

# BROOKLINE SCHOOL DISTRICT

## FINANCIAL REPORT

AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009

**BROOKLINE SCHOOL DISTRICT  
FINANCIAL REPORT  
AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009**

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# Roberts, Greene & Drolet, PLLC

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brookline School District as of and for the fiscal year ended June 30, 2009, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Brookline School District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in conformity with accounting principles generally accepted in the United States of America, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Brookline School District as of June 30, 2009, and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information on pages 19-21 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The Brookline School District has not presented a management's discussion and analysis. Accounting principles generally accepted in the United States of America have determined that the management's discussion and analysis is necessary to supplement, but is not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brookline School District's basic financial statements. The combining nonmajor and individual general fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. They have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

September 17, 2009

*Roberts, Greene & Drolet, PLLC*

## **BASIC FINANCIAL STATEMENTS**

**EXHIBIT 1**  
**BROOKLINE SCHOOL DISTRICT**  
**Statement of Net Assets**  
**June 30, 2009**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 370,072
Investments	387
Intergovernmental receivables	173,173
Other receivables	37,707
Prepaid items	6,786
Capital assets, net of accumulated depreciation:	
Land improvements	130,605
Buildings and building improvements	6,771,952
Machinery, equipment and vehicles	22,139
Total assets	7,512,821
<b>LIABILITIES</b>	
Accounts payable	65,663
Accrued salaries and benefits	13,124
Intergovernmental payable	17,455
Accrued interest payable	103,752
Unearned revenue	1,200
Noncurrent obligations:	
Due within one year:	
Bonds	256,937
Due in more than one year:	
Bonds	1,921,637
Compensated absences	141,165
Total liabilities	2,520,933
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	4,746,122
Unrestricted	245,766
Total net assets	\$ 4,991,888

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

**EXHIBIT 2**  
**BROOKLINE SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2009**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes In Net Assets
		Charges for Services	Operating Grants and Contributions	
<b>Governmental activities:</b>				
Instruction	\$ 3,904,753	\$ 9,972	\$ 216,310	\$ -
Support services:				
Student	673,638	-	104,876	-
Instructional staff	191,976	-	1,169	-
General administration	42,345	-	-	-
Executive administration	224,943	-	-	-
School administration	376,819	-	-	-
Operation and maintenance of plant	584,056	-	-	-
Student transportation	332,504	-	-	-
Other	1,237,594	-	-	-
Non-instructional services	212,177	138,367	38,402	-
Facilities acquisition and construction	5,425	-	-	-
Interest on long-term debt	172,025	-	-	79,337
Total governmental activities	<u>\$ 7,958,255</u>	<u>\$ 148,339</u>	<u>\$ 360,757</u>	<u>\$ 79,337</u>
General revenues:				
School district assessment				4,959,361
Grants and contributions not restricted to specific programs				2,729,215
Miscellaneous				52,240
Total general revenues				<u>7,740,816</u>
Change in net assets				370,994
Net assets, beginning				4,620,894
Net assets, ending				<u>\$ 4,991,888</u>

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

**EXHIBIT 3**  
**BROOKLINE SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2009**

	General	Food Service	Grants	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 298,104	\$ 47,495	\$ 24,473	\$ -	\$ 370,072
Investments	387	-	-	-	387
Receivables:					
Accounts	6,873	29,834	1,000	-	37,707
Intergovernmental	22,645	2,719	104,851	42,958	173,173
Interfund receivable	179,477	-	-	-	179,477
Prepaid items	6,786	-	-	-	6,786
Total assets	<u>\$ 514,272</u>	<u>\$ 80,048</u>	<u>\$ 130,324</u>	<u>\$ 42,958</u>	<u>\$ 767,602</u>
<b>LIABILITIES</b>					
Accounts payable	59,195	-	6,468	-	65,663
Accrued salaries and benefits	13,124	-	-	-	13,124
Intergovernmental payable	17,455	-	-	-	17,455
Interfund payable	-	80,048	99,429	-	179,477
Deferred revenue	1,200	-	-	-	1,200
Total liabilities	<u>90,974</u>	<u>80,048</u>	<u>105,897</u>	<u>-</u>	<u>276,919</u>
<b>FUND BALANCES</b>					
Reserved for encumbrances	75,983	-	-	-	75,983
Reserved for special purposes	-	-	-	25,897	25,897
Unreserved, undesignated, reported in:					
General fund	347,315	-	-	-	347,315
Special revenue funds	-	-	24,427	17,061	41,488
Total fund balances	<u>423,298</u>	<u>-</u>	<u>24,427</u>	<u>42,958</u>	<u>490,683</u>
Total liabilities and fund balances	<u>\$ 514,272</u>	<u>\$ 80,048</u>	<u>\$ 130,324</u>	<u>\$ 42,958</u>	<u>\$ 767,602</u>

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

**EXHIBIT 4**  
**BROOKLINE SCHOOL DISTRICT**  
**Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Assets**  
**June 30, 2009**

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Total fund balances of governmental funds (Exhibit 3)	\$	490,683
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Cost	\$	8,934,243
Less accumulated depreciation		<u>(2,009,547)</u>
		6,924,696
Interfund receivables and payables between governmental funds are eliminated on the statement of net assets.		
Receivables	\$	(179,477)
Payables		<u>179,477</u>
		-
Interest on long-term debt is not accrued in governmental funds.		
		(103,752)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.		
Bonds	\$	2,178,574
Compensated absences		<u>141,165</u>
		<u>(2,319,739)</u>
Net assets of governmental activities (Exhibit 1)	\$	<u><u>4,991,888</u></u>

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



**EXHIBIT 5**  
**BROOKLINE SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2009**

	General	Food Service	Grants	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
School district assessment	\$ 4,959,361	\$ -	\$ -	\$ -	\$ 4,959,361
Other local	50,297	138,575	14,154	(2,447)	200,579
State	2,946,233	2,334	-	-	2,948,567
Federal	35,208	36,068	149,466	-	220,742
Total revenues	<u>7,991,099</u>	<u>176,977</u>	<u>163,620</u>	<u>(2,447)</u>	<u>8,329,249</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	3,675,577	-	43,421	-	3,718,998
Support services:					
Student	568,762	-	104,876	-	673,638
Instructional staff	179,830	-	12,146	-	191,976
General administration	42,345	-	-	-	42,345
Executive administration	224,943	-	-	-	224,943
School administration	376,819	-	-	-	376,819
Business	-	-	-	-	-
Operation and maintenance of plant	584,056	-	-	-	584,056
Student transportation	332,504	-	-	-	332,504
Central	-	-	-	-	-
Other	1,237,594	-	-	-	1,237,594
Non-instructional services	-	210,044	-	-	210,044
Debt service:					
Principal	269,691	-	-	-	269,691
Interest	160,709	-	-	-	160,709
Facilities acquisition and construction	123,448	-	-	-	123,448
Total expenditures	<u>7,776,278</u>	<u>210,044</u>	<u>160,443</u>	<u>-</u>	<u>8,146,765</u>
Excess (deficiency) of revenues over (under) expenditures	<u>214,821</u>	<u>(33,067)</u>	<u>3,177</u>	<u>(2,447)</u>	<u>182,484</u>
Other financing sources (uses):					
Transfers in	-	33,067	-	-	33,067
Transfers out	(33,067)	-	-	-	(33,067)
Total other financing sources and uses	<u>(33,067)</u>	<u>33,067</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	181,754	-	3,177	(2,447)	182,484
Fund balances, beginning	241,544	-	21,250	45,405	308,199
Fund balances, ending	<u>\$ 423,298</u>	<u>\$ -</u>	<u>\$ 24,427</u>	<u>\$ 42,958</u>	<u>\$ 490,683</u>

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

**EXHIBIT 6**  
**BROOKLINE SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund**  
**Balances of Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2009**

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Net change in fund balances of total governmental funds (Exhibit 5)	\$	182,484
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capitalized capital outlay in the current period.		
Capitalized capital outlay	\$	118,023
Depreciation expense		<u>(180,378)</u>
		(62,355)
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	\$	(33,067)
Transfers out		<u>33,067</u>
		-
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net assets.		
Principal repayment of bonds		269,682
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 governmental funds.		
Increase in accrued interest expense	\$	(11,307)
Increase in compensated absences		<u>(7,510)</u>
		(18,817)
Change in net assets of governmental activities (Exhibit 2)	\$	<u><u>370,994</u></u>

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

**EXHIBIT 7**  
**BROOKLINE SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Assets**  
**June 30, 2009**

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	<u>Agency</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$     36,039
<b>LIABILITIES</b>	
Due to student groups	<u>          36,039</u>
<b>NET ASSETS</b>	<u><u>          \$           -</u></u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**BROOKLINE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009**

**I. Summary of Significant Accounting Principles**

**I.A. Introduction**

The accounting and reporting framework and the more significant accounting principles and practices of the Brookline School District (the School District) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the School District's financial activities for the fiscal year ended June 30, 2009.

**I.B. Financial Reporting Entity – Basis of Presentation**

**I.B.1. *Entity Defined***

The Brookline School District is a municipal corporation governed by a school board consisting of five members elected by the voters. These financial statements present the financial position and activity of the primary government. Component units are organizations for which the primary government is financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete. Based on the stated criteria, the School District's financial statements do not include any component units.

**I.B.2. *Government-Wide and Fund Financial Statements***

*Government-Wide Financial Statements*

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the School District as a whole, excluding fiduciary activities. Individual funds are not displayed.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report tuition, fees, and other charges for the School District's services; (2) operating grants and contributions, which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which finance the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. The school district assessment from the town, unrestricted state aid and revenue from other sources not properly included with program revenues are reported as general revenues.

**BROOKLINE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE FISCAL YEAR ENDED  
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*Fund Financial Statements*

Fund financial statements are provided for governmental and fiduciary funds. Major individual, governmental funds are reported in separate columns with composite columns for nonmajor funds.

**I.B.3. *Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The financial statements of the School District are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The School District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Reimbursements are reported as reductions to expenses. Fiduciary fund financial statements also report using this same basis of accounting, although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants are recognized when grantor eligibility requirements are met. The agency funds are custodial in nature and do not measure results of operations.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenues susceptible to accrual are the school district assessment from the town, tuition, investment income, and federal and state grants. In general, other revenues are recognized when cash is received.

**BROOKLINE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009**

**I.B.4. Fund Types and Major Funds**

*Governmental Funds*

The School District reports the following major governmental funds:

*General Fund* – Reports as the primary fund of the School District. This fund is used to account for all financial resources not reported in other funds.

*Food Service Fund* – Reports as a special revenue fund and used to account for the food service program.

*Grants Fund* – This fund accounts for the School District’s local and federal grant programs.

The School District also reports two nonmajor funds: the expendable trust and permanent funds.

*Fiduciary Funds*

The School District also reports the following fiduciary funds:

*Agency Funds* – Account for fiduciary assets held by the School District in a custodial capacity as an agent on behalf of others. The School District’s agency funds are used to account for student activities.

**I.C. Assets, Liabilities, and Net Assets or Fund Equity**

**I.C.1. Cash and Investments**

The laws of the State of New Hampshire require that the School District’s treasurer have custody of all monies belonging to the School District and pay out the same only upon orders of the School Board. The treasurer shall deposit all monies in participation units in the public deposit investment pool established pursuant to N.H. RSA 383:22 or in solvent banks in the state. Funds may be deposited in banks outside the state if such banks pledge or 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.

Investments are stated at fair value based on quoted market prices.

**BROOKLINE SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
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New Hampshire law authorizes the School District to invest in obligations of the United States government; the public deposit investment pool established pursuant to RSA 383:22; savings bank deposits; prime bankers' acceptances; or certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the state treasurer.

Any person who directly or indirectly receives any such funds or monies for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, 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 School District. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

**I.C.2. *Prepays***

Prepays are payments to vendors that benefit future reporting periods and are reported on the consumption basis. Prepays are similarly reported in government-wide and fund financial statements.

**I.C.3. *Capital Assets and Depreciation***

The School District's capital assets with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The School District capitalizes assets with cost of \$5,000 or more and an estimated useful life of one year or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follow:

	Years
Land improvements	20
Buildings and building improvements	50-75
Machinery, vehicles and equipment	15-20

**I.C.4. *Long-Term Debt***

In the government-wide financial statements, outstanding debt is reported as liabilities. The balance of long-term debt is not reported in the governmental funds.



**BROOKLINE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**I.C.5 *Compensated Absences***

Teachers are entitled to a retirement incentive after meeting certain employment requirements.

Compensated absences are reported as accrued in the government-wide financial statements. Governmental funds report only matured compensated absences payable to currently terminated employees which are included in wages and benefits expenditures.

**I.C.6. *Fund Equity***

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes beyond the restrictions applicable to the fund.

**II. Stewardship, Compliance and Accountability**

**Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the Expendable Trust and Permanent Funds. Unless encumbered, all appropriations lapse at year-end. The School District is required to use the beginning unreserved, undesignated fund balance to balance the budget. In the fiscal year 2009, \$224,972 of the unreserved fund balance from the fiscal year 2008 was used.

Encumbrance accounting is employed by the governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be added to the appropriations voted in the subsequent year.

Revenues are budgeted by source. Expenditures are budgeted by functions as follow: instruction, student support, instructional staff, general administration, executive administration, school administration, operation and maintenance of plant, student transportation, other support services, debt service and facilities acquisition and construction. Management can transfer appropriations among budget line items as necessary, but the total expenditures cannot exceed the total appropriations unless permission is received from the Commissioner of Education.

**BROOKLINE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009**

**III. Detailed Notes on Funds and Government-Wide Statements**

**III.A. Assets**

**III.A.1. Receivables**

Significant receivables consist of reimbursements and intergovernmental amounts arising from medicaid, grants, reimbursements from other school districts for shared services and the trust funds being in the custody of the Town of Brookline trustees of trust funds

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.

**III.A.2. Capital Assets**

*Changes in Capital Assets*

The following table provides a summary of changes in capital assets:

	Balance, beginning	Changes	Balance, ending
Governmental activities:			
At cost:			
Land improvements	230,400	-	230,400
Buildings and building improvements	8,534,000	118,023	8,652,023
Machinery, equipment and vehicles	51,820	-	51,820
Total all capital assets	<u>8,816,220</u>	<u>118,023</u>	<u>8,934,243</u>
Less accumulated depreciation:			
Land improvements	(88,275)	(11,520)	(99,795)
Buildings and building improvements	(1,714,337)	(165,734)	(1,880,071)
Machinery, equipment and vehicles	(26,557)	(3,124)	(29,681)
Total accumulated depreciation	<u>(1,829,169)</u>	<u>(180,378)</u>	<u>(2,009,547)</u>
Net book value, all capital assets	<u>\$ 6,987,051</u>	<u>\$ (62,355)</u>	<u>\$ 6,924,696</u>

**BROOKLINE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009**

*Depreciation Expense*

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

Governmental activities:	
Instruction	\$ 178,245
Non-instructional services	2,133
Total depreciation expense	<u>\$ 180,378</u>

**III.B. Long-Term Debt**

General obligation bonds are approved by the voters and repaid with general revenues (property taxes). These bonds are backed by the full faith and credit of the School District. Long-term liabilities currently outstanding are as follow:

	<u>Original Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate %</u>	<u>Outstanding at June 30, 2009</u>	<u>Current Portion</u>
General obligation bond payable:						
School renovations	\$ 5,367,912	2000	2020	5.2	\$ 2,178,574	\$ 256,937
Compensated absences payable:						
Vested earned time					141,165	-
					<u>\$ 2,319,739</u>	<u>\$ 256,937</u>

*Changes in Long-Term Liabilities*

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2009:

	<u>General Obligation Bond Payable</u>	<u>Compensated Absences Payable</u>	<u>Total</u>
Balance, beginning	\$ 2,448,256	\$ 133,655	\$ 2,581,911
Additions	-	7,510	7,510
Reductions	(269,682)	-	(269,682)
Balance, ending	<u>\$ 2,178,574</u>	<u>\$ 141,165</u>	<u>\$ 2,319,739</u>

**BROOKLINE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009**

*Debt Service Requirements to Maturity*

The annual debt service requirements to maturity for bonded debt as of year-end are as follow:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 256,937	\$ 176,025	\$ 432,962
2011	245,020	189,424	434,444
2012	229,249	201,020	430,269
2013	217,855	212,583	430,438
2014	206,654	223,165	429,819
2015-2019	874,606	1,287,525	2,162,131
2020	148,253	282,772	431,025
Totals	<u>\$ 2,178,574</u>	<u>\$ 2,572,514</u>	<u>\$ 4,751,088</u>

**III.C. Balances and Transfers – Payments Within the Reporting Entity**

**III.C.1. *Receivables and Payables***

Generally, outstanding balances between funds reported as “interfund receivables/payables” include outstanding charges by one fund to another for goods or services, subsidy commitments outstanding at year-end, or other miscellaneous amounts. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is also reported as “interfund receivables/payables.”

The following schedule reports receivables and payables within the reporting entity at fiscal year-end:

Receivable fund	Payable fund	Amount
General	Food Service	\$ 80,048
	Grants	99,429
		<u>\$ 179,477</u>

The amounts due to the General Fund from the Food Service and Grants Funds represent overdrafts of pooled cash.

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**III.C.2. Transfers**

Transfers within the reporting entity are for subsidizing the food service program. The government-wide statement of activities eliminates transfers reported within the governmental activities columns. The following schedule reports transfers within the reporting entity:

	Transfer In:
	Food Service Fund
Transfer out:	
General fund	\$ 33,097

**IV. Other Information**

**IV.A. Risk Management**

The School District’s risk management activities are reported with governmental activities and recorded in the general fund. During the fiscal year, the School District was a member of the Local Government Center Property-Liability Trust, Inc., which is considered a public entity risk pool, currently operating as a common risk management and insurance program for member governmental entities.

**Local Government Center Property-Liability Trust, Inc. (the Trust)** – This Trust is organized to provide certain property and liability protection to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of the Trust, the School District shares in contributing to the cost of, and receiving benefits from, a self-insured pooled risk management program. The membership and coverage run from July 1 to June 30. The Trust maintains a self-insured retention above which it purchases reinsurance and excess insurance.

Contributions paid for fiscal year 2009 to be recorded as an insurance expenditure/expense totaled \$17,819. There were no unpaid contributions for the year ending June 30, 2009. The School District also paid \$19,423 for workers’ compensation for the fiscal year. The trust agreement permits the Trust to make additional assessments to members should there be a deficiency in trust assets to meet its liabilities. At this time, the Trust foresees no likelihood of any additional assessments for past years.

**IV.B. Retirement Pensions**

The New Hampshire Retirement System (NHRS) is a multiple-employer, cost-sharing, contributory public employee defined benefit plan qualified under section 401(a) of the Internal Revenue Code, and funded through a trust which is exempt from tax under Internal Revenue Code section 501(a). The NHRS provides service, disability, death and vested retirement benefits for employees and their

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beneficiaries. The New Hampshire Legislature establishes the provisions for benefits and contributions. The NHRS issues a separate financial report that is available by contacting the NHRS at 54 Regional Drive, Concord, NH 03301.

Both the members and the School District make contributions to the NHRS. Member rates of contribution are set by the Legislature. Employer rates are determined by the NHRS trustees based on an actuarial valuation. The rate of contribution is 5% of gross earnings for all employees. During fiscal year 2009, the rates of contribution from the School District were 5.80% for teachers, which represents 65% of the total employer cost, and 8.74% for other employees. The balance of the employer cost was paid by the State of New Hampshire. Employer contributions from the School District during the fiscal years 2007, 2008 and 2009 were \$96,313, \$186,353 and \$208,372, respectively. The amounts are paid on a monthly basis as due. The amount paid by the State for fiscal year 2009 was \$97,793. This amount has been reported as an expenditure/expense and revenue on the government-wide statement of activities and on the governmental funds statement of revenues, expenditures and changes in fund balances.

**IV.C. Contingent Liabilities**

The School District has received federal and state grants for specific purposes that are subject to review and possible audit by the grantor or pass-through agencies. Any such audit may result in a requirement to reimburse the grantor agency for costs disallowed. The School District does not feel the chance of disallowance is likely, and if it should occur, the amount would not be material.

**REQUIRED SUPPLEMENTARY INFORMATION**

**EXHIBIT 8**  
**BROOKLINE SCHOOL DISTRICT**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2009**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
School district assessment	\$ 4,959,361	\$ 4,959,361	\$ -
Other local	30,100	50,297	20,197
State	2,844,279	2,848,440	4,161
Federal	10,000	35,208	25,208
Total revenues	<u>7,843,740</u>	<u>7,893,306</u>	<u>49,566</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	3,555,434	3,581,001	(25,567)
Support services:			
Student	687,849	572,907	114,942
Instructional staff	183,591	183,907	(316)
General administration	46,431	44,400	2,031
Executive administration	224,943	224,943	-
School administration	411,435	377,095	34,340
Operation and maintenance of plant	634,886	622,315	12,571
Student transportation	337,013	339,812	(2,799)
Other	1,440,729	1,237,594	203,135
Debt service:			
Principal	269,691	269,691	-
Interest	160,710	160,709	1
Facilities acquisition and construction	116,000	118,523	(2,523)
Total expenditures	<u>8,068,712</u>	<u>7,732,897</u>	<u>335,815</u>
Excess (deficiency) of revenues over (under) expenditures	(224,972)	160,409	385,381
Other financing uses:			
Transfers out	<u>-</u>	<u>(33,067)</u>	<u>(33,067)</u>
Net change in fund balance	<u>\$ (224,972)</u>	127,342	<u>\$ 352,314</u>
Unreserved fund balance, beginning		<u>219,973</u>	
Unreserved fund balance, ending		<u>\$ 347,315</u>	

The notes to the required supplementary information is an integral part of this statement.



**EXHIBIT 9**  
**BROOKLINE SCHOOL DISTRICT**  
**Food Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (GAAP Basis)**  
**For the Fiscal Year Ended June 30, 2009**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Local:			
Sales	\$ 173,012	\$ 138,367	\$ (34,645)
Miscellaneous	-	208	208
State:			
Meal reimbursements	1,988	2,334	346
Federal:			
Meal reimbursements	20,000	27,160	7,160
USDA commodities	-	8,908	8,908
Total revenues	<u>195,000</u>	<u>176,977</u>	<u>(18,023)</u>
<b>EXPENDITURES</b>			
Current:			
Non-instructional services	<u>195,000</u>	<u>210,044</u>	<u>(15,044)</u>
Deficiency of revenues under expenditures	-	(33,067)	(33,067)
Other financing sources:			
Transfers in	<u>-</u>	<u>33,067</u>	<u>33,067</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u>\$ -</u>	

The notes to the required supplementary information is an integral part of this statement.

**EXHIBIT 10**  
**BROOKLINE SCHOOL DISTRICT**  
**Grants Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (GAAP Basis)**  
**For the Fiscal Year Ended June 30, 2009**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Local	\$ -	\$ 14,154	\$ 14,154
Federal	198,000	149,466	(48,534)
Total revenues	<u>198,000</u>	<u>163,620</u>	<u>(34,380)</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	198,000	43,421	154,579
Support services:			
Student	-	104,876	(104,876)
Instructional staff	-	12,146	(12,146)
Total expenditures	<u>198,000</u>	<u>160,443</u>	<u>37,557</u>
Net change in fund balance	<u>\$ -</u>	3,177	<u>\$ 3,177</u>
Fund balance, beginning		<u>21,250</u>	
Fund balance, ending		<u>\$ 24,427</u>	

The notes to the required supplementary information is an integral part of this statement.

**BROOKLINE SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009**

**Reconciliation of Budgetary Basis to GAAP**

General Fund

Revenues and other financing sources:	
Per Exhibit 8 (budgetary basis)	7,893,306
Adjustment:	
Basis difference:	
On-behalf retirement contribution payments made by the State of New Hampshire recognized as revenue on the GAAP basis, but not on the budgetary basis	97,793
Per Exhibit 5 (GAAP basis)	<u>\$ 7,991,099</u>
Expenditures and other financing uses:	
Per Exhibit 8 (budgetary basis)	\$ 7,765,964
Adjustments:	
Basis difference:	
Encumbrances, beginning	21,571
Encumbrances, ending	(75,983)
On-behalf retirement contribution payments made by the State of New Hampshire recognized as an expenditure on the GAAP basis, but not on the budgetary basis	97,793
Per Exhibit 5 (GAAP basis)	<u>\$ 7,809,345</u>

For the Food Service and Grants Funds, there is no difference between the budgetary basis and GAAP.

**Excess of Expenditures Over Appropriations**

The food service fund has an excess of expenditures over appropriations of \$15,044 for the fiscal year ended June 30, 2009. Overexpenditures were mostly due to the change in program management and were less than overexpenditures from prior years.

**COMBINING NONMAJOR AND INDIVIDUAL GENERAL FUND SCHEDULES**

**EXHIBIT 11**  
**BROOKLINE SCHOOL DISTRICT**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2009**

	Special Revenue Fund <u>Expendable</u> <u>Trust</u>	<u>Permanent</u>	<u>Total</u>
<b>ASSETS</b>			
Intergovernmental receivables	\$ 17,061	\$ 25,897	\$ 42,958
<b>FUND BALANCES</b>			
Reserved for special purposes	-	25,897	25,897
Unreserved, undesignated	17,061	-	17,061
Total fund balances	\$ 17,061	\$ 25,897	\$ 42,958

**EXHIBIT 12**  
**BROOKLINE SCHOOL DISTRICT**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2009**

	Special Revenue Fund <u>Expendable</u> <u>Trust</u>	<u>Permanent</u>	<u>Total</u>
<b>REVENUES</b>			
Local	18	(2,465)	(2,447)
Fund balances, beginning	17,043	28,362	45,405
Fund balances, ending	<u>\$ 17,061</u>	<u>\$ 25,897</u>	<u>\$ 42,958</u>

**EXHIBIT 13**  
**BROOKLINE SCHOOL DISTRICT**  
**General Fund**  
**Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2009**

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 4,959,361	\$ 4,959,361	\$ -
Other local sources:			
Tuition	-	9,972	9,972
Investment earnings	10,000	10,876	876
Impact fees	-	10,559	10,559
Rentals	-	1,820	1,820
Miscellaneous	20,100	17,070	(3,030)
Total from other local sources	<u>30,100</u>	<u>50,297</u>	<u>20,197</u>
State sources:			
Adequacy aid (grant)	2,092,054	2,092,054	-
Adequacy aid (tax)	637,161	637,161	-
School building aid	81,663	79,337	(2,326)
Catastrophic aid	33,401	39,888	6,487
Total from state sources	<u>2,844,279</u>	<u>2,848,440</u>	<u>4,161</u>
Federal sources:			
Medicaid	10,000	35,208	25,208
Total revenues	7,843,740	<u>\$ 7,893,306</u>	<u>\$ 49,566</u>
Use of fund balance to reduce school district assessment	224,972		
Total revenues and use of fund balance	<u>\$ 8,068,712</u>		

**EXHIBIT 14**  
**BROOKLINE SCHOOL DISTRICT**  
**General Fund**  
**Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2009**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
Instruction:					
Regular programs	\$ 1,190	\$ 2,472,783	\$ 2,487,408	\$ 4,475	\$ (17,910)
Special programs	1,270	1,082,651	1,090,376	1,202	(7,657)
Total instruction	<u>2,460</u>	<u>3,555,434</u>	<u>3,577,784</u>	<u>5,677</u>	<u>(25,567)</u>
Support services:					
Student	-	687,849	568,762	4,145	114,942
Instructional staff	4,009	183,591	179,830	8,086	(316)
General administration	-	46,431	42,345	2,055	2,031
Executive administration	-	224,943	224,943	-	-
School administration	-	411,435	376,819	276	34,340
Operation and maintenance of plant	7,102	634,886	584,056	45,361	12,571
Student transportation	-	337,013	332,504	7,308	(2,799)
Other	-	1,440,729	1,237,594	-	203,135
Total support services	<u>11,111</u>	<u>3,966,877</u>	<u>3,546,853</u>	<u>67,231</u>	<u>363,904</u>
Debt service:					
Principal	-	269,691	269,691	-	-
Interest	-	160,710	160,709	-	1
Total debt service	<u>-</u>	<u>430,401</u>	<u>430,400</u>	<u>-</u>	<u>1</u>
Facilities acquisition and construction	<u>8,000</u>	<u>116,000</u>	<u>123,448</u>	<u>3,075</u>	<u>(2,523)</u>
Other financing uses:					
Transfers out	<u>-</u>	<u>-</u>	<u>33,067</u>	<u>-</u>	<u>(33,067)</u>
Total encumbrances, appropriations, expenditures and other financing uses	<u>\$ 21,571</u>	<u>\$ 8,068,712</u>	<u>\$ 7,711,552</u>	<u>\$ 75,983</u>	<u>\$ 302,748</u>



**EXHIBIT 15**  
**BROOKLINE SCHOOL DISTRICT**  
**General Fund**  
**Schedule of Changes in Unreserved - Undesignated Fund Balance (Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2009**

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Unreserved, undesignated fund balance, beginning		\$ 219,973
Changes:		
Unreserved fund balance used to reduce school district assessment		(224,972)
Budget summary:		
Revenue surplus (Exhibit 13)	\$ 49,566	
Unexpended balance of appropriations (Exhibit 14)	<u>302,748</u>	
Budget surplus		<u>352,314</u>
Unreserved, undesignated fund balance, ending		<u>\$ 347,315</u>