

RAYMOND SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

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PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Raymond School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of the Raymond School District, as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the general fund, grants and food service fund 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Raymond 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

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

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 Raymond 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

**Raymond School District
Independent Auditor's Report**

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 Raymond 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 Raymond 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.

Change in Accounting Principle

As discussed in Note 2-C to the financial statements, in the fiscal year 2022, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

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

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

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

Supplementary Information – Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Raymond School District's basic financial statements. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

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

***Raymond School District
Independent Auditor's Report***

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2023 on our consideration of the Raymond School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Raymond School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Raymond School District's internal control over financial reporting and compliance.

Sheryl A. Platt, CPA

June 8, 2023
Concord, New Hampshire

PLODZIK & SANDERSON
Professional Association

RAYMOND SCHOOL DISTRICT
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2022

Presented here is the Management Discussion & Analysis to accompany the financial statements for the fiscal year ended June 30, 2022. The purpose of this discussion and analysis is to serve as an introduction to the Raymond School District's basic financial statements, as well as to provide additional discussion and information intended to assist the reader in understanding the School District's financial activities.

BASIC FINANCIAL STATEMENTS

The financial statements consist of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to financial statements, and 4) required supplementary information.

1) Government-Wide Financial Statements

The government-wide financial statements report financial information for the School District as a whole. Included in this section are a statement of net position and a statement of activities.

Statement of Net Position

The *net position* of the School District is an indication of the financial position of the School District. The government-wide financial statements enable us to review and determine the School District's net position. The accounting that determines net position is summarized below. As seen in Table 1, for the year ended June 30, 2022, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$1,169,195.

Table 1	<u>2022</u>	<u>2021</u>	\$ Increase (Decrease)	% Increase (Decrease)
Current assets	4,886,250	3,558,983	1,327,267	37.3%
Capital assets	<u>15,142,464</u>	<u>15,597,656</u>	<u>(455,192)</u>	-2.9%
Total assets	20,028,714	19,156,639	872,075	4.6%
Deferred Outflows of Resources	4,423,735	5,858,516	(1,434,781)	-24.5%
Current Liabilities	1,388,377	1,043,663	344,714	33.0%
Long-term Liabilities				
Due within one year	631,722	809,739	(178,017)	-22.0%
Due in more than one year	<u>18,679,021</u>	<u>25,226,093</u>	<u>(6,547,072)</u>	-26.0%
Total liabilities	20,699,120	27,079,495	(6,380,375)	-23.6%
Deferred Inflows of Resources	4,922,524	1,075,199	3,847,325	357.8%
Net assets				
Net Investment in capital assets	12,932,404	12,746,387	186,017	1.5%
Restricted	9,103	-	9,103	100.0%
Unrestricted	<u>(14,110,702)</u>	<u>(15,885,926)</u>	<u>1,775,224</u>	11.2%
Total net position	<u>(1,169,195)</u>	<u>(3,139,539)</u>	<u>1,970,344</u>	62.8%

The School District's negative net position is mainly due to the following: As of June 30, 2015, the School District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires the School District to report their proportionate share of the New Hampshire Retirement System's net pension liability based upon their plan contributions for the year.

According to GASB (GASB Letter 2012), "While this information will, in some cases, give the appearance that a government is financially weaker than it was previously, the financial reality of the government's situation will not have changed." GASB's position is that pension costs and obligations should be recorded as employees earn them not when the government contributes or when a retiree received benefits.

The New Hampshire Retirement System (NHRS) has a statutory funding schedule whose goal is to reach 100% plan funding by June 30, 2039. According to NHRS (NHRS Frequently Asked Questions June 4, 2014), GASB 68 will have no impact on employer contribution rates to NHRS and no impact on local property tax rates.

Statement of Activities

The *Statement of Activities* provides an important record of overall expenses and revenues for the fiscal year. The government-wide financial statements provide a summary of the governmental activities. These are displayed in Table 2 below. We have shown both the amount and the percentage that these amounts represent.

Table 2			\$ Increase	% Increase
Revenues:	<u>2022</u>	<u>2021</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Program Revenues:				
Charges for Services	231,357	104,621	126,736	121.1%
Operating Grants	3,031,832	2,431,440	600,392	24.7%
Capital Grants	284,432	297,455	(13,023)	-4.4%
General Revenues				
School District Assessment	16,195,175	15,912,322	282,853	1.8%
Unrestricted Grants and Contributions	8,035,346	7,767,243	268,103	3.5%
Miscellaneous	507,390	522,591	(15,201)	-2.9%
Total Revenues	<u>28,285,532</u>	<u>27,035,672</u>	<u>1,249,860</u>	<u>4.6%</u>
Program Expenses:				
Instruction	15,446,929	16,733,182	(1,286,253)	-7.7%
Support Services:				
Student	1,910,486	2,551,053	(640,567)	-25.1%
Instructional Staff	1,010,178	1,043,023	(32,845)	-3.1%
General Administration	149,396	100,220	49,176	49.1%
Executive Administration	1,054,912	845,777	209,135	24.7%
School Administration	1,445,190	1,543,365	(98,175)	-6.4%
Business	306,754	325,156	(18,402)	-5.7%
Operation and Maintenance of Plant	2,608,507	2,956,913	(348,406)	-11.8%
Student transportation	1,161,523	998,434	163,089	16.3%
Other	-	90,018	(90,018)	-100.0%
Non-instructional Services	758,083	559,701	198,382	35.4%
Interest on Long-Term Debt	463,230	443,885	19,345	4.4%
Total Expenses	<u>26,315,188</u>	<u>28,190,727</u>	<u>(1,875,539)</u>	<u>-6.7%</u>
Change in Net Position	1,970,344	(1,155,055)		
Beginning Net Position	(3,139,539)	(1,984,484)		
Ending Net Position	<u>(1,169,195)</u>	<u>(3,139,539)</u>		

As may be seen in Table 2, revenues for fiscal year 2022 increased significantly compared to fiscal year 2021 while expenses decreased as well by 6.7%. The School District's revenues are derived from various sources with 57.3% coming from the School District Assessment and 28.4% from Unrestricted Grants and Contributions in 2022. School District expenses cover a range of services with 58.7% being spent on Instruction and 36.7% on Support Services in 2022.

2) Fund Financial Statements

The Raymond School District's governmental funds include the General Fund (the Expendable Trust Funds have been blended here in accordance with GASB Statement No. 54), the Federal Funds (Grants), Food Service Fund, and Other Governmental Funds (Student Activities). The School District has additional funds known as fiduciary funds. The fiduciary fund is a private purpose trust fund, which is a scholarship fund.

The School District uses separate fund accounting for each of its funds to ensure and demonstrate compliance with finance related legal requirements. Information from the accounting is essential in managing budgets as the financial year progresses and is useful in assessing financial resource needs for the future operation of the schools.

Financial Summary of the School District's Funds

General Fund

The General Fund is what most people think of as "the budget" since it is the focal point of the First Session of the Annual Meeting (Deliberative Session) and it is largely supported by locally raised taxes. Following the School District's adoption of RSA 198:4-B and the School Board's decision to retain \$458,135 of the 2022 unassigned fund balance, the General Fund ended the fiscal year with an unassigned fund balance (surplus) of \$1,179,644 that was returned to the taxpayers in the form of a reduction in 2022 property taxes. The cumulative retained unassigned fund balance totals \$1,637,779 as of June 30, 2022.

The General Fund is supported by \$16.2 million from local assessments, \$8.3 million from State grants, and a smaller portion from federal and other local sources. General Fund expenditures are primarily for instruction (\$14.7 million), support services (\$8.2 million), and debt payments (\$1.1 million).

Food Service Fund

The Food Service Fund ended the fiscal year with a loss of \$8,573. The School District's financial goal is to have the food service program be as close to self funding as possible. The deficit this year was not as significant as years in the past due to the fact that every student was considered free because of the pandemic.

Trust Funds

The School District has four Expendable Trust Funds with the following balances as of June 30, 2022:

Equipment, Facilities Maintenance and Replacement	1,064,815
Food Service Equipment	98,755
Technology	264,050
Special Education	192,782

In addition, the School District has six private purpose Scholarship Trust Funds with asset balances totaling \$67,438 as of June 30, 2022.

Federal Funds (Grants)

The School District received grants totaling \$1,955,350 during the 2021-2022 school year. The largest grants were the ESSER II Grant for \$517,945 and Project AWARE for \$398,827.

Student Activity Funds

Each school has a Student Activity Fund that ended the fiscal year with the following balances:

Raymond High School	85,574
Iber Holmes Gove Middle School	23,271
Lamprey River Elementary School	24,415

Student Activities are now reported in the governmental funds instead of the fiduciary funds due to GASB Statement No. 84.

3) Notes to the Financial Statements

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

ADDITIONAL MANAGEMENT DISCUSSION ITEMS

Capital Assets

The capital assets of the Raymond School District consist of land, land improvements, buildings including improvements, furniture, equipment, and one truck. An estimated book value of \$15,142,464, net of accumulated depreciation, as of June 30, 2022 is included in the financial statements for these assets.

Long Term Debt (Bond Issue)

The School District has two bond issues. A 20 year bond for \$13,402,490 was issued in 2005 for construction of the Iber Holmes Gove Middle School. Principal of \$1,751,861 and interest of \$2,171,459 for a total of \$3,923,320 remains to be paid on this bond. A 10 year bond for \$1,060,000 was issued in 2014 for replacement of Raymond High School's roof. Principal of \$315,000 and interest of \$24,098 for a total of \$333,098 remains to be paid on this bond.

Future Financial Position

The taxpayers of Raymond have a long history of strong support for the education of their children and for providing sufficient resources for quality education. There is no indication of any change.

Nevertheless, funding for education is a matter of continuing concern in view of constantly changing legislation. The lack of long-term legislation for educational funding creates an environment of uncertainty and in some cases short-term crises resulting from the uncertainties. To their credit, the taxpayers have shown patience in that they have not let taxation issues detract from their financial support to their community schools as evidenced by budgets and union contracts being approved. Our planning assumption is that this support will continue.

In terms of future financial needs, we note that enrollments have been gradually decreasing. This would seem to portray a period of relatively constant budgets for operations. However, we do foresee a future in which there will be continuing budget pressures from escalating retirement and health insurance costs. Additionally, there is a need for building renovation and construction at the Lamprey River Elementary School and a need for additional athletic fields to be constructed in the School District sometime in the future.

Recognizing the importance of fiscal restraint, the Administration is committed to continually looking for ways to contain cost increases and to keep budgets as low as possible while still providing a sound education for each child.

Contacting the School District's Financial Management

This financial report is designed to provide a general overview of the School District's finances, to comply with finance-related laws and regulations, and to demonstrate the School District's commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact the Raymond School District's SAU Office at 43 Harriman Hill Road, Raymond, New Hampshire 03077 or contact the School District's Business Administrator at (603) 895-4299 Extension 1110.

BASIC FINANCIAL STATEMENTS

EXHIBIT A
RAYMOND SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,717,224
Other receivables	4,767
Intergovernmental receivable	2,113,759
Prepaid items	50,500
Capital assets, not being depreciated	334,432
Capital assets, net of accumulated depreciation	14,808,032
Total assets	20,028,714
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	4,277,219
Amounts related to other postemployment benefits	146,516
Total deferred outflows of resources	4,423,735
LIABILITIES	
Accounts payable	461,480
Accrued salaries and benefits	173,837
Intergovernmental payable	410,196
Accrued interest payable	342,864
Noncurrent obligations:	
Due within one year	631,722
Due in more than one year	18,679,021
Total liabilities	20,699,120
DEFERRED INFLOWS OF RESOURCES	
Amounts related to pensions	4,448,748
Amounts related to other postemployment benefits	473,776
Total deferred inflows of resources	4,922,524
NET POSITION	
Net investment in capital assets	12,932,404
Restricted	9,103
Unrestricted	(14,110,702)
Total net position	\$ (1,169,195)

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

EXHIBIT B
RAYMOND SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2022

	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 15,446,929	\$ 169,255	\$ 1,379,314	\$ -	\$(13,898,360)
Support services:					
Student	1,910,486	-	676,033	-	(1,234,453)
Instructional staff	1,010,178	-	225,532	-	(784,646)
General administration	149,396	-	5,000	-	(144,396)
Executive administration	1,054,912	-	21,835	-	(1,033,077)
School administration	1,445,190	-	-	-	(1,445,190)
Business	306,754	-	-	-	(306,754)
Operation and maintenance of plant	2,608,507	-	17,946	-	(2,590,561)
Student transportation	1,161,523	-	-	-	(1,161,523)
Other	-	-	18,322	-	18,322
Noninstructional services	758,083	62,102	687,850	-	(8,131)
Interest on long-term debt	463,230	-	-	284,432	(178,798)
Total governmental activities	<u>\$ 26,315,188</u>	<u>\$ 231,357</u>	<u>\$ 3,031,832</u>	<u>\$ 284,432</u>	<u>(22,767,567)</u>
General revenues:					
School district assessment					16,195,175
Grants and contributions not restricted to specific programs					8,035,346
Interest					1,927
Miscellaneous					505,463
Total general revenues					<u>24,737,911</u>
Change in net position					1,970,344
Net position, beginning					(3,139,539)
Net position, ending					<u>\$ (1,169,195)</u>

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

EXHIBIT C-1
RAYMOND SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2022

	General	Grants	Food Service	Other Governmental Fund (Student Activities)	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,583,864	\$ -	\$ 100	\$ 133,260	\$ 2,717,224
Receivables:					
Accounts	4,767	-	-	-	4,767
Intergovernmental	1,647,904	271,007	194,848	-	2,113,759
Interfund receivables	441,937	-	-	-	441,937
Prepaid items	50,500	-	-	-	50,500
Total assets	<u>\$ 4,728,972</u>	<u>\$ 271,007</u>	<u>\$ 194,948</u>	<u>\$ 133,260</u>	<u>\$ 5,328,187</u>
LIABILITIES					
Accounts payable	\$ 450,284	\$ -	\$ 11,196	\$ -	\$ 461,480
Accrued salaries and benefits	170,118	449	3,270	-	173,837
Intergovernmental payable	410,196	-	-	-	410,196
Interfund payable	-	270,558	171,379	-	441,937
Total liabilities	<u>1,030,598</u>	<u>271,007</u>	<u>185,845</u>	<u>-</u>	<u>1,487,450</u>
FUND BALANCES					
Nonspendable	50,500	-	-	-	50,500
Restricted	-	-	9,103	-	9,103
Committed	1,893,454	-	-	-	1,893,454
Assigned	574,776	-	-	133,260	708,036
Unassigned	1,179,644	-	-	-	1,179,644
Total fund balances	<u>3,698,374</u>	<u>-</u>	<u>9,103</u>	<u>133,260</u>	<u>3,840,737</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,728,972</u>	<u>\$ 271,007</u>	<u>\$ 194,948</u>	<u>\$ 133,260</u>	<u>\$ 5,328,187</u>

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

EXHIBIT C-2
RAYMOND SCHOOL DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2022

Total fund balances of governmental funds (Exhibit C-1)		\$ 3,840,737
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 36,552,081	
Less accumulated depreciation	<u>(21,409,617)</u>	15,142,464
Pension and other postemployment benefits (OPEB) related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources related to pensions	\$ 4,277,219	
Deferred inflows of resources related to pensions	(4,448,748)	
Deferred outflows of resources related to OPEB	146,516	
Deferred inflows of resources related to OPEB	<u>(473,776)</u>	(498,789)
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (441,937)	
Payables	<u>441,937</u>	-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(342,864)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bonds	\$ 2,066,861	
Unamortized bond premium	143,199	
Compensated absences	591,803	
Net pension liability	14,693,170	
Other postemployment benefits	<u>1,815,710</u>	(19,310,743)
Net position of governmental activities (Exhibit A)		<u><u>\$ (1,169,195)</u></u>

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

EXHIBIT C-3
RAYMOND SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022

	General	Grants	Food Service	Other Governmental Fund (Student Activities)	Total Governmental Funds
REVENUES					
School district assessment	\$ 16,195,175	\$ -	\$ -	\$ -	\$ 16,195,175
Other local	670,571	5,048	68,176	225,236	969,031
State	8,336,743	72,235	5,988	-	8,414,966
Federal	146,431	1,878,067	681,862	-	2,706,360
Total revenues	<u>25,348,920</u>	<u>1,955,350</u>	<u>756,026</u>	<u>225,236</u>	<u>28,285,532</u>
EXPENDITURES					
Current:					
Instruction	14,679,142	990,682	-	217,433	15,887,257
Support services:					
Student	1,284,346	676,033	-	-	1,960,379
Instructional staff	876,751	225,532	-	-	1,102,283
General administration	144,396	5,000	-	-	149,396
Executive administration	1,033,077	21,835	-	-	1,054,912
School administration	1,460,133	-	-	-	1,460,133
Business	315,408	-	-	-	315,408
Operation and maintenance of plant	1,901,603	17,946	-	-	1,919,549
Student transportation	1,161,523	-	-	-	1,161,523
Other	6,693	18,322	-	-	25,015
Noninstructional services	-	-	755,496	-	755,496
Debt service:					
Principal	601,390	-	-	-	601,390
Interest	481,372	-	-	-	481,372
Facilities acquisition and construction	329,192	-	-	-	329,192
Total expenditures	<u>24,275,026</u>	<u>1,955,350</u>	<u>755,496</u>	<u>217,433</u>	<u>27,203,305</u>
Excess of revenues over expenditures	<u>1,073,894</u>	<u>-</u>	<u>530</u>	<u>7,803</u>	<u>1,082,227</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	8,573	-	8,573
Transfers out	(8,573)	-	-	-	(8,573)
Total other financing sources (uses)	<u>(8,573)</u>	<u>-</u>	<u>8,573</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,065,321	-	9,103	7,803	1,082,227
Fund balances, beginning	2,633,053	-	-	125,457	2,758,510
Fund balances, ending	<u>\$ 3,698,374</u>	<u>\$ -</u>	<u>\$ 9,103</u>	<u>\$ 133,260</u>	<u>\$ 3,840,737</u>

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

EXHIBIT C-4
RAYMOND SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2022

Net change in fund balances of total governmental funds (Exhibit C-3)		\$ 1,082,227
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense exceeded capital outlay expenditures in the current year, as follows:		
Capitalized capital outlay	\$ 626,352	
Depreciation expense	<u>(1,081,544)</u>	(455,192)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (8,573)	
Transfers out	<u>8,573</u>	-
Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal repayment of bond	\$ 601,392	
Amortization of bond premium	<u>39,817</u>	641,209
Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Increase in accrued interest expense	\$ (21,677)	
Increase in compensated absences payable	(6,146)	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	513,078	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>216,845</u>	702,100
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 1,970,344</u></u>

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

EXHIBIT D-1
RAYMOND SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
School district assessment	\$ 16,195,175	\$ 16,195,175	\$ -
Other local	407,673	668,861	261,188
State	7,929,307	8,336,743	407,436
Federal	175,000	146,431	(28,569)
Total revenues	<u>24,707,155</u>	<u>25,347,210</u>	<u>640,055</u>
EXPENDITURES			
Current:			
Instruction	15,192,646	14,577,900	614,746
Support services:			
Student	1,377,575	1,286,888	90,687
Instructional staff	1,016,242	925,940	90,302
General administration	102,253	164,206	(61,953)
Executive administration	1,155,965	1,032,089	123,876
School administration	1,521,556	1,460,133	61,423
Business	326,696	315,408	11,288
Operation and maintenance of plant	1,946,880	1,873,780	73,100
Student transportation	1,107,983	1,161,523	(53,540)
Other	2,000	6,693	(4,693)
Debt service:			
Principal	601,389	601,390	(1)
Interest	481,371	481,372	(1)
Facilities acquisition and construction	1	-	1
Total expenditures	<u>24,832,557</u>	<u>23,887,322</u>	<u>945,235</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(125,402)</u>	<u>1,459,888</u>	<u>1,585,290</u>
OTHER FINANCING USES			
Transfers out	<u>(525,003)</u>	<u>(468,576)</u>	<u>56,427</u>
Net change in fund balance	<u>\$ (650,405)</u>	991,312	<u>\$ 1,641,717</u>
Increase in nonspendable fund balance		(50,500)	
Increase in committed fund balance		(325,000)	
Unassigned fund balance, beginning		1,021,967	
Unassigned fund balance, ending		<u>\$ 1,637,779</u>	

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

EXHIBIT D-2
RAYMOND SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (GAAP Basis)
Grants Fund
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Other local	\$ -	\$ 5,048	\$ 5,048	\$ -
State	-	72,235	72,235	-
Federal	720,000	1,878,067	1,878,067	-
Total revenues	<u>720,000</u>	<u>1,955,350</u>	<u>1,955,350</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	720,000	990,682	990,682	-
Support services:				
Student	-	676,033	676,033	-
Instructional staff	-	225,532	225,532	-
General administration	-	5,000	5,000	-
Executive administration	-	21,835	21,835	-
Operation and maintenance of plant	-	17,946	17,946	-
Other	-	18,322	18,322	-
Total expenditures	<u>720,000</u>	<u>1,955,350</u>	<u>1,955,350</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			-	
Fund balance, ending			<u>\$ -</u>	

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

EXHIBIT D-3
RAYMOND SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Food Service Fund
For the Fiscal Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Local:			
Sales	\$ 394,149	\$ 62,102	\$ (332,047)
Miscellaneous	-	6,074	6,074
State:			
Lunch reimbursement	7,000	5,988	(1,012)
Federal:			
Lunch reimbursement	200,000	681,862	481,862
Total revenues	<u>601,149</u>	<u>756,026</u>	<u>154,877</u>
EXPENDITURES			
Current:			
Noninstructional services	<u>620,200</u>	<u>755,496</u>	<u>(135,296)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,051)</u>	<u>530</u>	<u>19,581</u>
OTHER FINANCING SOURCES			
Transfers in	<u>19,051</u>	<u>8,573</u>	<u>(10,478)</u>
Net change in fund balance	<u>\$ -</u>	<u>9,103</u>	<u>\$ 9,103</u>
Fund balance, beginning		-	
Fund balance, ending		<u>\$ 9,103</u>	

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

EXHIBIT E-1
RAYMOND SCHOOL DISTRICT
Fiduciary Fund
Statement of Fiduciary Net Position
June 30, 2022

	Private Purpose Trust
ASSETS	
Intergovernmental receivable	<u>\$67,438</u>
NET POSITION	
Restricted	<u>\$67,438</u>

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

EXHIBIT E-2
RAYMOND SCHOOL DISTRICT
Fiduciary Fund
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2022

	Private Purpose Trust
Deductions:	
Net decrease in fair value	\$ 7,417
Change in net position	(7,417)
Net position, beginning	74,855
Net position, ending	\$ 67,438

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

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

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RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1-A Reporting Entity

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

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

1-B Government-wide and Fund Financial Statements

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

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

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

Fund Financial Statements – Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds and are presented in the other governmental column of the fund financial statements.

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

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

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

Measurement Focus and Basis of Accounting – The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District generally considers revenues to be available if they are collected within 60 days of the end of

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

the current fiscal period, with the exception of reimbursement based grants, which use a period of one year. District assessments, intergovernmental revenue, and other local sources associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

The School District reports the following major governmental funds:

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

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

Food Service Fund – accounts for the operation of the School District’s food service program.

Nonmajor Funds – The School District also reports one nonmajor governmental fund, the student activities fund.

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

1-D Cash and Cash Equivalents

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

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

1-E Receivables

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

1-F Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and expensed as the items are used. This amount is also equal to of nonspendable fund balance at year-end.

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

1-G Capital Assets

Capital assets are reported in the government-wide financial statements, but are not reported in the fund financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation, if received on or before June 15, 2015. Donated capital assets received after June 15, 2015 are recorded at acquisition value. The School District has established a threshold of \$5,000 or more and an estimated useful life in excess of one year for capitalization of depreciable assets.

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

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

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

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

Capital Asset Class:	<u>Years</u>
Land improvements	20
Buildings and building improvements	20 - 45
Machinery, equipment, and vehicles	5 - 20

1-H Interfund Activities

Interfund activities are reported as follows:

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

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

1-I Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of June 30, 2022.

1-J Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) until that time. The District has two items that qualify for reporting in this category. Deferred outflows related to pensions and deferred outflows related to OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years.

Deferred inflows of resources, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. The District has two types of items which qualify for reporting in this category. Deferred inflows of resources related to pensions and OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years.

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

1-K Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums are deferred and amortized over the life of the bond using the straight-line method.

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, the School District utilizes the following classifications to categorize the financial transaction(s):

Direct Placements – financial transactions for the sale of bonds where the School District engages with a single buyer or limited number of buyers without a public offering.

1-L Compensated Absences

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

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

1-M Claims and Judgements

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. Claims and judgments are recorded in the government-wide financial statements as an expense when the related liabilities are incurred.

1-N Defined Benefit Pension Plan

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

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

1-O Postemployment Benefits Other Than Pensions (OPEB)

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

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

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

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

1-P Net Position/Fund Balances

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

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

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

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

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

Nonspendable – Amounts that cannot be spent because they are either (a) not in spendable form; or (b) are legally or contractually required to be maintained intact.

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

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

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

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

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

In accordance with RSA 198:4-bII, *Contingency Fund*, the School District voted to retain general fund unassigned fund balance of \$458,135 which is 2.5% of the net district assessment, to be used for emergency expenditures, or to use as a revenue source to reduce the tax rate.

RAYMOND SCHOOL DISTRICT
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1-Q Use of Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the School District’s operations. At its annual meeting, the School District adopts a budget for the current year for the general, grants, and food service funds. However, the School Board has voted and accepted the federal grants awarded to the District through the year so these amounts are reported as a final budget for the grants fund, which is also reported as a major fund. Except as reconciled below, the budget was adopted on a basis consistent with United States generally accepted accounting principles.

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

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

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2022, \$575,405 of the beginning general fund unassigned fund balance was applied for this purpose. Additionally, \$75,000 was appropriated to fund the School District’s capital reserve funds.

2-B Budgetary Reconciliation to GAAP Basis

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

Revenues:	
Per Exhibit D-1 (budgetary basis)	\$ 25,347,210
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
Interest earnings related to the blended expendable trust funds	1,710
Per Exhibit C-3 (GAAP Basis)	<u>\$ 25,348,920</u>
	<u>(Continued)</u>

RAYMOND SCHOOL DISTRICT
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Budgetary reconciliation to GAAP basis continued:

Expenditures and other financing uses:	
Per Exhibit D-1 (budgetary basis)	\$ 24,355,898
Adjustments:	
Basis differences:	
Encumbrances, beginning	55,723
Encumbrances, ending	(116,641)
GASB Statement No. 54:	
To remove transfer from the general fund to the blended expendable trust funds	(460,003)
Expenditures of the blended expendable trust funds	448,622
Per Exhibit C-3 (GAAP basis)	\$ 24,283,599

2-C Accounting Change

Governmental Accounting Standards Board Statement No. 87, *Leases*, was implemented during fiscal year 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The School District has assessed all potential agreements that may be applicable for reporting under GASB Statement No. 87 and have determined that none of the agreements have met the requirements of the pronouncement.

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The School District's deposits are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held by the School District's agent in the School District's name. The FDIC currently insures the first \$250,000 of the School District's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by collateral. As of year-end, the carrying amount of the School District's deposits was \$2,717,224 and the bank balances totaled \$2,833,112. Petty cash totaled \$200.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2022, consisted of accounts and intergovernmental amounts arising from grants, school lunch program, and expendable trust funds held by the Town of Raymond Trustees of Trust Funds for the School District. Receivables are recorded on the School District's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

RAYMOND SCHOOL DISTRICT
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NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 consisted of the following:

	Balance, beginning	Additions	Balance, ending
At cost:			
Not being depreciated:			
Land	\$ 334,432	\$ -	\$ 334,432
Being depreciated:			
Land improvements	747,837	-	747,837
Buildings and building improvements	30,392,773	429,738	30,822,511
Machinery, equipment, and vehicles	4,450,687	196,614	4,647,301
Total capital assets being depreciated	<u>35,591,297</u>	<u>626,352</u>	<u>36,217,649</u>
Total capital assets	<u>35,925,729</u>	<u>626,352</u>	<u>36,552,081</u>
Less accumulated depreciation:			
Land improvements	(388,541)	(36,649)	(425,190)
Buildings and building improvements	(16,706,210)	(748,755)	(17,454,965)
Machinery, equipment, and vehicles	(3,233,322)	(296,140)	(3,529,462)
Total accumulated depreciation	<u>(20,328,073)</u>	<u>(1,081,544)</u>	<u>(21,409,617)</u>
Net book value, capital assets being depreciated	<u>15,263,224</u>	<u>(455,192)</u>	<u>14,808,032</u>
Net book value, all capital assets	<u>\$ 15,597,656</u>	<u>\$ (455,192)</u>	<u>\$ 15,142,464</u>

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

Instruction	\$ 114,523
Support services:	
Instructional staff	120,955
School administration	28,845
Operation and maintenance of plant	810,956
Noninstructional services	6,265
Total depreciation expense	<u>\$ 1,081,544</u>

NOTE 6 – INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances consisting of overdrafts in pooled cash and budgetary transfers at June 30, 2022 are as follows:

Receivable Fund	Payable Fund	Amount
General	Grants	\$ 270,558
	Food Service	171,379
		<u>\$ 441,937</u>

Interfund transfers in the amount of \$8,573 during the year ended June 30, 2022 consists of transfers from the general fund to the food service fund.

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

RAYMOND SCHOOL DISTRICT
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NOTE 7 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments of \$410,196 at June 30, 2022 consist of June 2022 contributions owed to the New Hampshire Retirement System.

NOTE 8 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources at June 30, 2022 consist of amounts related to pensions totaling \$4,277,219 and amounts related to OPEB totaling \$146,516. For further discussion on these amounts, see Notes 10 and 11, respectively.

Deferred inflows of resources at June 30, 2022 consist of the following:

	Governmental Activities
Amounts related to pensions, see Note 10	\$ 4,448,748
Amounts related to OPEB, see Note 11	473,776
Total deferred inflows of resources	\$ 4,922,524

NOTE 9 – LONG-TERM LIABILITIES

Changes in the School District’s long-term liabilities consisted of the following for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year	Due In More Than One Year
Bonds payable:						
Direct placements	\$ 2,668,253	\$ -	\$ (601,392)	\$ 2,066,861	\$ 581,591	\$ 1,485,270
Premium	183,016	-	(39,817)	143,199	39,817	103,382
Total bonds payable	2,851,269	-	(641,209)	2,210,060	621,408	1,588,652
Compensated absences	585,657	20,315	(14,169)	591,803	10,314	581,489
Pension related liability	20,559,147	-	(5,865,977)	14,693,170	-	14,693,170
Net other postemployment benefits	2,039,759	-	(224,049)	1,815,710	-	1,815,710
Total long-term liabilities	\$26,035,832	\$ 20,315	\$ (6,745,404)	\$ 19,310,743	\$ 631,722	\$ 18,679,021

Long-term bonds are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate	Outstanding at June 30, 2022
Bonds payable:					
Direct placements:					
Middle School	\$13,402,490	2006	2026	4.10%	\$ 1,751,861
High School Roof	\$ 1,060,000	2015	2025	2.49%	315,000
					\$ 2,066,861

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2022, including interest payments, are as follows:

Fiscal Year Ending June 30,	Bonds - Direct Placements		
	Principal	Interest	Total
2023	\$ 581,591	\$ 499,259	\$ 1,080,850
2024	559,385	512,392	1,071,777
2025	529,278	573,956	1,103,234
2026	396,607	609,949	1,006,556
Totals	\$ 2,066,861	\$ 2,195,556	\$ 4,262,417

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

Bonds/Notes Authorized and Unissued – Bonds and notes authorized and unissued as of June 30, 2022 were as follows:

Per District Meeting Vote of	Purpose	Unissued Amount
March 11, 2014	High School Roof Replacement	\$ 140,000

NOTE 10 – DEFINED BENEFIT PENSION PLAN

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

Benefits Provided – Benefit formulas and eligibility requirements for the Pension Plan are set by state law (RSA 100-A). 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.

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 benefit multiplier depending on vesting status as of 1/1/12. The maximum retirement allowance for Group II members vested by 1/1/12 (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 1/1/12 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 1/1/12	Minimum Age	Minimum Service	Benefit Multiplier
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%

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

Contributions – The System is financed by contributions from both the employees and the School District. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees are required to contribute 7% of earnable compensation. For fiscal year 2022, the School District contributed 19.48% for teachers and 13.75% for other employees. The contribution requirement for the fiscal year 2022 was \$1,793,152, which was paid in full.

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Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions
– At June 30, 2022, the School District reported a liability of \$14,693,170 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The School District’s proportion of the net pension liability was based on a projection of the School District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2021, the School District’s proportion was 0.33% which was an increase of 0.01% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized pension expense of \$1,280,075. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 538,018	\$ 185,578
Net difference between projected and actual investment earnings on pension plan investments	-	4,109,343
Changes in assumptions	1,534,619	-
Differences between expected and actual experience	411,430	153,827
Contributions subsequent to the measurement date	1,793,152	-
Total	\$ 4,277,219	\$ 4,448,748

The \$1,793,152 reported as deferred outflows of resources related to pensions results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2022	\$ (191,046)
2023	(229,710)
2024	(302,106)
2025	(1,241,819)
Thereafter	-
Totals	\$ (1,964,681)

Actuarial Assumptions – The collective total pension liability was determined by an actuarial performed as of June 30, 2020, rolled forward to June 30, 2021, using the following assumptions:

- Inflation: 2.0% per year
- Wage inflation: 2.75% per year (2.25% for Teachers)
- Salary increases: 5.6% 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, 2020 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

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Long-term Rates of Return – The long-term expected rate of return on pension plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2021:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return <u>2021</u>
Large Cap Equities	22.50%	6.46%
Small/Mid Cap Equities	7.50%	1.14%
Total domestic equities	30.00%	
Int'l Equities (unhedged)	14.00%	5.53%
Emerging Int'l Equities	6.00%	2.37%
Total international equity	20.00%	
Core US Fixed Income	25.00%	3.60%
Private equity	10.00%	8.85%
Private debt	5.00%	7.25%
Total alternative investments	15.00%	
Real estate	10.00%	6.60%
Total	100.00%	

Discount Rate – The discount rate used to measure the collective total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan’s actuarial funding policy as required by RSA 100-A:16. Based on those assumptions, the Pension Plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Pension Plan investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

Sensitivity of the School District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the School District’s proportionate share of the net pension liability calculated using the discount rate of 6.75% as well as what the School District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2021	<u>\$21,012,914</u>	<u>\$ 14,693,170</u>	<u>\$ 9,421,471</u>

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

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

11-A New Hampshire Retirement System (NHRS)

Plan Description – The New Hampshire Retirement System (NHRS or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2019 Comprehensive Annual Financial Report, which can be found on the system’s website at www.nhrs.org.

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

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

Maximum medical subsidy rates paid during fiscal year 2021 were as follows:

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

For those qualified retirees eligible for Medicare, the amounts were \$236.84 for a single-person plan and \$473.68 for a two-person plan.

Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2021, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2022, the School District contributed 1.54% for teachers and 0.31% for other employees. The contribution requirement for the fiscal year 2022 was \$131,610, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At June 30, 2022, the School District reported a liability of \$1,278,484 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The School District’s proportion of the net OPEB liability was based on a projection of the School District’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2021, the School District’s proportion was 0.32% which was an increase of 0.01% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized OPEB expense of \$90,109. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 190	\$ -
Net difference between projected and actual investment earnings on OPEB plan investments	-	15,971
Differences between expected and actual experience	-	267
Contributions subsequent to the measurement date	126,284	-
Total	<u>\$ 126,474</u>	<u>\$ 16,238</u>

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The \$126,284 reported as deferred outflows of resources related to OPEB results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending	
June 30,	
2022	\$ (3,730)
2023	(3,356)
2024	(3,761)
2025	(5,201)
Thereafter	-
Totals	<u><u>\$ (16,048)</u></u>

Actuarial Assumptions – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2020 and a measurement date of June 30, 2021. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Price inflation:	2.0% per year
Wage inflation:	2.75% per year (2.25% for Teachers)
Salary increases:	5.6% average, including inflation
Investment rate of return:	6.75% net of OPEB plan investment expense, including inflation
Health care trend rate:	Not applicable, given that the benefits are fixed stipends

Mortality rates were based on the 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, 2020 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

Long-term Rates of Return – The long-term expected rate of return on OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2021:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return <u>2021</u>
Large Cap Equities	22.50%	6.46%
Small/Mid Cap Equities	7.50%	1.14%
Total domestic equities	30.00%	
Int'l Equities (unhedged)	14.00%	5.53%
Emerging Int'l Equities	6.00%	2.37%
Total international equity	20.00%	
Core US Fixed Income	25.00%	3.60%
Private equity	10.00%	8.85%
Private debt	5.00%	7.25%
Total alternative investments	15.00%	
Real estate	10.00%	6.60%
Total	100.00%	

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Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2021 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 that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

Sensitivity of the School District’s Proportionate Share of the OPEB Liability to Changes in the Discount Rate – The following table presents the School District’s proportionate share of the OPEB liability calculated using the discount rate of 6.75% as well as what the School District’s proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2021	<u>\$ 1,389,813</u>	<u>\$ 1,278,484</u>	<u>\$ 1,181,621</u>

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

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

11-B Retiree Health Benefit Program

Plan Description – GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefit. The postemployment benefit liability is recognized on the Statement of Net Position over time. The School District OPEB plan is not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

The total OPEB liability is based on the School District offering retirees postemployment healthcare insurance governed by RSA 100-A:50. The retirees pay 100% of the premium cost to participate and are included in the same pool as the active members. The inclusion of the retirees in the same pool effects the insurance rates of the active employees as the rates for the retirees are assumed to be higher due to the age consideration, thereby creating an implicit rate subsidy.

Funding Policy – The School District’s funding policy for the implicit rate subsidy is a pay-as-you-go basis.

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

Employees Covered by Benefit Terms – At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	<u>167</u>
Total participants covered by OPEB plan	<u><u>169</u></u>

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

Total OPEB Liability – The School District’s total OPEB liability of \$537,226 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021. The School District contracts with an outside actuary to complete the actuarial valuation and schedule of changes in the total OPEB liability. Detailed information can be found in the separately issued report through request of the School District business office.

Actuarial Assumptions and Other Inputs – The total OPEB liability of \$537,226 in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	3.54%
Healthcare Cost Trend Rates:	
Current Year Trend	7.50%
Second Year Trend	6.90%
Decrement	0.60%
Ultimate Trend	3.90%
Year Ultimate Trend is Reached	2075

The discount rate used to measure the total OPEB liability was 3.54%. As of the June 30, 2022 measurement date, the OPEB plan’s fiduciary net position was projected to be insufficient to make all projected benefit payments of current plan members. Therefore, the 3.54% municipal bond rate was applied to all periods to determine the total OPEB liability. The discount rate is based on a tax-exempt, high-quality municipal bond rate.

Mortality rates are as follows:

Pre-Retirement: PubG-2010 headcount-weighted Employee General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.

Post Retirement:

Healthy Retirees: 101% of PubG-2010 headcount-weighted Retiree General Mortality Tables for males and 109% of PubG-2010 headcount-weighted Retiree General Mortality Tables for females, projected with fully generational mortality improvement using scale MP-2019.

Surviving spouses: PubG-2010 Contingent Survivor General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.

Disabled Retirees: PubG-2010 Disabled General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.

Changes in the Total OPEB Liability

	June 30,	
	2021	2022
Total OPEB liability, beginning of year	\$ 630,006	\$ 665,004
Changes for the year:		
Service cost	40,177	41,878
Interest	14,483	15,027
Changes in benefit terms	-	(95,548)
Differences between actual and expected experience	-	(5,670)
Assumption changes	10,051	(61,128)
Benefit payments	(29,713)	(22,337)
Total OPEB liability, end of year	<u>\$ 665,004</u>	<u>\$ 537,226</u>

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

Sensitivity of the School District's OPEB Liability to Changes in the Discount Rate – The July 1, 2021 actuarial valuation was prepared using a discount rate of 3.54%. If the discount rate were 1% lower than what was used, the OPEB liability would increase to \$578,619, or by 7.70%. If the discount rate were 1% higher than what was used, the OPEB liability would decrease to \$498,006, or by 7.30%.

	Discount Rate		
	1% Decrease	Baseline 3.54%	1% Increase
Total OPEB Liability	\$ 578,619	\$ 537,226	\$ 498,006

Sensitivity of the School District's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The July 1, 2021 actuarial valuation was prepared using an initial trend rate of 7.50% in year 1, decreasing to an ultimate rate of 3.90%. If the trend rate were 1% lower than what was used, the OPEB liability would decrease to \$475,407, or by 11.51%. If the trend rate were 1% higher than what was used, the OPEB liability would increase to \$610,113, or by 13.57%.

	Healthcare Cost Trend Rates		
	1% Decrease 6.50% Year 1 Decreasing to 2.90%	Baseline 7.50% Year 1 Decreasing to 3.90%	1% Increase 8.50% Year 1 Decreasing to 4.90%
Total OPEB Liability	\$ 475,407	\$ 537,226	\$ 610,113

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2022, the School District recognized OPEB income of \$158,334. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 20,042	\$ 231,210
Differences between expected and actual experience	-	226,328
Total	\$ 20,042	\$ 457,538

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

Fiscal Year Ending June 30,	
2023	\$(119,691)
2024	(117,347)
2025	(118,774)
2026	(70,842)
2027	(10,182)
Thereafter	(660)
Totals	\$(437,496)

NOTE 12 - ENCUMBRANCES

Encumbrances outstanding in the general fund at June 30, 2022 are as follows:

Current:	
Instruction:	
Regular programs	\$ 6,073
Special programs	11,234
Other	2,625
Total instruction	19,932

(Continued)

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

Encumbrances continued:

Support services:	
Student	2,682
Instructional staff	49,189
General administration	19,810
Executive administration	2,812
Operation and maintenance of plant	22,216
Total support services	96,709
Total encumbrances	\$116,641

NOTE 13 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION

Net position reported on the government-wide and fiduciary fund Statements of Net Position at June 30, 2022 include the following:

	Governmental Activities	Fiduciary Fund
Net investment in capital assets:		
Net book value of all capital assets	\$ 15,142,464	\$ -
Less:		
General obligation bonds payable	(2,066,861)	-
Unamortized bond premiums	(143,199)	-
Total net investment in capital assets	12,932,404	-
Restricted:		
Food service	9,103	-
Scholarships for students	-	67,438
Total restricted	9,103	67,438
Unrestricted	(14,110,702)	-
Total net position	\$ (1,169,195)	\$ 67,438

NOTE 14 – GOVERNMENTAL FUND BALANCES

Governmental fund balances at June 30, 2022 consist of the following:

	General Fund	Food Service	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid	\$ 50,500	\$ -	\$ -	\$ 50,500
Restricted:				
Food service	-	9,103	-	9,103
Committed:				
Expendable trust	1,493,454	-	-	1,493,454
Voted appropriation - March 2022	400,000	-	-	400,000
Total committed fund balance	1,893,454	-	-	1,893,454
Assigned:				
Encumbrances	116,641	-	-	116,641
Unassigned - Retained (RSA 198:4-bII)	458,135	-	-	458,135
Student activity funds	-	-	133,260	133,260
Total assigned fund balance	574,776	-	133,260	708,036
Unassigned	1,179,644	-	-	1,179,644
Total governmental fund balances	\$ 3,698,374	\$ 9,103	\$ 133,260	\$ 3,840,737

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

NOTE 15 – RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2022, the School District was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from July 1, 2021 to June 30, 2022 by Primex³, which retained \$2,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and for each property loss it is based upon the District's property schedule on file with Primex³. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In fiscal year 2021-22 the School District paid \$124,602 and \$81,211, respectively, to Primex³ for workers' compensation and property/liability. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

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

NOTE 16 – CAFETERIA BENEFIT PLAN

Effective July 1, 2007, the School District implemented a cafeteria benefit plan pursuant to Section 125 of the IRS code. Under this plan, eligible employees may direct a contribution, made by the School District, into any combination of the following benefit categories:

1. Premium Conversion Benefit, or
2. Healthcare FSA

In addition to directing the School District's contribution to the above categories, eligible employees may elect to contribute pre-tax dollars to these categories. The maximum salary reduction contribution for the Premium Conversion Benefit shall be the total premium costs to the eligible employee for the plan year for the most expensive coverage option available. The maximum salary reduction contribution may not exceed \$2,750 for any coverage for the Healthcare FSA.

Eligible employees include anyone employed by the School District, except for leased employees, nonresident aliens who received no U.S. earned income, or part-time employees expected to work less than 13 hours per week. The plan year adopted by the School District begins July 1 and ends June 30. To obtain reimbursement of expenses incurred within a plan year within the spending account, employees must submit claims within ninety days of the end of the plan year or separation of service from the School District, whichever occurs first. Eligible employees are allowed to carry over 100% of any remaining balance into the new plan year.

NOTE 17 – CONTINGENT LIABILITIES

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

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

NOTE 18 – COVID-19

As a result of the spread of COVID-19, Coronavirus, economic uncertainties continue. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES Act) in response to the economic downfall caused by the COVID-19 pandemic. This Act provided funding through the Coronavirus Relief Fund (CRF), the Education Stabilization Fund (ESF) and the American Rescue Plan Act (ARPA). On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) was signed into law, which provided additional funding for the ESF programs.

The ESF provided funds to the School District through the Elementary and Secondary School Emergency Relief Fund (ESSER). The objective of ESSER is to provide local education agencies with emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the nation. This funding was awarded to the School District under the ESSER I, II, and III grants, with the School District expending \$713,032 of this funding in the fiscal year 2022 and must be used for activities to prevent, prepare and respond to the coronavirus.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

NOTE 19 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through June 8, 2023, the date the June 30, 2022 financial statements were available to be issued, and noted no events occurred that require recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT F
RAYMOND SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2022
Unaudited

Fiscal year-end	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
School District's:									
Proportion of the net pension liability	0.33%	0.33%	0.32%	0.31%	0.31%	0.33%	0.33%	0.32%	0.33%
Proportionate share of the net pension liability	\$14,202,619	\$12,314,855	\$12,658,879	\$16,562,508	\$15,359,318	\$15,800,241	\$15,771,417	\$20,559,147	\$14,693,170
Covered payroll (as of the measurement date)	\$ 9,211,031	\$ 9,092,272	\$ 8,980,424	\$ 9,208,281	\$ 9,282,693	\$ 9,533,450	\$ 9,468,658	\$ 9,468,658	\$ 9,790,891
Proportionate share of the net pension liability as a percentage of its covered payroll	154.19%	135.44%	140.96%	179.87%	165.46%	165.73%	166.56%	217.13%	150.07%
Plan fiduciary net position as a percentage of the total pension liability	66.32%	59.81%	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%

The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.
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EXHIBIT G
RAYMOND SCHOOL DISTRICT
Schedule of School District Contributions - Pensions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2022
Unaudited

Fiscal year-end	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contribution	\$ 820,564	\$ 1,064,375	\$ 1,072,037	\$ 1,115,295	\$ 1,144,122	\$ 1,386,877	\$ 1,426,418	\$ 1,427,927	\$ 1,793,152
Contributions in relation to the contractually required contributions	(820,564)	(1,064,375)	(1,072,037)	(1,115,295)	(1,144,122)	(1,386,877)	(1,426,418)	(1,427,927)	(1,793,152)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll (as of the fiscal year)	\$ 9,211,031	\$ 9,092,272	\$ 8,980,424	\$ 9,208,281	\$ 9,282,693	\$ 9,533,450	\$ 9,468,658	\$ 10,170,254	\$ 9,790,891
Contributions as a percentage of covered payroll	8.91%	11.71%	11.94%	12.11%	12.33%	14.55%	15.06%	15.08%	18.31%

RAYMOND SCHOOL DISTRICT
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

***Schedule of the School District's Proportionate Share of Net Pension Liability and
Schedule of School District Contributions – Pensions***

Changes in Benefit Terms – There were no changes in benefit terms for the current period.

Changes in Assumptions – There were no changes in assumptions for the current period.

Methods and Assumptions Used to Determine Contribution Rates – A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at www.nhrs.org.

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits F and G represent the actuarial determined costs associated with the School District's pension plan at June 30, 2022. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

EXHIBIT H
RAYMOND SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of the Net Other Postemployment Benefits Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2022
Unaudited

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
School District's proportion of the net OPEB liability	0.39%	0.39%	0.30%	0.30%	0.31%	0.32%
School District's proportionate share of the net OPEB liability (asset)	\$ 1,888,320	\$ 1,795,908	\$ 1,381,022	\$ 1,321,412	\$ 1,374,755	\$ 1,278,484
School District's covered payroll (as of the measurement date)	\$ 9,208,281	\$ 9,282,693	\$ 9,533,450	\$ 9,468,658	\$ 9,468,658	\$ 9,790,891
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	20.51%	19.35%	14.49%	13.96%	14.52%	13.06%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%	11.06%

EXHIBIT I
RAYMOND SCHOOL DISTRICT
Schedule of School District Contributions - Other Postemployment Benefits
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2022
Unaudited

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contribution	\$ 226,651	\$ 232,799	\$ 133,422	\$ 137,551	\$ 145,787	\$ 126,284
Contributions in relation to the contractually required contribution	(226,651)	(232,799)	(133,422)	(137,551)	(145,787)	(126,284)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll (as of the fiscal year)	\$ 9,208,281	\$ 9,282,693	\$ 9,533,450	\$ 9,468,658	\$ 10,170,254	\$ 9,790,891
Contributions as a percentage of covered payroll	2.46%	2.51%	1.40%	1.45%	1.43%	1.29%

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

EXHIBIT J
RAYMOND SCHOOL DISTRICT
Schedule of Changes in the School District's Total Other Postemployment Benefits Liability and Related Ratios
For the Fiscal Year Ended June 30, 2022
Unaudited

	June 30,				
	2018	2019	2020	2021	2022
OPEB liability, beginning of year	\$1,113,900	\$1,163,587	\$1,255,322	\$ 630,006	\$ 665,004
Changes for the year:					
Service cost	72,054	70,664	78,237	40,177	41,878
Interest	41,774	46,601	46,338	14,483	15,027
Changes to benefit terms	-	-	-	-	(95,548)
Differences between actual and expected experience	-	-	(408,857)	-	(5,670)
Assumption changes	(25,964)	34,645	(321,827)	10,051	(61,128)
Benefit payments	(38,177)	(60,175)	(19,207)	(29,713)	(22,337)
OPEB liability, end of year	<u>\$1,163,587</u>	<u>\$1,255,322</u>	<u>\$ 630,006</u>	<u>\$ 665,004</u>	<u>\$ 537,226</u>
Covered payroll	<u>\$9,035,410</u>	<u>\$9,533,474</u>	<u>\$8,561,200</u>	<u>\$9,747,685</u>	<u>\$9,460,069</u>
Total OPEB liability as a percentage of covered payroll	12.88%	13.17%	7.36%	6.82%	5.68%

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

RAYMOND SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFITS LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

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

Changes in Benefit Terms – There were no changes in benefit terms for the current period.

Changes in Assumptions – There were no changes in assumptions for the current period.

Methods and Assumptions Used to Determine Contribution Rates – A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at www.nhrs.org.

As required by GASB Statement No. 75, Exhibits H and I represent the actuarial determined costs associated with the School District’s other postemployment benefits at June 30, 2022. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

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

Changes in Benefit Terms – Effective July 1, 2022, the Yellow Choice Fund, Yellow without Choice Fund, and Orange plans are no longer offered to employees and retirees and will be replaced by the Blue ABSOS and Blue Buy-Up plans. All other benefit terms are the same as those used in the prior measurement.

Changes in Assumptions – The discount rate changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022. In addition, the inflation rate and healthcare trend rates were updated in this valuation. A summary of the impact on the Total OPEB Liability of each assumption change is as follows:

Decrease due to change in Inflation Assumption	\$ (7,000)
Increase due to change in Trend Assumption	3,000
Decrease due to change in Discount Rate	<u>(58,000)</u>
Total	<u><u>\$ (62,000)</u></u>

As required by GASB Statement No. 75, Exhibit J represents the actuarial determined costs associated with the School District’s other postemployment benefits at June 30, 2022. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
RAYMOND SCHOOL DISTRICT
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2022

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 16,195,175	\$ 16,195,175	\$ -
Other local sources:			
Tuition	25,000	69,874	44,874
Investment earnings	170	217	47
Student activities	85,000	99,381	14,381
Miscellaneous	297,503	499,389	201,886
Total from other local sources	<u>407,673</u>	<u>668,861</u>	<u>261,188</u>
State sources:			
Adequacy aid (grant)	5,359,624	5,359,639	15
Adequacy aid (tax)	2,130,251	2,130,251	-
School building aid	284,432	284,432	-
Catastrophic aid	130,000	537,475	407,475
Vocational aid	15,000	16,965	1,965
Other state aid	10,000	7,981	(2,019)
Total from state sources	<u>7,929,307</u>	<u>8,336,743</u>	<u>407,436</u>
Federal sources:			
Medicaid	<u>175,000</u>	<u>146,431</u>	<u>(28,569)</u>
Total revenues	24,707,155	<u>\$ 25,347,210</u>	<u>\$ 640,055</u>
Use of fund balance to reduce school district assessment	575,405		
Use of fund balance - appropriated	75,000		
Total revenues and use of fund balance	<u>\$ 25,357,560</u>		

SCHEDULE 2
RAYMOND SCHOOL DISTRICT
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2022

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
Instruction:					
Regular programs	\$ 1,468	\$ 8,528,048	\$ 8,439,949	\$ 6,073	\$ 83,494
Special programs	276	6,026,561	5,579,406	11,234	436,197
Vocational programs	-	167,500	130,499	-	37,001
Other programs	-	451,133	390,933	2,625	57,575
Community service programs	-	19,404	18,925	-	479
Total instruction	<u>1,744</u>	<u>15,192,646</u>	<u>14,559,712</u>	<u>19,932</u>	<u>614,746</u>
Support services:					
Student	140	1,377,575	1,284,346	2,682	90,687
Instructional staff	-	1,016,242	876,751	49,189	90,302
General administration	-	102,253	144,396	19,810	(61,953)
Executive administration	3,800	1,155,965	1,033,077	2,812	123,876
School administration	-	1,521,556	1,460,133	-	61,423
Business	-	326,696	315,408	-	11,288
Operation and maintenance of plant	50,039	1,946,880	1,901,603	22,216	73,100
Student transportation	-	1,107,983	1,161,523	-	(53,540)
Other	-	2,000	6,693	-	(4,693)
Total support services	<u>53,979</u>	<u>8,557,150</u>	<u>8,183,930</u>	<u>96,709</u>	<u>330,490</u>
Debt service:					
Principal of long-term debt	-	601,389	601,390	-	(1)
Interest on long-term debt	-	481,371	481,372	-	(1)
Total debt service	<u>-</u>	<u>1,082,760</u>	<u>1,082,762</u>	<u>-</u>	<u>(2)</u>
Facilities acquisition and construction	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Other financing uses:					
Transfers out	<u>-</u>	<u>525,003</u>	<u>468,576</u>	<u>-</u>	<u>56,427</u>
Total appropriations, expenditures, other financing uses, and encumbrances	<u>\$ 55,723</u>	<u>\$ 25,357,560</u>	<u>\$ 24,294,980</u>	<u>\$ 116,641</u>	<u>\$ 1,001,662</u>

SCHEDULE 3
RAYMOND SCHOOL DISTRICT
Major General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2022

Unassigned fund balance, beginning		\$ 1,021,967
Changes:		
Unassigned fund balance used to reduce school district assessment		(575,405)
Unassigned fund balance appropriated for use in 2021-2022		(75,000)
2021-2022 Budget summary:		
Revenue surplus (Schedule 1)	\$ 640,055	
Unexpended balance of appropriations (Schedule 2)	<u>1,001,662</u>	
2021-2022 Budget surplus		1,641,717
Increase in nonspendable fund balance		(50,500)
Increase in committed fund balance		<u>(325,000)</u>
Unassigned fund balance, ending		<u><u>\$ 1,637,779</u></u>

SCHEDULE 4
RAYMOND SCHOOL DISTRICT
Student Activity Funds
Combining Balance Sheet
June 30, 2022

	Student Activity Funds			Total
	Raymond High School	Iber Holmes Gove Middle School	Lamprey River Elementary School	
ASSETS				
Cash and cash equivalents	\$ 85,574	\$ 23,271	\$ 24,415	\$ 133,260
FUND BALANCES				
Assigned	\$ 85,574	\$ 23,271	\$ 24,415	\$ 133,260

SCHEDULE 5
RAYMOND SCHOOL DISTRICT
Student Activity Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022

	Student Activity Funds			Total
	Raymond High School	Iber Holmes Gove Middle School	Lamprey River Elementary School	
REVENUES				
Other local	\$ 51,374	\$ 147,212	\$ 26,650	\$ 225,236
EXPENDITURES				
Current:				
Instruction	44,259	143,255	29,919	217,433
Net change in fund balances	7,115	3,957	(3,269)	7,803
Fund balances, beginning	78,459	19,314	27,684	125,457
Fund balances, ending	<u>\$ 85,574</u>	<u>\$ 23,271</u>	<u>\$ 24,415</u>	<u>\$ 133,260</u>

***SINGLE AUDIT ACT SCHEDULES AND
INDEPENDENT AUDITOR'S REPORTS***



PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Raymond School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Raymond School District's basic financial statements, and have issued our report thereon dated June 8, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Raymond School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Raymond School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Raymond School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Raymond School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sheryl A. Platt, CPA

June 8, 2023
Concord, New Hampshire

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Raymond School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Raymond School District's major federal programs for the year ended June 30, 2022. The Raymond School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Raymond School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Raymond School District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Raymond School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Raymond School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Raymond School District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery,

**Raymond School District
Report on Compliance for Each Major Federal Program and Report on Internal Control
Over Compliance Required by the Uniform Guidance**

intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Raymond School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Raymond School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Raymond School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Raymond School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Sheryl A. Platt, CPA

June 8, 2023
Concord, New Hampshire

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SCHEDULE I
RAYMOND SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:
Unmodified opinions on governmental activities, each major fund and aggregate remaining fund information

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555/10.556	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

SECTION II - FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

SCHEDULE II
RAYMOND SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through the State of New Hampshire Department of Education				
CHILD NUTRITION CLUSTER				
School Breakfast Program	10.553	N/A	\$ -	\$ 143,218
National School Lunch Program	10.555	N/A	-	527,778
Special Milk Program for Children	10.556	N/A	-	972
COVID-19- Special Milk Program for Children	10.556	N/A	-	9,895
<i>CLUSTER TOTAL</i>			-	681,863
U.S. DEPARTMENT OF EDUCATION				
Passed Through the State of New Hampshire Department of Education				
Title I Grants to Local Educational Agencies:				
Title I	84.010	20210932	-	23,623
Title I	84.010	20220301	-	88,068
<i>PROGRAM TOTAL</i>			-	111,691
SPECIAL EDUCATION CLUSTER				
Special Education Grants to States:				
IDEA	84.027	92556	-	5,670
IDEA	84.027	202544	-	21,882
IDEA	84.027	212500	-	17,690
IDEA	84.027	20220005	-	332,173
COVID-19 - IDEA	84.027X	20220818	-	27,920
Special Education - Preschool Grants:				
Preschool	84.173	212500	-	35
Preschool	84.173	20220005	-	12,212
COVID-19 - Preschool	84.173X	20220818	-	974
<i>CLUSTER TOTAL</i>			-	418,556
Twenty-First Century Community Learning Centers	84.287C	20220230	-	189,872
Supporting Effective Instruction State Grants:				
Title II Part A	84.367	20190194	-	4,230
Title II Part A	84.367	20200194	-	8,996
Title II Part A	84.367	20211485	-	20,655
<i>PROGRAM TOTAL</i>			-	33,881
Supporting Effective Instruction State Grants:				
Title IV Part A	84.424	20211134	-	12,207
COVID-19 - Education Stabilization Fund:				
ESSER II	84.425D	20211576	-	517,945
ESSER III	84.425U	20220928	-	192,660
COVID-19 - Homeless Children	84.425W	20220791	-	2,427
<i>PROGRAM TOTAL</i>			-	713,032

(Continued)

The accompanying notes are an integral part of this schedule.

SCHEDULE II (Continued)
RAYMOND SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through the State of New Hampshire Department of Education				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through the State of New Hampshire Department of Education				
Substance Abuse and Mental Health Services- Projects of Regional and National Significance:				
Project AWARE	93.243	20211199	-	122,476
Project AWARE	93.243	20220380	-	276,351
<i>PROGRAM TOTAL</i>			-	398,827
Total Expenditures of Federal Awards			\$ -	\$ 2,559,929

The accompanying notes are an integral part of this schedule.

RAYMOND SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Raymond School District under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Raymond School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Raymond School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The Raymond School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Food Donation

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities on the date received. For the fiscal year ended June 30, 2022, the value of food donations received was \$30,557.