

**WILTON-LYNDEBOROUGH
COOPERATIVE SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2018**

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

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JUNE 30, 2018**

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PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

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INDEPENDENT AUDITOR'S REPORT

To the Members of the School Board
Wilton-Lyndeborough Cooperative School District
Wilton, New Hampshire

We have audited the accompanying financial statements of the governmental activities, the major fund, and aggregate remaining fund information of the Wilton-Lyndeborough Cooperative School District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and aggregate remaining fund information of the Wilton-Lyndeborough Cooperative School District, as of June 30, 2018, and the respective changes in financial position and, the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2-C to the financial statements, in fiscal year 2018 the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

***Wilton-Lyndeborough Cooperative School District
Independent Auditor's Report***

Other Matters

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

- Management's Discussion and Analysis,
- Schedule of the School District's Proportionate Share of Net Pension Liability,
- Schedule of School District Contributions – Pensions,
- Schedule of the School District's Proportionate Share of the Net Other Postemployment Benefits Liability,
- Schedule of the 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 Wilton-Lyndeborough Cooperative School District's basic financial statements. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

January 25, 2019

*Plodzik & Sanderson
Professional Association*

Management's Discussion and Analysis
For the Period Ending
June 30, 2018

As management of the Wilton-Lyndeborough Cooperative School District (District), we offer readers of the District's financial statements this narrative that represents an overview and analysis of the financial activities for the fiscal year ending June 30, 2018. We encourage you to read and review the information presented here in conjunction with additional information that we have furnished in the District's annual audited financial statements, which accompany this report.

Financial Highlights

The District's total combined net position decreased from \$(5,784,829) to \$(5,955,213), a decrease of \$170,384 between FY 2017 and FY 2018.

Note: The District's negative net position is due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require employers to recognize their proportionate share of collective net pension liability based upon their plan contributions for the year.

- The District's capital assets decreased from \$10,832,732 to \$10,510,592 between FY 2017 and FY 2018. This represents a decrease of \$322,140 or 2.97%. Refer to the Notes to the Basic Financial Statements - Note 5. It reflects the recording of building improvements and current year depreciation on applicable assets.
- The District's net pension liability decreased from \$8,786,887 to \$8,057,788 between FY 2017 and FY 2018. This represents a decrease of \$729,099. This is primarily due to changes in assumptions. Refer to the Notes to the Basic Financial Statements – Note 9. The mortality rate was updated from a 2000 table to a 2014 table.
- The District's total debt for FY 2018 was \$8,510,538 a decrease of \$630,032 (6.89%). The reduction was due to the lowering of the total outstanding balance on bonds.
- The School District implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during fiscal year 2018. The beginning net position for governmental activities was restated by \$(791,921) for the OPEB provided by NHRS and \$(520,006) for the District's local OPEB plan to retroactively report the increase in the net OPEB liability as of July 1, 2017.

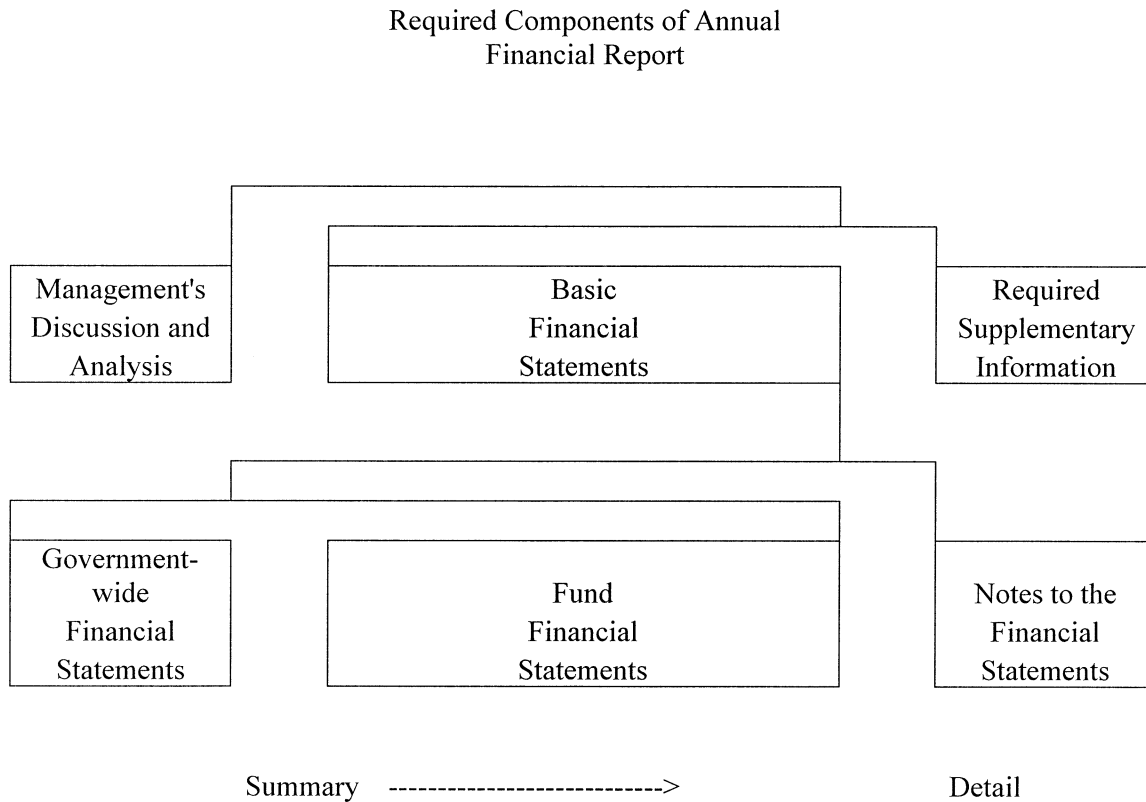
Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Wilton-Lyndeborough Cooperative School District's basic financial statements. The District's basic financial statements consists of four components:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to the basic financial statements
- 4) Required supplementary information

Management's Discussion and Analysis
For the Period Ending
June 30, 2018

In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Wilton-Lyndeborough Cooperative School District.



Basic Financial Statements

The basic financial statement includes two kinds of statements that present different views of the District.

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the District's overall financial status.

The remaining statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the District's government. These statements provide more detail than the government-wide statements.

The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.

Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The next section of the basic financial statements is the **Notes to the Financial Statements**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **Required Supplementary Information** is provided that further explains and supports the information about the District's other postemployment benefit liability.

Management's Discussion and Analysis
For the Period Ending
June 30, 2018

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the District's finances, similar in format to a financial statement of a private-sector business. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expense are accounted for in the statement of activities regardless of when the cash is received or paid. The government-wide statements provide short and long-term information about the District's financial status as a whole.

The two government-wide statements report the District's net position and how they have changed. Net position is the difference between the District's total assets, deferred outflows of resources, total liabilities, and deferred inflows of resources. Measuring net position is one way to measure the District's financial position.

- Over time, increases and decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's tax base.

The government-wide financial statements are on Exhibits A and B of the annual financial report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the District's more significant funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

- Some funds are required by State law.
- The School Board establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The Wilton-Lyndeborough Cooperative School District uses two kinds of funds:

- Governmental funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements.

Most of the District's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the District's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is part of the fund financial statements.

The District adopts an annual budget for its General, Food Service, and Grants Funds, as required by the New Hampshire Statutes. The budget is a legally adopted document that incorporates input from the citizens of the District, the management of the schools and SAU 63, and the decisions of the School Board about which services to provide and how to pay for them. It also authorizes the District to obtain funds from identified sources to finance these current period activities. The budgetary statements provided for the General Fund demonstrates how well the District complied with the budget adopted and whether or not the District succeeded in providing the services as planned when the budget was adopted. The budgetary

Management's Discussion and Analysis
For the Period Ending
June 30, 2018

comparison statements use the budgetary basis of accounting and are presented using the same format, language, and classifications as the legal budget document. The statement shows three columns: 1) the original and final budget as adopted by the board; 2) the actual resources and charges to appropriations; and 3) the difference or variance between the adopted budget and the actual resources and charges. The other governmental funds are Food Service and Grants.

- Fiduciary funds – The District is the fiduciary for certain funds such as the Student Activity Funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary balances are reported in a separate statement of Fiduciary Net Position. These are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements begin on page 21 of the annual audit report.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information. This is where the schedule of funding progress for the other postemployment benefit plan is presented. Required supplementary information can be found in the annual financial report.

	<u>2018</u>	Restated <u>2017</u>	% <u>Change</u>
Current and Other Assets	1,014,516	1,196,912	-15.24%
Capital Assets	10,510,592	10,832,732	-2.97%
Total Assets	<u>11,525,108</u>	<u>12,029,644</u>	-4.19%
Deferred Outflows of Resources	<u>1,802,989</u>	<u>2,645,171</u>	-31.84%
Long-Term Liabilities Outstanding	17,627,285	19,064,194	-7.54%
Other Liabilities	1,154,338	963,671	19.79%
Total Liabilities	<u>18,781,623</u>	<u>20,027,865</u>	-6.22%
Deferred Inflows of Resources	<u>501,687</u>	<u>431,779</u>	16.19%
Net Investment in Capital Assets	2,000,054	1,493,597	33.91%
Restricted	-	15,644	100.00%
Unrestricted Net Position (Deficit)	(7,955,267)	(7,294,070)	9.06%
Total Net Position	<u>(5,955,213)</u>	<u>(5,784,829)</u>	2.95%

See Note 14 for information on prior period restatement

Management's Discussion and Analysis
For the Period Ending
June 30, 2018

Net position of the District's governmental activities decreased 2.95% or \$170,384 as of June 30, 2018. Although the District's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

The District received \$12,147,777 from all sources of revenue. Seventy-one percent (\$8,674,081) of the District's revenue came from local taxes. Twenty-one percent (\$2,566,327) came from the state education tax and the state adequacy grant. Five percent (\$597,674) came from various state and federal grants. Two percent (\$179,315) came from other local revenues. The other one percent (\$130,380) came from other financing sources; capital reserve – building equipment trust fund.

The deficit in unrestricted net position is a result of unfunded long-term liabilities. This includes Compensated Absences, Other Postemployment Benefits and Pension Liability. These obligations are funded in each current year budget as needed.

Management's Discussion and Analysis
For the Period Ending
June 30, 2018

Summary of Changes in Net Position
Governmental Activities

	2018 <u>Amount</u>	Restated 2017 <u>Amount</u>	Dollar <u>Difference</u>	Percentage <u>Difference</u>
Revenues:				
Program Revenue:				
Charges for Services	\$ 137,300	\$ 163,609	\$ (26,309)	-16.08%
Operating Grants and Contributions	470,989	465,176	5,813	1.25%
Capital Grants and Contributions	128,000	128,000	-	0.00%
General Revenue:				
School District Assessment	8,674,081	8,612,541	61,540	0.71%
Unrestricted Grants	2,706,885	2,696,889	9,996	0.37%
Miscellaneous & Interest	30,522	32,899	(2,377)	-7.23%
Total Revenues	<u>12,147,777</u>	<u>12,099,114</u>	<u>48,663</u>	0.40%
Expenses:				
Instruction	6,519,833	6,711,189	(191,356)	-2.85%
Support Services:				
Student	1,544,445	1,545,063	(618)	-0.04%
Instructional Staff	382,204	227,124	155,080	68.28%
General Administration	14,531	12,991	1,540	11.85%
Executive Administration	458,207	446,281	11,926	2.67%
School Administration	821,229	773,204	48,025	6.21%
Business	314,876	318,133	(3,257)	-1.02%
Operation and Maintenance of Plant	1,062,896	1,079,030	(16,134)	-1.50%
Student Transportation	393,862	460,630	(66,768)	-14.49%
Other	223,315	214,532	8,783	4.09%
Noninstructional Services	227,868	220,458	7,410	3.36%
Interest on Long-Term Debt	354,895	378,659	(23,764)	-6.28%
Prior period adjustment, see Note 14	-	1,196,312	(1,196,312)	
Total Expenses	<u>12,318,161</u>	<u>13,583,606</u>	<u>(1,265,445)</u>	-9.32%
Change in Net Position	<u>(170,384)</u>	<u>(1,484,492)</u>	<u>1,314,108</u>	-88.52%
Net Position - Beginning	<u>(5,784,829)</u>	<u>(4,300,337)</u>	<u>(1,484,492)</u>	34.52%
Net Position - Ending	<u>\$ (5,955,213)</u>	<u>\$ (5,784,829)</u>	<u>\$ (170,384)</u>	2.95%

See Note 14 for information on prior period restatement

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Management's Discussion and Analysis
For the Period Ending
June 30, 2018

Governmental Funds

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

On June 30, 2018, the governmental funds of the Wilton-Lyndeborough Cooperative School District reported a combined fund balance of \$635,453. Included in the total fund balance are fund balances in the General Fund, Food Service, and Grants Funds.

General Fund Budgetary Highlights:

Beginning Fund Balance	433,692
Fund Balance used to reduce assessment	(405,431)
Estimated Fund Balance per Report:	
Revenue Surplus:	98,761
Unexpended Balance of appropriations:	<u>17,552</u>
2017-18 Budget Surplus	116,313
Increase in nonspendable fund balance	<u>(16,538)</u>
Audited Unassigned Fund Balance (to Offset Tax Rate):	<u><u>128,036</u></u>

Unanticipated Revenue is comprised of the following:

Unanticipated/(Deficit) of Revenue Budget

Other Local Sources:	
Tuition	(11,076)
Investment Income	(5,000)
Rental	985
Miscellaneous	(3,004)
State Sources:	
Adequacy Aid	(510)
Additional Adequacy Aid	7,664
Catastrophic Aid	(1,096)
Child Care Aid	(1,000)
Vocational Aid	(673)
Federal Sources:	
Medicaid	(17,909)
Other Sources:	
Transfer in from Capital Reserve - Bldg Improve	<u>130,380</u>
Total Revenue Surplus	<u><u>98,761</u></u>

Management's Discussion and Analysis
For the Period Ending
June 30, 2018

Capital Assets and Debt Administration

Capital assets:

The District's investment in capital assets for its governmental activities as of June 30, 2018, totals \$10,510,592 (net of accumulated depreciation). These assets include buildings, land, construction in progress, machinery and equipment, athletic fields and facilities, and vehicles.

Wilton-Lyndeborough Cooperative School District Capital Assets
Governmental Activities
(Net of Depreciation)

	June 30, <u>2018</u>	Restated June 30, <u>2017</u>	Change <u>2017-2018</u>
Land	\$ 1,004,900	\$ 1,004,900	0.00%
Buildings & Improvements	9,481,217	9,799,274	-3.25%
Machinery, Vehicles & Equipment	<u>24,475</u>	<u>28,558</u>	-14.30%
Total	<u>\$10,510,592</u>	<u>\$10,832,732</u>	-2.97%

See Note 14 for information on prior period restatement

The Wilton-Lyndeborough Cooperative School District considers a capital asset to be an asset whose costs exceed \$10,000 and has a useful life of greater than one (1) year. Assets are depreciated using the straight-line method over the course of their useful life. Note I-H of the Notes to the Basic Financial Statements, states that Building and building improvements have a useful life of 20 to 30 years. While Machinery and Equipment, which includes Vehicles, have a useful life of 10 years.

Additional information on the School District's capital assets can be found in Note 5 of the Notes to the Basic Financial Statements.

Management's Discussion and Analysis
For the Period Ending
June 30, 2018

Long-term Debt:

As of June 30, 2018, the district had total bonded debt outstanding of \$8,510,538.

Wilton-Lyndeborough Cooperative School District's Outstanding Long-Term Debt
Governmental Activities

	June 30, <u>2018</u>	June 30, <u>2017</u>	Change <u>2017-18</u>
General Obligation Bonds Payable			
Middle/High School Renovation	\$ 640,000	\$ 960,000	-33.33%
Florence Rideout Elementary Renov	7,360,000	7,640,000	-3.66%
Unamortized Bond Premiums	<u>510,538</u>	<u>540,570</u>	-5.56%
Total	<u>\$ 8,510,538</u>	<u>\$ 9,140,570</u>	-6.89%

At the end of FY 2018, the District had \$8,510,538 in General Obligation bonds outstanding, a decrease of 6.89% under last year as shown above. During fiscal year 2018 the District showed a reduction of \$630,032. This is a result of a decrease on the outstanding school bonds.

New Hampshire general statutes limit the amount of general obligation debt that a school district can issue to 7 percent of the total assessed value of taxable property located within that town's boundaries. The total combined assessed valuations for Wilton and Lyndeborough is \$539,816,849. The legal debt limit for the Cooperative District is \$37,787,179. As stated above, the District's outstanding debt as of June 30, 2018 is \$8,510,538.

See Note 8 in the Notes to the Basic Financial Statements for a summary of all outstanding long-term liabilities.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the District:

- According to the New Hampshire Economic and Labor Market Information Bureau, the Northeast Urban consumer price index for all consumers (not seasonally adjusted) for June, 2018 was 265.950, up from 259.335 the prior year. During the same time period the national CPI increased from 251.989 to 244.955, an increase of 1.027%.
- Student enrollment continues to decrease. The enrollment in June, 2018, was 525 including 33 kindergarten students. It is projected that enrollment for grades one through twelve will decrease in future years.
- Retirement benefit rates and Health insurance rates continue to increase. The increases in these areas are increasing at a rate higher than salaries.

Management's Discussion and Analysis
For the Period Ending
June 30, 2018

Requests for Information

This report is designed to provide an overview of the District's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information regarding the District's annual financial report should be directed to the Office of the Superintendent of Schools, 192 Forest Road, Lyndeborough, NH 03082 or by telephone to the Business Administrator at 603-732-9174.

BASIC FINANCIAL STATEMENTS

EXHIBIT A
WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Statement of Net Position
June 30, 2018

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 481,286
Other receivables	21,861
Intergovernmental receivable	484,386
Inventory	7,609
Prepaid items	19,374
Capital assets, not being depreciated	1,004,900
Capital assets, net of accumulated depreciation	9,505,692
Total assets	<u>11,525,108</u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	1,737,328
Amounts related to other postemployment benefits	65,661
Total deferred outflows of resources	<u>1,802,989</u>
LIABILITIES	
Accounts payable	2,664
Accrued salaries and benefits	77,445
Intergovernmental payable	297,568
Accrued interest payable	131,629
Noncurrent obligations:	
Due within one year	645,032
Due in more than one year	17,627,285
Total liabilities	<u>18,781,623</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - Grants	1,386
Amounts related to pensions	486,766
Amounts related to other postemployment benefits	13,535
Total deferred inflows of resources	<u>501,687</u>
NET POSITION	
Net investment in capital assets	2,000,054
Unrestricted	(7,955,267)
Total net position	<u><u>\$ (5,955,213)</u></u>

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT B
WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2018

		Program Revenues			Net (Expense)
		Charges	Operating	Capital	Revenue and
	Expenses	for	Grants and	Grants and	Change in
		Services	Contributions	Contributions	Net Position
Governmental activities:					
Instruction	\$ 6,519,833	\$ 41,574	\$ 185,637	\$ -	\$ (6,292,622)
Support services:					
Student	1,544,445	-	134,905	-	(1,409,540)
Instructional staff	382,204	-	52,390	-	(329,814)
General administration	14,531	-	-	-	(14,531)
Executive administration	458,207	-	-	-	(458,207)
School administration	821,229	-	-	-	(821,229)
Business	314,876	-	-	-	(314,876)
Operation and maintenance of plant	1,062,896	985	-	-	(1,061,911)
Student transportation	393,862	-	2,327	-	(391,535)
Other	223,315	-	-	-	(223,315)
Noninstructional services	227,868	94,741	95,730	-	(37,397)
Interest on long-term debt	354,895	-	-	128,000	(226,895)
Total governmental activities	<u>\$ 12,318,161</u>	<u>\$ 137,300</u>	<u>\$ 470,989</u>	<u>\$ 128,000</u>	<u>(11,581,872)</u>
General revenues:					
School district assessment					8,674,081
Grants and contributions not restricted to specific programs					2,706,885
Miscellaneous					30,522
Total general revenues					<u>11,411,488</u>
Change in net position					(170,384)
Net position, beginning as restated (See Note 14)					<u>(5,784,829)</u>
Net position, ending					<u>\$ (5,955,213)</u>

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C-1
WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2018

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 465,982	\$ 15,304	\$ 481,286
Accounts receivables	13,348	8,513	21,861
Intergovernmental receivables	456,615	27,771	484,386
Interfund receivables	57,983	-	57,983
Inventory	-	7,609	7,609
Prepaid items	16,538	2,836	19,374
Total assets	<u>\$ 1,010,466</u>	<u>\$ 62,033</u>	<u>\$ 1,072,499</u>
LIABILITIES			
Accounts payable	\$ -	\$ 2,664	\$ 2,664
Accrued salaries and benefits	77,445	-	77,445
Intergovernmental payable	297,568	-	297,568
Interfund payable	-	57,983	57,983
Total liabilities	<u>375,013</u>	<u>60,647</u>	<u>435,660</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - Grants	<u>-</u>	<u>1,386</u>	<u>1,386</u>
FUND BALANCES (DEFICIT)			
Nonspendable	16,538	10,445	26,983
Committed	300,535	-	300,535
Assigned	190,344	-	190,344
Unassigned (deficit)	128,036	(10,445)	117,591
Total fund balances	<u>635,453</u>	<u>-</u>	<u>635,453</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,010,466</u>	<u>\$ 62,033</u>	<u>\$ 1,072,499</u>

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C-2
WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2018

Total fund balances of governmental funds (Exhibit C-1)		\$ 635,453
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	\$ 16,070,736	
Less accumulated depreciation	<u>(5,560,144)</u>	
		10,510,592
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	\$ 1,737,328	
Deferred inflows of resources related to pensions	(486,766)	
Deferred outflows of resources related to OPEB	65,661	
Deferred inflows of resources related to OPEB	<u>(13,535)</u>	
		1,302,688
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (57,983)	
Payables	<u>57,983</u>	
		-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(131,629)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bonds	\$ 8,000,000	
Unamortized bond premium	510,538	
Compensated absences	123,459	
Other postemployment benefits	1,580,532	
Net pension liability	<u>8,057,788</u>	
		<u>(18,272,317)</u>
Net position of governmental activities (Exhibit A)		<u>\$ (5,955,213)</u>

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C-3
WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2018

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
School district assessment	\$ 8,674,081	\$ -	\$ 8,674,081
Other local	73,081	106,234	179,315
State	2,844,876	2,806	2,847,682
Federal	62,091	384,608	446,699
Total revenues	<u>11,654,129</u>	<u>493,648</u>	<u>12,147,777</u>
EXPENDITURES			
Current:			
Instruction	6,029,168	115,882	6,145,050
Support services:			
Student	1,395,217	134,905	1,530,122
Instructional staff	332,580	52,390	384,970
General administration	14,531	-	14,531
Executive administration	447,542	-	447,542
School administration	813,053	-	813,053
Business	315,160	-	315,160
Operation and maintenance of plant	956,464	-	956,464
Student transportation	393,862	-	393,862
Other	219,768	-	219,768
Noninstructional services	-	227,868	227,868
Debt service:			
Principal	600,000	-	600,000
Interest	366,550	-	366,550
Facilities acquisition and construction	102,762	-	102,762
Total expenditures	<u>11,986,657</u>	<u>531,045</u>	<u>12,517,702</u>
Deficiency of revenues over expenditures	<u>(332,528)</u>	<u>(37,397)</u>	<u>(369,925)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	36,819	36,819
Transfers out	(36,819)	-	(36,819)
Total other financing sources (uses)	<u>(36,819)</u>	<u>36,819</u>	<u>-</u>
Net change in fund balances	(369,347)	(578)	(369,925)
Fund balances, beginning	1,004,800	578	1,005,378
Fund balances, ending	<u>\$ 635,453</u>	<u>\$ -</u>	<u>\$ 635,453</u>

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C-4
WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2018

Net change in fund balances of total governmental funds (Exhibit C-3)		\$ (369,925)
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	\$ 102,762	
Depreciation expense	<u>(424,902)</u>	
		(322,140)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ 36,819	
Transfers out	<u>(36,819)</u>	
		-
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal repayment of bond	600,000	
Amortization of bond premium	<u>30,032</u>	
		630,032
Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ 11,655	
Decrease in compensated absences payable	29,347	
Decrease in other postemployment benefits	33,431	
Increase in deferred outflows and inflows of resources related to other postemployment benefits	(51,345)	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	<u>(131,439)</u>	
		(108,351)
Change in net position of governmental activities (Exhibit B)		<u><u>\$ (170,384)</u></u>

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT D
WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
School district assessment	\$ 8,674,081	\$ 8,674,081	\$ 8,674,081	\$ -
Other local	86,970	86,970	68,875	(18,095)
State	2,840,491	2,840,491	2,844,876	4,385
Federal	80,000	80,000	62,091	(17,909)
Total revenues	11,681,542	11,681,542	11,649,923	(31,619)
EXPENDITURES				
Current:				
Instruction	6,331,629	6,260,782	6,003,394	257,388
Support services:				
Student	1,357,006	1,361,864	1,395,208	(33,344)
Instructional staff	216,281	284,867	336,054	(51,187)
General administration	22,855	22,855	16,864	5,991
Executive administration	433,969	432,611	449,096	(16,485)
School administration	775,473	774,205	806,997	(32,792)
Business	305,132	305,132	317,765	(12,633)
Operation and maintenance of plant	875,031	875,088	934,608	(59,520)
Student transportation	450,930	466,226	400,918	65,308
Other	297,116	281,792	219,768	62,024
Debt service:				
Principal	600,000	600,000	600,000	-
Interest	366,550	366,550	366,550	-
Facilities acquisition and construction	1	1	130,380	(130,379)
Total expenditures	12,031,973	12,031,973	11,977,602	54,371
Excess (deficiency) of revenues over (under) expenditures	(350,431)	(350,431)	(327,679)	22,752
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	130,380	130,380
Transfers out	(55,000)	(55,000)	(91,819)	(36,819)
Total other financing sources (uses)	(55,000)	(55,000)	38,561	93,561
Net change in fund balance	\$ (405,431)	\$ (405,431)	(289,118)	\$ 116,313
Increase in nonspendable fund balance			(16,538)	
Unassigned fund balance, beginning			433,692	
Unassigned fund balance, ending			\$ 128,036	

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT E
ILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Position
June 30, 2018

	<u>Agency</u>
ASSETS	
Cash and cash equivalents	<u>\$ 52,874</u>
LIABILITIES	
Due to student groups	<u>\$ 52,874</u>

The notes to the basic financial statements are an integral part of this statement.

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

AS OF AND FOR THE FISCAL YEAR ENDED

JUNE 30, 2018

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WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Wilton-Lyndeborough Cooperative School District, in Wilton, 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.

In 2018 the School District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which changed the way other postemployment benefit (OPEB) liabilities and related expenses are recorded. See Note 10 for further information on this pronouncement.

1-A Reporting Entity

The Wilton-Lyndeborough Coop School District is a municipal corporation governed by an elected 9-member School Board. In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The School District has no component units to include in its reporting entity.

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

1-B Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

Measurement Focus and Basis of Accounting – The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements, except for agency funds which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when 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.

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

AS OF AND FOR THE FISCAL YEAR ENDED

JUNE 30, 2018

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 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, 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 fund:

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.

Nonmajor Funds – The School District also reports two nonmajor governmental funds. All the governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements.

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

1-D Cash and Cash Equivalents

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

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

1-E Receivables

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

1-F Inventory

The inventories of the School District are valued at cost (first-in, first-out), which approximates market. The inventories of the School District’s food service fund consist of materials and supplies held for subsequent use. The cost of these inventories is expended when consumed rather than when purchased.

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

AS OF AND FOR THE FISCAL YEAR ENDED

JUNE 30, 2018

1-G Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and governmental fund financial statements and expensed as the items are used.

1-H Capital Assets

Capital assets are defined by the School District as assets with an initial individual cost of \$10,000 or more and an estimated life in excess of five years. Capital assets include property, plant, and equipment, infrastructure assets (e.g. roads, sidewalks, drainage, and similar items) and are reported in governmental activities.

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. When cost of general capital assets cannot be determined from available records, estimated historical cost is used.

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend lives are not capitalized.

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 or amortized using the straight-line method over the following estimated useful lives:

Capital Asset Class:	<u>Years</u>
Buildings and building improvements	20-30
Machinery and equipment	10

1-I Interfund Activities

Interfund activities are reported as follows:

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

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

1-J 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, 2018.

1-K Deferred Outflows/Inflows of Resources

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

Deferred inflows of resources, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

AS OF AND FOR THE FISCAL YEAR ENDED

JUNE 30, 2018

1-L Long-term Obligations

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

1-M Compensated Absences

The School District's policy allows certain employees to earn varying amounts of vacation and sick pay based on the employee's length of employment. Upon retirement or termination of employment, employees are paid in full for any accrued leave earned as set forth by personnel policy.

An expense and a liability for vacation, sick pay, and salary-related payments are accrued as the leave is earned in the government-wide financial statements. The compensated absences liability is liquidated using funds to which the liability accrued as the accumulated leave is used.

1-N Defined Benefit Pension Plan

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

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

1-O Postemployment Benefits Other Than Pensions (OPEB)

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

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

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

1-P Net Position/Fund Balances

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

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

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.

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

AS OF AND FOR THE FISCAL YEAR ENDED

JUNE 30, 2018

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

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

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

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

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

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

1-Q Use of Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the School District's operations. At its annual meeting, the School District adopts a budget for the current year for the general fund, as well as the nonmajor grants and food service fund. Except as reconciled below, the budget was adopted on a basis consistent with United States generally accepted accounting principles.

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

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 2018, \$405,431 of the beginning general fund unassigned fund balance was applied for this purpose.

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

AS OF AND FOR THE FISCAL YEAR ENDED

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2-B Budgetary Reconciliation to GAAP Basis

The School District employs certain accounting principles for budgetary reporting purposes that differ from a GAAP basis. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis presents the actual results to provide a comparison with the budget. The major difference between the budgetary basis and GAAP basis is as follows:

Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities, but represent budgetary accounting controls. Governmental fund budgets are maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and commitments (encumbrances) for goods or services not received at year-end. Encumbrances are recorded to reserve a portion of fund balance in the governmental fund types for commitments for which no liability exists.

The following reconciles the general fund budgetary basis to the GAAP basis:

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$ 11,780,303
Adjustments:	
Basis difference:	
GASB Statement No. 54:	
Interest earnings related to the blended expendable trust funds	4,206
To remove transfer to the general fund from the expendable trust funds	(130,380)
Per Exhibit C-3 (GAAP Basis)	<u>\$ 11,654,129</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 12,069,421
Adjustments:	
Basis difference:	
Encumbrances, beginning	182,889
Encumbrances, ending	(190,344)
GASB Statement No. 54:	
To remove transfer from the general fund to the expendable trust funds	(55,000)
Expenditures of the blended expendable trust funds	16,510
Per Exhibit C-3 (GAAP basis)	<u>\$ 12,023,476</u>

2-C Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB), was implemented during fiscal year 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with OPEB benefits, including additional note disclosure and required supplementary information. In addition, GASB Statement No. 75 requires a state or local government employer to use the entry age normal actuarial cost method and requires deferred outflows of resources and deferred inflows of resources which arise from other types of events related to OPEB to be recognized. Beginning net position for governmental activities was restated to retroactively report the change in valuation of the beginning total OPEB liability, deferred outflows and inflows of resources as follows:

	Local OPEB	State OPEB	Total OPEB
Change in total OPEB liability under current standards, July 1	\$ (515,807)	\$ (899,591)	\$ (1,415,398)
Initial balance of deferred outflows of resources	-	107,670	107,670
Initial balance of deferred inflows of resources	(4,199)	-	(4,199)
Cumulative restatement related to GASB No. 75 implementation (see Note 14)	<u>\$ (520,006)</u>	<u>\$ (791,921)</u>	<u>\$ (1,311,927)</u>

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

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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 \$534,160 and the bank balances totaled \$609,700.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 481,286
Cash per Statement of Net Position - Fiduciary Funds (Exhibit E-1)	52,874
Total cash and cash equivalents	<u>\$ 534,160</u>

NOTE 4 – RECEIVABLES

Receivables at June 30, 2018, consisted of accounts and intergovernmental amounts arising from grants, school lunch program, restricted grants, and expendable trust funds held by the Trustees of Trust Funds for the School District. Receivables are recorded on the School District's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

NOTE 5 – CAPITAL ASSETS

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

	Balance, beginning (as restated)	Additions	Balance, ending
At cost:			
Not being depreciated:			
Land	\$ 1,004,900	\$ -	\$ 1,004,900
Being depreciated:			
Buildings and building improvements	14,921,240	102,762	15,024,002
Machinery and equipment	41,834	-	41,834
Total capital assets being depreciated	14,963,074	102,762	15,065,836
Total capital assets	15,967,974	102,762	16,070,736
Less accumulated depreciation:			
Buildings and building improvements	(5,121,966)	(420,819)	(5,542,785)
Machinery and equipment	(13,276)	(4,083)	(17,359)
Total accumulated depreciation	(5,135,242)	(424,902)	(5,560,144)
Net book value, capital assets being depreciated	9,827,832	(322,140)	9,505,692
Net book value, all capital assets	\$ 10,832,732	\$ (322,140)	\$ 10,510,592

Depreciation expense of \$424,902 was charged to the instruction function of the School District based on their usage of the related assets.

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
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NOTE 6 – INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances consisting of overdrafts in pooled cash and budgetary transfers at June 30, 2018 are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor	<u>\$ 57,983</u>

Interfund transfers during the year ended June 30, 2018 are as follows:

	Transfers In:
	Nonmajor
	Fund
Transfers out:	
General fund	<u>\$ 36,819</u>

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

NOTE 7 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows and inflows of resources of \$1,802,989 and \$500,301 respectively reported in the government wide activities at June 30, 2018 consist of deferred amounts related to pensions and OPEB, see Notes 9 and 10 for further information on deferred amounts.

Deferred inflows of resources of \$1,386 reported in the government wide activities at June 30, 2018 consist of grant revenue collected in advance of eligible expenditures being made.

NOTE 8 – LONG-TERM LIABILITIES

Changes in the School District's long-term liabilities consisted of the following for the year ended June 30, 2018:

	Balance July 1, 2017 (as restated)	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 8,600,000	\$ -	\$ (600,000)	\$ 8,000,000	\$ 615,000
Premium	540,570	-	(30,032)	510,538	30,032
Total bonds payable	9,140,570	-	(630,032)	8,510,538	645,032
Compensated absences	152,806	-	(29,347)	123,459	-
Net other postemployment benefits	1,613,963	35,595	(69,026)	1,580,532	-
Pension related liability	8,786,887	-	(729,099)	8,057,788	-
Total long-term liabilities	<u>\$ 19,694,226</u>	<u>\$ 35,595</u>	<u>\$ (1,457,504)</u>	<u>\$ 18,272,317</u>	<u>\$ 645,032</u>

Long-term bonds are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate	Outstanding at June 30, 2018
General obligation bonds payable:					
Middle/High school renovation	\$ 6,746,755	1999	2020	4.5 - 5.25%	640,000
Florence Rideout Elementary renovation	\$ 7,640,000	2014	2035	3.40%	7,360,000
					<u>\$ 8,000,000</u>

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

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The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2018, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 615,000	\$ 335,088	\$ 950,088
2020	630,000	302,860	932,860
2021	325,000	278,268	603,268
2022	340,000	261,310	601,310
2023	360,000	243,460	603,460
2024-2028	2,070,000	951,510	3,021,510
2029-2033	2,505,000	502,148	3,007,148
2034-2038	1,155,000	47,866	1,202,866
Totals	<u>\$ 8,000,000</u>	<u>\$ 2,922,510</u>	<u>\$ 10,922,510</u>

The bond premium will be amortized using the straight-line method over the life of the bond.

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

NOTE 9 – DEFINED BENEFIT PENSION PLAN

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

Benefits Provided – The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II. All assets are held in a single trust and available to pay retirement benefits to all members.

Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is 1/60 or 1.667% of average final compensation (AFC) multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at 1/66 or 1.515% of AFC multiplied by years of creditable service.

Group II members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have nonvested status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the member attains 52.5 years of age by $\frac{1}{4}$ of 1% or age 60.

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

Contributions – The System is financed by contributions from both the employees and the School District. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees are required to contribute 7% of earnable compensation. For fiscal year 2018, the School District contributed 15.70% for teachers and 11.08% for other employees. The contribution requirement for the fiscal year 2018 was \$733,951, which was paid in full.

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

– At June 30, 2018, the School District reported a liability of \$8,057,788 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2017, the School District's proportion was 0.16384302% which was a decrease of .0013987% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School District recognized pension expense of \$869,156. At June 30, 2018, 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	\$ 175,999	\$ 281,594
Net difference between projected and actual investment earnings on pension plan investments	-	102,620
Changes in assumptions	809,108	-
Differences between expected and actual experience	18,270	102,552
Contributions subsequent to the measurement date	733,951	-
Total	<u>\$ 1,737,328</u>	<u>\$ 486,766</u>

The \$733,951 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2019	\$ 162,738
2020	316,499
2021	185,209
2022	(147,835)
Thereafter	-
Totals	<u>\$ 516,611</u>

Actuarial Assumptions – The collective total pension liability was determined by an actuarial performed as of June 30, 2016, rolled forward to June 30, 2017, using the following assumptions:

Inflation:	2.5%
Salary increases:	5.6% average, including inflation
Investment rate of return:	7.25% net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

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

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
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Following is a table presenting target allocations and long-term rates of return for 2017:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return 2017
Large Cap Equities	22.50%	4.25%
Small/Mid Cap Equities	7.50%	4.50%
Total domestic equities	30.00%	
Int'l Equities (unhedged)	13.00%	4.50%
Emerging Int'l Equities	7.00%	6.25%
Total international equity	20.00%	
Core Bonds	5.00%	0.75%
Short Duration	2.00%	(0.25%)
Global Multi-Sector Fixed Income	11.00%	2.11%
Absolute Return Fixed Income	7.00%	1.26%
Total fixed income	25.00%	
Private equity	5.00%	6.25%
Private debt	5.00%	4.75%
Opportunistic	5.00%	2.84%
Total alternative investments	15.00%	
Real estate	10.00%	3.25%
Total	100.00%	

Discount Rate – The discount rate used to measure the collective total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan's actuarial funding policy as required by RSA 100-A:16. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Pension Plan investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.25% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

Actuarial Valuation Date	1% Decrease 6.25%	Current Single Rate Assumption 7.25%	1% Increase 8.25%
June 30, 2017	\$ 10,615,731	\$ 8,057,788	\$ 5,961,655

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

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

10-A New Hampshire Retirement System (NHRS)

Plan Description – The New Hampshire Retirement System (NHRS or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2017 Comprehensive Annual Financial Report, which can be found on the system's website at www.nhrs.org.

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT

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

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

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

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

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

Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2017, 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 2018, the School District contributed 1.66% for teachers and 0.30% for other employees. The contribution requirement for the fiscal year 2018 was \$65,661, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At June 30, 2018, the School District reported a liability of \$830,565 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability was based on a projection of the School District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2017, the School District's proportion was .18164982% which was a decrease of .0017573% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School District recognized OPEB expense of \$47,333. At June 30, 2018, 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	\$ -	\$ 6,075
Net difference between projected and actual investment earnings on OPEB plan investments	-	2,621
Contributions subsequent to the measurement date	65,661	-
Total	<u>\$ 65,661</u>	<u>\$ 8,696</u>

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT

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The \$65,661 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2019	\$ (6,730)
2020	(655)
2021	(655)
2022	(656)
Thereafter	-
Totals	<u>\$ (8,696)</u>

Actuarial Assumptions – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2016 and a measurement date of June 30, 2017. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

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

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

Long-term Rates of Return – The long-term expected rate of return on OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2017:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return 2017
Large Cap Equities	22.50%	4.25%
Small/Mid Cap Equities	7.50%	4.50%
Total domestic equities	30.00%	
Int'l Equities (unhedged)	13.00%	4.50%
Emerging Int'l Equities	7.00%	6.25%
Total international equity	20.00%	
Core Bonds	5.00%	0.75%
Short Duration	2.00%	(0.25%)
Global Multi-Sector Fixed Income	11.00%	2.11%
Absolute Return Fixed Income	7.00%	1.26%
Total fixed income	25.00%	
Private equity	5.00%	6.25%
Private debt	5.00%	4.75%
Opportunistic	5.00%	2.84%
Total alternative investments	15.00%	
Real estate	10.00%	3.25%
Total	100.00%	

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Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2017 was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

Sensitivity of the School District’s Proportionate Share of the OPEB Liability to Changes in the Discount Rate – The following table presents the School District’s proportionate share of the OPEB liability calculated using the discount rate of 7.25% as well as what the School District’s proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

Actuarial Valuation Date	1% Decrease 6.25%	Current Single Rate Assumption 7.25%	1% Increase 8.25%
June 30, 2017	\$ 903,901	\$ 830,565	\$ 767,024

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

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

10-B Retiree Health Benefit Program

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

Benefits Provided – The School District provides postemployment healthcare benefits for certain eligible retirees. The School District provides medical benefits to its eligible retirees.

Employees Covered by Benefit Terms – At July 1, 2016 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Active employees	53
Total participants covered by OPEB plan	56

Total OPEB Liability – The School District’s total OPEB liability of \$749,967 was measured as of July 1, 2017 and was determined by an actuarial valuation of that date.

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
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JUNE 30, 2018

Actuarial Assumptions and Other Inputs – The total OPEB liability of \$749,967 in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	2.85%
Healthcare Cost Trend Rates:	
Current Year Trend	9.50%
Second Year Trend	9.00%
Decrement	0.50%
Ultimate Trend	5.00%
Year Ultimate Trend is Reached	2027
Salary Increases:	3.00%

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of July 1, 2016.

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

Changes in the Total OPEB Liability

	June 30, 2017	June 30, 2018
Total OPEB liability beginning of year, as restated	\$ 679,476	\$ 714,372
Changes for the year:		
Service cost	58,161	59,907
Interest	18,825	19,751
Changes in benefit terms	-	-
Assumption changes and difference between actual and expected experience	(4,199)	(1,363)
Benefit payments	(37,891)	(42,700)
Total OPEB liability end of year	<u>\$ 714,372</u>	<u>\$ 749,967</u>

Sensitivity of the School District's OPEB Liability to Changes in the Discount Rate – The July 1, 2017 actuarial valuation was prepared using a discount rate of 2.85%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$697,521 or by 6.99%. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$804,717 or by 7.30%.

	Discount Rate		
	1% Decrease	Baseline 2.85%	1% Increase
Total OPEB Liability	<u>\$ 804,717</u>	<u>\$ 749,967</u>	<u>\$ 697,521</u>

Sensitivity of the School District's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The July 1, 2017 actuarial valuation was prepared using an initial trend rate of 9.50%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$856,384 or by 14.19%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$660,278 or by 11.96%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 9.50%	1% Increase
Total OPEB Liability	<u>\$ 660,278</u>	<u>\$ 749,967</u>	<u>\$ 856,384</u>

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2018**

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2018, the School District recognized OPEB expense of \$78,935. At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Differences between expected and actual experience	<u>\$ 4,839</u>

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

Fiscal Year Ending June 30,	
2019	\$ (723)
2020	(723)
2021	(723)
2022	(723)
Thereafter	<u>(1,947)</u>
Totals	<u>\$ (4,839)</u>

NOTE 11 –ENCUMBRANCES

Encumbrances outstanding at June 30, 2018 are as follows:

Current:	
Instruction:	
Regular programs	\$ 2,269
Special programs	910
Vocational programs	2,647
Other	<u>2,505</u>
Total instruction	<u>8,331</u>
Support services:	
Student	3,340
Instructional staff	5,288
General administration	2,333
Executive administration	2,474
Business	2,696
Operation and maintenance of plant	26,029
Transportation	<u>9,473</u>
Total support services	<u>51,633</u>
Facilities acquisition and construction	<u>130,380</u>
Total encumbrances	<u>\$ 190,344</u>

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

NOTE 12 – GOVERNMENTAL ACTIVITIES NET POSITION

Governmental activities net position reported on the government-wide Statement of Net Position at June 30, 2018 include the following:

Net investment in capital assets:	
Net book value of all capital assets	\$ 10,510,592
Less:	
General obligation bonds payable	(8,000,000)
Unamortized bond premiums	(510,538)
Total net investment in capital assets	2,000,054
Unrestricted	(7,955,267)
Total net position	<u>\$ (5,955,213)</u>

None of the net position is restricted by enabling legislation.

NOTE 13 – GOVERNMENTAL FUND BALANCES

Governmental fund balances at June 30, 2018 consist of the following:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Prepaid items	\$ 16,538	\$ -	\$ 16,538
Inventory	-	10,445	10,445
Total nonspendable fund balance	<u>16,538</u>	<u>10,445</u>	<u>26,983</u>
Committed:			
Expendable trust	<u>300,535</u>	-	<u>300,535</u>
Assigned:			
Encumbrances	<u>190,344</u>	-	<u>190,344</u>
Unassigned (deficit)	<u>128,036</u>	<u>(10,445)</u>	<u>117,591</u>
Total governmental fund balances	<u>\$ 635,453</u>	<u>\$ -</u>	<u>\$ 635,453</u>

NOTE 14 – PRIOR PERIOD ADJUSTMENTS

Net position at July 1, 2017 was restated for the following:

	Government-wide Statements
To restate for the cumulative changes related to implementation of GASB No. 75, see Note 2-C	\$ (1,311,927)
To restate for capital asset and accumulated depreciation for asset not previously recorded	115,615
Net position, as previously reported	<u>(4,588,517)</u>
Net position, as restated	<u>\$ (5,784,829)</u>

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 2018, 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, 2017 to June 30, 2018 by Primex³, which retained \$1,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

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. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

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

NOTE 16 – CONTINGENT LIABILITIES

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

NOTE 17 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through January 25, 2019, the date the June 30, 2018 financial statements were available to be issued, and no events occurred that require recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT F
WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2018

	2014	2015	June 30, 2016	2017	2018
School District's proportion of the net pension liability	0.16%	0.18%	0.17%	0.17%	0.16%
School District's proportionate share of the net pension liability	\$ 6,940,727	\$ 6,588,858	\$ 6,789,230	\$ 8,786,887	\$ 8,057,788
School District's covered payroll	\$ 4,490,767	\$ 4,907,574	\$ 4,844,446	\$ 4,892,173	\$ 4,892,173
School District's proportionate share of the net pension liability as a percentage of its covered payroll	154.56%	134.26%	140.14%	179.61%	164.71%
Plan fiduciary net position as a percentage of the total pension liability	66.32%	59.81%	65.47%	58.30%	62.66%

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

EXHIBIT G
WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Schedule of School District Contributions - Pensions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2018

	June 30,				
	2014	2015	2016	2017	2018
Contractually required contribution	\$ 401,004	\$ 569,476	\$ 574,957	\$ 591,696	\$ 600,228
Contributions in relation to the contractually required contributions	401,004	569,476	574,957	591,696	600,228
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 4,490,767	\$ 4,907,574	\$ 4,844,446	\$ 4,892,173	\$ 4,892,173
Contributions as a percentage of covered payroll	8.93%	11.60%	11.87%	12.09%	12.27%

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

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

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, 2018. 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.

Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year 2017:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	22 years beginning July 1, 2017 (30 years beginning July 1, 2009)
Asset Valuation Method	5-year smooth market for funding purposes
Price Inflation	2.5% per year
Wage Inflation	3.25% per year
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	3.56% per year
Investment Rate of Return	7.25% 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	RP-2014 Employee generational mortality table for males and females, adjusted for mortality improvements using Scale MP -2015, based in the last experience study.

Other Information:

Notes	Contribution rates for Fiscal Year 2017 were determined based on the benefit changes adopted under House Bill No. 2 as amended by 011-2513-CofC.
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EXHIBIT H
WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of the Net Other Postemployment Benefits Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2018

	June 30,	
	2017	2018
School District's proportion of the net OPEB liability	0.19%	0.18%
School District's proportionate share of the net OPEB liability	\$ 899,591	\$ 830,565
School District's covered payroll	\$ 4,892,173	\$ 4,892,173
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	18.39%	16.98%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%

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

EXHIBIT I
WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Schedule of School District Contributions - Other Postemployment Benefits
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2018

	June 30,	
	2017	2018
Contractually required contribution	\$ 107,976	\$ 107,664
Contributions in relation to the contractually required contribution	107,976	107,664
Contribution deficiency	\$ -	\$ -
School District's covered payroll	\$ 4,892,173	\$ 4,892,173
Contributions as a percentage of covered payroll	2.21%	2.20%

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

EXHIBIT J
WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Schedule of Changes in the School District's Total Other Postemployment Benefits Liability and Related Ratios
For the Fiscal Year Ended June 30, 2018

	June 30,	
	2017	2018
OPEB liability, beginning of year	\$ 679,476	\$ 714,372
Changes for the year:		
Service cost	58,161	59,907
Interest	18,825	19,751
Changes to benefit terms	-	-
Assumption changes and difference between actual and expected experience	(4,199)	(1,363)
Benefit payments	(37,891)	(42,700)
OPEB liability, end of year	<u>\$ 714,372</u>	<u>\$ 749,967</u>
Covered payroll	<u>\$ 4,952,311</u>	<u>\$ 5,105,475</u>
Total OPEB liability as a percentage of covered payroll	14.43%	14.69%

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

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFITS LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

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, 2018. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

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

Methods and Assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	Not applicable under statutory funding
Asset Valuation Method	5-year smooth market: 20% corridor
Price Inflation	2.5% per year
Wage Inflation	3.25% per year
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	3.56% per year
Investment Rate of Return	7.25% per year, net of OPEB plan investment expense, including inflation for determining solvency contributions
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	RP-2014 Healthy Annuitant and Employee generational mortality tables for males and females with credibility adjustments, adjusted for fully generational mortality improvements using Scale MP-2015, based on the last experience study.

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

As required by GASB Statement No. 75, Exhibit J represents the actuarial determined costs associated with the School District's other postemployment benefits at June 30, 2018. 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
WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 8,674,081	\$ 8,674,081	\$ -
Other local sources:			
Tuition	52,650	41,574	(11,076)
Investment earnings	5,000	-	(5,000)
Rentals	-	985	985
Miscellaneous	29,320	26,316	(3,004)
Total from other local sources	86,970	68,875	(18,095)
State sources:			
Adequacy aid (grant)	1,346,688	1,346,178	(510)
Adequacy aid (tax)	1,219,640	1,219,640	-
School building aid	128,000	128,000	-
Catastrophic aid	142,163	141,067	(1,096)
Vocational aid	3,000	2,327	(673)
Other state aid	1,000	7,664	6,664
Total from state sources	2,840,491	2,844,876	4,385
Federal sources:			
Medicaid	80,000	62,091	(17,909)
Other financing sources:			
Transfers in	-	130,380	130,380
Total revenues and other financing sources	11,681,542	\$ 11,780,303	\$ 98,761
Use of fund balance to reduce school district assessment	405,431		
Total revenues, other financing sources, and use of fund balance	\$ 12,086,973		

SCHEDULE 2
WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
Instruction:					
Regular programs	\$ 5,301	\$ 4,431,978	\$ 4,393,437	\$ 2,269	\$ 41,573
Special programs	6,215	1,583,325	1,441,440	910	147,190
Vocational programs	1,494	20,900	3,848	2,647	15,899
Other	4,585	224,579	173,933	2,505	52,726
Total instruction	17,595	6,260,782	6,012,658	8,331	257,388
Support services:					
Student	3,349	1,361,864	1,395,217	3,340	(33,344)
Instructional staff	1,814	284,867	332,580	5,288	(51,187)
General administration	-	22,855	14,531	2,333	5,991
Executive administration	920	432,611	447,542	2,474	(16,485)
School administration	6,056	774,205	813,053	-	(32,792)
Business	91	305,132	315,160	2,696	(12,633)
Operation and maintenance of plant	47,885	875,088	956,464	26,029	(59,520)
Student transportation	2,417	466,226	393,862	9,473	65,308
Other	-	281,792	219,768	-	62,024
Total support services	62,532	4,804,640	4,888,177	51,633	(72,638)
Debt service:					
Principal of long-term debt	-	600,000	600,000	-	-
Interest on long-term debt	-	366,550	366,550	-	-
Total debt service	-	966,550	966,550	-	-
Facilities acquisition and construction	102,762	1	102,762	130,380	(130,379)
Other financing uses:					
Transfers out	-	55,000	91,819	-	(36,819)
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 182,889	\$ 12,086,973	\$ 12,061,966	\$ 190,344	\$ 17,552

SCHEDULE 3
WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Major General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

Unassigned fund balance, beginning		\$ 433,692
Changes:		
Unassigned fund balance used to reduce school district assessment		(405,431)
2017-2018 Budget summary:		
Revenue surplus (Schedule 1)	\$ 98,761	
Unexpended balance of appropriations (Schedule 2)	<u>17,552</u>	
2017-2018 Budget surplus		116,313
Increase in nonspendable fund balance		<u>(16,538)</u>
Unassigned fund balance, ending		<u><u>\$ 128,036</u></u>

SCHEDULE 4
WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2018

	<u>Special Revenue Funds</u>		
	<u>Grants</u>	<u>Food Service</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 15,304	\$ 15,304
Accounts receivables	-	8,513	8,513
Intergovernmental receivables	22,604	5,167	27,771
Inventory	-	7,609	7,609
Prepaid items	-	2,836	2,836
Total assets	<u>\$ 22,604</u>	<u>\$ 39,429</u>	<u>\$ 62,033</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 2,664	\$ 2,664
Interfund payable	21,218	36,765	57,983
Total liabilities	<u>21,218</u>	<u>39,429</u>	<u>60,647</u>
Deferred inflows of resources:			
Unavailable revenue - Grants	<u>1,386</u>	<u>-</u>	<u>1,386</u>
Fund balances (deficit):			
Nonspendable	-	10,445	10,445
Unassigned (deficit)	-	(10,445)	(10,445)
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 22,604</u>	<u>\$ 39,429</u>	<u>\$ 62,033</u>

SCHEDULE 5
WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2018

	Special Revenue Funds		
	Grants	Food Service	Total
Revenues:			
Local	\$ 2,084	\$ 104,150	\$ 106,234
State	-	2,806	2,806
Federal	301,093	83,515	384,608
Total revenues	<u>303,177</u>	<u>190,471</u>	<u>493,648</u>
Expenditures:			
Current:			
Instruction	115,882	-	115,882
Support services:			
Student	134,905	-	134,905
Instructional staff	52,390	-	52,390
Noninstructional services	-	227,868	227,868
Total expenditures	<u>303,177</u>	<u>227,868</u>	<u>531,045</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>(37,397)</u>	<u>(37,397)</u>
Other financing sources:			
Transfers in	<u>-</u>	<u>36,819</u>	<u>36,819</u>
Net change in fund balances	-	(578)	(578)
Fund balances, beginning	<u>-</u>	<u>578</u>	<u>578</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE 6
WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
Student Activities Funds
Combining Schedule of Changes in Student Activities Funds
For the Fiscal Year Ended June 30, 2018

	Balance, beginning	Additions	Deductions	Balance, ending
Schools:				
Middle/High School	\$ 52,161	\$ 65,347	\$ 71,356	\$ 46,152
Lyndeborough Central	371	1,117	1,061	427
Florence Rideout	5,051	16,459	15,215	6,295
Totals	<u>\$ 57,583</u>	<u>\$ 82,923</u>	<u>\$ 87,632</u>	<u>\$ 52,874</u>