

RAYMOND SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

RAYMOND SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

TABLE OF CONTENTS

	<u>PAGES</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 6
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
A Statement of Net Position	7
B Statement of Activities	8
Fund Financial Statements	
<i>Governmental Funds</i>	
C-1 Balance Sheet	9
C-2 Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	10
C-3 Statement of Revenues, Expenditures, and Changes in Fund Balances	11
C-4 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	12
<i>Budgetary Comparison Information</i>	
D-1 Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund	13
D-2 Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (GAAP Basis) – Grants Fund	14
<i>Fiduciary Fund</i>	
E-1 Statement of Fiduciary Net Position	15
E-2 Statement of Changes in Fiduciary Net Position	16
NOTES TO THE BASIC FINANCIAL STATEMENTS	17 - 36
REQUIRED SUPPLEMENTARY INFORMATION	
F Schedule of the School District's Proportionate Share of Net Pension Liability	37
G Schedule of School District Contributions - Pensions	38
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY	39
H Schedule of the School District's Proportionate Share of Net Other Postemployment Benefits Liability	40
I Schedule of School District Contributions – Other Postemployment Benefits	41
J Schedule of Changes in the School District's Total Other Postemployment Benefits Liability and Related Ratios	42
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - OTHER POSTEMPLOYMENT BENEFITS LIABILITY	43
COMBINING AND INDIVIDUAL FUND SCHEDULES	
Governmental Funds	
<i>Major General Fund</i>	
1 Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)	44
2 Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)	45
3 Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)	46
<i>Nonmajor Governmental Funds</i>	
4 Combining Balance Sheet	47
5 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	48
<i>Student Activity Funds</i>	
6 Combining Balance Sheet	49
7 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	50

**RAYMOND SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

TABLE OF CONTENTS

PAGES

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

	INDEPENDENT AUDITOR'S 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.....	51
	INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE.....	52 - 53
I	Schedule of Findings and Questioned Costs.....	54
II	Schedule of Expenditures of Federal Awards.....	55 - 56
	NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	57



PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

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, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of the Raymond School District, as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparisons for the general fund and grants fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

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

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

- 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.

Other 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2022 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

May 12, 2022

PLODZIK & SANDERSON
Professional Association

RAYMOND SCHOOL DISTRICT
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

Presented here is the Management Discussion & Analysis to accompany the financial statements for the fiscal year ended June 30, 2021. 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, 2021, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$3,139,539.

Table 1	<u>2021</u>	<u>2020</u>	\$ Increase <u>(Decrease)</u>	% Increase <u>(Decrease)</u>
Current assets	3,558,983	3,303,715	255,268	7.7%
Capital assets	15,597,656	16,125,198	(527,542)	-3.3%
Total assets	<u>19,156,639</u>	<u>19,428,913</u>	<u>(272,274)</u>	-1.4%
Deferred Outflows of Resources	5,858,516	2,682,217	3,176,299	118.4%
Current Liabilities	1,043,663	1,075,123	(31,460)	-2.9%
Long-term Liabilities				
Due within one year	809,739	819,609	(9,870)	-1.2%
Due in more than one year	25,226,093	20,963,573	4,262,520	20.3%
Total liabilities	<u>27,079,495</u>	<u>22,858,305</u>	<u>4,221,190</u>	18.5%
Deferred Inflows of Resources	1,075,199	1,237,309	(162,110)	-13.1%
Net assets				
Net Investment in capital assets	12,746,387	12,610,559	135,828	1.1%
Unrestricted	(15,885,926)	(14,595,043)	(1,290,883)	8.8%
Total net position	<u><u>(3,139,539)</u></u>	<u><u>(1,984,484)</u></u>	<u><u>(1,155,055)</u></u>	58.2%

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:	2021	2020	(Decrease)	(Decrease)
Program Revenues:				
Charges for Services	104,621	355,095	(250,474)	-70.5%
Operating Grants	2,431,440	1,520,572	910,868	59.9%
Capital Grants	297,455	310,510	(13,055)	-4.2%
General Revenues				
School District Assessment	15,912,322	15,858,124	54,198	0.3%
Unrestricted Grants and Contributions	7,767,243	7,616,983	150,260	2.0%
Miscellaneous	522,591	386,546	136,045	35.2%
Total Revenues	<u>27,035,672</u>	<u>26,047,830</u>	<u>987,842</u>	<u>3.8%</u>
Program Expenses:				
Instruction	16,733,182	14,855,695	1,877,487	12.6%
Support Services:				
Student	2,551,053	1,464,292	1,086,761	74.2%
Instructional Staff	1,043,023	1,186,279	(143,256)	-12.1%
General Administration	100,220	149,621	(49,401)	-33.0%
Executive Administration	845,777	746,156	99,621	13.4%
School Administration	1,543,365	1,471,099	72,266	4.9%
Business	325,156	271,606	53,550	19.7%
Operation and Maintenance of Plant	2,956,913	2,642,617	314,296	11.9%
Student transportation	998,434	1,079,620	(81,186)	-7.5%
Other	90,018	36,318	53,700	147.9%
Non-instructional Services	559,701	590,190	(30,489)	-5.2%
Interest on Long-Term Debt	443,885	426,869	17,016	4.0%
Total Expenses	<u>28,190,727</u>	<u>24,920,362</u>	<u>3,270,365</u>	<u>13.1%</u>
Change in Net Position	(1,155,055)	1,127,468		
Beginning Net Position	<u>(1,984,484)</u>	<u>(3,111,952)</u>		
Ending Net Position	<u>(3,139,539)</u>	<u>(1,984,484)</u>		

As may be seen in Table 2, revenues for fiscal year 2021 increased significantly compared to fiscal year 2020 while expenses increased as well by 13.1%. The School District's revenues are derived from various sources with 58.9% coming from the School District Assessment and 28.7% from Unrestricted Grants and Contributions in 2021. District expenses cover a range of services with 59.4% being spent on Instruction and 37.1% on Support Services in 2021.

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), and Other Governmental Funds. 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 \$448,143 of the 2021 unassigned fund balance, the General Fund ended the fiscal year with an unassigned fund balance (surplus) of \$573,824 that was returned to the taxpayers in the form of a reduction in 2021 property taxes. The cumulative retained unassigned fund balance totals \$1,021,967 as of June 30, 2021.

The General Fund is supported by \$15.9 million from local assessments, \$8.1 million from State grants, and a smaller portion from federal and other local sources. General Fund expenditures are primarily for instruction (\$15.2 million), support services (\$7.9 million), and debt payments (\$1.1 million).

Food Service Fund

The Food Service Fund ended the fiscal year with a loss of \$270,798. 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 significantly larger than we have seen in the past, mostly due to the COVID-19 pandemic.

Trust Funds

The School District has four Expendable Trust Funds with the following balances as of June 30, 2021:

Equipment, Facilities Maintenance and Replacement	\$ 1,080,996
Food Service Equipment	\$ 65,506
Technology	\$ 123,487
Special Education	\$ 210,374

In addition, the School District has six private purpose Scholarship Trust Funds with asset balances totaling \$74,855 as of June 30, 2021.

Federal Funds (Grants)

The School District received grants totaling \$1,943,227 during the 2020-2021 school year. The largest grants were the Project Aware Grant for \$425,220 and IDEA (Individuals with Disabilities Education Act) grants for \$335,101.

Student Activity Funds

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

Raymond High School	\$ 78,459
Iber Holmes Gove Middle School	\$ 19,314
Lamprey River Elementary School	\$ 27,684

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 \$15,597,656, net of accumulated depreciation, as of June 30, 2021 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 \$2,248,253 and interest of \$2,634,088 for a total of \$4,882,341 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 \$420,000 and interest of \$42,840 for a total of \$462,840 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, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,473,626
Other receivables	8,426
Intergovernmental receivable	2,076,931
Capital assets, not being depreciated	334,432
Capital assets, net of accumulated depreciation	15,263,224
Total assets	19,156,639
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	5,657,227
Amounts related to other postemployment benefits	201,289
Total deferred outflows of resources	5,858,516
LIABILITIES	
Accounts payable	189,277
Accrued salaries and benefits	170,178
Intergovernmental payable	363,021
Accrued interest payable	321,187
Noncurrent obligations:	
Due within one year	809,739
Due in more than one year	25,226,093
Total liabilities	27,079,495
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - water easement	77,997
Amounts related to pensions	475,857
Amounts related to other postemployment benefits	521,345
Total deferred inflows of resources	1,075,199
NET POSITION	
Net investment in capital assets	12,746,387
Unrestricted	(15,885,926)
Total net position	\$ (3,139,539)

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, 2021

	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	\$ 16,733,182	\$ 83,911	\$ 866,146	\$ -	\$(15,783,125)
Support services:					
Student	2,551,053	-	1,104,939	-	(1,446,114)
Instructional staff	1,043,023	-	34,646	-	(1,008,377)
General administration	100,220	-	-	-	(100,220)
Executive administration	845,777	-	-	-	(845,777)
School administration	1,543,365	-	-	-	(1,543,365)
Business	325,156	-	-	-	(325,156)
Operation and maintenance of plant	2,956,913	-	160,037	-	(2,796,876)
Student transportation	998,434	-	-	-	(998,434)
Other	90,018	-	24,748	-	(65,270)
Noninstructional services	559,701	20,710	240,924	-	(298,067)
Interest on long-term debt	443,885	-	-	297,455	(146,430)
Total governmental activities	<u>\$ 28,190,727</u>	<u>\$ 104,621</u>	<u>\$ 2,431,440</u>	<u>\$ 297,455</u>	<u>(25,357,211)</u>
General revenues:					
School district assessment					15,912,322
Grants and contributions not restricted to specific programs					7,767,243
Interest					70,840
Miscellaneous					451,751
Total general revenues					<u>24,202,156</u>
Change in net position					(1,155,055)
Net position, beginning					(1,984,484)
Net position, ending					<u>\$ (3,139,539)</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, 2021

	General	Grants	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,348,069	\$ -	\$ 125,557	\$ 1,473,626
Receivables:				
Accounts	8,426	-	-	8,426
Intergovernmental	1,515,578	480,637	80,716	2,076,931
Interfund receivables	546,766	-	-	546,766
Total assets	<u>\$ 3,418,839</u>	<u>\$ 480,637</u>	<u>\$ 206,273</u>	<u>\$ 4,105,749</u>
LIABILITIES				
Accounts payable	\$ 175,112	\$ -	\$ 14,165	\$ 189,277
Accrued salaries and benefits	169,656	522	-	170,178
Intergovernmental payable	363,021	-	-	363,021
Interfund payable	-	480,115	66,651	546,766
Total liabilities	<u>707,789</u>	<u>480,637</u>	<u>80,816</u>	<u>1,269,242</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - water easement	77,997	-	-	77,997
FUND BALANCES				
Committed	1,555,363	-	125,457	1,680,820
Assigned	55,723	-	-	55,723
Unassigned	1,021,967	-	-	1,021,967
Total fund balances	<u>2,633,053</u>	<u>-</u>	<u>125,457</u>	<u>2,758,510</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,418,839</u>	<u>\$ 480,637</u>	<u>\$ 206,273</u>	<u>\$ 4,105,749</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, 2021

Total fund balances of governmental funds (Exhibit C-1)	\$ 2,758,510	
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	\$ 35,925,729	
Less accumulated depreciation	<u>(20,328,073)</u>	15,597,656
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	\$ 5,657,227	
Deferred inflows of resources related to pensions	(475,857)	
Deferred outflows of resources related to OPEB	201,289	
Deferred inflows of resources related to OPEB	<u>(521,345)</u>	4,861,314
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (546,766)	
Payables	<u>546,766</u>	-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(321,187)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bonds	\$ 2,668,253	
Unamortized bond premium	183,016	
Compensated absences	585,657	
Net pension liability	20,559,147	
Other postemployment benefits	<u>2,039,759</u>	(26,035,832)
Net position of governmental activities (Exhibit A)		<u><u>\$ (3,139,539)</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, 2021

	General	Grants	Other Governmental Funds	Total Governmental Funds
REVENUES				
School district assessment	\$15,912,322	\$ -	\$ -	\$15,912,322
Other local	606,502	2,577	126,362	735,441
State	8,080,434	92,592	5,944	8,178,970
Federal	125,901	1,848,058	234,980	2,208,939
Total revenues	<u>24,725,159</u>	<u>1,943,227</u>	<u>367,286</u>	<u>27,035,672</u>
EXPENDITURES				
Current:				
Instruction	15,163,349	618,857	100,491	15,882,697
Support services:				
Student	1,329,333	1,104,939	-	2,434,272
Instructional staff	951,368	34,646	-	986,014
General administration	99,591	-	-	99,591
Executive administration	845,777	-	-	845,777
School administration	1,404,047	-	-	1,404,047
Business	312,867	-	-	312,867
Operation and maintenance of plant	1,996,487	160,037	-	2,156,524
Student transportation	998,434	-	-	998,434
Other	2,705	24,748	-	27,453
Noninstructional services	5,328	-	532,432	537,760
Debt service:				
Principal	623,553	-	-	623,553
Interest	464,107	-	-	464,107
Facilities acquisition and construction	12,250	-	-	12,250
Total expenditures	<u>24,209,196</u>	<u>1,943,227</u>	<u>632,923</u>	<u>26,785,346</u>
Excess (deficiency) of revenues over (under) expenditures	<u>515,963</u>	<u>-</u>	<u>(265,637)</u>	<u>250,326</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	270,798	270,798
Transfers out	(270,798)	-	-	(270,798)
Total other financing sources (uses)	<u>(270,798)</u>	<u>-</u>	<u>270,798</u>	<u>-</u>
Net change in fund balances	245,165	-	5,161	250,326
Fund balances, beginning	2,387,888	-	120,296	2,508,184
Fund balances, ending	<u>\$ 2,633,053</u>	<u>\$ -</u>	<u>\$ 125,457</u>	<u>\$ 2,758,510</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, 2021

Net change in fund balances of total governmental funds (Exhibit C-3)		\$ 250,326
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	\$ 534,392	
Depreciation expense	<u>(1,061,934)</u>	(527,542)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (270,798)	
Transfers out	<u>270,798</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	\$ 623,553	
Amortization of bond premium	<u>39,817</u>	663,370
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	\$ (19,595)	
Increase in compensated absences payable	(39,949)	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	(1,540,503)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>58,838</u>	(1,541,209)
Change in net position of governmental activities (Exhibit B)		<u><u>\$ (1,155,055)</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, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
School district assessment	\$ 15,912,322	\$ 15,912,322	\$ 15,912,322	\$ -
Other local	351,147	351,147	535,886	184,739
State	7,978,586	7,978,586	8,080,434	101,848
Federal	175,000	175,000	125,901	(49,099)
Total revenues	<u>24,417,055</u>	<u>24,417,055</u>	<u>24,654,543</u>	<u>237,488</u>
EXPENDITURES				
Current:				
Instruction	15,414,813	15,421,665	15,065,129	356,536
Support services:				
Student	1,308,553	1,306,298	1,324,444	(18,146)
Instructional staff	997,954	998,552	930,116	68,436
General administration	90,001	89,186	99,591	(10,405)
Executive administration	864,065	864,065	825,717	38,348
School administration	1,469,946	1,465,566	1,404,047	61,519
Business	314,233	314,233	312,867	1,366
Operation and maintenance of plant	1,991,292	1,991,292	1,847,865	143,427
Student transportation	976,004	976,004	998,434	(22,430)
Other	2,000	2,000	2,705	(705)
Debt service:				
Principal	623,554	623,554	623,553	1
Interest	464,107	464,107	464,107	-
Facilities acquisition and construction	1	1	12,250	(12,249)
Total expenditures	<u>24,516,523</u>	<u>24,516,523</u>	<u>23,910,825</u>	<u>605,698</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(99,468)</u>	<u>(99,468)</u>	<u>743,718</u>	<u>843,186</u>
OTHER FINANCING USES				
Transfers out	<u>(529,073)</u>	<u>(529,073)</u>	<u>(734,871)</u>	<u>(205,798)</u>
Net change in fund balance	<u>\$ (628,541)</u>	<u>\$ (628,541)</u>	8,847	<u>\$ 637,388</u>
Unassigned fund balance, beginning			1,013,120	
Unassigned fund balance, ending			<u>\$ 1,021,967</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, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Other local	\$ -	\$ 2,577	\$ 2,577	\$ -
State	-	92,592	92,592	-
Federal	720,000	1,848,058	1,848,058	-
Total revenues	720,000	1,943,227	1,943,227	-
EXPENDITURES				
Current:				
Instruction	720,000	618,857	618,857	-
Support services:				
Student	-	1,104,939	1,104,939	-
Instructional staff	-	34,646	34,646	-
Operation and maintenance of plant	-	160,037	160,037	-
Other	-	24,748	24,748	-
Total expenditures	720,000	1,943,227	1,943,227	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, beginning			-	
Fund balance, ending			\$ -	

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, 2021

	<u>Private Purpose Trust</u>
ASSETS	
Intergovernmental receivable	<u>\$ 74,855</u>
NET POSITION	
Unrestricted	<u>\$ 74,855</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, 2021

	Private Purpose Trust
Additions:	
Net increase in fair value	\$ 16,268
Net position, beginning	<u>58,587</u>
Net position, ending	<u>\$ 74,855</u>

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, 2021

	<u>NOTE</u>
Summary of Significant Accounting Policies	1
Reporting Entity	1-A
Government-wide and Fund Financial Statements	1-B
Measurement Focus, Basis of Accounting, and Financial Statement Presentation	1-C
Cash and Cash Equivalents	1-D
Receivables	1-E
Capital Assets	1-F
Interfund Activities	1-G
Accounts Payable	1-H
Deferred Outflows/Inflows of Resources	1-I
Long-term Obligations	1-J
Compensated Absences	1-K
Claims and Judgments	1-L
Defined Benefit Pension Plan	1-M
Postemployment Benefits Other Than Pensions (OPEB)	1-N
Net Position/Fund Balances	1-O
Use of Estimates	1-P
 Stewardship, Compliance, and Accountability	 2
Budgetary Information	2-A
Budgetary Reconciliation to GAAP Basis	2-B

DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents	3
Receivables	4
Capital Assets	5
Interfund Balances and Transfers	6
Intergovernmental Payables	7
Deferred Outflows/Inflows of Resources	8
Long-term Liabilities	9
Defined Benefit Pension Plan	10
Postemployment Benefits Other Than Pensions (OPEB)	11
New Hampshire Retirement System (NHRS)	11-A
Retiree Health Benefit Program	11-B
Encumbrances	12
Governmental Activities and Fiduciary Funds Net Position	13
Governmental Fund Balances	14
Risk Management	15
Cafeteria Benefit Plan	16
Contingent Liabilities	17
COVID-19	18
Subsequent Events	19

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

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. 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: current, support services, debt services, facilities acquisition, and construction, or noninstructional. 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, 2021

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.

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

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 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 Capital Assets

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

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

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-G 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 are referred to as “due to/from other funds.” Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

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

1-H Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of June 30, 2021.

1-I Deferred Outflows/Inflows of Resources

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

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

1-J Long-term Obligations

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

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

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.

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

1-K Compensated Absences

General leave for the School District includes vacation and sick pay. General leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon retirement or termination, employees are paid full 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-L 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 expense when the related liabilities are incurred.

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

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

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

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

1-O Net Position/Fund Balances

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

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

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.

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

Fund Balance Classifications – GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make 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:

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 \$448,143, to be used for emergency expenditures, or to use as a revenue source to reduce the tax rate.

1-P 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 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 fund, grants fund, and nonmajor food service fund. The School Board has voted and accepted the federal grants awarded to the School 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 2021, \$553,541 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.

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

2-B Budgetary Reconciliation to GAAP Basis

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

Revenues:	
Per Exhibit D-1 (budgetary basis)	\$ 24,654,543
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
Interest earnings related to the blended expendable trust funds	70,616
Per Exhibit C-3 (GAAP Basis)	<u>\$ 24,725,159</u>
Expenditures and other financing uses:	
Per Exhibit D-1 (budgetary basis)	\$ 24,645,696
Adjustments:	
Basis differences:	
Encumbrances, beginning	322,442
Encumbrances, ending	(55,723)
GASB Statement No. 54:	
To remove transfer from the general fund to the blended expendable trust funds	(464,073)
Expenditures of the blended expendable trust funds	31,652
Per Exhibit C-3 (GAAP basis)	<u>\$ 24,479,994</u>

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The School District's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held by the School District's agent in the School District's name. The FDIC currently insures the first \$250,000 of the School District's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by collateral. As of year-end, the carrying amount of the School District's deposits was \$1,473,626 and the bank balances totaled \$1,811,511. Petty cash totaled \$200.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2021, consisted of accounts and intergovernmental amounts arising from Medicaid, tuition billings, grants, the school lunch program, expendable trust funds held by the Town of Raymond Trustees of Trust Funds for the School District, and other miscellaneous amounts. 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
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 consisted of the following:

	Balance, beginning	Additions	Balance, ending
At cost:			
Not being depreciated:			
Land	\$ 334,432	\$ -	\$ 334,432
Being depreciated:			
Land improvements	733,827	14,010	747,837
Buildings and building improvements	30,392,773	-	30,392,773
Machinery, equipment, and vehicles	3,930,305	520,382	4,450,687
Total capital assets being depreciated	<u>35,056,905</u>	<u>534,392</u>	<u>35,591,297</u>
Total capital assets	<u>35,391,337</u>	<u>534,392</u>	<u>35,925,729</u>
Less accumulated depreciation:			
Land improvements	(351,892)	(36,649)	(388,541)
Buildings and building improvements	(15,944,715)	(761,495)	(16,706,210)
Machinery, equipment, and vehicles	(2,969,532)	(263,790)	(3,233,322)
Total accumulated depreciation	<u>(19,266,139)</u>	<u>(1,061,934)</u>	<u>(20,328,073)</u>
Net book value, capital assets being depreciated	<u>15,790,766</u>	<u>(527,542)</u>	<u>15,263,224</u>
Net book value, all capital assets	<u>\$ 16,125,198</u>	<u>\$ (527,542)</u>	<u>\$ 15,597,656</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	\$ 181,706
Support services:	
Instructional staff	16,479
School administration	30,145
Operation and maintenance of plant	827,339
Noninstructional services	6,265
Total depreciation expense	<u>\$ 1,061,934</u>

NOTE 6 – INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances consisting of overdrafts in pooled cash and budgetary transfers at June 30, 2021 are as follows:

Receivable Fund	Payable Fund	Amount
General	Grants	\$ 480,115
	Nonmajor	66,651
		<u>\$ 546,766</u>

The interfund transfer in the amount of \$270,798 during the year ended June 30, 2021 was made from the general fund to the nonmajor food service fund to cover an operating deficit.

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

NOTE 7 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments of \$363,021 at June 30, 2021 consist of June 2021 contributions owed to the New Hampshire Retirement System.

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

NOTE 8 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources at June 30, 2021 consist of amounts related to pensions totaling \$5,657,227 and amounts related to OPEB totaling \$201,289. For further discussion on these amounts, see Notes 10 and 11, respectively.

Deferred inflows of resources at June 30, 2021 consist of the following:

	Governmental Activities	General Fund
Water easement received from Town of Raymond for 2021-22 school year	\$ 77,997	\$77,997
Amounts related to pensions, see Note 10	475,857	-
Amounts related to OPEB, see Note 11	521,345	-
Total deferred inflows of resources	<u>\$ 1,075,199</u>	<u>\$77,997</u>

NOTE 9 – LONG-TERM LIABILITIES

Changes in the School District’s long-term liabilities consisted of the following for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year	Due In More Than One Year
Bonds payable:						
Direct placements	\$ 3,291,806	\$ -	\$ (623,553)	\$ 2,668,253	\$ 601,390	\$ 2,066,863
Premium	222,833	-	(39,817)	183,016	39,817	143,199
Total bonds payable	3,514,639	-	(663,370)	2,851,269	641,207	2,210,062
Compensated absences	545,708	79,519	(39,570)	585,657	168,532	417,125
Pension related liability	15,771,417	4,787,730	-	20,559,147	-	20,559,147
Net other postemployment benefits	1,951,418	88,341	-	2,039,759	-	2,039,759
Total long-term liabilities	<u>\$ 21,783,182</u>	<u>\$ 4,955,590</u>	<u>\$ (702,940)</u>	<u>\$ 26,035,832</u>	<u>\$ 809,739</u>	<u>\$ 25,226,093</u>

Long-term bonds are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate	Outstanding at June 30, 2021
Bonds payable:					
Direct placements:					
Middle School	\$13,402,490	2006	2026	4.10%	\$ 2,248,253
High School Roof	\$ 1,060,000	2015	2025	2.49%	420,000
					<u>\$ 2,668,253</u>

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2021, including interest payments, are as follows:

Fiscal Year Ending June 30,	Bonds - Direct Placements		
	Principal	Interest	Total
2022	\$ 601,390	\$ 481,372	\$1,082,762
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	396,609	609,949	1,006,558
Totals	<u>\$ 2,668,253</u>	<u>\$ 2,676,928</u>	<u>\$ 5,345,181</u>

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

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

Bonds/Notes Authorized and Unissued – Bonds and notes authorized and unissued as of June 30, 2021 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 January 1, 2012. The maximum retirement allowance for Group II members vested by January 1, 2012 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by January 1, 2012, the benefit is calculated the same way, but the multiplier used in the calculation will change depending on age and years of creditable service as follows:

Years of Creditable Service as of January 1, 2012	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 2021, the School District contributed 15.99% for teachers and 10.88% for other employees. The contribution requirement for the fiscal year 2021 was \$1,523,139, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the School District reported a liability of \$20,559,147 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. 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, 2020, the School District’s proportion was 0.32%, which was a decrease of 0.01% from its proportion measured as of June 30, 2019.

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

For the year ended June 30, 2021, the School District recognized pension expense of \$3,063,645. At June 30, 2021, 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	\$ 273,579	\$ 255,111
Net difference between projected and actual investment earnings on pension plan investments	1,271,605	-
Changes in assumptions	2,033,707	-
Differences between expected and actual experience	555,197	220,746
Contributions subsequent to the measurement date	1,523,139	-
Total	\$ 5,657,227	\$ 475,857

The \$1,523,139 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, 2022. 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,	
2021	\$ 790,991
2022	1,006,401
2023	965,411
2024	895,428
Thereafter	-
Totals	\$ 3,658,231

Actuarial Assumptions – The collective total pension liability was determined by an actuarial performed as of June 30, 2019, rolled forward to June 30, 2020, 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, 2019 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 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.

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

Following is a table presenting target allocations and long-term rates of return for 2020:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return 2020
Large Cap Equities	22.50%	3.71%
Small/Mid Cap Equities	7.50%	4.15%
Total domestic equities	30.00%	
Int'l Equities (unhedged)	13.00%	3.96%
Emerging Int'l Equities	7.00%	6.20%
Total international equity	20.00%	
Core Bonds	9.00%	0.42%
Global Multi-Sector Fixed Income	10.00%	1.66%
Absolute Return Fixed Income	6.00%	0.92%
Total fixed income	25.00%	
Private equity	10.00%	7.71%
Private debt	5.00%	4.81%
Total alternative investments	15.00%	
Real estate	10.00%	2.95%
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, 2020	\$26,615,728	\$ 20,559,147	\$15,610,118

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
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

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 2019 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 2020, 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 2021, the School District contributed 1.81% for teachers and 0.29% for other employees. The contribution requirement for the fiscal year 2021 was \$153,419, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At June 30, 2021, the School District reported a liability of \$1,374,755 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. 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 participants, actuarially determined. At June 30, 2020, the School District’s proportion was 0.31%, which was an increase of 0.01% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized OPEB expense of \$178,322. At June 30, 2021, 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	\$ 6,914	\$ -
Net difference between projected and actual investment earnings on OPEB plan investments	5,144	-
Changes in assumptions	8,839	-
Differences between expected and actual experience	-	3,983
Contributions subsequent to the measurement date	153,419	-
Total	\$ 174,316	\$ 3,983

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

The \$153,419 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, 2022. 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,	
2021	\$12,160
2022	1,523
2023	1,815
2024	1,416
Thereafter	-
Totals	<u>\$16,914</u>

Actuarial Assumptions – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2019 and a measurement date of June 30, 2020. 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, 2019 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 2020:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return 2020
Large Cap Equities	22.50%	3.71%
Small/Mid Cap Equities	7.50%	4.15%
Total domestic equities	<u>30.00%</u>	
Int'l Equities (unhedged)	13.00%	3.96%
Emerging Int'l Equities	7.00%	6.20%
Total international equity	<u>20.00%</u>	
Core Bonds	9.00%	0.42%
Global Multi-Sector Fixed Income	10.00%	1.66%
Absolute Return Fixed Income	6.00%	0.92%
Total fixed income	<u>25.00%</u>	
Private equity	10.00%	7.71%
Private debt	5.00%	4.81%
Total alternative investments	<u>15.00%</u>	
Real estate	10.00%	2.95%
Total	<u>100.00%</u>	

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

JUNE 30, 2021

Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2020 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, 2020	<u>\$ 1,492,841</u>	<u>\$ 1,374,755</u>	<u>\$ 1,272,233</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, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Active employees	<u>189</u>
Total participants covered by OPEB plan	<u><u>194</u></u>

Total OPEB Liability – The School District’s total OPEB liability of \$665,004 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2019. 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.

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

JUNE 30, 2021

Actuarial Assumptions and Other Inputs – The total OPEB liability of \$665,004 in the June 30, 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:	2.16%
Healthcare Cost Trend Rates:	
Current Year Trend	7.00%
Second Year Trend	6.55%
Decrement	0.45%
Ultimate Trend	4.00%
Year Ultimate Trend is Reached	2075

The discount rate was based on the *Bond Buyer 20-Bond General Obligation Index* published on June 30, 2021.

Mortality rates were determined 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,	
	2020	2021
Total OPEB liability, beginning of year	\$ 1,255,322	\$ 630,006
Changes for the year:		
Service cost	78,237	40,177
Interest	46,338	14,483
Differences between actual and expected experience	(408,857)	-
Assumption changes	(321,827)	10,051
Benefit payments	(19,207)	(29,713)
Total OPEB liability, end of year	<u>\$ 630,006</u>	<u>\$ 665,004</u>

Sensitivity of the School District's OPEB Liability to Changes in the Discount Rate – The June 30, 2021 actuarial valuation was prepared using a discount rate of 2.16%. If the discount rate were 1% lower than what was used, the OPEB liability would increase to \$716,993, or by 7.82%. If the discount rate were 1% higher than what was used, the OPEB liability would decrease to \$615,332, or by 7.47%.

	Discount Rate		
	1% Decrease	Baseline 2.16%	1% Increase
Total OPEB Liability	<u>\$ 716,993</u>	<u>\$ 665,004</u>	<u>\$ 615,332</u>

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

JUNE 30, 2021

Sensitivity of the School District's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The June 30, 2021 actuarial valuation was prepared using an initial trend rate of 7.0%. If the trend rate were 1% lower than what was used, the OPEB liability would decrease to \$578,038, or by 13.08%. If the trend rate were 1% higher than what was used, the OPEB liability would increase to \$769,269, or by 15.68%.

	Healthcare Cost Trend Rates		
	1% Decrease 6.0% Year 1 Decreasing to 3.0%	Baseline 7.0% Year 1 Decreasing to 4.0%	1% Increase 8.0% Year 1 Decreasing to 5.0%
Total OPEB Liability	\$ 578,038	\$ 665,004	\$ 769,269

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2021, the School District recognized OPEB expense of \$54,008. At June 30, 2021, 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	\$ 26,973	\$ 233,347
Differences between expected and actual experience	-	284,015
Total	\$ 26,973	\$ 517,362

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	\$(108,668)
2023	(108,668)
2024	(106,324)
2025	(107,751)
2026	(59,819)
Thereafter	841
Totals	\$(490,389)

NOTE 12 - ENCUMBRANCES

Encumbrances outstanding in the general fund at June 30, 2021 are as follows:

Current:	
Instruction:	
Regular programs	\$ 1,468
Special programs	276
Total instruction	1,744
Support services:	
Student	140
Executive administration	3,800
Operation and maintenance of plant	50,039
Total support services	53,979
Total encumbrances	\$ 55,723

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

JUNE 30, 2021

NOTE 13 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUND NET POSITION

Net position reported on the government-wide and fiduciary fund Statements of Net Position at June 30, 2021 include the following:

	Governmental Activities	Fiduciary Fund
Net investment in capital assets:		
Net book value of all capital assets	\$ 15,597,656	\$ -
Less:		
General obligation bonds payable	(2,668,253)	-
Unamortized bond premiums	(183,016)	-
Total net investment in capital assets	12,746,387	-
Unrestricted	(15,885,926)	74,855
Total net position	\$ (3,139,539)	\$ 74,855

None of the net position is restricted by enabling legislation.

NOTE 14 – GOVERNMENTAL FUND BALANCES

Governmental fund balances at June 30, 2021 consist of the following:

	General Fund	Other Governmental Funds	Total Governmental Funds
Committed:			
Expendable trust	\$ 1,480,363	\$ -	\$ 1,480,363
Voted appropriation - March 2021	75,000	-	75,000
Student activity funds	-	125,457	125,457
Total committed fund balance	1,555,363	125,457	1,680,820
Assigned:			
Encumbrances	55,723	-	55,723
Unassigned:			
Unassigned - retained (RSA 198:4-bII)	448,143	-	448,143
Unassigned	573,824	-	573,824
Total unassigned	1,021,967	-	1,021,967
Total governmental fund balances	\$ 2,633,053	\$ 125,457	\$ 2,758,510

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 2021, 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, 2020 to June 30, 2021 by Primex³, which retained \$2,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits 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 2020-21, the School District paid \$121,563 and \$75,821, respectively, to Primex³ for workers' compensation and property/liability. In addition, the School District received a premium holiday of \$19,298 on the worker's compensation. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

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

JUNE 30, 2021

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

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) as well as the Education Stabilization Fund (ESF). 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 CRF requires that the payment from these funds be used to cover expenses that: are necessary expenditures incurred due to the public health emergency with respect to COVID-19; were not accounted for in the most recently approved budget as of March 27, 2020; and were incurred during the period that begins March 1, 2020 and ends on December 31, 2021. The School District was awarded a portion of this Federal funding totaling \$237,800 in the fall of 2020, through the Supplemental Public School Response Fund (SPSRF).

The ESR 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 and II grants, with the School District expending \$212,343 of this funding in the fiscal year 2021 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.

RAYMOND SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

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 May 12, 2022, the date the June 30, 2021 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, 2021
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
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
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%
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
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
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%
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%

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, 2021
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
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
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
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)
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
Contributions as a percentage of covered payroll	8.91%	11.71%	11.94%	12.11%	12.33%	14.55%	15.06%	15.08%

RAYMOND SCHOOL DISTRICT
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

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

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, 2021. 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.

The following assumptions were changed in the current year:

- Reduced the assumed rate of investment return from 7.25% to 6.75%
- Reduced the wage inflation from 3.25% to 2.75% (2.25% for teachers)
- Reduced price inflation from 2.5% to 2.0%
- Updated economic assumptions, including merit and longevity salary increases, disability rates, retirement rates, and mortality tables (specifically the new public pension plan mortality tables).

Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year 2020:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	20 years beginning July 1, 2019 (30 years beginning July 1, 2009)
Asset Valuation Method	5-year smooth market for funding purposes
Price Inflation	2.0% per year
Wage Inflation	2.755% per year (2.25% for Teachers) in the 2007 valuation
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	2.45% per year
Investment Rate of Return	6.75% per year, net of investment expenses including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	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.

Other Information:

Notes The board has adopted new assumptions based on the 2015-2019 experience study effective for employer contributions in the 2022-23 biennium.

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, 2021
Unaudited

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Measurement date	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>
School District's proportion of the net OPEB liability	0.39%	0.39%	0.30%	0.30%	0.31%
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
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
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%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%

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

EXHIBIT 1
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, 2021
Unaudited

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Contractually required contribution	\$ 226,651	\$ 232,799	\$ 133,422	\$ 137,551	\$ 145,787
Contributions in relation to the contractually required contribution	(226,651)	(232,799)	(133,422)	(137,551)	(145,787)
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
Contributions as a percentage of covered payroll	2.46%	2.51%	1.40%	1.45%	1.43%

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, 2021
Unaudited

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

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, 2021

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

As required by GASB Statement No. 75, Exhibits H and I represent the actuarial determined costs associated with the School District’s other postemployment benefits at June 30, 2021. 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.

The following assumptions were changed in the current year:

- Reduced the assumed rate of investment return from 7.25% to 6.75%
- Reduced the wage inflation from 3.25% to 2.75% (2.25% for teachers)
- Reduced price inflation from 2.5% to 2.0%
- Updated economic assumptions, including merit and longevity salary increases, disability rates, retirement rates, and mortality tables (specifically the new public pension plan mortality tables).

Methods and Assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	Not applicable under statutory funding
Asset Valuation Method	5-year smooth market: 20% corridor
Price Inflation	2.0% per year
Wage Inflation	2.75% per year
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	2.45% per year
Investment Rate of Return	6.75% per year, net of OPEB plan investment expense, including inflation for determining solvency contributions
Funding Discount Rate	3.25% per year
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	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.
Health Care Trend Rates	Not applicable, given that benefits are fixed stipends.
Aging Factors	Not applicable, given that the benefits are fixed stipends.

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

As required by GASB Statement No. 75, Exhibit J represents the actuarial determined costs associated with the School District’s other postemployment benefits at June 30, 2021. 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, 2021

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 15,912,322	\$ 15,912,322	\$ -
Other local sources:			
Tuition	52,000	59,023	7,023
Investment earnings	170	224	54
Student activities	85,000	24,888	(60,112)
Miscellaneous	213,977	451,751	237,774
Total from other local sources	<u>351,147</u>	<u>535,886</u>	<u>184,739</u>
State sources:			
Adequacy aid (grant)	5,405,905	5,407,574	1,669
Adequacy aid (tax)	2,117,702	2,117,702	-
School building aid	297,455	297,455	-
Catastrophic aid	129,524	231,292	101,768
Vocational aid	13,684	15,736	2,052
Other state aid	14,316	10,675	(3,641)
Total from state sources	<u>7,978,586</u>	<u>8,080,434</u>	<u>101,848</u>
Federal sources:			
Medicaid	<u>175,000</u>	<u>125,901</u>	<u>(49,099)</u>
Total revenues	24,417,055	<u>\$ 24,654,543</u>	<u>\$ 237,488</u>
Use of fund balance to reduce school district assessment	553,541		
Use of fund balance - appropriated	75,000		
Total revenues and use of fund balance	<u>\$ 25,045,596</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, 2021

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
Instruction:					
Regular programs	\$ 30,298	\$ 8,646,347	\$ 8,350,723	\$ 1,468	\$ 324,454
Special programs	69,666	6,178,932	6,297,540	276	(49,218)
Vocational programs	-	130,360	182,224	-	(51,864)
Other programs	-	443,183	307,948	-	135,235
Community service programs	-	22,843	24,914	-	(2,071)
Total instruction	<u>99,964</u>	<u>15,421,665</u>	<u>15,163,349</u>	<u>1,744</u>	<u>356,536</u>
Support services:					
Student	5,029	1,306,298	1,329,333	140	(18,146)
Instructional staff	21,252	998,552	951,368	-	68,436
General administration	-	89,186	99,591	-	(10,405)
Executive administration	23,860	864,065	845,777	3,800	38,348
School administration	-	1,465,566	1,404,047	-	61,519
Business	-	314,233	312,867	-	1,366
Operation and maintenance of plant	172,337	1,991,292	1,970,163	50,039	143,427
Student transportation	-	976,004	998,434	-	(22,430)
Other	-	2,000	2,705	-	(705)
Total support services	<u>222,478</u>	<u>8,007,196</u>	<u>7,914,285</u>	<u>53,979</u>	<u>261,410</u>
Debt service:					
Principal of long-term debt	-	623,554	623,553	-	1
Interest on long-term debt	-	464,107	464,107	-	-
Total debt service	<u>-</u>	<u>1,087,661</u>	<u>1,087,660</u>	<u>-</u>	<u>1</u>
Facilities acquisition and construction	<u>-</u>	<u>1</u>	<u>12,250</u>	<u>-</u>	<u>(12,249)</u>
Other financing uses:					
Transfers out	<u>-</u>	<u>529,073</u>	<u>734,871</u>	<u>-</u>	<u>(205,798)</u>
Total appropriations, expenditures, other financing uses, and encumbrances	<u>\$ 322,442</u>	<u>\$ 25,045,596</u>	<u>\$ 24,912,415</u>	<u>\$ 55,723</u>	<u>\$ 399,900</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, 2021

Unassigned fund balance, beginning		\$ 1,013,120
Changes:		
Unassigned fund balance used to reduce school district assessment		(553,541)
Unassigned fund balance appropriated for use in 2020-2021		(75,000)
2020-2021 Budget summary:		
Revenue surplus (Schedule 1)	\$ 237,488	
Unexpended balance of appropriations (Schedule 2)	399,900	
2020-2021 Budget surplus		<u>637,388</u>
Unassigned fund balance, ending		<u>\$ 1,021,967</u>

SCHEDULE 4
RAYMOND SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2021

	Special Revenue Funds		Total
	Food Service	Student Activity	
ASSETS			
Cash and cash equivalents	\$ 100	\$ 125,457	\$ 125,557
Intergovernmental receivable	80,716	-	80,716
Total assets	<u>\$ 80,816</u>	<u>\$ 125,457</u>	<u>\$ 206,273</u>
LIABILITIES			
Accounts payable	\$ 14,165	\$ -	\$ 14,165
Interfund payable	66,651	-	66,651
Total liabilities	<u>80,816</u>	<u>-</u>	<u>80,816</u>
FUND BALANCES			
Committed	<u>-</u>	<u>125,457</u>	<u>125,457</u>
Total liabilities and fund balances	<u>\$ 80,816</u>	<u>\$ 125,457</u>	<u>\$ 206,273</u>

SCHEDULE 5
RAYMOND SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2021

	Special Revenue Funds		
	Food Service	Student Activity	Total
REVENUES			
Other local	\$ 20,710	\$ 105,652	\$ 126,362
State	5,944	-	5,944
Federal	234,980	-	234,980
Total revenues	<u>261,634</u>	<u>105,652</u>	<u>367,286</u>
EXPENDITURES			
Current:			
Instruction	-	100,491	100,491
Noninstructional services	532,432	-	532,432
Total expenditures	<u>532,432</u>	<u>100,491</u>	<u>632,923</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(270,798)</u>	<u>5,161</u>	<u>(265,637)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>270,798</u>	<u>-</u>	<u>270,798</u>
Net change in fund balances	-	5,161	5,161
Fund balances, beginning	-	120,296	120,296
Fund balances, ending	<u>\$ -</u>	<u>\$ 125,457</u>	<u>\$ 125,457</u>

SCHEDULE 6
RAYMOND SCHOOL DISTRICT
Student Activity Funds
Combining Balance Sheet
June 30, 2021

	Student Activity Funds			Total
	Raymond High School	Iber Holmes Gove Middle School	Lamprey River Elementary School	
ASSETS				
Cash and cash equivalents	\$ 78,459	\$ 19,314	\$ 27,684	\$ 125,457
FUND BALANCES				
Committed	\$ 78,459	\$ 19,314	\$ 27,684	\$ 125,457

SCHEDULE 7
RAYMOND SCHOOL DISTRICT
Student Activity Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2021

	Student Activity Funds			Total
	Raymond High School	Iber Holmes Gove Middle School	Lamprey River Elementary School	
REVENUES				
Other local	\$ 51,364	\$ 39,746	\$ 14,542	\$ 105,652
EXPENDITURES				
Current:				
Instruction	42,451	46,714	11,326	100,491
Net change in fund balances	8,913	(6,968)	3,216	5,161
Fund balances, beginning	69,546	26,282	24,468	120,296
Fund balances, ending	<u>\$ 78,459</u>	<u>\$ 19,314</u>	<u>\$ 27,684</u>	<u>\$ 125,457</u>

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



PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

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

INDEPENDENT AUDITOR'S 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

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 the 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, 2021, 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 May 12, 2022.

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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Raymond School District's financial statements are free of 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

PLODZIK & SANDERSON
Professional Association

May 12, 2022



PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

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

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

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

Report on Compliance for Each Major Federal Program

We have audited the Raymond School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Raymond School District's major federal program for the year ended June 30, 2021. The Raymond School District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Raymond School District's major federal program based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Raymond School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Raymond School District's compliance.

Opinion on Each Major Federal Program

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 its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Raymond School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Raymond School District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Raymond School District's internal control over compliance.

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

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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

PLODZIK & SANDERSON
Professional Association

May 12, 2022

SCHEDULE II
RAYMOND SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal 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	\$ -	\$ 48,661
COVID-19 - School Breakfast Program	10.553	N/A	-	2,464
National School Lunch Program <i>(note 4)</i>	10.555	N/A	-	171,273
COVID-19 - National School Lunch Program	10.555	N/A	-	12,097
Special Milk Program for Children	10.556	N/A	-	138
COVID-19 - Special Milk Program for Children	10.556	N/A	-	347
<i>CLUSTER TOTAL</i>			-	234,980
U.S. DEPARTMENT OF EDUCATION				
Passed Through the State of New Hampshire Department of Education				
Title I Grants to Local Educational Agencies:				
Title I FY 2020	84.010	20200062	-	30
Title I FY 2021	84.010	20210932	-	142,015
<i>PROGRAM TOTAL</i>			-	142,045
SPECIAL EDUCATION CLUSTER				
Special Education - Grants to States:				
IDEA FY 2019	84.027	92556	-	6,509
Remote Learning FY 2019	84.027	95647	-	4,342
IDEA FY 2021	84.027	212500	-	311,710
Special Education - Preschool Grants:				
Preschool FY 2021	84.173	212500	-	12,130
Preschool FY 2020	84.173	202544	-	4,752
<i>CLUSTER TOTAL</i>			-	339,443
Twenty-First Century Community Learning Centers	84.287	20210032	-	135,703
Supporting Effective Instruction State Grants:				
Title IIA FY20	84.367	20200194	-	32,681
Title IIA FY21	84.367	20211485	-	1,635
<i>PROGRAM TOTAL</i>			-	34,316
Student Support and Academic Enrichment Program:				
Title IVA FY 2020	84.424	20200372	-	31,398
Title IVA FY 2021	84.424	20211134	-	16,349
<i>PROGRAM TOTAL</i>			-	47,747
COVID-19 - Education Stabilization Fund:				
ESSER I	84.425D	20204951	-	212,343
ESSER II	84.425D	20211576	-	273,441
<i>PROGRAM TOTAL</i>			-	485,784

(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 Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
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 FY 2020	93.243	202620	-	149,609
Project AWARE FY 2021	93.243	20211199	-	275,611
<i>PROGRAM TOTAL</i>			-	425,220
Total Expenditures of Federal Awards			\$ -	\$ 1,845,238

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, 2021

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, 2021. 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, 2021 the value of food donations received was \$26,095.