

**OYSTER RIVER
COOPERATIVE SCHOOL DISTRICT**

Annual Financial Statements

For the Year Ended June 30, 2018

Oyster River Cooperative School District

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INDEPENDENT AUDITORS' REPORT

To the School Board
Oyster River Cooperative School District

Additional Offices:
Nashua, NH
Andover, MA
Greenfield, MA
Ellsworth, ME

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 unmodified audit opinion on the governmental activities, the major funds and the aggregate remaining fund information.

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and the Pension and OPEB schedules appearing on pages 44 to 47. 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 evidence sufficient to express an opinion or provide any assurance.

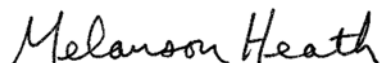
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oyster River Cooperative School District's basic financial statements. The accompanying supplementary information and Sched-

ule of Nonmajor Funds appearing on page 48 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 31, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



January 31, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Oyster River Cooperative School District (the District), we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets and deferred outflows exceeded liabilities and deferred inflows by \$(8,005,985) (i.e., net position), a change of \$(3,023,309) in comparison to the prior year. See Note 19 as the beginning net position has been restated for the implementation of *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$2,046,831, a change of \$393,453 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$188,357, a change of \$250,634 in comparison to the prior year.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide financial data for the current and prior fiscal years.

	<u>NET POSITION</u>	
	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 3,454,569	\$ 2,984,051
Capital assets	<u>36,277,715</u>	<u>36,581,122</u>
Total assets	39,732,284	39,565,173
Deferred outflows of resources	7,801,910	8,873,942
Current liabilities	3,595,351	3,071,247
Noncurrent liabilities	<u>50,937,698</u>	<u>44,094,134</u>
Total liabilities	54,533,049	47,165,381
Deferred inflows of resources	1,007,130	542,303
Net position:		
Net investment in capital assets	25,129,152	27,772,786
Restricted	181,857	160,876
Unrestricted	<u>(33,316,994)</u>	<u>(27,202,231)</u>
Total net position	\$ <u><u>(8,005,985)</u></u>	\$ <u><u>731,431</u></u>

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. At the close of the most recent fiscal year, total net position was \$(8,005,985), a change of \$(3,023,309) from the prior year.

The largest portion of net position, \$25,129,152, reflects our investment in capital assets (e.g., land, buildings and improvements, machinery, equipment and furnishings, and construction in progress), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$181,857, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$(33,316,994) primarily resulting from the District's unfunded net pension liability.

CHANGES IN NET POSITION

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Revenues:		
Program revenues		
Charges for services	\$ 699,423	\$ 669,109
Operating grants and contributions	819,242	767,971
General revenues and transfers:		
Property taxes	39,046,908	37,398,612
Tuition	2,246,047	1,822,334
Grants and contributions not restricted to specific programs	984,167	1,019,118
Investment income	16,494	42,357
Other	102,413	252,586
Total revenues	<u>43,914,694</u>	<u>41,972,087</u>
Expenses:		
Instruction	26,741,387	27,173,844
Other School Services:		
Student	3,827,600	3,661,783
Instruction staff	963,827	998,679
General administration	1,305,302	1,265,832
School administration	1,814,045	1,788,058
Business	713,573	496,325
Operation and maintenance	8,137,236	4,222,235
Student transportation	1,814,421	1,814,545
Other	1,336,629	1,172,756
Interest expense	283,983	305,571
Total expenses	<u>46,938,003</u>	<u>42,899,628</u>
Change in net position	(3,023,309)	(927,541)
Net position - beginning of year, as restated	<u>(4,982,676)</u>	<u>1,658,972</u>
Net position - end of year	<u>\$ (8,005,985)</u>	<u>\$ 731,431</u>

Governmental activities. Governmental activities for the year resulted in a change in net position of \$(3,023,309). Key elements of this change are as follows:

General fund operations, as discussed further in Section D	\$ 372,472
Other governmental funds operations	20,981
Depreciation expense in excess of principal debt service	(314,573)
Change in long-term liabilities	(2,402,387)
Other	<u>(699,802)</u>
Total	<u>\$ (3,023,309)</u>

D. FINANCIAL ANALYSIS OF FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$2,046,831, a change of \$393,453 in comparison to the prior year. Key elements of this change are as follows:

General fund operations	\$ 372,472
Nonmajor fund activity	<u>20,981</u>
Total	<u>\$ 393,453</u>

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$188,357, while total fund balance was \$1,864,974. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/18</u>	<u>6/30/17</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 188,357	\$ (62,277)	\$ 250,634	0.4%
Total fund balance	\$ 1,864,974	\$ 1,492,502	\$ 372,472	4.1%

The fund balance of the general fund changed by \$372,472 during the current fiscal year. Key factors in this change are as follows:

Revenues less than budget	\$ (25,472)
Expenditures less than budget	730,554
Expenditures of prior year encumbrances	(19,738)
Use of fund balance as a funding source	(767,699)
Change in capital reserve fund	209,084
Other	<u>245,743</u>
Total	<u>\$ 372,472</u>

Included in the total general fund balance are the District's capital reserve accounts with the following balances:

	<u>6/30/18</u>	<u>6/30/17</u>	<u>Change</u>
Capital Reserve	\$ <u>1,143,229</u>	\$ <u>934,145</u>	\$ <u>209,084</u>
Total	<u>\$ 1,143,229</u>	<u>\$ 934,145</u>	<u>\$ 209,084</u>

E. GENERAL FUND BUDGETARY HIGHLIGHTS

There are no differences between the original budget and the final amended budget.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental activities at year-end amounted to \$36,277,715 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery, equipment and furnishings.

Major capital asset events during the current fiscal year included the following:

Additions to:

Depreciable Assets:

2018-IC-CE Buses	\$ 260,133
Mast Way Elementary - New Bathrooms	238,514
Moharimet Elementary - Boiler Rooms	105,679
Mast Way Elementary - New Roof	75,330
ORHS - Storage Building	58,220

Construction in Progress:

Mast Way Elementary - Classroom Addition	\$ 289,480
Mast Way Elementary - Expansion Design	117,065

Additional information on capital assets can be found in the Notes to the Financial Statements.

Long-term debt. At the end of the current fiscal year, total bonds payable outstanding was \$6,910,000, all of which was backed by the full faith and credit of the District.

Additional information on long-term debt can be found in the Notes to the Financial Statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Oyster River Cooperative School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of Business Manager
Oyster River Cooperative School District
36 Coe Drive
Durham, New Hampshire 03824

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2018

	Governmental <u>Activities</u>
ASSETS	
Current:	
Cash and short-term investments	\$ 1,943,570
Receivables, net of allowance for uncollectibles:	
Departmental and other	29,815
Intergovernmental	1,341,101
Other assets	140,083
Noncurrent:	
Capital assets:	
Land and construction in progress	581,592
Other assets, net of accumulated depreciation	35,696,123
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions	7,454,474
Related to OPEB	347,436
	<hr/>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	47,534,194
LIABILITIES	
Current:	
Accounts payable	394,265
Accrued liabilities	219,672
Other current liabilities	873,546
Current portion of long-term liabilities:	
Bonds payable	1,285,000
Other	822,868
Noncurrent:	
Bonds payable, net of current portion	5,625,000
Net pension liability	32,028,173
Net OPEB liability	8,418,172
Other, net of current portion	4,866,353
DEFERRED INFLOWS OF RESOURCES	
Related to pensions	884,793
Related to OPEB	86,893
Other	35,444
	<hr/>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	55,540,179
NET POSITION	
Net investment in capital assets	25,129,152
Restricted for:	
Grants and other statutory restrictions	150,769
Permanent funds:	
Expendable	31,088
Unrestricted	(33,316,994)
	<hr/>
TOTAL NET POSITION	\$ (8,005,985)
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

		<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
Instruction	\$ 26,741,387	\$ -	\$ 661,853	\$ (26,079,534)
Other school services:				
Student	3,827,600	693,262	-	(3,134,338)
Instructional staff	963,827	-	146,513	(817,314)
General administration	1,305,302	-	-	(1,305,302)
School administration	1,814,045	-	-	(1,814,045)
Business	713,573	-	-	(713,573)
Operation and maintenance	8,137,236	-	-	(8,137,236)
Student transportation	1,814,421	6,161	-	(1,808,260)
Other	1,336,629	-	10,876	(1,325,753)
Interest expense	283,983	-	-	(283,983)
Total Governmental Activities	<u>\$ 46,938,003</u>	<u>\$ 699,423</u>	<u>\$ 819,242</u>	(45,419,338)
		General Revenues:		
				39,046,908
				2,246,047
				984,167
				16,494
				102,413
				<u>42,396,029</u>
				(3,023,309)
		Net Position:		
				<u>(4,982,676)</u>
				<u>\$ (8,005,985)</u>

The accompanying notes are an integral part of these financial statements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2018

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
ASSETS			
Cash and short-term investments	\$ 1,943,570	\$ -	\$ 1,943,570
Receivables:			
Departmental and other	3,975	25,840	29,815
Intergovernmental	1,143,229	197,872	1,341,101
Due from other funds	4,459	-	4,459
Other assets	<u>140,083</u>	<u>-</u>	<u>140,083</u>
TOTAL ASSETS	\$ <u>3,235,316</u>	\$ <u>223,712</u>	\$ <u>3,459,028</u>
LIABILITIES			
Accounts payable	\$ 392,313	\$ 1,952	\$ 394,265
Accrued liabilities	104,483	-	104,483
Due to other funds	-	4,459	4,459
Other liabilities	<u>873,546</u>	<u>-</u>	<u>873,546</u>
TOTAL LIABILITIES	1,370,342	6,411	1,376,753
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	35,444	35,444
FUND BALANCES			
Nonspendable	140,083	-	140,083
Restricted	-	181,857	181,857
Committed	1,493,229	-	1,493,229
Assigned	43,305	-	43,305
Unassigned	<u>188,357</u>	<u>-</u>	<u>188,357</u>
TOTAL FUND BALANCES	<u>1,864,974</u>	<u>181,857</u>	<u>2,046,831</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ <u>3,235,316</u>	\$ <u>223,712</u>	\$ <u>3,459,028</u>

The accompanying notes are an integral part of these financial statements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET POSITION OF GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET POSITION

JUNE 30, 2018

Total governmental fund balances	\$ 2,046,831
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	36,277,715
• Long-term liabilities, including bonds payable, net pension liability, net OPEB liability are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(53,045,566)
• Other	<u>6,715,035</u>
Net position of governmental activities	<u><u>\$ (8,005,985)</u></u>

The accompanying notes are an integral part of these financial statements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:			
Property taxes	\$ 39,046,908	\$ -	\$ 39,046,908
Tuition	2,246,047	-	2,246,047
Intergovernmental	647,676	808,366	1,456,042
Medicaid	347,367	-	347,367
Charges for service	6,161	693,262	699,423
Investment income	16,185	309	16,494
Other	50,716	51,697	102,413
	<u>42,361,060</u>	<u>1,553,634</u>	<u>43,914,694</u>
Total Revenues			
Expenditures:			
Current:			
Instruction	24,804,076	630,330	25,434,406
Other school services:			
Student	3,775,706	1,055	3,776,761
Instructional staff	916,796	28,868	945,664
General administration	1,272,366	-	1,272,366
School administration	1,766,207	-	1,766,207
Business	592,015	71,691	663,706
Operation and maintenance	7,916,785	800,709	8,717,494
Student transportation	1,984,843	-	1,984,843
Other	1,289,054	-	1,289,054
Debt service	1,588,688	-	1,588,688
	<u>45,906,536</u>	<u>1,532,653</u>	<u>47,439,189</u>
Total Expenditures			
Excess (deficiency) of revenues over expenditures	(3,545,476)	20,981	(3,524,495)
Other Financing Sources (Uses):			
Capital lease proceeds	3,917,948	-	3,917,948
	<u>3,917,948</u>	<u>-</u>	<u>3,917,948</u>
Total Other Financing Sources (Uses)			
Change in fund balance	372,472	20,981	393,453
Fund Balance, at Beginning of Year, as restated	1,492,502	160,876	1,653,378
Fund Balance, at End of Year	<u>\$ 1,864,974</u>	<u>\$ 181,857</u>	<u>\$ 2,046,831</u>

The accompanying notes are an integral part of these financial statements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

Net changes in fund balances - total government funds	\$ 393,453																
<ul style="list-style-type: none"> Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <table> <tr> <td>Capital outlay purchases, net of disposals</td> <td style="text-align: right;">1,296,166</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(1,599,573)</td> </tr> </table> The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position: <table> <tr> <td>Issuance of capital lease</td> <td style="text-align: right;">(3,917,948)</td> </tr> <tr> <td>Repayments of debt</td> <td style="text-align: right;">1,285,000</td> </tr> <tr> <td>Repayments of capital leases</td> <td style="text-align: right;">292,721</td> </tr> </table> Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds: <table> <tr> <td>Net pension liability and related deferred outflows and inflows of resources</td> <td style="text-align: right;">(744,372)</td> </tr> <tr> <td>Net OPEB liability and related deferred outflows and inflows of resources</td> <td style="text-align: right;">55,156</td> </tr> <tr> <td>Other</td> <td style="text-align: right;"><u>(83,912)</u></td> </tr> </table> 		Capital outlay purchases, net of disposals	1,296,166	Depreciation	(1,599,573)	Issuance of capital lease	(3,917,948)	Repayments of debt	1,285,000	Repayments of capital leases	292,721	Net pension liability and related deferred outflows and inflows of resources	(744,372)	Net OPEB liability and related deferred outflows and inflows of resources	55,156	Other	<u>(83,912)</u>
Capital outlay purchases, net of disposals	1,296,166																
Depreciation	(1,599,573)																
Issuance of capital lease	(3,917,948)																
Repayments of debt	1,285,000																
Repayments of capital leases	292,721																
Net pension liability and related deferred outflows and inflows of resources	(744,372)																
Net OPEB liability and related deferred outflows and inflows of resources	55,156																
Other	<u>(83,912)</u>																
Change in net position of governmental activities	\$ <u><u>(3,023,309)</u></u>																

The accompanying notes are an integral part of these financial statements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

GENERAL FUND

STATEMENT OF REVENUES AND OTHER SOURCES,
AND EXPENDITURES AND OTHER USES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2018

	Original <u>Budget</u>	Final <u>Budget</u>	Actual Amounts (Budgetary <u>Basis</u>)	Variance with Final Budget Positive (<u>Negative</u>)
Revenues and other sources:				
Property taxes	\$ 39,045,162	\$ 39,045,162	\$ 39,045,162	\$ -
Tuition	2,300,000	2,300,000	2,246,047	(53,953)
Intergovernmental	632,040	632,040	647,676	15,636
Medicaid	325,000	325,000	347,367	22,367
Charges for services	27,500	27,500	6,161	(21,339)
Investment income	6,000	6,000	7,101	1,101
Other revenues	40,000	40,000	50,716	10,716
Use of fund balance	<u>767,699</u>	<u>767,699</u>	<u>767,699</u>	<u>-</u>
Total Revenues and Other Sources	43,143,401	43,143,401	43,117,929	(25,472)
Expenditures and other uses:				
Instruction	25,611,937	25,611,937	25,033,878	578,059
Student	3,743,882	3,743,882	3,775,706	(31,824)
Instructional staff	1,007,682	1,007,682	913,099	94,583
General administration	1,244,760	1,244,760	1,272,366	(27,606)
School administration	1,789,502	1,789,502	1,764,361	25,141
Business	591,004	591,004	592,015	(1,011)
Operation and maintenance	4,097,281	4,097,281	4,314,545	(217,264)
Student transportation	2,005,751	2,005,751	1,669,135	336,616
Other	1,233,619	1,233,619	1,289,054	(55,435)
Debt service	1,587,983	1,587,983	1,588,688	(705)
Transfers out	<u>230,000</u>	<u>230,000</u>	<u>200,000</u>	<u>30,000</u>
Total Expenditures and Other Uses	<u>43,143,401</u>	<u>43,143,401</u>	<u>42,412,847</u>	<u>730,554</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 705,082</u>	<u>\$ 705,082</u>

The accompanying notes are an integral part of these financial statements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2018

	Private Purpose Trust Funds	Agency Funds
<u>ASSETS</u>		
Cash and short-term investments	\$ -	\$ 226,372
Intergovernmental receivable	<u>133,330</u>	<u>-</u>
Total Assets	133,330	226,372
<u>LIABILITIES AND NET POSITION</u>		
Other liabilities	<u>-</u>	<u>226,372</u>
Total Liabilities	<u>-</u>	<u>226,372</u>
<u>NET POSITION</u>		
Total net position held in trust	<u>\$ 133,330</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Private Purpose Trust Funds</u>
Additions:	
Investment income	\$ 1,483
Contributions	<u>1,306</u>
Total additions	2,789
 Deductions:	
Other	<u>20,404</u>
Total deductions	<u>20,404</u>
Net increase	(17,615)
 Net position:	
Beginning of year	<u>150,945</u>
End of year	<u><u>\$ 133,330</u></u>

The accompanying notes are an integral part of these financial statements.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Oyster River Cooperative School District (the District) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The District is a municipal corporation governed by an elected School Board. As required by generally accepted accounting principles, these financial statements present the District and applicable component units for which the District is considered to be financially accountable. In fiscal year 2018, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. 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 or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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 and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Fund Financial Statements

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. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, claims and judgements, compensated absences, OPEB, and pension are recorded only when payment is due.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *fiduciary fund* financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

The District reports the following fiduciary funds:

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit private organizations or other non-capital reserve District trust funds.

The *agency fund* is used to account for money held by the District on behalf of others (e.g., student activity funds). Agency funds report only assets and liabilities and, therefore, have no measurement focus.

D. Cash and Short-Term Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash and investment 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 short-term investments". The interest earnings attributable to each fund type are included under investment income.

E. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans).

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Vehicles	5
Office equipment	5
Computer equipment	5

G. Compensated Absences

It is the District’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

H. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position.

I. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Balance - Generally, fund balance represents the difference between the current assets/deferred outflows and current liabilities/deferred inflows. The District reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and, therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the District uses the following order to liquidate liabilities: restricted, committed, assigned and unassigned.

Net Position - Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition,

construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

J. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

At its annual meeting, the District adopts a budget for the next fiscal year. Management may transfer appropriations between operating categories as they deem necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered. In the case of emergency expenditures, over expenditures are allowed under the provisions of the Municipal Budget Law (RSA Chapter 32) if prior approval is secured from the State Department of Education. State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end.

At year end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

B. Budgetary Basis

The general fund final appropriation appearing on the "Budget and Actual" page of the fund financial statements represents the final amended budget after all reserve fund transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>General Fund</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP basis)	\$ 42,361,060	\$ 45,906,536
Other financing sources/uses (GAAP basis)	<u>3,917,948</u>	<u>-</u>
Subtotal (GAAP Basis)	46,279,008	45,906,536
Reverse beginning of year appropriation carryforwards from expenditures	-	(63,043)
Add end-of-year appropriation carryforwards from expenditures	-	43,305
To eliminate capital reserve activity	(9,084)	200,000
Recognize use of fund balance as funding source	767,699	-
Reverse captial lease proceeds	(3,917,948)	(3,917,948)
Other GAAP adjustments	<u>(1,746)</u>	<u>243,997</u>
Budgetary basis	<u>\$ 43,117,929</u>	<u>\$ 42,412,847</u>

3. Cash and Short-Term Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of a failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Pursuant to NH Statute, “the treasurer shall insure that prior to acceptance of any moneys for deposit or investment, including repurchase agreements, the federally insured bank shall make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the District.” The District does not have a deposit policy for custodial credit risk.

As of June 30, 2018, none of the District’s bank balance of \$2,339,758 was exposed to custodial credit risk as uninsured or uncollateralized. The underlying securities of the District’s deposit in repurchase agreements of \$1,710,576 are held by the investment’s counterparty, not in the name of the District.

4. Departmental Receivables

Departmental receivables consist of reimbursements requested from various local agencies for expenditures incurred in fiscal 2018.

5. Intergovernmental Receivables

This balance represents capital reserve funds held by the Town's Trustees of the Trust funds, as well as amounts requested from Federal and State agencies for expenditures incurred in fiscal 2018.

6. Interfund Fund Accounts

Receivables/Payables

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is an analysis of the interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 4,459	\$ -
Nonmajor Funds:		
Special Revenue Funds	-	3,883
Permanent Trust Fund	<u>-</u>	<u>576</u>
Total	\$ <u>4,459</u>	\$ <u>4,459</u>

7. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 45,398,174	\$ 510,203	\$ -	\$ 45,908,377
Machinery, equipment, and furnishings	<u>5,168,029</u>	<u>347,240</u>	<u>-</u>	<u>5,515,269</u>
Total capital assets, being depreciated	50,566,203	857,443	-	51,423,646
Less accumulated depreciation for:				
Buildings and improvements	(12,103,927)	(971,563)	-	(13,075,490)
Machinery, equipment, and furnishings	<u>(2,024,023)</u>	<u>(628,010)</u>	<u>-</u>	<u>(2,652,033)</u>
Total accumulated depreciation	<u>(14,127,950)</u>	<u>(1,599,573)</u>	<u>-</u>	<u>(15,727,523)</u>
Total capital assets, being depreciated, net	36,438,253	(742,130)	-	35,696,123
Capital assets, not being depreciated:				
Land	142,869	-	-	142,869
Construction in progress	<u>-</u>	<u>438,723</u>	<u>-</u>	<u>438,723</u>
Total capital assets, not being depreciated	<u>142,869</u>	<u>438,723</u>	<u>-</u>	<u>581,592</u>
Governmental activities capital assets, net	<u>\$ 36,581,122</u>	<u>\$ (303,407)</u>	<u>\$ -</u>	<u>\$ 36,277,715</u>

Depreciation expense was charged to functions of the District as follows:

Governmental Activities:	
Instruction	\$ 927,557
Support services:	
School administration	5,278
Operation and maintenance	410,917
Student transportation	255,360
Other	<u>461</u>
Total depreciation expense - governmental activities	<u>\$ 1,599,573</u>

8. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net position by the District that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pensions and OPEB, in accordance with GASB Statements No. 68 and 75, are more fully discussed in the corresponding pension and OPEB notes.

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities represent 2018 expenditures paid in 2019.

10. Other Current Liabilities

Other current liabilities primarily represent 2018 medical and dental withholding payables paid in 2019.

11. Capital Lease Obligations

The District is the lessee of certain equipment under capital and operating leases expiring in various years through fiscal year 2029. Future minimum lease payments under the capital and operating leases consisted of the following as of June 30, 2018:

<u>Fiscal Year</u>	<u>Capital Leases</u>
2019	\$ 835,462
2020	667,309
2021	474,212
2022	474,211
2023	418,877
Thereafter	<u>2,094,266</u>
Total minimum lease payments	4,964,337
Less amounts representing interest	<u>(725,774)</u>
Present Value of Minimum Lease Payments	<u>\$ 4,238,563</u>

12. Long-Term Debt

A. General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds currently outstanding are as follows:

<u>Governmental Activities:</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/18</u>
High School Additions and Renovations	11/01/21	3.10-4.70%	\$ 460,000
High School Addition	08/15/22	3.50-4.70%	5,100,000
Field Track	07/01/25	1.88%	<u>1,350,000</u>
Total Governmental Activities			<u>\$ 6,910,000</u>

B. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2018 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,285,000	\$ 251,261	\$ 1,536,261
2020	1,285,000	209,630	1,494,630
2021	1,285,000	232,650	1,517,650
2022	1,285,000	134,498	1,419,498
2023	1,170,000	61,338	1,231,338
2024-2028	<u>600,000</u>	<u>75,753</u>	<u>675,753</u>
Total	<u>\$ 6,910,000</u>	<u>\$ 965,130</u>	<u>\$ 7,875,130</u>

The general fund has been designated as the sole source to repay the governmental-type general obligation long-term debt outstanding as of June 30, 2018.

C. Changes in General Long-Term Liabilities

During the year ended June 30, 2018, the following changes occurred in long-term liabilities:

	Total Balance <u>7/1/17</u>	<u>Additions</u>	<u>Reductions</u>	Total Balance <u>6/30/18</u>	Less Current Portion	Equals Long-Term Portion <u>6/30/18</u>
<u>Governmental Activities</u>						
Bonds payable	\$ 8,195,000	\$ -	\$ (1,285,000)	\$ 6,910,000	\$ (1,285,000)	\$ 5,625,000
Net pension liability	33,078,564	-	(1,050,391)	32,028,173	-	32,028,173
Net OPEB liability	8,694,238	-	(276,066)	8,418,172	-	8,418,172
Other:						
Lease payable	613,336	3,917,948	(292,721)	4,238,563	(677,802)	3,560,761
Compensated absences	<u>1,347,041</u>	<u>103,617</u>	<u>-</u>	<u>1,450,658</u>	<u>(145,066)</u>	<u>1,305,592</u>
Total Other	<u>1,960,377</u>	<u>4,021,565</u>	<u>(292,721)</u>	<u>5,689,221</u>	<u>(822,868)</u>	<u>4,866,353</u>
Totals	<u>\$ 51,928,179</u>	<u>\$ 4,021,565</u>	<u>\$ (2,904,178)</u>	<u>\$ 53,045,566</u>	<u>\$ (2,107,868)</u>	<u>\$ 50,937,698</u>

13. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net position by the District that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB will be recognized as expense in future years and is more fully described in the corresponding pension and OPEB notes. *Unavailable revenues* are reported in the governmental funds balance sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

14. Governmental Funds - Balances

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The District has implemented *GASB Statement No. 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at June 30, 2018:

Nonspendable - Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance classification includes general fund reserves for prepaid expenditures and nonmajor governmental fund reserves for the principal portion of permanent trust funds.

Restricted - Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes general fund encumbrances funded by bond issuances, various special revenue funds, and the income portion of permanent trust funds.

Committed - Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority. This fund balance classification includes general fund encumbrances for non-lapsing, special article appropriations approved by the School Board, capital reserve funds set aside by School Board vote for future capital acquisitions and improvements, and various special revenue funds.

Assigned - Represents amounts that are constrained by the District's intent to use these resources for a specific purpose. This fund balance classification includes general fund encumbrances that have been established by various District departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period.

Unassigned - Represents amounts that are available to be spent in future periods.

Following is a breakdown of the District's fund balances at June 30, 2018:

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Nonspendable			
Prepaid expenditures	\$ 140,083	\$ -	\$ 140,083
Total Nonexpendable	140,083	-	140,083
Restricted			
Special revenue funds	-	150,769	150,769
Expendable permanent funds	-	31,088	31,088
Total Restricted	-	181,857	181,857
Committed			
Capital reserve funds	1,143,229	-	1,143,229
Reserved for expenditures	350,000	-	350,000
Total Committed	1,493,229	-	1,493,229
Assigned			
Encumbrances	43,305	-	43,305
Total Assigned	43,305	-	43,305
Unassigned			
Unassigned	188,357	-	188,357
Total Unassigned	188,357	-	188,357
Total Fund Balance	\$ 1,864,974	\$ 181,857	\$ 2,046,831

15. General Fund Unassigned Fund Balance

The unassigned general fund balance reported on the balance sheet is stated in accordance with generally accepted accounting principles (GAAP), which can differ in respect to how unassigned fund balance is reported in accordance with the budgetary basis for reporting for the State of New Hampshire for tax rate setting purpose.

The following summarizes the specific difference between GAAP basis and budgetary basis of reporting the general fund unassigned fund balance:

GAAP basis balance	\$ 188,357
Other GAAP entries	<u>104,483</u>
Tax Rate Setting Balance	<u>\$ 292,840</u>

16. Retirement System

The District follows the provisions of *GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS).

A. Plan Description

Full-time employees participate in the New Hampshire Retirement System (NHRS), a cost sharing, multiple-employer defined benefit contributory pension plan and trust established in 1967 by RSA 100-A:2 and qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The 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 of New Hampshire are eligible and required to participate in the system. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters belong to *Group II*. All assets are held in a single trust and are available to each group. Additional information is disclosed in the NHRS annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507.

B. Benefits Provided

Group I benefits are provided based on creditable service and average final salary for the highest of either three or five years, depending on when service commenced.

Group II benefits are provided based on age, years of creditable service, and a benefit multiplier depending on vesting status as of January 1, 2012. The maximum retirement allowance for Group II members vested by January 1, 2012 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by January 1, 2012, the benefit is calculated the same way but the multiplier used in the calculation will change depending on age and years of creditable service, as follows:

<u>Years of creditable service as of January 1, 2012</u>	<u>Minimum Age</u>	<u>Minimum Service</u>	<u>Benefit Multiplier</u>
At least 3 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	12	2.2%
Less than 4 years	49	24	2.1%

C. Contributions

Plan members are required to contribute a percentage of their gross earnings to the pension plan, for which the contribution rates are 7% for employees and teachers, 11.55% for police and 11.80% for fire. The District makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, and range from 11.08% to 27.79% of covered compensation. The District's contributions to NHRS for the year ended June 30, 2018 were \$2,962,266, which was equal to its annual required contribution.

D. Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the NHRS and additions to/deductions from NHRS' fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

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

At June 30, 2018, the District reported a liability of \$32,028,173 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District's proportion was 0.65124480 percent.

For the year ended June 30, 2018, the District recognized pension expense of \$3,709,432. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual	\$ -	\$ 407,627
Changes of assumptions	3,216,051	-
Net difference between projected and actual earnings on pension plan investments	72,621	407,895
Changes in proportion and differences between contributions and proportionate share of contributions	1,203,536	69,271
Contributions subsequent to the measurement date	<u>2,962,266</u>	<u>-</u>
Total	<u>\$ 7,454,474</u>	<u>\$ 884,793</u>

The \$2,962,266 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2019	\$ 901,556
2020	1,680,947
2021	1,297,859
2023	<u>(272,947)</u>
Total	<u>\$ 3,607,415</u>

F. Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent per year
Salary increases	5.6 percent average, including inflation
Investment rate of return	7.25 percent, 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 the last experience study.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the most recent actuarial experience study.

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

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

G. Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the 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 and 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 investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
\$ 42,195,510	\$ 32,028,173	\$ 23,696,442

I. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NHRS financial report.

17. Other Post-Employment Benefits (GASB 75)

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, replaces the requirements of *Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This Statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

A. District OPEB Plan

All the following OPEB disclosures are based on a measurement date of June 30, 2017.

General Information about the OPEB Plan

Plan Description

The District indirectly provides post-employment healthcare for retired employees through an implicit rate covered by current employees. Retirees of the District who participate in this single-employer plan pay 100% of the healthcare premiums to participate in the District's healthcare program. Since they are included in the same pool as active employees, the insurance rates are implicitly higher for current employees due to the age consideration. This increased rate is an implicit subsidy the District pays for the retirees.

The District's OPEB plan is not administered through a trust that meets the criteria in paragraph 4 of GASB 75.

Benefits Provided

The District provides medical and prescription drug insurance to retirees and their covered dependents. All active employees who retire from the District and meet the eligibility criteria are eligible to receive these benefits.

Plan Membership

At June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Active employees	<u>352</u>
Total	<u><u>361</u></u>

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.00 percent, average, including inflation
Discount rate	3.58 percent
Healthcare cost trend rates	0.30 percent for 2018, increasing to 9.50 percent for 2019, then fluctuating 0.50 percent, to an ultimate rate of 5.00 percent as of 2028 and later years
Retirees' share of benefit-related costs	100 percent

The discount rate was based on long-term municipal bond rate at June 30, 2017.

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

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study as of June 30, 2017.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.58%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Total OPEB Liability

The District's total OPEB liability of \$4,698,737 was measured as of June 30, 2017, and was determined by an actuarial valuation as of June 30, 2017.

Changes in the Total OPEB Liability

	Total OPEB <u>Liability</u>
Balances at beginning of year	\$ 4,959,313
Changes for the year:	
Service cost	294,513
Interest	196,582
Differences between expected and actual experience	(75,156)
Changes in assumptions or other inputs	(586,970)
Benefit payments	<u>(89,545)</u>
Net Changes	<u>(260,576)</u>
Balances at end of year	\$ <u><u>4,698,737</u></u>

Changes of assumptions and other inputs reflect a change in the actuarial cost method.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

<u>1% Decrease (2.58%)</u>	<u>Current Discount Rate (3.58%)</u>	<u>1% Increase (4.58%)</u>
\$ 5,041,703	\$ 4,698,737	\$ 4,374,095

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
\$ 4,212,456	\$ 4,698,737	\$ 5,260,438

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized an OPEB expense of \$434,842. At June 30, 2018, the District reported deferred inflows and outflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>
Change in assumptions	\$ <u>75,156</u>
Total	\$ <u><u>75,156</u></u>

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

<u>Year Ended June 30:</u>	
2018	\$ (12,542)
2019	(12,542)
2020	(12,542)
2021	(12,542)
2022	(12,542)
Thereafter	<u>(12,446)</u>
Total	\$ <u><u>(75,156)</u></u>

B. New Hampshire Retirement System Medical Subsidy Plan Description

General Information about the OPEB Plan

Plan Description

In addition to the OPEB plan discussed in above, the District participates in the New Hampshire Retirement System (NHRS) Medical Subsidy. The NHRS administers a cost-sharing, multiple-employer other post-employment benefit plan (OPEB Plan) for retiree health insurance subsidies. Benefit amounts and eligibility requirements are set by state law, and members are designated by type. The four membership types are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees and Group I State Employees. Collectively, they are referred to as the OPEB Plan.

Benefits Provided

The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical subsidy is a payment made by NHRS to the former employer or their insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certifiably dependent children with a disability who are living in the household and being cared for by the retiree. Under specific conditions, the qualified beneficiaries of members who die while in service may also be eligible for the medical subsidy. The eligibility requirements for receiving OPEB Plan benefits differ for Group I and Group II members. The monthly Medical Subsidy rates are:

1 Person - \$375.56
2 Person - \$751.12
1 Person Medicare Supplement - \$236.84
2 person Medicare Supplement - \$473.68

Actuarial Assumptions and Other Inputs

The District's proportionate share of the NHRS Medical Subsidy as of June 30, 2018 is based upon an actuarial valuation performed as of June 30, 2016 (rolled forward to June 30, 2017) using a measurement date of June 30, 2017. The actuarial valuation used the following actuarial assumptions:

Price inflation	2.50%
Wage inflation	3.25%
Salary increases	5.60%
Investment rate of return	7.25%
Discount rate	7.25%

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 the last experience study.

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

Total OPEB Liability, Expense, and Deferred Outflows and Inflows

The District's proportionate share of the total NHRS Medical Subsidy (total OPEB liability) as of the measurement date of June 30, 2017 was \$3,719,435.

For the year ended June 30, 2018, the District recognized an OPEB expense related to the NHRS Medical Subsidy of \$417,357. At June 30, 2018, the District reported deferred inflows and outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to the measurement date	\$ 286,404	\$ -
Changes in proportion	61,032	-
Net difference between projected and actual OPEB investment earnings	<u>-</u>	<u>11,737</u>
Total	<u>\$ 347,436</u>	<u>\$ 11,737</u>

The \$286,404 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ending June 30, 2019.

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

<u>Year Ended June 30:</u>	
2019	\$ 58,098
2020	(2,934)
2021	(2,934)
2022	<u>(2,935)</u>
Total	\$ <u>49,295</u>

Sensitivity of the Total NHRS Medical Subsidy OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
\$ 4,047,852	\$ 3,719,435	\$ 3,434,887

C. Consolidation of Total OPEB Liabilities and Related Deferred Outflows and Inflows

The following consolidates the District's total OPEB liability and related deferred outflows/inflows, and the District's proportionate share of the NHRS Medical Subsidy total OPEB liability and related deferred outflows/inflows at June 30, 2018:

	<u>Total OPEB Liability</u>	<u>Total Deferred Outflows of Resources</u>	<u>Total Deferred Inflows of Resources</u>
District OPEB Plan	\$ 4,698,737	\$ -	\$ 75,156
Proportionate share of NHRS Medical Subsidy Plan	<u>3,719,435</u>	<u>347,436</u>	<u>11,737</u>
Total	\$ <u>8,418,172</u>	\$ <u>347,436</u>	\$ <u>86,893</u>

18. Commitments and Contingencies

Outstanding Legal Issues – On an ongoing basis, there are typically pending legal issues in which the District is involved. The District’s management is of the opinion that the potential future settlement of these issues would not materially affect its financial statements taken as a whole.

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

19. Beginning Net Position Restatement

The beginning (July 1, 2017) net position of the District has been restated in order to implement GASB 75.

Government-Wide Financial Statements:

	<u>Governmental Activities</u>
As previously reported	\$ 731,431
Implementation of GASB 75 OPEB	<u>(5,714,107)</u>
As restated	<u><u>\$ (4,982,676)</u></u>

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (GASB 68)
JUNE 30, 2018
(Unaudited)

New Hampshire Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2018	June 30, 2017	0.65124480%	\$ 32,028,173	\$ 19,205,680	166.76%	62.66%
June 30, 2017	June 30, 2016	0.62205870%	\$ 33,078,564	\$ 17,963,643	184.14%	58.30%
June 30, 2016	June 30, 2015	0.62481065%	\$ 24,752,043	\$ 17,929,809	138.05%	65.47%
June 30, 2015	June 30, 2014	0.61574181%	\$ 23,112,397	\$ 17,189,314	134.46%	66.32%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report.

**OYSTER RIVER COOPERATIVE SCHOOL DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS (GASB 68)**

**JUNE 30, 2018
(Unaudited)**

New Hampshire Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2018	June 30, 2017	\$ 2,962,266	\$ 2,962,266	\$ -	\$ 19,772,974	14.98%
June 30, 2017	June 30, 2016	\$ 2,382,996	\$ 2,382,996	\$ -	\$ 19,205,680	12.41%
June 30, 2016	June 30, 2015	\$ 2,227,460	\$ 2,227,460	\$ -	\$ 17,963,629	12.40%
June 30, 2015	June 30, 2014	\$ 2,096,839	\$ 2,096,839	\$ -	\$ 17,929,809	11.69%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE
OF THE TOTAL OPEB LIABILITY (GASB 75)

JUNE 30, 2018
(Unaudited)

New Hampshire Retirement System Medical Subsidy

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Total OPEB Liability</u>	<u>Proportionate Share of the Total OPEB Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Total OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total OPEB Liability</u>
June 30, 2018	June 30, 2017	0.81346437%	\$3,719,435	\$ 19,205,680	19.37%	7.91%
June 30, 2017	June 30, 2016	0.77151095%	\$3,734,925	\$ 17,963,643	20.79%	5.21%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

SCHEDULES OF CHANGES IN THE TOTAL OPEB LIABILITY AND CONTRIBUTIONS (GASB 75)

(Unaudited)

Oyster River Cooperative School District Plan *

Changes in Total OPEB Liability

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 294,513
Interest on unfunded liability - time value of money	196,582
Differences between expected and actual experience	(75,156)
Changes of assumptions	(586,970)
Benefit payments, including refunds of member contributions	<u>(89,545)</u>
Net change in total OPEB liability	(260,576)
Total OPEB liability - beginning	<u>4,959,313</u>
Total OPEB liability - ending	<u>\$ 4,698,737</u>
Covered employee payroll	\$ 19,751,785
Total OPEB liability as a percentage of covered employee payroll	23.79%

Schedule of Contributions

	<u>2018</u>
Actuarially determined contribution	\$ 539,561
Contributions in relation to the actuarially determined contribution	<u>131,167</u>
Contribution deficiency (excess)	<u>\$ 408,394</u>
Covered employee payroll	\$ 19,751,785
Contributions as a percentage of covered employee payroll	2.73%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

* Does not include New Hampshire Retirement System Medical Subsidy.

See notes to the District's financial statements for summary of significant actuarial methods and assumptions and Independent Auditors' Report.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT
SCHEDULE OF NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Fund Balance, <u>Beginning</u>	Revenue, Net of Deferred <u>Portion</u>	<u>Expenditures</u>	Fund Balance, <u>Ending</u>
<u>Special Revenue Funds:</u>				
<u>Federal:</u>				
Title I (17-18)	\$ -	\$ 56,377	\$ 56,377	\$ -
Title II (17-18)	-	25,308	25,308	-
Title II (16-17)	-	58,725	58,725	-
Title II (15-16)	-	7,643	7,643	-
Title III - ESOL	-	622	622	-
IDEA (17-18)	-	465,013	465,013	-
IDEA (16-17)	-	11,860	11,860	-
	<u>-</u>	<u>625,548</u>	<u>625,548</u>	<u>-</u>
Total Federal	-	625,548	625,548	-
<u>State:</u>				
Other Grants	<u>112,093</u>	<u>88,002</u>	<u>106,850</u>	<u>93,245</u>
Total State	112,093	88,002	106,850	93,245
School Lunch	18,004	809,539	770,019	57,524
School Lunch Commodities	<u>-</u>	<u>30,236</u>	<u>30,236</u>	<u>-</u>
Total Special Revenue Funds	130,097	1,553,325	1,532,653	150,769
<u>Permanent Trust:</u>				
Playing Field Construction	<u>30,779</u>	<u>309</u>	<u>-</u>	<u>31,088</u>
Total Permanent Trust	<u>30,779</u>	<u>309</u>	<u>-</u>	<u>31,088</u>
Total Nonmajor Funds	<u>\$ 160,876</u>	<u>\$ 1,553,634</u>	<u>\$ 1,532,653</u>	<u>\$ 181,857</u>

See Independent Auditors' report.