(1,905,753)
Pupil transportation	635,063	98	5,011	(629,954)
Central service	232,159		3,240	(228,919)
Food service	408,089	361,082	58,839	11,832
Other student	305,255		276,065	(29,190)
Total governmental activities	<u>\$ 20,045,296</u>	<u>\$ 520,457</u>	<u>\$ 1,180,971</u>	<u>(18,343,868)</u>
General revenues:				
Property taxes				15,591,360
State adequacy education grant				1,978,939
Interest and investment earnings				84,814
Miscellaneous				61,258
Total general revenues				<u>17,716,371</u>
Change in net position				(627,497)
Net Position (deficit) - beginning of year				<u>(6,967,836)</u>
Net Position (deficit) - end of year				<u>\$ (7,595,333)</u>

See accompanying notes to the basic financial statements

EXHIBIT C
SOUHEGAN COOPERATIVE SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2023

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,723,862	\$ 519,704	\$ 2,243,566
Accounts receivable	8		8
Due from other governments	1,103,441	82,487	1,185,928
Due from other funds	<u>129,171</u>		<u>129,171</u>
Total Assets	<u>2,956,482</u>	<u>602,191</u>	<u>3,558,673</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 2,956,482</u>	<u>\$ 602,191</u>	<u>\$ 3,558,673</u>
LIABILITIES			
Accounts payable	\$ 176,244	\$ 2,020	\$ 178,264
Accrued liabilities	206,727		206,727
Due to other funds		129,171	129,171
Due to other governments	224,289	516	224,805
Unearned revenue	3,192	20,694	23,886
Unearned impact fees	<u>109,079</u>		<u>109,079</u>
Total Liabilities	<u>719,531</u>	<u>152,401</u>	<u>871,932</u>
DEFERRED INFLOWS OF RESOURCES			
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Committed	1,185,236	288,652	1,473,888
Assigned	110,218	161,138	271,356
Unassigned	<u>941,497</u>		<u>941,497</u>
Total Fund Balances	<u>2,236,951</u>	<u>449,790</u>	<u>2,686,741</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,956,482</u>	<u>\$ 602,191</u>	<u>\$ 3,558,673</u>

See accompanying notes to the basic financial statements

EXHIBIT C-1
SOUHEGAN COOPERATIVE 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)	\$ 2,686,741
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.	6,868,449
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	342,735
Deferred outflows of resources related to pension	4,094,229
Deferred inflows of resources related to OPEB	(237,958)
Deferred inflows of resources related to pension	(539,004)
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	(844,617)
OPEB liability	(3,525,672)
Net pension liability	<u>(16,440,236)</u>
Net Position of Governmental Activities (Exhibit A)	<u>\$ (7,595,333)</u>

See accompanying notes to the basic financial statements

EXHIBIT D
SOUHEGAN COOPERATIVE SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:			
Taxes	\$ 15,591,360		\$ 15,591,360
Intergovernmental	2,661,244	\$ 222,601	2,883,845
Charges for services	142,783	377,674	520,457
Investment income	81,471	3,343	84,814
Miscellaneous	24,485	312,838	337,323
Total Revenues	<u>18,501,343</u>	<u>916,456</u>	<u>19,417,799</u>
Expenditures:			
Current operations:			
Instruction	11,858,335	137,527	11,995,862
Supporting services	1,800,507	13,371	1,813,878
Instructional staff services	550,927	9,264	560,191
General administration	59,326		59,326
Executive administration	1,099,350	36,301	1,135,651
School administration	745,118	3,540	748,658
Operation and maintenance of plant	1,473,061	2,880	1,475,941
Pupil transportation	667,388		667,388
Central service	229,372	3,240	232,612
Food service		402,169	402,169
Other student		305,255	305,255
Capital outlay	200,290		200,290
Total Expenditures	<u>18,683,674</u>	<u>913,547</u>	<u>19,597,221</u>
Excess revenues over (under) expenditures	<u>(182,331)</u>	<u>2,909</u>	<u>(179,422)</u>
Other financing sources (uses):			
Transfers in		102,971	102,971
Transfers out	<u>(102,971)</u>		<u>(102,971)</u>
Total Other financing sources (uses)	<u>(102,971)</u>	<u>102,971</u>	<u>-</u>
Net change in fund balances	(285,302)	105,880	(179,422)
Fund Balances at beginning of year	<u>2,522,253</u>	<u>343,910</u>	<u>2,866,163</u>
Fund Balances at end of year	<u>\$ 2,236,951</u>	<u>\$ 449,790</u>	<u>\$ 2,686,741</u>

See accompanying notes to the basic financial statements

EXHIBIT D-1
SOUHEGAN COOPERATIVE SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023

Net Change in Fund Balances - Governmental Funds (Exhibit D)	\$ (179,422)
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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	329,641
Depreciation expense	(511,751)

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.

16,289

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	(305,576)
Net changes in pension	<u>23,322</u>

Change in Net Position of Governmental Activities (Exhibit B)	<u>\$ (627,497)</u>
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SOUHEGAN COOPERATIVE 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 Souhegan Cooperative 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 Souhegan Cooperative 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 Towns of Mont Vernon and Amherst, 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.

SOUHEGAN COOPERATIVE 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 is the District's sole major governmental fund:

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.

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.

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.

SOUHEGAN COOPERATIVE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

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 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 \$1,078,844 of its unassigned fund balance to reduce taxes.

SOUHEGAN COOPERATIVE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

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>
Land improvements	10-20
Buildings and improvements	10-30
Equipment and vehicles	5-20

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.

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.

SOUHEGAN COOPERATIVE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

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.
- *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.

SOUHEGAN COOPERATIVE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

The District's policy is to return to the Towns, 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>\$ 2,243,566</u>

Deposits at June 30, 2023 consist of the following:

Deposits with financial institutions	<u>\$ 2,243,566</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).

Deposits for the Student Activity Funds are at the discretion of the School Principals and Superintendent of Schools.

SOUHEGAN COOPERATIVE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

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, \$2,100,335 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:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
Capital assets not being depreciated:				
Land	\$ 1,949,231			\$ 1,949,231
Construction in progress	23,646		\$ (23,646)	
Total capital assets not being depreciated	<u>1,972,877</u>	<u>\$ -</u>	<u>(23,646)</u>	<u>1,949,231</u>
Other capital assets:				
Land improvements	1,291,062	21,975		1,313,037
Buildings and improvements	17,578,445	248,862		17,827,307
Equipment and vehicles	970,940	82,450		1,053,390
Total other capital assets at historical cost	<u>19,840,447</u>	<u>353,287</u>	<u>-</u>	<u>20,193,734</u>
Less accumulated depreciation for:				
Land improvements	(516,441)	(117,219)		(633,660)
Buildings and improvements	(13,816,875)	(317,021)		(14,133,896)
Equipment and vehicles	(429,449)	(77,511)		(506,960)
Total accumulated depreciation	<u>(14,762,765)</u>	<u>(511,751)</u>	<u>-</u>	<u>(15,274,516)</u>
Total other capital assets, net	<u>5,077,682</u>	<u>(158,464)</u>	<u>-</u>	<u>4,919,218</u>
Total capital assets, net	<u>\$ 7,050,559</u>	<u>\$ (158,464)</u>	<u>\$ (23,646)</u>	<u>\$ 6,868,449</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,175
Executive administration	5,265
Operation and maintenance of plant	495,287
Transportation	9,024
	<u>\$ 511,751</u>

SOUHEGAN COOPERATIVE 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 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	\$ 860,906	\$ 120,109	\$ (136,398)	\$ 844,617	\$ 5,712

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	\$ 117,527	\$ 1,043,806		\$ 105,076
Single Employer Plan	225,208	2,481,866	\$ 237,958	384,595
Total	<u>\$ 342,735</u>	<u>\$ 3,525,672</u>	<u>\$ 237,958</u>	<u>\$ 489,671</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to OPEB is reflected as an increase to unrestricted net position in the amount of \$104,777.

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.

SOUHEGAN COOPERATIVE 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 \$114,674 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 \$1,043,806 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 0.2762 percent, which was an increase of approximately 0.0172 percentage points from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of \$105,076. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

SOUHEGAN COOPERATIVE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ 2,853	
District contributions subsequent to the measurement date	<u>114,674</u>	
Totals	<u>\$ 117,527</u>	<u>\$ -</u>

The District reported \$114,674 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	\$ 474
2024	123
2025	(1,122)
2026	<u>3,378</u>
	<u>\$ 2,853</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

SOUHEGAN COOPERATIVE 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	\$ 1,133,229	\$ 1,043,806	\$ 965,925

SINGLE EMPLOYER PLAN

Plan Description

The Souhegan Cooperative 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

SOUHEGAN COOPERATIVE 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	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>113</u>
	<u>118</u>

Total OPEB Liability

The District's total OPEB liability of \$2,481,866 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	3.00%
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 Total Dataset Mortality with Scale MP-2021.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022	\$ 2,356,497
Changes for the year:	
Service cost	112,599
Interest	82,191
Benefit payments	<u>(69,421)</u>
Net changes	<u>125,369</u>
Balance at June 30, 2023	<u><u>\$ 2,481,866</u></u>

SOUHEGAN COOPERATIVE 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	\$ 2,648,025	\$ 2,481,866	\$ 2,322,806

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	\$ 2,209,258	\$ 2,481,866	\$ 2,797,914

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 \$384,595. 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		\$ 75,483
Changes of assumptions	\$ 225,208	162,475
Totals	<u>\$ 225,208</u>	<u>\$ 237,958</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	\$ 38,406
2025	17,761
2026	(59,929)
2027	(8,988)
	<u>\$ (12,750)</u>

SOUHEGAN COOPERATIVE 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.

SOUHEGAN COOPERATIVE 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 \$1,662,500.

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 \$16,440,236 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 0.2866 percent, which was an increase of approximately 0.0134 percentage points from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$1,639,180. 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	\$ 308,554	\$ 63,111
Changes of assumptions	874,489	
Net difference between projected and actual earnings on pension plan investments	623,064	
Changes in proportion and differences between District contributions and proportionate share of contributions	625,622	475,893
District contributions subsequent to the measurement date	<u>1,662,500</u>	
Totals	<u>\$ 4,094,229</u>	<u>\$ 539,004</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 \$3,555,225. The District reported \$1,662,500 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:

SOUHEGAN COOPERATIVE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

<u>June 30,</u>	
2023	\$ 603,342
2024	588,948
2025	(278,046)
2026	978,481
	<u>\$ 1,892,725</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	25%	3.60%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the collective pension liability as of June 30, 2022 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

SOUHEGAN COOPERATIVE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

of current members 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	\$ 22,058,652	\$ 16,440,236	\$ 11,769,044

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. At June 30, 2023 the Nonmajor Governmental Funds have an interfund payable balance of \$129,171 to the General Fund.

During the year ending June 30, 2023, the General Fund transferred \$17,971 to the Food Service Fund, a Nonmajor Governmental Fund, in order to offset the current year deficit run by the program. Additionally, the General Fund transferred \$85,000 to the Turf Field Revolving Fund, a Nonmajor Governmental Fund, in accordance with budgetary authorization.

NOTE 8—FUND BALANCE COMPONENTS

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

<u>Fund Balances</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Committed for:			
Turf field revolving fund		\$ 288,652	\$ 288,652
Designated for subsequent fiscal year appropriation	\$ 315,000		315,000
Capital reserves	870,236		870,236

SOUHEGAN COOPERATIVE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

Assigned for:

Student activity funds		161,138	161,138
Encumbrances	106,800		106,800
Athletics	3,043		3,043
Student balances	375		375

Unassigned:

General operations	941,497		941,497
	<u>\$ 2,236,951</u>	<u>\$ 449,790</u>	<u>\$ 2,686,741</u>

NOTE 9—PROPERTY TAXES

Property taxes levied to support the Souhegan Cooperative School District are based on the assessed valuation of the prior April 1st for all taxable real property.

Under state statutes, the Towns of Amherst, New Hampshire and Mont Vernon, New Hampshire (independent governmental units) collect School District taxes and State of New Hampshire Education Taxes as part of local property tax assessments. As collection agent, the Towns are 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 Towns assume financial responsibility for all uncollected property taxes under state statutes. For the year ended June 30, 2023, School District taxes were \$14,621,617 and State of New Hampshire Education taxes were \$969,743.

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—DEFINED CONTRIBUTION PLAN

The District contributes to the Souhegan Cooperative School District 403(b) Plan. The plan is considered to be a defined contribution plan and was established under Internal Revenue Code (IRC) section 403. The plan allows employees to defer income taxation on retirement savings into future years and is administered by a third party. All employees of the District are eligible to make contributions to the plans. The plans have no required minimum contributions for employees. Contribution rates are established pursuant to amounts stipulated in collective bargaining agreements or individual employment contracts. Employees are 100% vested upon enrollment. Contributions to the 403(b) Plan made by the plan members and the District for the fiscal year ended June 30, 2023 were \$711,997 and \$563,419, respectively.

NOTE 11—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

SOUHEGAN COOPERATIVE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

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 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 12—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 13—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.

SOUHEGAN COOPERATIVE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

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

During the year ended June 30, 2023, the District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which 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
SOUHEGAN COOPERATIVE 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	\$ 15,591,360	\$ 15,591,360	\$ 15,591,360	\$ -
Intergovernmental	2,333,732	2,333,732	2,661,244	327,512
Charges for services	87,432	87,432	142,783	55,351
Interest income	1,680	1,680	42,595	40,915
Miscellaneous		7,000	23,967	16,967
Total Revenues	<u>18,014,204</u>	<u>18,021,204</u>	<u>18,461,949</u>	<u>440,745</u>
Expenditures:				
Current operations:				
Instruction	11,942,317	12,105,202	11,702,798	402,404
Supporting services	1,820,568	1,872,319	1,800,507	71,812
Instructional staff services	694,878	696,063	550,927	145,136
General administration	63,709	81,690	59,326	22,364
Executive administration	1,120,711	1,136,340	1,099,350	36,990
School administration	987,363	787,843	745,118	42,725
Operation and maintenance of plant	1,386,911	1,387,167	1,408,884	(21,717)
Pupil transportation	680,410	703,439	584,938	118,501
Central service	354,425	311,809	252,557	59,252
Capital outlay	4	6	5,420	(5,414)
Total Expenditures	<u>19,051,296</u>	<u>19,081,878</u>	<u>18,209,825</u>	<u>872,053</u>
Excess revenues over (under) expenditures	<u>(1,037,092)</u>	<u>(1,060,674)</u>	<u>252,124</u>	<u>1,312,798</u>
Other financing sources (uses):				
Transfers out	<u>(126,752)</u>	<u>(105,000)</u>	<u>(159,471)</u>	<u>(54,471)</u>
Total Other financing sources (uses)	<u>(126,752)</u>	<u>(105,000)</u>	<u>(159,471)</u>	<u>(54,471)</u>
Net change in fund balance	(1,163,844)	(1,165,674)	92,653	1,258,327
Fund Balances at beginning of year				
- Budgetary Basis	<u>1,163,844</u>	<u>1,163,844</u>	<u>1,163,844</u>	<u>-</u>
Fund Balances at end of year				
- Budgetary Basis	<u>\$ -</u>	<u>\$ (1,830)</u>	<u>\$ 1,256,497</u>	<u>\$ 1,258,327</u>

See accompanying notes to the required supplementary information

SCHEDULE 2

SOUHEGAN COOPERATIVE SCHOOL DISTRICT**Schedule of Changes in the District's Proportionate Share of the Net OPEB Liability**

For the Year Ended June 30, 2023

<u>Measurement Period Ended</u>	Cost-Sharing Multiple Employer Plan Information Only				
	<u>District's Proportion of the Net OPEB Liability</u>	<u>District's Proportionate Share of the Net OPEB Liability</u>	<u>District's Covered Payroll</u>	<u>District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
June 30, 2022	0.27622114%	\$ 1,043,806	\$ 9,082,277	11.49%	10.64%
June 30, 2021	0.25903850%	\$ 1,038,419	\$ 8,438,912	12.31%	11.06%
June 30, 2020	0.27523200%	\$ 1,204,715	\$ 8,522,640	14.14%	7.74%
June 30, 2019	0.25247858%	\$ 1,106,894	\$ 8,328,022	13.29%	7.75%
June 30, 2018	0.26106993%	\$ 1,195,298	\$ 8,278,669	14.44%	7.53%
June 30, 2017	0.34723758%	\$ 1,587,688	\$ 8,512,284	18.65%	7.91%
June 30, 2016	0.36353148%	\$ 1,759,875	\$ 8,716,148	20.19%	5.21%
June 30, 2015	*	*	*	*	*
June 30, 2014	*	*	*	*	*
June 30, 2013	*	*	*	*	*

* 10 Year schedule, historical information not available

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

See accompanying notes to the required supplementary information

SCHEDULE 3
SOUHEGAN COOPERATIVE 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	\$ 114,674	\$ (114,674)	\$ -	\$ 9,168,706	1.25%
June 30, 2022	\$ 116,315	\$ (116,315)	\$ -	\$ 9,082,277	1.28%
June 30, 2021	\$ 124,562	\$ (124,562)	\$ -	\$ 8,438,912	1.48%
June 30, 2020	\$ 127,755	\$ (127,755)	\$ -	\$ 8,522,640	1.50%
June 30, 2019	\$ 115,221	\$ (115,221)	\$ -	\$ 8,328,022	1.38%
June 30, 2018	\$ 115,479	\$ (115,479)	\$ -	\$ 8,278,669	1.39%
June 30, 2017	\$ 205,808	\$ (205,808)	\$ -	\$ 8,512,284	2.42%
June 30, 2016	\$ 211,234	\$ (211,234)	\$ -	\$ 8,716,148	2.42%
June 30, 2015	*	*	*	*	*
June 30, 2014	*	*	*	*	*

* 10 Year schedule, historical information not available

See accompanying notes to the required supplementary information

SCHEDULE 4

SOUHEGAN COOPERATIVE 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	\$ 112,599	\$ 108,749	\$ 108,678	\$ 106,328	\$ 83,708	\$ 82,067	*	*	*	*
Interest	82,191	77,996	53,478	51,584	62,469	60,530	*	*	*	*
Changes of assumptions or other inputs		(265,633)		(159,095)			*	*	*	*
Differences between expected and actual experience		(43,000)		728,460	(55,955)	(25,106)	*	*	*	*
Benefit payments	(69,421)	(67,048)	(73,039)	(71,460)	(69,317)	(57,367)	*	*	*	*
Net change in total OPEB liability	125,369	(188,936)	89,117	655,817	20,905	60,124	*	*	*	*
Total OPEB Liability - beginning of year	2,356,497	2,545,433	2,456,316	1,800,499	1,779,594	1,719,470	*	*	*	*
Total OPEB Liability - end of year	<u>\$ 2,481,866</u>	<u>\$ 2,356,497</u>	<u>\$ 2,545,433</u>	<u>\$ 2,456,316</u>	<u>\$ 1,800,499</u>	<u>\$ 1,779,594</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Covered employee payroll	\$ 8,114,634	\$ 7,728,223	\$ 7,358,054	\$ 7,358,054	\$ 8,152,411	\$ 7,992,560	*	*	*	*
Total OPEB liability as a percentage of covered employee payroll	30.59%	30.49%	34.59%	33.38%	22.09%	22.27%	*	*	*	*
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% - 2019	2.20% - 2019	9.50% - 2017	9.50% - 2017	*	*	*	*
Ultimate	4.24% - 2090	4.24% - 2090	1.80% - 2030	1.80% - 2030	5.00% - 2028	5.00% - 2028	*	*	*	*
Mortality improvement scale	MP-2021	MP-2021	MP-2019	MP-2019	MP-2017	MP-2017	*	*	*	*

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

SOUHEGAN COOPERATIVE 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	0.28660843%	\$ 16,440,236	\$ 9,082,277	181.01%	65.12%
June 30, 2021	0.27318155%	\$ 12,107,186	\$ 8,438,912	143.47%	72.22%
June 30, 2020	0.28705660%	\$ 18,338,127	\$ 8,522,640	215.17%	58.72%
June 30, 2019	0.28247655%	\$ 13,591,796	\$ 8,328,022	163.21%	65.59%
June 30, 2018	0.28987926%	\$ 13,958,273	\$ 8,278,669	168.61%	64.73%
June 30, 2017	0.28684675%	\$ 14,107,103	\$ 8,512,284	165.73%	62.66%
June 30, 2016	0.30059311%	\$ 15,984,325	\$ 8,716,148	183.39%	58.30%
June 30, 2015	0.30180443%	\$ 11,956,064	\$ 8,680,869	137.73%	65.47%
June 30, 2014	0.31839889%	\$ 11,951,375	\$ 8,856,888	134.94%	66.32%
June 30, 2013	0.32481262%	\$ 13,979,235	\$ 9,089,149	153.80%	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
SOUHEGAN COOPERATIVE 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	\$ 1,662,500	\$ (1,662,500)	\$ -	\$ 9,168,706	18.13%
June 30, 2022	\$ 1,659,505	\$ (1,659,505)	\$ -	\$ 9,082,277	18.27%
June 30, 2021	\$ 1,254,637	\$ (1,254,637)	\$ -	\$ 8,438,912	14.87%
June 30, 2020	\$ 1,273,667	\$ (1,273,667)	\$ -	\$ 8,522,640	14.94%
June 30, 2019	\$ 1,229,286	\$ (1,229,286)	\$ -	\$ 8,328,022	14.76%
June 30, 2018	\$ 1,225,197	\$ (1,225,197)	\$ -	\$ 8,278,669	14.80%
June 30, 2017	\$ 1,050,844	\$ (1,050,844)	\$ -	\$ 8,512,284	12.35%
June 30, 2016	\$ 1,076,361	\$ (1,076,361)	\$ -	\$ 8,716,148	12.35%
June 30, 2015	\$ 1,012,527	\$ (1,012,527)	\$ -	\$ 8,680,869	11.66%
June 30, 2014	\$ 1,032,960	\$ (1,032,960)	\$ -	\$ 8,856,888	11.66%

See accompanying notes to the required supplementary information

SOUHEGAN COOPERATIVE 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	\$ 18,501,343	\$ 18,786,645
Non-budgetary activity	(39,394)	(124,236)
Budgetary transfers		56,500
Encumbrances - June 30, 2022		(456,413)
Encumbrances - June 30, 2023		106,800
Per Schedule 1	<u>\$ 18,461,949</u>	<u>\$ 18,369,296</u>