

BROOKLINE SCHOOL DISTRICT

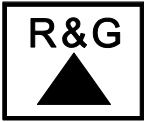
FINANCIAL REPORT

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

**BROOKLINE SCHOOL DISTRICT
FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

TABLE OF CONTENTS

	<u>PAGES</u>
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION & ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position (Exhibit 1)	10
Statement of Activities (Exhibit 2)	11
Fund Financial Statements:	
Balance Sheet – Governmental Funds (Exhibit 3)	12
Reconciliation of Total Governmental Fund Balances to the Statement of Net Position (Exhibit 4)	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit 5)	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Exhibit 6)	15
General Fund - Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) (Exhibit 7)	16
Grants Fund - Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (GAAP Basis) (Exhibit 8)	17
NOTES TO THE FINANCIAL STATEMENTS	18
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the School District’s Proportionate Share of the Net Pension Liability (Exhibit 9)	36
Schedule of the School District’s Pension Contributions (Exhibit 10)	37
Schedule of Changes in the School District’s Total OPEB Liability and Related Ratios (Exhibit 11)	38
Schedule of the School District’s OPEB Contributions (Exhibit 12)	39
Note to the Required Supplementary Information	40
COMBINING NONMAJOR AND INDIVIDUAL FUND SCHEDULES	
Nonmajor Governmental Funds	
Combining Balance Sheet (Exhibit 13)	41
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Exhibit 14)	42
General Fund	
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis) (Exhibit 15)	43
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis) (Exhibit 16)	44
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis) (Exhibit 17)	45
INDEPENDENT AUDITOR’S COMMUNICATION TO MANAGEMENT	46



Roberts & Greene, 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 year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Brookline School District as of June 30, 2019, and the respective changes in financial position thereof, and

the budgetary comparisons for the General Fund and Grants Fund for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note I.B.5. to the financial statements, in fiscal year 2019, the School District adopted new accounting guidance regarding the accounting and reporting of student activities funds. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and OPEB schedules on pages 3-9 and 36-39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brookline School District's basic financial statements. The combining nonmajor and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Roberts & Heine, PLLC

Concord, New Hampshire
May 6, 2020

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2019**

This section of the Brookline School District annual financial report presents our discussion and analysis of the district's financial performance during the fiscal year that ended June 30, 2019. Responsibility for the accuracy of the data, and the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material performance as a whole. With this in mind, please also refer to the district's financial statements, which immediately follow this section. The MDA is an element of required supplementary information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999.

The District administration is responsible for establishing and accounting and internal control structure designed to ensure that the physical, data, informational, intellectual, and human resource assets of the District are protected from loss, theft and misuse, and to ensure that adequate accounting information is maintained and reported in conformity with generally accepted accounting principles (GAAP). Management also strives to ensure these assets are put to good and effective use. The internal control structure is designed to provide reasonable assurance that these objectives are attained.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district:

1. The first two basic financial statements provide both short-term and long-term information about the district's overall financial status.
2. The remaining basic financial statements are fund financial statements that focus on individual parts of the district, reporting the district's operations in more detail than the district-wide statements. The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The basic financial statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the district's budget for the year. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

DISTRICT-WIDE STATEMENTS

The district-wide statements report information about the district as a whole. The statement of net position includes all of the district's assets and liabilities, except for capital assets. All of the current year's revenues and expense are accounted for in the statement of activities regardless of when cash is received or paid. Net position – the difference between the district's assets and liabilities – is one way

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2019**

to measure the district's financial health or position. The district-wide statements present and aggregate view of the finances of the school district by answering the question, "How did the school district do financially during the 2018-19 school year?" These statements report all assets and liabilities using the accrual basis of accounting used by most private-sector enterprises. The accrual basis takes into account all of the district's current-year revenues and expenses regardless of when they were paid or received.

In the district-wide financial statements the district's activities are listed as governmental activities, which includes most of the district's basic service, such as regular and special education, transportation, and administration. Property taxes and state revenue finance most of the activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the district's most significant funds – not the district as a whole. Funds are accounting devices the district uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. The district establishes other funds to control and manage money for particular purposes (like repaying long-term debts) or to show that it is properly using certain revenues (like federal grants).

The district has two types of funds:

- Governmental funds – Most of the district's basic services are included in governmental funds, which generally focus on (1) how cash (and other financial assets that can be readily converted to cash) flows in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. This information does not encompass the additional long-term focus of the district-wide statements. We provide additional information with the governmental funds statements that explain the relationship (or differences) between them. An annual appropriation budget is adopted for governmental funds. A budgetary comparison has been provided for the General and Grant funds to demonstrate compliance with this budget.
- Fiduciary Funds – The district is the trustee, or fiduciary, for assets that belong to others, such as the student activities funds. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the district's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in the fiduciary net position. These activities are not included in the district-wide financial statements because the district cannot use these assets to finance its operations.

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2019**

Notes to the Basic Financial Statements

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

Government-Wide Financial Analysis

Brookline School District

Statement of Net Position

Change in net position for fiscal year 2019 compared to fiscal year 2018:

	2019	2018	Increase (Decrease)	% Increase (Decrease)
Current and other assets	803,720	663,668	140,052	21.10%
Capital assets	5,674,412	5,796,011	(121,599)	-2.10%
Total Assets	6,478,132	6,459,679	18,453	0.29%
Deferred outflows of resources	1,869,299	1,389,999	479,300	34.48%
Long-term liabilities outstanding	8,578,606	8,208,857	369,749	4.50%
Other liability	377,226	313,438	63,788	20.35%
Total liabilities	8,955,832	8,522,295	433,537	5.09%
Deferred inflows of resources	378,738	349,819	28,919	8.27%
Net Position:				
Net investment in capital assets	5,372,319	5,295,182	77,137	1.46%
Restricted	33,579	33,436	143	0.43%
Unrestricted	(6,393,037)	(6,351,054)	(41,983)	-0.66%
Total Net Position	(987,139)	(1,022,436)	35,297	3.45%

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2019**

Statement of Activities

Change in fund revenue and expenses for fiscal year 2019 compared to fiscal year 2018:

Revenues:	2019	2018	Change	%Change
Program Revenues				
Charges for Services	381,856	363,851	18,005	4.9%
Operating Grants and Contributions	273,519	262,663	10,856	4.1%
Capital Grants and Contributions	123,642	49,650	73,992	149.0%
General Revenues:				
Assessment	6,546,967	5,424,689	1,122,278	20.7%
Grants and Contributions	2,354,870	2,850,635	(495,765)	-17.4%
Miscellaneous	82,263	46,754	35,509	75.9%
Total Revenues	9,763,117	8,998,242	764,875	8.5%
Program Expenses:				
Instruction	4,315,412	4,019,465	295,947	7.4%
Student Support	630,891	518,189	112,702	21.7%
Instructional Staff	254,156	194,821	59,335	30.5%
General Administration	33,840	42,688	(8,848)	-20.7%
Executive Administration	279,152	271,051	8,101	3.0%
School Administration	447,543	412,321	35,222	8.5%
Operation and Maintenance of Plant	650,827	631,363	19,464	3.1%
Student Transportation	411,218	392,649	18,569	4.7%
Other	2,240,882	2,167,714	73,168	3.4%
Non-instructional Services	174,225	160,038	14,187	8.9%
Interest on Long-Term Debt	289,674	283,500	6,174	2.2%
Total Expenses	9,727,820	9,093,799	634,021	7.0%
Change in Net Position	35,297	(95,557)	130,854	136.9%
Net Position - Beginning	(1,022,436)	(173,010)	(849,426)	-491.0%
Restatement	-	(753,869)	-	
Net Position - Ending	(987,139)	(1,022,436)	35,297	3.45%

Specific areas of variance are evidenced above in the change in net position. Some larger variances are due to the following:

Revenues – In FY19 the district received \$764,875 more in revenue than in FY18. In addition to the tax assessment revenue increase of \$1,122,278, the district’s other major revenue sources show the following increases or decreases from FY18:

- Pre-school and Non-resident tuition – Increase of \$14K
- Kindergarten revenue – Increase of \$34K

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2019**

- Adequacy grant/tax – Decrease of \$586 (Adequacy Aid is a state aid program and is based on the average daily membership (ADM) of resident students)
- Building Aid – Decrease of \$3K (School Building Aid is a program through which the State of New Hampshire provides financial assistance to local school districts for the construction or substantial renovation of educational facilities for grades K-12)
- Special Education Aid – Increase of \$35K (This is state aid based on approved expenses for special education students after the district pays the first \$55,000 per student. The revenue is received the year after the expenses are incurred.)
- Medicaid – Increase of \$6K (These are federal funds coming from the state of NH for reimbursable costs to Medicaid approved students)
- Food Service – Increase of \$25K (This includes local sales as well as federal and state funding)
- Grants – Increase of \$70K (Grant funding includes Title IIA and IDEA federal programs. Title IIA supports effective instruction and IDEA supports special education programs based on the number of special education students)

Expenditures – Expenditures were higher in FY19 than in FY18 by \$634,021. The largest increases come from the following categories:

- Salary increases and corresponding benefits
- Contracted special ed services
- Out-of-District tuition and related services
- Legal fees related to contract negotiations
- IT related support contracts
- Heating costs
- Special ed transportation
- Facility improvements

General Fund Budgetary Highlights

Revenues

Revenue recognized by the Brookline School District's general fund amounted to \$97,340 more than was budgeted, as detailed in the chart below. The school district assessment is determined by the town's district meeting vote so actual revenue equals the budget.

- "Other Local" revenue includes impact fees, interest, facilities use revenue and tuition. Tuition consists of Pre-school, Kindergarten and Non-resident all of which account for most of the revenue over budget. The district also received much more in impact fees than were budgeted. Note: Impact fees are charges assessed by the local government to help pay for public facilities, such as school facilities, and passed onto the school district as a source of revenue.
- "State" revenue includes the adequacy grant and education tax, building aid and special education aid
- "Federal" revenue includes Medicaid funds which came in higher than expected

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2019**

Revenue	Original Budget	Actual	Variance
School District Assessment	6,037,543	6,037,542	(1)
Other Local	168,715	262,024	93,309
State	2,913,276	2,911,281	(1,995)
Federal	19,025	25,052	6,027
Total Revenues	9,138,559	9,235,899	97,340
Use of Fund Balance to Reduce School District Assessment & Other Funding	120,717		
Total Revenues and Use of Fund Balance	9,259,276		

Expenditures

The general fund expenditure surplus can be attributed to:

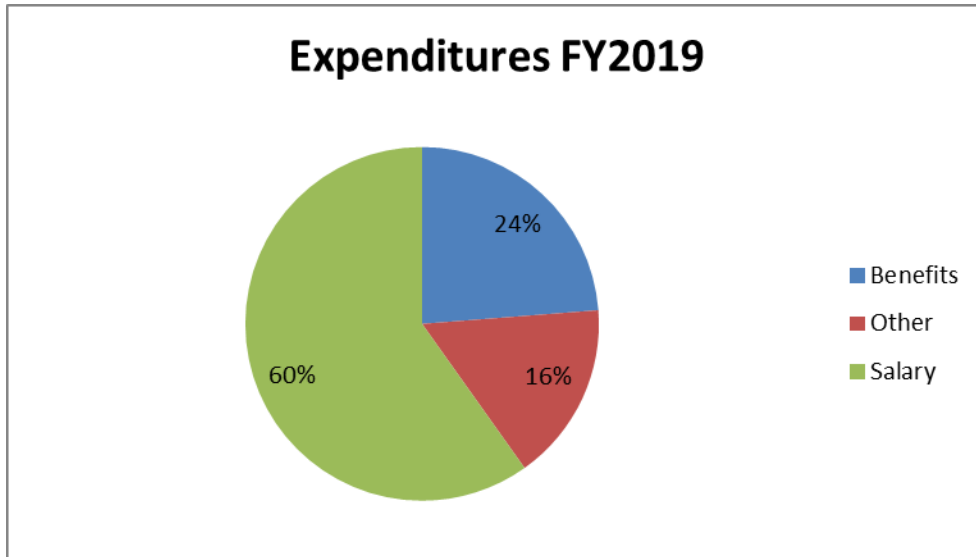
- Savings in professional development
- Savings in benefits
- Savings in Special Education Transportation
- Note: The contingency fund of \$50,000 was untouched

Expenditures	Original Budget	Actual	Variance
Instruction	3,855,670	3,888,529	(32,859)
Student & Instructional Support	831,309	812,504	18,805
General, Executive & School Admin	825,076	759,573	65,503
Operation & Maintenance of Plant	603,743	605,420	(1,677)
Student Transportation	443,000	411,218	31,782
Other Support Services	2,221,827	2,169,095	52,732
Debt Service	478,650	478,650	-
Total Appropriation & Expenditures	9,259,275	9,124,989	134,286

Brookline School District Activities

The district's expenses are predominately salaries and benefits which are illustrated below. "Other" expenses account for contracted services, transportation, operation & maintenance of plant, debt service, and general operational materials. The disbursement of cost has remained fairly consistent with prior fiscal year (FY18) expenditures (58 % salary, 17% other, 25% benefits).

**BROOKLINE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2019**



DEBT ADMINISTRATION

The Brookline School District carries debt for the construction of Captain Samuel Douglas Academy and the roof repair of the same. We will be ending one Bond at the end of FY20.

	CSDA Construction (Bond 1999B)	Roof (Bond 2012B)
REMAINING DEBT PAYMENTS		
FY20	431,025	44,750
FY21		38,500
FY22		37,100
FY23		35,700
	431,025	156,050

OTHER DISCUSSION

The district’s financial status is sound. Being that the majority of cost is associated to salary and benefits the budget is rather predictable from year to year. Alternative methods to provide access to reserve/contingency funds should be explored to ensure availability for funds should revenues fall below estimates or significant expenses arise throughout the course of the year.

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the district’s finances and to demonstrate the district’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Administrator at SAU #41, 4 Lund Lane, Brookline, NH 03049, by telephone at 603-324-5999, or via email at kelly.seeley@sau41.org.

BASIC FINANCIAL STATEMENTS

EXHIBIT 1
BROOKLINE SCHOOL DISTRICT
Statement of Net Position
June 30, 2019

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 272,392
Intergovernmental receivables	496,868
Other receivables	18,912
Inventory	7,332
Prepaid items	8,216
Capital assets, not being depreciated:	
Construction in progress	30,767
Capital assets, net of accumulated depreciation:	
Land improvements	28,709
Buildings and building improvements	5,557,256
Machinery, equipment and vehicles	57,680
Total assets	<u>6,478,132</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	1,793,153
Deferred amounts related to OPEB	76,146
Total deferred outflows of resources	<u>1,869,299</u>
LIABILITIES	
Accounts payable	52,717
Accrued salaries and benefits	37,327
Intergovernmental payable	74,298
Accrued interest payable	212,884
Noncurrent obligations:	
Due within one year:	
Bonds payable	188,253
Unamortized bond premium	2,210
Compensated absences payable	3,031
Termination benefits payable	92,155
Due in more than one year:	
Bonds payable	105,000
Unamortized bond premium	6,630
Termination benefits payable	312,630
Net pension liability	6,904,304
Other postemployment benefits liability	964,393
Total liabilities	<u>8,955,832</u>
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	27,360
Deferred amounts related to pensions	314,755
Deferred amounts related to OPEB	36,623
Total deferred inflows of resources	<u>378,738</u>
NET POSITION	
Net investment in capital assets	5,372,319
Restricted for endowments:	
Nonexpendable	31,601
Expendable	1,978
Unrestricted	(6,393,037)
Total net position	<u>\$ (987,139)</u>

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, 2019

	Expenses	Program Revenues		Net (Expense) Revenue and Changes In Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental activities:					
Instruction	\$ 4,315,412	\$ 231,592	\$ 214,236	\$ -	\$ (3,869,584)
Support services:					
Student	630,891	-	-	-	(630,891)
Instructional staff	254,156	-	8,745	-	(245,411)
General administration	33,840	-	-	-	(33,840)
Executive administration	279,152	-	-	-	(279,152)
School administration	447,543	-	-	-	(447,543)
Business	-	-	-	-	-
Operation and maintenance of plant	650,827	3,380	8,818	76,655	(561,974)
Student transportation	411,218	-	-	-	(411,218)
Other	2,240,882	-	-	-	(2,240,882)
Non-instructional services	174,225	146,884	41,720	-	14,379
Interest on long-term debt	289,674	-	-	46,987	(242,687)
Total governmental activities	<u>\$ 9,727,820</u>	<u>\$ 381,856</u>	<u>\$ 273,519</u>	<u>\$ 123,642</u>	<u>(8,948,803)</u>
General revenues:					
School district assessment					6,546,967
Grants and contributions not restricted to specific programs					2,354,870
Miscellaneous					82,263
Total general revenues					<u>8,984,100</u>
Change in net position					35,297
Net position, beginning, as restated, see Note III.D.					<u>(1,022,436)</u>
Net position, ending					<u>\$ (987,139)</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, 2019

	General	Grants	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 151,314	\$ -	\$ 121,078	\$ 272,392
Receivables, net of allowance for uncollectibles:				
Accounts	18,912	-	-	18,912
Intergovernmental	300,890	156,490	39,488	496,868
Interfund receivable	130,233	-	-	130,233
Inventory	-	-	7,332	7,332
Prepaid items	8,216	-	-	8,216
Total assets	<u>\$ 609,565</u>	<u>\$ 156,490</u>	<u>\$ 167,898</u>	<u>\$ 933,953</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 25,797	\$ 24,157	\$ 2,763	\$ 52,717
Accrued salaries and benefits	37,327	-	-	37,327
Intergovernmental payable	72,198	2,100	-	74,298
Interfund payable	-	130,233	-	130,233
Total liabilities	<u>135,322</u>	<u>156,490</u>	<u>2,763</u>	<u>294,575</u>
Deferred inflows of resources:				
Deferred revenue	<u>13,846</u>	<u>-</u>	<u>13,514</u>	<u>27,360</u>
Fund balances:				
Nonspendable	8,216	-	38,933	47,149
Restricted	-	-	1,978	1,978
Committed	324,546	-	110,710	435,256
Assigned	20,454	-	-	20,454
Unassigned	107,181	-	-	107,181
Total fund balances	<u>460,397</u>	<u>-</u>	<u>151,621</u>	<u>612,018</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 609,565</u>	<u>\$ 156,490</u>	<u>\$ 167,898</u>	<u>\$ 933,953</u>

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

EXHIBIT 4
BROOKLINE SCHOOL DISTRICT
Reconciliation of Total Governmental Fund Balances to the Statement of Net Position
June 30, 2019

Total fund balances of governmental funds (Exhibit 3)	\$	612,018
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$	9,572,490
Less accumulated depreciation		<u>(3,898,078)</u>
		5,674,412
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	\$	(130,233)
Payables		<u>130,233</u>
		-
Interest on long-term debt is not accrued in governmental funds.		
		(212,884)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	\$	293,253
Unamortized bond premium		8,840
Compensated absences payable		3,031
Termination benefits payable		404,785
Net pension liability		6,904,304
Other postemployment benefits liability		<u>964,393</u>
		(8,578,606)
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	\$	1,793,153
Deferred outflows of resources related to OPEB		76,146
Deferred inflows of resources related to pensions		(314,755)
Deferred inflows of resources related to OPEB		<u>(36,623)</u>
		1,517,921
Net position of governmental activities (Exhibit 1)	\$	<u><u>(987,139)</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, 2019

	General	Grants	Other Governmental Funds	Total Governmental Funds
REVENUES				
School district assessment	\$ 6,546,967	\$ -	\$ -	\$ 6,546,967
Other local	262,123	8,818	201,996	472,937
State	2,401,857	76,655	2,077	2,480,589
Federal	25,052	197,929	39,643	262,624
Total revenues	<u>9,235,999</u>	<u>283,402</u>	<u>243,716</u>	<u>9,763,117</u>
EXPENDITURES				
Current:				
Instruction	3,888,768	127,273	50,610	4,066,651
Support services:				
Student	630,291	600	-	630,891
Instructional staff	185,449	67,956	751	254,156
General administration	33,840	-	-	33,840
Executive administration	279,152	-	-	279,152
School administration	446,581	28,818	-	475,399
Business	-	-	-	-
Operation and maintenance of plant	644,902	56,655	-	701,557
Student transportation	411,218	-	-	411,218
Other	2,169,095	2,100	-	2,171,195
Non-instructional services	-	-	172,998	172,998
Debt service:				
Principal	196,526	-	-	196,526
Interest	282,124	-	-	282,124
Total expenditures	<u>9,167,946</u>	<u>283,402</u>	<u>224,359</u>	<u>9,675,707</u>
Excess of revenues over expenditures	<u>68,053</u>	<u>-</u>	<u>19,357</u>	<u>87,410</u>
Other financing sources (uses):				
Transfers in	1,492	-	-	1,492
Transfers out	-	-	(1,492)	(1,492)
Total other financing sources and uses	<u>1,492</u>	<u>-</u>	<u>(1,492)</u>	<u>-</u>
Net change in fund balances	69,545	-	17,865	87,410
Fund balances, beginning, as restated, see Note III.D.	390,852	-	133,756	524,608
Fund balances, ending	<u>\$ 460,397</u>	<u>\$ -</u>	<u>\$ 151,621</u>	<u>\$ 612,018</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, 2019

Net change in fund balances of total governmental funds (Exhibit 5)	\$	87,410
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>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.</p>		
Capitalized capital outlay	\$	79,547
Depreciation expense		<u>(201,146)</u>
		(121,599)
<p>Transfers in and out between governmental funds are eliminated on the operating statement.</p>		
Transfers in	\$	(1,492)
Transfers out		<u>1,492</u>
		-
<p>The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position.</p>		
Principal repayment of bonds	\$	196,526
Amortization of bond premium		<u>2,210</u>
		198,736
<p>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.</p>		
Increase in accrued interest expense	\$	(9,760)
Decrease in compensated absences payable		1,382
Increase in termination benefits payable		(51,185)
Change in OPEB related balances		<u>106,672</u>
		47,109
<p>Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense.</p>		
School District pension contributions	\$	626,186
Cost of benefits, net of employee contributions		<u>(802,545)</u>
		(176,359)
Change in net position of governmental activities (Exhibit 2)	<u>\$</u>	<u>35,297</u>

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

EXHIBIT 7
BROOKLINE SCHOOL DISTRICT
General Fund
Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
School district assessment	\$ 6,549,282	\$ 6,546,967	\$ (2,315)
Other local	168,715	262,023	93,308
State	2,401,537	2,401,857	320
Federal	19,025	25,052	6,027
Total revenues	<u>9,138,559</u>	<u>9,235,899</u>	<u>97,340</u>
EXPENDITURES			
Current:			
Instruction	3,855,670	3,888,529	(32,859)
Support services:			
Student	608,418	630,291	(21,873)
Instructional staff	222,891	182,213	40,678
General administration	85,525	33,840	51,685
Executive administration	279,152	279,152	-
School administration	460,399	446,581	13,818
Operation and maintenance of plant	603,743	605,420	(1,677)
Student transportation	443,000	411,218	31,782
Other	2,221,827	2,169,095	52,732
Debt service:			
Principal	196,526	196,526	-
Interest	282,124	282,124	-
Total expenditures	<u>9,259,276</u>	<u>9,124,989</u>	<u>134,287</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(120,717)</u>	<u>110,910</u>	<u>231,627</u>
Other financing sources (uses):			
Transfers in	-	1,492	1,492
Transfers out	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Total other financing sources and uses	<u>(75,000)</u>	<u>(73,508)</u>	<u>1,492</u>
Net change in fund balance	<u>\$ (195,717)</u>	37,402	<u>\$ 233,119</u>
Decrease in nonspendable fund balance		7,226	
Unassigned fund balance, beginning		<u>62,553</u>	
Unassigned fund balance, ending		<u>\$ 107,181</u>	

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

EXHIBIT 8
BROOKLINE SCHOOL DISTRICT
Grants Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (GAAP Basis)
For the Fiscal Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Local	\$ -	\$ 8,818	\$ 8,818
State	-	76,655	76,655
Federal	180,000	197,929	17,929
Total revenues	<u>180,000</u>	<u>283,402</u>	<u>103,402</u>
EXPENDITURES			
Current:			
Instruction	130,000	127,273	2,727
Support services:			
Student	1,000	600	400
Instructional staff	49,000	67,956	(18,956)
School administration	-	28,818	(28,818)
Operation and maintenance of plant	-	56,655	(56,655)
Other	-	2,100	(2,100)
Total expenditures	<u>180,000</u>	<u>283,402</u>	<u>(103,402)</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning		-	
Fund balance, ending		<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, 2019**

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, 2019.

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 position and the statement of activities. These statements report financial information for the School District as a whole. 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
JUNE 30, 2019**

Fund Financial Statements

Fund financial statements are provided for governmental funds. Major individual, governmental funds are reported in separate columns with a composite column for nonmajor funds before the total.

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. 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.

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.

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.

Grants Fund – Reports as a special revenue fund and accounts for the revenues and expenditures of the School District's federal grant programs.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

The School District also reports four nonmajor governmental funds: food service, student activities, other special revenue, and permanent.

I.B.5. *Change in Accounting Principle*

During the fiscal year, the School District adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*. This results in a change in the measurement and presentation of the student activities fund, which is now reported as a special revenue fund. The prior year's net position was restated as shown in Note III.D. to reflect this change.

I.C. *Assets, Liabilities, and Net Position 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.

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.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

I.C.2. Inventory and Prepaid Items

Inventory is valued at cost using the first-in/first-out (FIFO) method. The inventory of governmental funds is recorded as expenditures when consumed rather than when purchased.

Prepaid items are payments to vendors that benefit future reporting periods and are reported on the consumption basis. Such items 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 acquisition value on the date donated. The School District capitalizes assets with cost of \$10,000 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:

	<u>Years</u>
Land improvements	20
Buildings and building improvements	50-115
Machinery, equipment and vehicles	15-20

I.C.4. Deferred Outflows/Inflows of Resources

Although certain revenues and expenditures are measurable, they are not available or recognized, because the activity represents a consumption or acquisition of equity that applies to a future period and so will not be recognized as an outflow or inflow of resources until then.

Deferred inflows of resources in the governmental fund financial statements represent parent deposits for the fiscal year 2020 kindergarten program; and donated commodities that are held in inventory to be used in the subsequent year. In addition to these, deferred outflows and inflows of resources in the governmental activities consist of resources related to pensions and OPEB that will be recognized in a subsequent period.

I.C.5. 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
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

I.C.6. *Compensated Absences*

Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums. Support staff employees are entitled to a portion of their sick leave upon termination.

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.7. *Termination Benefits*

Teachers are entitled to a retirement incentive after meeting certain employment requirements. Termination benefits are reported as accrued in the government-wide financial statements. Governmental funds report only matured termination benefits payable to currently terminated employees which are included in wages and benefits expenditures.

I.C.8. *Equity*

The government-wide statement of net position reports net position in the following components:

- Net investment in capital assets, which is computed as the total capital assets less accumulated depreciation, net of outstanding debt used to acquire those assets.
- Restricted for endowments, which consists of the expendable and nonexpendable portions of endowments held by the Town of Brookline Trustees of Trust Funds for School District purposes.
- Unrestricted, which consists of the remaining balance of net position.

The governmental funds report the following components of fund balance:

- Nonspendable, which represents the balance of inventory reported in the Food Service Fund; expenditures paid in advance for contract services, staff courses and summer events reported in the General Fund; and the principal portion of endowments for school purposes in the Permanent Fund.
- Restricted, which represents the expendable portion of the endowment for school purposes held by the Town of Brookline Trustees of Trust Funds.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

- Committed, which represents the balance of the expendable trust funds established by School District Meeting for support services (maintenance), whose purpose can only be changed by vote of the same, and the balances of special revenue funds.
- Assigned, which represents encumbrances for building improvements, authorized by approved purchase orders.
- Unassigned, which represents the fund balance in the General Fund in excess of that classified as nonspendable, restricted, committed or assigned.

I.C.9. *Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

II. Stewardship, Compliance and Accountability

II.A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all major governmental funds. Unless encumbered, all appropriations lapse at year-end. The School District is required to use beginning unassigned fund balance to balance the budget. In the fiscal year 2019, \$70,717 of the fund balance from the fiscal year 2018 was so used, and \$125,000 was appropriated from surplus.

Encumbrance accounting is employed by the governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as assigned fund balance and do not constitute expenditures or liabilities because the assignments will be added to the appropriations voted for 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, non-instructional services, and debt service. Management can transfer appropriations among budget line items as necessary, but the total expenditures cannot legally 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, 2019**

II.B. Reconciliation of Budgetary Basis to GAAP

General Fund

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	\$ 9,237,391
Adjustment:	
Perspective difference:	
Revenues of expendable trust fund	100
Per Exhibit 5 (GAAP basis)	<u>\$ 9,237,491</u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 9,199,989
Adjustments:	
Basis difference:	
Encumbrances, beginning	47,403
Encumbrances, ending	(20,454)
Perspective difference:	
Transfer to expendable trust fund	(75,000)
Expenditures of expendable trust fund	16,008
Per Exhibit 5 (GAAP basis)	<u>\$ 9,167,946</u>

For the Grants Fund, there is no difference between the budgetary basis and GAAP.

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.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

III.A.2. Capital Assets

Changes in Capital Assets

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

	Balance, beginning	Additions	Balance, ending
At cost:			
Not being depreciated:			
Construction in progress	\$ -	\$ 30,767	30,767
Being depreciated:			
Land improvements	230,400	13,012	243,412
Buildings and building improvements	9,218,189	-	9,218,189
Machinery, equipment and vehicles	44,354	35,768	80,122
Total capital assets being depreciated	<u>9,492,943</u>	<u>48,780</u>	<u>9,541,723</u>
Total all capital assets	<u>9,492,943</u>	<u>79,547</u>	<u>9,572,490</u>
Less accumulated depreciation:			
Land improvements	(203,475)	(11,228)	(214,703)
Buildings and building improvements	(3,474,541)	(186,392)	(3,660,933)
Machinery, equipment and vehicles	(18,916)	(3,526)	(22,442)
Total accumulated depreciation	<u>(3,696,932)</u>	<u>(201,146)</u>	<u>(3,898,078)</u>
Net book value, capital assets being depreciated	<u>5,796,011</u>	<u>(152,366)</u>	<u>5,643,645</u>
Net book value, all capital assets	<u>\$ 5,796,011</u>	<u>\$ (121,599)</u>	<u>\$ 5,674,412</u>

Depreciation Expense

Depreciation expense in the amount of \$201,146 was charged to the School District's instruction function.

III.B. Long-Term Liabilities

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

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at June 30, 2019	Current Portion
General obligation bonds payable:						
School renovations	\$ 5,367,912	2000	2020	5.2	\$ 148,253	\$ 148,253
CSDA roof renovations	\$ 386,400	2013	2023	2.32	<u>145,000</u>	<u>40,000</u>
					293,253	188,253
Unamortized bond premium					8,840	2,210
Compensated absences payable:						
Accrued vacation leave					3,031	3,031
Termination benefits payable					404,785	92,155
Net pension liability					6,904,304	-
Other postemployment benefits liability					964,393	-
					<u>\$ 8,578,606</u>	<u>\$ 285,649</u>

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2019:

	General Obligation Bonds Payable	Unamortized Bond Premium	Compensated Absences Payable	Termination Benefits Payable	Net Pension Liability	Other Postemployment Benefits Liability	Total
Balance, beginning	\$ 489,779	\$ 11,050	\$ 4,413	\$ 353,600	\$ 6,262,054	\$ 1,087,961	\$ 8,208,857
Additions	-	-	-	51,185	642,250	-	693,435
Reductions	(196,526)	(2,210)	(1,382)	-	-	(123,568)	(323,686)
Balance, ending	<u>\$ 293,253</u>	<u>\$ 8,840</u>	<u>\$ 3,031</u>	<u>\$ 404,785</u>	<u>\$ 6,904,304</u>	<u>\$ 964,393</u>	<u>\$ 8,578,606</u>

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
2020	\$ 188,253	\$ 287,522	\$ 475,775
2021	35,000	3,500	38,500
2022	35,000	2,100	37,100
2023	35,000	700	35,700
Totals	<u>\$ 293,253</u>	<u>\$ 293,822</u>	<u>\$ 587,075</u>

III.C. Payments Within the Reporting Entity

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 interfund amount of \$130,233 due to the General Fund represents an overdraft of pooled cash from the Grants Fund.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

III.D. Equity

The beginning equity position was restated as follows:

	Governmental Activities	Nonmajor Funds
To record OPEB liability from NHRS medical subsidy	\$ (714,147)	\$ -
To adjust deferred outflows for pensions for medical subsidy contributions	(61,167)	-
To reclassify student activities as special revenue fund	21,445	21,445
Net position/fund balance, as previously reported	(268,567)	112,311
Net position/fund balance, as restated	<u>\$ (1,022,436)</u>	<u>\$ 133,756</u>

III.E. Components of Fund Balance

The components of fund balance, as described in Note I.C.8., are classified for the following purposes:

	General Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:			
Endowment	\$ -	\$ 31,601	\$ 31,601
Inventory	-	7,332	7,332
Prepaid items	8,216	-	8,216
Total nonspendable	<u>8,216</u>	<u>38,933</u>	<u>47,149</u>
Restricted for support services		<u>1,978</u>	<u>1,978</u>
Committed for:			
Instruction	150,060	19,696	169,756
Support services	50,000	43,981	93,981
Operation and maintenance of plant	124,486	-	124,486
Non-instructional services	-	47,033	47,033
Total committed	<u>324,546</u>	<u>110,710</u>	<u>435,256</u>
Assigned to operation and maintenance of plant	<u>20,454</u>	<u>-</u>	<u>20,454</u>
Unassigned	<u>107,181</u>	<u>-</u>	<u>107,181</u>
Total fund balances	<u>\$ 460,397</u>	<u>\$ 151,621</u>	<u>\$ 612,018</u>

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 New Hampshire Public Risk Management Exchange (Primex) Workers' Compensation and Property/Liability Programs. These programs are considered public entity risk pools, currently operating as common risk management and insurance programs for member governmental entities.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

The Primex Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSA 5-B and RSA 281-A. Workers compensation and property/liability coverage runs from July 1 to June 30. Primex provided property and employer's liability coverage in varying amounts and statutory coverage for workers' compensation.

Contributions paid for fiscal year 2019 to be recorded as an insurance expenditure/expense totaled \$22,336 for property liability, and \$21,253 for workers' compensation coverage. There were no unpaid contributions for the year ended June 30, 2019. The School District also paid \$4,888 for unemployment compensation for the fiscal year. The member agreement permits Primex to make additional assessments to members should there be a deficiency in assets to meet its liabilities. At this time, Primex 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 beneficiaries. The New Hampshire Legislature establishes the provisions for benefits and contributions. The NHRS issues a separate financial report that is available at www.nhrs.org or 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 7% of gross earnings for all employees. The rates of contribution from the School District were 17.36% for teachers and 11.38% for other employees. Employer contributions from the School District during the fiscal years 2017, 2018 and 2019 were \$566,980, \$605,730 and \$626,186 respectively. The amounts are paid on a monthly basis as due.

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

At June 30, 2019, the School District reported a liability of \$6,904,304 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities and school districts, actuarially determined. As of June 30, 2018, the School District's proportion was 0.1434%, which was an increase of 0.0161% from its proportion measured as of June 30, 2017.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

For the year ended June 30, 2019, the School District recognized pension expense of \$802,545. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 634,046	\$ 99,079
Net differences between projected and actual earnings on pension plan investments	-	159,772
Changes in assumptions	477,812	-
Differences between expected and actual experience	55,109	55,904
School District contributions subsequent to the measurement date	626,186	-
	<u>\$ 1,793,153</u>	<u>\$ 314,755</u>

The School District reported \$626,186 as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follow:

Year Ended June 30,	
2019	\$ 394,117
2020	336,853
2021	30,284
2022	90,958
	<u>\$ 852,212</u>

Actuarial Assumptions

The total pension liability was determined using the actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	5.6% average, including inflation
Investment rate of return	7.25% per year

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the most recent actuarial experience study, which was for the period of July 1, 2010 to June 30, 2015.

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.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School District's proportionate share of net pension liability	\$ 9,186,232	\$ 6,904,304	\$ 4,991,977

Other actuarial assumptions, as well as detailed information about the pension plan's fiduciary net position, are available in the separately issued NHRS report.

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 feels that the chance of disallowance is unlikely, and if it should occur, that the amount would not be material.

IV.D. Other Postemployment Benefits

Plan Description

Benefits provided to retirees follow New Hampshire Revised Statutes Annotated 100-A:50 (Medical Insurance Coverage). This statute states that the School District "shall permit its employees upon retirement to continue to participate in the same medical insurance or health care group or plan as its active employees. Retired employees shall be deemed to be part of the same group as active employees of the same employer for purposes of determining medical insurance premiums. Coverage for spouses, other family members and beneficiaries of retirees shall also be permitted to the extent that coverage is provided for the spouses, other family members and beneficiaries of active employees ..." In addition, the statute states "Each political subdivision, as employer, may elect to pay

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

the full cost of group medical insurance or health care coverage for its retirees, or may require each retiree to pay any part or all of the cost of the retiree’s participation.”

Since the same premiums are charged to active employees and retirees, and the School District is unable to obtain age-adjusted premium information for the retirees, GAAP requires the School District to calculate age-adjusted premiums for the purpose of projecting future benefits for retirees.

The School District offers postemployment medical benefits to School District retirees and their covered dependents. The School District offers coverage as follows:

- Employees hired before July 1, 2011: retire after (1) attaining age 60 or (2) attaining age 50 with 10 or more years of service or (3) age plus service is at least 70 with 20 or more years of service
- Employees hired on or after July 1, 2011: retire after (1) attaining age 65 or (2) attaining age 60 with 30 or more years of service

Medical coverage continues to the spouse after the death of the retiree, provided the spouse makes the required contributions. Dental and life insurance benefits are not offered to retirees. The current monthly medical premium rates are as follow:

<u>Non-Medicare Plans</u>	<u>Individual</u>	<u>Family</u>
AB5(07)-RX10/20/30	\$895	\$1,791
BC3T10(07)-RX10/20/45	\$962	\$1,924
MTBSOS20/40/1KDED(07)- RX10/20/45	\$682	\$1,365

Currently, there are 103 active and retired employees that receive health benefits from the School District. The School District recognizes the cost of providing health insurance annually as expenditures in the General Fund as payments are made. For the year ended June 30, 2019, the School District recognized nothing for its share of insurance premiums for currently enrolled retirees.

With the medical insurance subsidy plan, there is a payment made by the NHRS to the former employer or its insurance administrator toward the cost of health insurance for the qualified retiree, his/her qualified spouse, and dependent children with disability who are living in the retiree’s household and being cared for by the retiree. If the health insurance premium is less than the medical subsidy amount, then only the premium amount is paid by the NHRS. If the insurance premium is more than the medical subsidy amount, then the retiree or other qualified person is responsible for paying the balance of the premium. Benefits are based on age, creditable service, and retirement or hire dates. This plan is closed to new entrants.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

Total OPEB Liability

The School District’s total OPEB liability of \$964,393 consists of \$333,472 for the implicit rate subsidy that was determined by an actuarial valuation as of July 1, 2017 and \$630,921 for the medical insurance subsidy that was determined by an actuarial valuation as of July 1, 2018, rolled forward to the measurement date using actuarial assumptions, applied to all periods included in the measurement.

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions and inputs:

Implicit rate subsidy:

Discount Rate: 3.87%, compounded annually, for the measurement as of June 30, 2019 and 3.58%, compounded annually, for the measurement as of June 30, 2018

Actuarial Cost Method: Entry Age Normal. The costs of each employee’s postemployment benefits are allocated as a level basis over the earnings of the employee between date of hire and assumed exit age.

Amortization Method: Level dollar amount over thirty (30) years on an open amortization period for pay-as-you-go funding

Heath Care Costs Trend Rates:	<u>Year</u>	<u>Trend</u>
	1	8.00%
	2	7.50%
	3	7.00%
	4	6.50%
	5	6.00%
	6	5.50%
	Ultimate	3.80%

Mortality Rates: Pre-Retirement: RP-2014 Employees Mortality Tables for males and females projected with generational mortality improvement using scale MP-2015

Post-Retirement: RP-2014 Healthy Annuitant Mortality Tables for males and females, projected with a generational mortality improvement using scale MP-2015

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

Inflation:	2.6 percent, based on the 2018 Social Security Trustees Report
Medical insurance subsidy:	3.25%
Payroll growth:	3.62%
Discount rate:	2.50%
Inflation:	7.25%, net of investment expense, including inflation
Investment rate of return	RP-2014 Healthy Annuitant and Employee Generational
Mortality:	Mortality Tables with credibility adjustments and adjusted for fully generational mortality improvements using Scale MP-2015 based on the last experience study
Healthcare cost trend rates:	N/A, benefits are fixed stipends

Discount Rate

The discount rate was based on the *Bond Buyer 20-Bond General Obligation Index* based on a tax-exempt, high-quality municipal bond rate.

Healthcare Trend Rates

Healthcare trend assumptions begin at current levels and grade down over a period of years to a lower level equal to some real rate plus inflation. Trend rates after Year 6 grade down to the ultimate rate utilizing the *Society of Actuaries Getzen Medical Trend Model*. The ultimate trend rate is reached in 2075. The principal components of health trends are medical inflation, deductible erosion, cost shifting, utilization, technology and catastrophic claims. The overall effect of these components are expected to decline year by year.

Sensitivity of Total OPEB Liability

Assumptions and methods used to determine the total OPEB liability are sensitive to changes in the discount rate and healthcare trend rates. The following presents the total OPEB liability calculated using the current discount rate, 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.

Implicit Rate Subsidy

	1% Decrease (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
School District's total OPEB liability	\$ 354,756	\$ 333,472	\$ 313,393

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

Medical Rate Subsidy

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School District's total OPEB liability	\$ 656,666	\$ 630,921	\$ 558,807

The following presents the total OPEB liability calculated using the current healthcare trend rate of 8.0%, as well as what the total OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower (7.0%) or one percentage point higher (9.0%) than the current rate.

Healthcare Trend Rate

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
School District's total OPEB liability	\$ 297,892	\$ 333,472	\$ 375,102

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the School District recognized OPEB expense of \$106,833. At year-end, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ -	\$ 30,911
Net differences between projected and actual earnings on pension plan investments	-	2,005
Differences between expected and actual experience	3,703	-
School District contributions subsequent to the measurement date	66,208	-
	<u>\$ 69,911</u>	<u>\$ 32,916</u>

The School District reported \$66,208 as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date, which will be recognized as a reduction of the net OPEB liability in fiscal year 2020.

**BROOKLINE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

The other amounts recognized as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended <u>June 30,</u>	
2020	\$ (27,833)
2021	(625)
2022	(625)
2023	(130)
	<u>\$ (29,213)</u>

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT 9
BROOKLINE SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of the Net Pension Liability
New Hampshire Retirement System

For the Year Ended June 30,	School District's Proportion of Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered- Employee Payroll	School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.1320%	\$ 5,681,386	\$ 3,633,782	156.35%	59.82%
2015	0.1324%	\$ 4,969,879	\$ 3,649,101	136.19%	66.32%
2016	0.1285%	\$ 5,090,605	\$ 3,574,549	142.41%	65.47%
2017	0.1252%	\$ 6,656,679	\$ 3,719,911	178.95%	58.30%
2018	0.1273%	\$ 6,262,054	\$ 3,965,026	157.93%	62.66%
2019	0.1434%	\$ 6,904,304	\$ 4,110,763	167.96%	64.77%

The note to the required supplementary information is an integral part of this schedule.

EXHIBIT 10
BROOKLINE SCHOOL DISTRICT
Schedule of the School District's Pension Contributions
New Hampshire Retirement System

For the Year Ended June 30,	Contractually Required Contribution	Contribution in Relation to the Contractually Required Contribution	Contribution Deficiency	School District's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2014	\$ 503,143	\$ (503,143)	\$ -	\$ 3,633,782	13.85%
2015	\$ 505,609	\$ (505,609)	\$ -	\$ 3,649,101	13.86%
2016	\$ 544,755	\$ (544,755)	\$ -	\$ 3,574,549	15.24%
2017	\$ 566,980	\$ (566,980)	\$ -	\$ 3,719,911	15.24%
2018	\$ 605,730	\$ (605,730)	\$ -	\$ 3,965,026	15.28%
2019	\$ 626,186	\$ (626,186)	\$ -	\$ 4,110,763	15.23%

The note to the required supplementary information is an integral part of this schedule.

EXHIBIT 11
BROOKLINE SCHOOL DISTRICT
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios

	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
Total OPEB liability:			
Service cost	\$ 19,550	\$ 19,936	\$ 50,067
Interest	12,500	10,340	7,249
Changes in assumptions	7,226	(4,748)	(10,482)
Benefit payments	(18,451)	(15,251)	(13,046)
Change in proportion of medical subsidy	(144,393)	775,314	-
Net change in total OPEB liability	(123,568)	785,591	33,788
Total OPEB liability, beginning	1,087,961	302,370	268,582
Total OPEB liability, ending	<u>\$ 964,393</u>	<u>\$ 1,087,961</u>	<u>\$ 302,370</u>
Covered payroll	\$ 4,110,763	\$ 4,765,960	\$ 4,671,671
Total OPEB liability as a percentage of covered payroll	23.46%	22.83%	6.47%

The note to the required supplementary information is an integral part of this schedule.

EXHIBIT 12
BROOKLINE SCHOOL DISTRICT
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios

	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
Actuarially determined contribution	\$ 32,000	\$ 30,276	\$ 48,457
Contributions in relation to the actuarially determined contribution	<u>(18,451)</u>	<u>(15,251)</u>	<u>(13,002)</u>
Contribution deficiency	\$ 13,549	\$ 15,025	\$ 35,455
Covered-employee payroll	\$ 4,110,763	\$ 4,765,960	\$ 4,671,671
Contributions as a percentage of covered-employee payroll	0.78%	0.64%	1.04%

The note to the required supplementary information is an integral part of this schedule.

**BROOKLINE SCHOOL DISTRICT
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

The Pension and OPEB schedules are meant to present related information for ten years. Because this is fifth year that the School District has presented the pension information, and the second year for the OPEB information, only six years and three years, respectively, are presented. An additional year's information will be added each year until there are ten years shown.

COMBINING NONMAJOR AND INDIVIDUAL FUND SCHEDULES

EXHIBIT 13
BROOKLINE SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue Funds			Permanent Fund	Total
	Food Service	Student Activities	Other		
ASSETS					
Cash and cash equivalents	\$ 56,161	\$ 19,696	\$ 45,221	\$ -	\$ 121,078
Intergovernmental receivable	5,909	-	-	33,579	39,488
Inventory	7,332	-	-	-	7,332
Total assets	<u>\$ 69,402</u>	<u>\$ 19,696</u>	<u>\$ 45,221</u>	<u>\$ 33,579</u>	<u>\$ 167,898</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	<u>\$ 1,523</u>	<u>\$ -</u>	<u>\$ 1,240</u>	<u>\$ -</u>	<u>\$ 2,763</u>
Deferred inflows of resources:					
Unearned revenue	<u>13,514</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,514</u>
Fund balances:					
Nonspendable	7,332	-	-	31,601	38,933
Restricted	-	-	-	1,978	1,978
Committed	47,033	19,696	43,981	-	110,710
Total fund balances	<u>54,365</u>	<u>19,696</u>	<u>43,981</u>	<u>33,579</u>	<u>151,621</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 69,402</u>	<u>\$ 19,696</u>	<u>\$ 45,221</u>	<u>\$ 33,579</u>	<u>\$ 167,898</u>

EXHIBIT 14
BROOKLINE SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019

	Special Revenue Funds			Permanent Fund	Total
	Food Service	Student Activities	Other		
REVENUES					
Local	\$ 146,887	\$ 32,560	\$ 20,914	\$ 1,635	\$ 201,996
State	2,077	-	-	-	2,077
Federal	39,643	-	-	-	39,643
Total revenues	<u>188,607</u>	<u>32,560</u>	<u>20,914</u>	<u>1,635</u>	<u>243,716</u>
EXPENDITURES					
Current:					
Instruction	-	34,309	16,301	-	50,610
Support services:					
Instructional staff	-	-	751	-	751
Non-instructional services	<u>172,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,998</u>
Total expenditures	<u>172,998</u>	<u>34,309</u>	<u>17,052</u>	<u>-</u>	<u>224,359</u>
Excess (deficiency) of revenues over (under) expenditures	15,609	(1,749)	3,862	1,635	19,357
Other financing uses:					
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,492)</u>	<u>(1,492)</u>
Net change in fund balances	15,609	(1,749)	3,862	143	17,865
Fund balances, beginning, as restated, see Note III.D.	<u>38,756</u>	<u>21,445</u>	<u>40,119</u>	<u>33,436</u>	<u>133,756</u>
Fund balances, ending	<u>\$ 54,365</u>	<u>\$ 19,696</u>	<u>\$ 43,981</u>	<u>\$ 33,579</u>	<u>\$ 151,621</u>

EXHIBIT 15
BROOKLINE SCHOOL DISTRICT
General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2019

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 6,549,282	\$ 6,546,967	\$ (2,315)
Other local sources:			
Tuition	153,715	231,592	77,877
Investment earnings	2,000	9	(1,991)
Impact fees	13,000	17,034	4,034
Rental of property	-	3,380	3,380
Miscellaneous	-	10,008	10,008
Total from other local sources	<u>168,715</u>	<u>262,023</u>	<u>93,308</u>
State sources:			
Adequacy aid (grant)	1,686,461	1,688,776	2,315
Adequacy aid (tax)	559,029	559,029	-
School building aid	46,987	46,987	-
Kindergarten aid	55,182	55,059	(123)
Catastrophic aid	53,878	52,006	(1,872)
Total from state sources	<u>2,401,537</u>	<u>2,401,857</u>	<u>320</u>
Federal sources:			
Medicaid	<u>19,025</u>	<u>25,052</u>	<u>6,027</u>
Other financing sources:			
Transfers in	<u>-</u>	<u>1,492</u>	<u>1,492</u>
Total revenues and other financing sources	9,138,559	<u>\$ 9,237,391</u>	<u>\$ 98,832</u>
Use of fund balance	<u>195,717</u>		
Total revenues, other financing sources and use of fund balance	<u>\$ 9,334,276</u>		

EXHIBIT 16
BROOKLINE SCHOOL DISTRICT
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2019

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
Instruction:					
Regular programs	\$ 218	\$ 2,703,241	\$ 2,718,011	\$ -	\$ (14,552)
Special programs	21	1,152,430	1,170,757	-	(18,306)
Total instruction	<u>239</u>	<u>3,855,670</u>	<u>3,888,768</u>	<u>-</u>	<u>(32,859)</u>
Support services:					
Student	-	608,418	630,291	-	(21,873)
Instructional staff	3,236	222,891	185,449	-	40,678
General administration	-	85,525	33,840	-	51,685
Executive administration	-	279,152	279,152	-	-
School administration	-	460,399	446,581	-	13,818
Operation and maintenance of plant	43,928	603,743	628,894	20,454	(1,677)
Student transportation	-	443,000	411,218	-	31,782
Other	-	2,221,827	2,169,095	-	52,732
Total support services	<u>47,164</u>	<u>4,924,956</u>	<u>4,784,520</u>	<u>20,454</u>	<u>167,146</u>
Debt service:					
Principal	-	196,526	196,526	-	-
Interest	-	282,124	282,124	-	-
Total debt service	<u>-</u>	<u>478,650</u>	<u>478,650</u>	<u>-</u>	<u>-</u>
Other financing uses:					
Transfers out	-	75,000	75,000	-	-
Total encumbrances, appropriations, expenditures and other financing uses	<u>\$ 47,403</u>	<u>\$ 9,334,276</u>	<u>\$ 9,226,938</u>	<u>\$ 20,454</u>	<u>\$ 134,287</u>

EXHIBIT 17
BROOKLINE SCHOOL DISTRICT
General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2019

Unassigned fund balance, beginning		\$ 62,553
Changes:		
Fund balance used to reduce school district assessment		(70,717)
Fund balance appropriated		(125,000)
Budget summary:		
Revenue surplus (Exhibit 15)	\$ 98,832	
Unexpended balance of appropriations (Exhibit 16)	<u>134,287</u>	
Budget surplus		233,119
Decrease in nonspendable fund balance		<u>7,226</u>
Unassigned fund balance, ending		<u><u>\$ 107,181</u></u>



Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S COMMUNICATION TO MANAGEMENT

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

In planning and performing our audit of the 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 year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Brookline School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the school board, and others within the Brookline School District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Roberts & Greene, PLLC

Concord, New Hampshire
May 6, 2020