

**WILTON-LYNDEBOROUGH  
COOPERATIVE SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019**

**WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

**AS OF AND FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2019**

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## **PLODZIK & SANDERSON**

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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, each major fund, and aggregate remaining fund information of the Wilton-Lyndeborough Cooperative School District as of and for the year ended June 30, 2019, 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, each major fund, and aggregate remaining fund information of the Wilton-Lyndeborough Cooperative School District, as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the general fund and food service fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Other Matters***

**Management's Discussion and Analysis** – Management has omitted a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by the missing information.

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

**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:

- 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 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.

December 17, 2019

*Plodzik & Sanderson  
Professional Association*

## ***BASIC FINANCIAL STATEMENTS***

**EXHIBIT A**  
**WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT**  
*Statement of Net Position*  
*June 30, 2019*

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 214,020
Other receivables	18,021
Intergovernmental receivable	245,963
Inventory	4,840
Prepaid items	5,747
Capital assets, not being depreciated	1,004,900
Capital assets, net of accumulated depreciation	9,213,447
Total assets	<u>10,706,938</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Amounts related to pensions	1,823,810
Amounts related to other postemployment benefits	142,760
Total deferred outflows of resources	<u>1,966,570</u>
<b>LIABILITIES</b>	
Accounts payable	74,596
Accrued salaries and benefits	36,425
Intergovernmental payable	199,334
Accrued interest payable	119,687
Noncurrent obligations:	
Due within one year	684,671
Due in more than one year	17,178,933
Total liabilities	<u>18,293,646</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Amounts related to pensions	447,115
Amounts related to other postemployment benefits	65,469
Total deferred inflows of resources	<u>512,584</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,352,835
Unrestricted	(8,485,557)
Total net position	<u>\$ (6,132,722)</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, 2019*

		Program Revenues		Net (Expense)
		Charges	Operating	Revenue and
		for	Grants and	Change in
	Expenses	Services	Contributions	Net Position
Governmental activities:				
Instruction	\$ 6,930,313	\$ 10,500	\$ 397,815	\$ (6,521,998)
Support services:				
Student	1,732,006	-	124,170	(1,607,836)
Instructional staff	379,880	-	79,726	(300,154)
General administration	30,926	-	-	(30,926)
Executive administration	442,294	-	-	(442,294)
School administration	766,759	-	-	(766,759)
Business	277,733	-	-	(277,733)
Operation and maintenance of plant	795,523	2,690	-	(792,833)
Student transportation	436,032	-	8,487	(427,545)
Other	192,909	-	-	(192,909)
Noninstructional services	252,395	121,949	82,189	(48,257)
Interest on long-term debt	293,120	-	-	(293,120)
Facilities acquisition and construction	130,380	-	-	(130,380)
Total governmental activities	<u>\$ 12,660,270</u>	<u>\$ 135,139</u>	<u>\$ 692,387</u>	<u>(11,832,744)</u>
General revenues:				
School district assessment				9,086,751
Grants and contributions not restricted to specific programs				2,539,052
Miscellaneous				29,432
Total general revenues				<u>11,655,235</u>
Change in net position				(177,509)
Net position, beginning				(5,955,213)
Net position, ending				<u>\$ (6,132,722)</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, 2019*

	General	Food Service	Other Governmental Fund (Grants)	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 197,288	\$ 16,732	\$ -	\$ 214,020
Accounts receivables	3,125	14,896	-	18,021
Intergovernmental receivables	218,464	3,835	23,664	245,963
Interfund receivables	57,530	-	-	57,530
Inventory	-	4,840	-	4,840
Prepaid items	5,252	495	-	5,747
Total assets	<u>\$ 481,659</u>	<u>\$ 40,798</u>	<u>\$ 23,664</u>	<u>\$ 546,121</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 68,191	\$ 4,856	\$ 1,549	\$ 74,596
Accrued salaries and benefits	35,898	227	300	36,425
Intergovernmental payable	199,334	-	-	199,334
Interfund payable	-	35,715	21,815	57,530
Total liabilities	<u>303,423</u>	<u>40,798</u>	<u>23,664</u>	<u>367,885</u>
<b>FUND BALANCES (DEFICIT)</b>				
Nonspendable	5,252	4,840	-	10,092
Committed	173,877	-	-	173,877
Unassigned (deficit)	(893)	(4,840)	-	(5,733)
Total fund balances	<u>178,236</u>	<u>-</u>	<u>-</u>	<u>178,236</u>
Total liabilities and fund balances	<u>\$ 481,659</u>	<u>\$ 40,798</u>	<u>\$ 23,664</u>	<u>\$ 546,121</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, 2019**

Total fund balances of governmental funds (Exhibit C-1)		\$ 178,236
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	\$ 16,201,116	
Less accumulated depreciation	<u>(5,982,769)</u>	
		10,218,347
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	\$ 1,823,810	
Deferred inflows of resources related to pensions	(447,115)	
Deferred outflows of resources related to OPEB	142,760	
Deferred inflows of resources related to OPEB	<u>(65,469)</u>	
		1,453,986
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (57,530)	
Payables	<u>57,530</u>	
		-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(119,687)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bonds	\$ 7,385,000	
Unamortized bond premium	480,512	
Compensated absences	125,859	
Net pension liability	8,344,817	
Other postemployment benefits	<u>1,527,416</u>	
		(17,863,604)
Net position of governmental activities (Exhibit A)		<u><u>\$ (6,132,722)</u></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, 2019**

	General	Food Service	Other Governmental Fund (Grants)	Total Governmental Funds
<b>REVENUES</b>				
School district assessment	\$ 9,086,751	\$ -	\$ -	\$ 9,086,751
Other local	42,622	114,491	1,099	158,212
State	2,729,579	2,556	-	2,732,135
Federal	101,316	87,091	317,256	505,663
Total revenues	11,960,268	204,138	318,355	12,482,761
<b>EXPENDITURES</b>				
Current:				
Instruction	6,323,471	-	110,199	6,433,670
Support services:				
Student	1,604,238	-	124,170	1,728,408
Instructional staff	299,387	-	79,726	379,113
General administration	30,914	-	-	30,914
Executive administration	434,541	-	-	434,541
School administration	761,032	-	-	761,032
Business	277,076	-	-	277,076
Operation and maintenance of plant	930,245	-	-	930,245
Student transportation	431,772	-	4,260	436,032
Other	196,084	-	-	196,084
Noninstructional services	-	252,395	-	252,395
Debt service:				
Principal	615,000	-	-	615,000
Interest	335,088	-	-	335,088
Facilities acquisition and construction	130,380	-	-	130,380
Total expenditures	12,369,228	252,395	318,355	12,939,978
Deficiency of revenues under expenditures	(408,960)	(48,257)	-	(457,217)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	48,257	-	48,257
Transfers out	(48,257)	-	-	(48,257)
Total other financing sources (uses)	(48,257)	48,257	-	-
Net change in fund balances	(457,217)	-	-	(457,217)
Fund balances, beginning	635,453	-	-	635,453
Fund balances, ending	\$ 178,236	\$ -	\$ -	\$ 178,236

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, 2019*

Net change in fund balances of total governmental funds (Exhibit C-3)		\$ (457,217)
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	\$ 130,380	
Depreciation expense	<u>(422,625)</u>	
		(292,245)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ 48,257	
Transfers out	<u>(48,257)</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	\$ 615,000	
Amortization of bond premium	<u>30,026</u>	
		645,026
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	\$ 11,942	
Increase in compensated absences payable	(2,400)	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	(160,896)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>78,281</u>	
		(73,073)
Change in net position of governmental activities (Exhibit B)		<u>\$ (177,509)</u>

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

**EXHIBIT D-1**  
**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, 2019**

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
School district assessment	\$ 9,086,751	\$ 9,086,751	\$ 9,086,751	\$ -
Other local	35,532	35,532	36,468	936
State	2,723,237	2,723,237	2,729,579	6,342
Federal	65,000	65,000	101,316	36,316
Total revenues	11,910,520	11,910,520	11,954,114	43,594
<b>EXPENDITURES</b>				
Current:				
Instruction	6,116,764	6,285,187	6,315,140	(29,953)
Support services:				
Student	1,384,594	1,390,572	1,600,898	(210,326)
Instructional staff	368,782	372,451	294,099	78,352
General administration	15,608	15,285	28,581	(13,296)
Executive administration	446,556	446,879	432,067	14,812
School administration	786,651	786,651	761,032	25,619
Business	269,443	269,443	274,380	(4,937)
Operation and maintenance of plant	887,220	887,099	904,216	(17,117)
Student transportation	497,221	527,697	422,299	105,398
Other	272,425	256,812	196,084	60,728
Debt service:				
Principal	615,000	615,000	615,000	-
Interest	335,088	335,088	335,088	-
Facilities acquisition and construction	1	1	-	1
Total expenditures	11,995,353	12,188,165	12,178,884	9,281
Excess (deficiency) of revenues over (under) expenditures	(84,833)	(277,645)	(224,770)	52,875
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	192,812	192,812	-
Transfers out	(60,000)	(60,000)	(108,257)	(48,257)
Total other financing sources (uses)	(60,000)	132,812	84,555	(48,257)
Net change in fund balance	\$ (144,833)	\$ (144,833)	(140,215)	\$ 4,618
Decrease in nonspendable fund balance			11,286	
Unassigned fund balance, beginning			128,036	
Unassigned fund balance, ending			\$ (893)	

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

**EXHIBIT D-2**  
**WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual (GAAP Basis)*  
**Food Service Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Local:			
Sales	\$ 120,000	\$ 114,491	\$ (5,509)
State:			
Lunch reimbursement	5,000	2,556	(2,444)
Federal:			
Lunch reimbursement	90,000	87,091	(2,909)
Total revenues	<u>215,000</u>	<u>204,138</u>	<u>(10,862)</u>
<b>EXPENDITURES</b>			
Current:			
Noninstructional services	<u>215,000</u>	<u>252,395</u>	<u>(37,395)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(48,257)</u>	<u>(48,257)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>-</u>	<u>48,257</u>	<u>48,257</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u><u>\$ -</u></u>	

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

**EXHIBIT E**  
**WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Net Position**  
**June 30, 2019**

	<u>Agency</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 47,993</u>
<b>LIABILITIES</b>	
Due to student groups	<u>\$ 47,993</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, 2019**

	<b><u>NOTE</u></b>
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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, 2019**

#### **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.

##### ***1-A Reporting Entity***

The Wilton-Lyndeborough Cooperative 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 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 the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

# **WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

### **AS OF AND FOR THE FISCAL YEAR ENDED**

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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 and claims and judgments, are recorded only when payment is due.

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

The School District reports the following major governmental funds:

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

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

**Nonmajor Funds** – The School District also reports one nonmajor governmental fund, the grants fund.

**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***

Inventories are valued at cost (first-in, first-out) which approximates market. The School District’s inventories of the food service fund include materials and supplies held for subsequent use. Inventorial items are recorded as expenditures when consumed at the schools (the consumption method). The nonspendable fund balance at the governmental fund level is equal to the amount of inventories at year-end to indicate the portion of the governmental fund balance that is nonspendable.

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#### **1-G Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and expensed as the items are used.

#### **1-H Capital Assets**

Capital assets are reported in the governmental activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation, if received on or before June 15, 2015. Donated capital assets received after June 15, 2015 are recorded at acquisition value. The School District has established a threshold of \$10,000 or more and an estimated useful life in excess of five years for capitalization of depreciable assets.

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

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

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

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

<b>Capital Asset Class:</b>	<b>Years</b>
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, 2019.

#### **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**

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***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.

***1-M Compensated Absences***

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

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

***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**

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**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.

**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 and food service funds, as well as the nonmajor grants 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 2019, \$144,833 of the beginning general fund unassigned fund balance was applied for this purpose.

**WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**2-B Budgetary Reconciliation to GAAP Basis**

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

Revenues and other financing sources:	
Per Exhibit D-1 (budgetary basis)	\$ 12,146,926
Adjustments:	
Basis difference:	
GASB Statement No. 54:	
Interest earnings related to the blended expendable trust funds	6,154
To remove transfer from the blended expendable trust funds to the general fund	(192,812)
Per Exhibit C-3 (GAAP Basis)	<u>\$ 11,960,268</u>
Expenditures and other financing uses:	
Per Exhibit D-1 (budgetary basis)	\$ 12,287,141
Adjustments:	
Basis difference:	
Encumbrances, beginning	190,344
GASB Statement No. 54:	
To remove transfer from the general fund to the blended expendable trust funds	(60,000)
Per Exhibit C-3 (GAAP basis)	<u>\$ 12,417,485</u>

**2-C Excess of Expenditures over Appropriations**

The general fund had an excess of expenditures over appropriations for the year ended June 30, 2019 in the amount of \$38,976. Over expenditures are the result of the general fund transferring funds to cover the food service fund's deficit.

**2-D Deficit Fund Balance**

The general fund had a fund balance deficit of \$893 at June 30, 2019. This deficit is a result of overdrafts of appropriations. The School District plans to cover this deficit in 2019-20 through future cash receipts. The food service fund also had a deficit fund balance which as noted above, was eliminated with a transfer of funds from the general fund.

**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 \$262,013 and the bank balances totaled \$423,417. Petty cash totaled \$164.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 214,020
Cash per Statement of Net Position - Fiduciary Funds (Exhibit E)	47,993
Total cash and cash equivalents	<u>\$ 262,013</u>

**WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**JUNE 30, 2019**

**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2019, consisted of accounts and intergovernmental amounts arising from grants, school lunch program, and expendable trust funds held by the Town of Wilton 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	Additions	Balance, ending
At cost:			
Not being depreciated:			
Land	\$ 1,004,900	\$ -	\$ 1,004,900
Being depreciated:			
Buildings and building improvements	15,024,002	130,380	15,154,382
Machinery and equipment	41,834	-	41,834
Total capital assets being depreciated	15,065,836	130,380	15,196,216
Total capital assets	16,070,736	130,380	16,201,116
Less accumulated depreciation:			
Buildings and building improvements	(5,542,785)	(418,540)	(5,961,325)
Machinery and equipment	(17,359)	(4,085)	(21,444)
Total accumulated depreciation	(5,560,144)	(422,625)	(5,982,769)
Net book value, capital assets being depreciated	9,505,692	(292,245)	9,213,447
Net book value, all capital assets	\$ 10,510,592	\$ (292,245)	\$ 10,218,347

Depreciation expense of \$422,625 was charged to the instruction function of the School District based on their usage of the related assets.

**NOTE 6 – INTERFUND BALANCES AND TRANSFERS**

Interfund receivable and payable balances at June 30, 2019 are as follows:

Receivable Fund	Payable Fund	Amount
General	Food Service	\$ 35,715
	Nonmajor	21,815
		<u>\$ 57,530</u>

Interfund transfers during the year ended June 30, 2019 are as follows:

	Transfers In:
	Food
	Service
Transfers out:	
General fund	<u>\$ 48,257</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.

**WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**AS OF AND FOR THE FISCAL YEAR ENDED  
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**NOTE 7 – INTERGOVERNMENTAL PAYABLES**

Amounts due to other governments of \$199,334 at June 30, 2019 consist of amounts owed to the New Hampshire Retirement system for June retirement contribution.

**NOTE 8 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

Deferred outflows of resources at June 30, 2019 consist of amounts related to pensions totaling \$1,823,810 and amounts related to OPEB totaling \$142,760. For further discussion on these amounts, see Notes 10 and 11, respectively.

Deferred inflows of resources at June 30, 2019 consist of the following:

	Governmental Activities
Amounts related to pensions, see Note 10	\$ 447,115
Amounts related to OPEB, see Note 11	65,469
Total deferred inflows of resources	<u>\$ 512,584</u>

**NOTE 9 – LONG-TERM LIABILITIES**

Changes in the School District's long-term liabilities consisted of the following for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 8,000,000	\$ -	\$(615,000)	\$ 7,385,000	\$ 630,000
Premium	510,538	-	(30,026)	480,512	30,032
Total bonds payable	<u>8,510,538</u>	<u>-</u>	<u>\$(645,026)</u>	<u>7,865,512</u>	<u>660,032</u>
Compensated absences	123,459	2,400	-	125,859	24,639
Pension related liability	8,057,788	287,029	-	8,344,817	-
Net other postemployment benefits	1,580,532	102,382	(155,498)	1,527,416	-
Total long-term liabilities	<u>\$18,272,317</u>	<u>\$391,811</u>	<u>\$(800,524)</u>	<u>\$ 17,863,604</u>	<u>\$ 684,671</u>

Long-term bonds are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate	Outstanding at June 30, 2019
General obligation bonds payable:					
Middle/High school renovations	\$ 6,746,755	1999	2020	4.5-5.25%	\$ 320,000
Florence Rideout Elementary renovation	\$ 7,640,000	2014	2035	3.40%	7,065,000
					<u>\$ 7,385,000</u>

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	380,000	224,590	604,590
2025-2029	2,150,000	867,550	3,017,550
2030-2034	2,610,000	397,290	3,007,290
2035-2036	590,000	12,095	602,095
Totals	<u>\$7,385,000</u>	<u>\$2,587,423</u>	<u>\$9,972,423</u>

**WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT**

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

**NOTE 10 – DEFINED BENEFIT PENSION PLAN**

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

**Benefits Provided** – 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 2019, the School District contributed 15.70% for teachers and 11.08% for other employees. The contribution requirement for the fiscal year 2019 was \$773,964, which was paid in full.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions** – At June 30, 2019, the School District reported a liability of \$8,344,817 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the School District's proportion was 0.17330147% which was an increase of 0.00945845% from its proportion measured as of June 30, 2017.

**WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT**

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For the year ended June 30, 2019, the School District recognized pension expense of \$933,382. At June 30, 2019, 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	\$ 405,736	\$ 186,441
Net difference between projected and actual investment earnings on pension plan investments	-	193,106
Changes in assumptions	577,503	-
Differences between expected and actual experience	66,607	67,568
Contributions subsequent to the measurement date	773,964	-
Total	<u>\$ 1,823,810</u>	<u>\$ 447,115</u>

The \$773,964 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, 2020. 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	\$ 397,849
2020	261,679
2021	(94,026)
2022	37,229
2023-2027	-
Thereafter	-
Totals	<u>\$ 602,731</u>

**Actuarial Assumptions** – The collective total pension liability was determined by an actuarial performed as of June 30, 2017, rolled forward to June 30, 2018, using the following assumptions:

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 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, 2018 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.

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Following is a table presenting target allocations and long-term rates of return for 2018:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return
		2018
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%	6.00%
Total international equity	20.00%	
Core Bonds	4.50%	0.50%
Short Duration	2.50%	(0.25%)
Global Multi-Sector Fixed Income	11.00%	1.80%
Absolute Return Fixed Income	7.00%	1.14%
Total fixed income	25.00%	
Private equity	5.00%	6.25%
Private debt	5.00%	4.25%
Opportunistic	5.00%	2.15%
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, 2018	\$ 11,102,847	\$ 8,344,817	\$ 6,033,503

**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.

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**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**11-A New Hampshire Retirement System (NHRS)**

**Plan Description** – The New Hampshire Retirement System (NHRS or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2018 Comprehensive Annual Financial Report, which can be found on the system’s website at [www.nhrs.org](http://www.nhrs.org).

**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 2018, 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 2019, the School District contributed 1.66% for teachers and 0.30% for other employees. The contribution requirement for the fiscal year 2018 was \$69,812, which was paid in full.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – At June 30, 2019, the School District reported a liability of \$675,067 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, 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, 2018, the School District’s proportion was 0.14744429% which was a decrease of 0.03420553% from its proportion measured as of June 30, 2017.

**WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT**

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For the year ended June 30, 2019, the School District recognized OPEB expense of \$67,505. At June 30, 2019, 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	\$ -	\$ 33,287
Differences between expected and actual experience	3,962	2,145
Contributions subsequent to the measurement date	69,812	-
Total	<u>\$ 73,774</u>	<u>\$ 35,432</u>

The \$69,812 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, 2020. 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	\$ (29,994)
2020	(669)
2021	(669)
2022	(138)
2023-2027	-
Thereafter	-
Totals	<u>\$ (31,470)</u>

**Actuarial Assumptions** – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2017 and a measurement date of June 30, 2018. 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, 2018 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.

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Following is a table presenting target allocations and long-term rates of return for 2018:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return
		2018
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%	6.00%
Total international equity	20.00%	
Core Bonds	4.50%	0.50%
Short Duration	2.50%	(0.25%)
Global Multi-Sector Fixed Income	11.00%	1.80%
Absolute Return Fixed Income	7.00%	1.14%
Total fixed income	25.00%	
Private equity	5.00%	6.25%
Private debt	5.00%	4.75%
Opportunistic	5.00%	2.15%
Total alternative investments	15.00%	
Real estate	10.00%	3.25%
Total	100.00%	

**Discount Rate** – The discount rate used to measure the total OPEB liability as of June 30, 2018 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, 2018	\$ 702,613	\$ 675,067	\$ 597,907

**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.

**WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT**  
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**11-B Retiree Health Benefit Program**

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

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

**Employees Covered by Benefit Terms** – At July 1, 2018 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	13
Active employees	105
Total participants covered by OPEB plan	<u>118</u>

**Total OPEB Liability** – The School District's total OPEB liability of \$852,349 was measured as of July 1, 2018, and was determined by an actuarial valuation of that date.

**Actuarial Assumptions and Other Inputs** – The total OPEB liability of \$852,349 in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	3.50%
Healthcare Cost Trend Rates:	
Current Year Trend	5.12%
Second Year Trend	9.50%
Decrement	0.50%
Ultimate Trend	5.00%
Year Ultimate Trend is Reached	2029
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, 2018.

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	2018	2019
Total OPEB liability beginning of year	\$ 679,476	\$ 714,372	\$ 749,967
Changes for the year:			
Service cost	58,161	59,907	71,897
Interest	18,825	19,751	26,992
Assumption changes and difference between actual and expected experience	(4,199)	(1,363)	38,949
Benefit payments	(37,891)	(42,700)	(35,456)
Total OPEB liability end of year	<u>\$ 714,372</u>	<u>\$ 749,967</u>	<u>\$ 852,349</u>

**WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT**

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**Sensitivity of the School District's OPEB Liability to Changes in the Discount Rate** – The July 1, 2018 actuarial valuation was prepared using a discount rate of 3.50%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$797,302 or by 6.45%. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$905,005 or by 6.18%.

	Discount Rate		
	1% Decrease	Baseline 3.50%	1% Increase
Total OPEB Liability	\$ 905,005	\$ 852,349	\$ 797,302

**Sensitivity of the School District's OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The July 1, 2018 actuarial valuation was prepared using an initial trend rate of 5.12%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$961,460 or by 12.80%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$754,786 or by 11.45%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 5.12%	1% Increase
Total OPEB Liability	\$ 754,786	\$ 852,349	\$ 961,460

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – For the year ended June 30, 2019, the School District recognized OPEB expense of \$105,996. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ 30,037
Differences between expected and actual experience	68,986	-
Total	\$ 68,986	\$ 30,037

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	\$ 8,114
2020	8,114
2021	8,114
2022	8,114
2023-2027	6,493
Thereafter	-
Totals	\$ 38,949

**NOTE 12 – GOVERNMENTAL ACTIVITIES NET POSITION**

Governmental activities net position reported on the government-wide Statement of Net Position at June 30, 2019 include the following:

Net investment in capital assets:	
Net book value of all capital assets	\$ 10,218,347
Less:	
General obligation bonds payable	(7,385,000)
Unamortized bond premiums	(480,512)
Total net investment in capital assets	2,352,835
Unrestricted	(8,485,557)
Total net position	\$ (6,132,722)

None of the net position is restricted by enabling legislation.

**WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 13 – GOVERNMENTAL FUND BALANCES**

Governmental fund balances at June 30, 2019 consist of the following:

	General Fund	Food Service Fund	Total Governmental Funds
<b>Nonspendable:</b>			
Prepaid items	\$ 5,252	\$ -	\$ 5,252
Inventory	-	4,840	4,840
Total nonspendable fund balance	5,252	4,840	10,092
<b>Committed:</b>			
Expendable trust	173,877	-	173,877
<b>Unassigned (deficit)</b>	(893)	(4,840)	(5,733)
Total governmental fund balances	\$ 178,236	\$ -	\$ 178,236

**NOTE 14 – 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 2019, the School District was a member of the New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from July 1, 2018 to June 30, 2019 by Primex<sup>3</sup>, which retained \$2,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex<sup>3</sup> to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In fiscal year 2018-19 the School District paid \$25,977 and \$35,556, respectively, to Primex for workers' compensation and property/liability. At this time, Primex<sup>3</sup> 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 15 – CAFETERIA BENEFIT PLAN**

Effective July 1, 2017, the School District implemented a cafeteria benefit plan pursuant to Section 125 of the IRS code. Under this plan, eligible employees may direct a contribution, made by the School District, into any combination of the following benefit categories:

1. Premium Conversion Account;
2. Healthcare Reimbursement Account;
3. Health Savings Account; or
4. Dependent Care Spending Account

In addition to directing the School District's contribution to the above categories, eligible employees may elect to contribute pre-tax dollars to these categories. Under no circumstances may an employee direct more than \$2,600 annually into the Healthcare Reimbursement Account, and \$5,000 into the Dependent Care Spending Account. This cap applies to both School District contributions and employee pre-tax contributions. There are no limits on contributions to the Premium Conversion Account or Health Savings Account.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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All regular full-time and part-time employees employed on a regular and continuous basis, including certain contractual employees, are eligible to participate in this plan. Temporary and casual employees are not eligible. The plan year adopted by the School District begins on July 1, 2018 and ends on June 30, 2019. To obtain reimbursement of expenses incurred within a plan year within the spending accounts (items 2 and 3 above), employees must submit claims within ninety days of the end of the plan year or separation of service from the School District, whichever occurs first. Funds unclaimed after ninety days of the close of the plan year are then remitted to the School District.

**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 December 17, 2019, the date the June 30, 2019 financial statements were available to be issued, and the following is noted:

- November 2019, management projected a budget overage of approximately \$300,000 in the Fiscal year 2019-20 budget, which was the result of salary and benefit increases from hiring that occurred subsequent to the March 2019 annual meeting in which the budget was approved. To respond to the projected budget overage the School District held a public hearing to authorize the use of \$184,811, which the School District was to receive from the State's additional adequacy aid grant as a result of the State of New Hampshire's two-year budget passing. The intent of the funds were intended to lower the property tax rates; however, this public hearing's ballot vote approved the use of these funds to assist the School District in funding the projected budget overage. In addition to this amount of State funding, the School District will cut spending in those areas deemed to be nonessential.

***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, 2019*

	June 30,					
	2014	2015	2016	2017	2018	2019
School District's:						
Proportion of the net pension liability	0.16%	0.18%	0.17%	0.17%	0.16%	0.17%
Proportionate share of the net pension liability	\$ 6,940,727	\$ 6,588,858	\$ 6,789,230	\$ 8,786,887	\$ 8,057,788	\$ 8,344,817
Covered payroll	\$ 4,490,767	\$ 4,907,574	\$ 4,946,510	\$ 4,844,446	\$ 4,892,173	\$ 5,078,065
Proportionate share of the net pension liability as a percentage of its covered payroll	154.56%	134.26%	137.25%	181.38%	164.71%	164.33%
Plan fiduciary net position as a percentage of the total pension liability	66.32%	59.81%	65.47%	58.30%	62.66%	64.73%

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, 2019*

	June 30,					
	2014	2015	2016	2017	2018	2019
Contractually required contribution	\$ 401,004	\$ 569,476	\$ 574,957	\$ 591,696	\$ 600,228	\$ 732,472
Contributions in relation to the contractually required contributions	401,004	569,476	574,957	591,696	600,228	732,472
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$4,490,767	\$4,907,574	\$4,946,510	\$4,844,446	\$4,892,173	\$5,078,065
Contributions as a percentage of covered payroll	8.93%	11.60%	11.62%	12.21%	12.27%	14.42%

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, 2019**

***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, 2019. 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 2018:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	22 years beginning July 1, 2018 (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	3.62% 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	The roll-forward of total pension liability from June 30, 2017 to June 30, 2018 reflects expected service cost and interest reduced by actual benefit payments.
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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, 2019*

	June 30,		
	2017	2018	2019
School District's proportion of the net OPEB liability	0.19%	0.18%	0.15%
School District's proportionate share of the net OPEB liability	\$ 899,591	\$ 830,565	\$ 675,067
School District's covered payroll	\$ 4,844,446	\$4,892,173	\$5,078,065
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	18.57%	16.98%	13.29%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%

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, 2019*

	June 30,		
	2017	2018	2019
Contractually required contribution	\$ 107,976	\$ 107,664	\$ 65,219
Contributions in relation to the contractually required contribution	107,976	107,664	65,219
Contribution deficiency	\$ -	\$ -	\$ -
School District's covered payroll	\$ 4,844,446	\$ 4,892,173	\$ 5,078,065
Contributions as a percentage of covered payroll	2.23%	2.20%	1.28%

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, 2019*

	June 30,		
	2017	2018	2019
OPEB liability, beginning of year	\$ 679,476	\$ 714,372	\$ 749,967
Changes for the year:			
Service cost	58,161	59,907	71,897
Interest	18,825	19,751	26,992
Assumption changes and difference between actual and expected experience	(4,199)	(1,363)	38,949
Benefit payments	(37,891)	(42,700)	(35,456)
OPEB liability, end of year	<u>\$ 714,372</u>	<u>\$ 749,967</u>	<u>\$ 852,349</u>
Covered payroll	<u>\$ 4,952,311</u>	<u>\$ 5,105,475</u>	<u>\$ 4,578,120</u>
Total OPEB liability as a percentage of covered payroll	14.43%	14.69%	18.62%

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, 2019**

***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, 2019. 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	3.62% 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, 2019. 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, 2019*

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 9,086,751	\$ 9,086,751	\$ -
Other local sources:			
Tuition	12,150	10,500	(1,650)
Investment earnings	1,000	-	(1,000)
Miscellaneous	22,382	25,968	3,586
Total from other local sources	35,532	36,468	936
State sources:			
Adequacy aid (grant)	1,186,671	1,186,671	-
Adequacy aid (tax)	1,214,038	1,214,038	-
School building aid	128,000	128,000	-
Kindergarten aid	55,000	58,300	3,300
Catastrophic aid	135,528	138,343	2,815
Vocational aid	3,000	4,227	1,227
Other state aid	1,000	-	(1,000)
Total from state sources	2,723,237	2,729,579	6,342
Federal sources:			
Medicaid	65,000	101,316	36,316
Other financing sources:			
Transfers in	192,812	192,812	-
Total revenues and other financing sources	12,103,332	\$ 12,146,926	\$ 43,594
Use of fund balance - appropriated	144,833		
Total revenues, other financing sources, and use of fund balance	\$ 12,248,165		

**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, 2019**

	Encumbered from Prior Year	Appropriations	Expenditures	Variance Positive (Negative)
Current:				
Instruction:				
Regular programs	\$ 2,269	\$ 4,469,231	\$ 4,542,697	\$ (71,197)
Special programs	910	1,594,582	1,591,719	3,773
Vocational programs	2,647	8,150	10,124	673
Other programs	2,505	213,224	178,931	36,798
Total instruction	<u>8,331</u>	<u>6,285,187</u>	<u>6,323,471</u>	<u>(29,953)</u>
Support services:				
Student	3,340	1,390,572	1,604,238	(210,326)
Instructional staff	5,288	372,451	299,387	78,352
General administration	2,333	15,285	30,914	(13,296)
Executive administration	2,474	446,879	434,541	14,812
School administration	-	786,651	761,032	25,619
Business	2,696	269,443	277,076	(4,937)
Operation and maintenance of plant	26,029	887,099	930,245	(17,117)
Student transportation	9,473	527,697	431,772	105,398
Other	-	256,812	196,084	60,728
Total support services	<u>51,633</u>	<u>4,952,889</u>	<u>4,965,289</u>	<u>39,233</u>
Debt service:				
Principal of long-term debt	-	615,000	615,000	-
Interest on long-term debt	-	335,088	335,088	-
Total debt service	<u>-</u>	<u>950,088</u>	<u>950,088</u>	<u>-</u>
Facilities acquisition and construction	<u>130,380</u>	<u>1</u>	<u>130,380</u>	<u>1</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>60,000</u>	<u>108,257</u>	<u>(48,257)</u>
Total appropriations, expenditures, other financing uses, and encumbrances	<u>\$ 190,344</u>	<u>\$ 12,248,165</u>	<u>\$ 12,477,485</u>	<u>\$ (38,976)</u>

**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, 2019*

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Unassigned fund balance, beginning		\$ 128,036
Changes:		
Unassigned fund balance used to reduce school district assessment		(144,833)
2018-2019 Budget summary:		
Revenue surplus (Schedule 1)	\$ 43,594	
Overdraft of appropriations (Schedule 2)	<u>(38,976)</u>	
2018-2019 Budget surplus		4,618
Decrease in nonspendable fund balance		<u>11,286</u>
Unassigned fund balance (deficit), ending		<u><u>\$ (893)</u></u>

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**SCHEDULE 4**  
**WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT**  
*Student Activities Funds*  
**Combining Schedule of Changes in Student Activities Funds**  
**For the Fiscal Year Ended June 30, 2019**

	Balance, beginning	Additions	Deductions	Balance, ending
Schools:				
Middle/High School	\$ 46,152	\$ 58,087	\$ 62,965	\$ 41,274
Lyndeborough Central	427	759	590	596
Florence Rideout	6,295	11,659	11,831	6,123
Totals	<u>\$ 52,874</u>	<u>\$ 70,505</u>	<u>\$ 75,386</u>	<u>\$ 47,993</u>