

HAMPTON SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

HAMPTON SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

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PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Hampton School District as of and for the year ended June 30, 2022, 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.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Adverse
General Fund	Unmodified
Grants Fund	Unmodified
Food Service Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Governmental Activities" paragraph, the financial statements referred to above do not present fairly the financial position of the governmental activities of the Hampton School District, as of June 30, 2022, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and aggregate remaining fund information of the Hampton School District as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the general fund, grants fund and food service fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Hampton School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Hampton School District
Independent Auditor's Report***

Basis for Adverse Opinion on Governmental Activities

As discussed in Note 12-B to the financial statements, management has not recorded the long-term costs of retirement health care costs and obligations for other postemployment benefits related to the single employer plan in the governmental activities. Accounting principles generally accepted in the United States of America require that those costs be recorded, which would increase the assets, liabilities, decrease the net position, and increase the expenses of the governmental activities. The amount by which this departure would affect the assets, liabilities, net position, and expenses on the governmental activities has not been determined.

Responsibilities of Management for the Financial Statements

The Hampton School District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hampton School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Hampton School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hampton School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principle

As discussed in Note 2-C to the financial statements, in the fiscal year 2022, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

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

- Schedule of the School District's Proportionate Share of Net Pension Liability,
- Schedule of School District Contributions – Pensions,
- Schedule of the School District's Proportionate Share of Net Other Postemployment Benefits Liability,
- Schedule of School District Contributions – Other Postemployment Benefits, and
- Notes to the Required Supplementary Information

***Hampton School District
Independent Auditor's Report***

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.

Management's Discussion and Analysis – Management has omitted a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

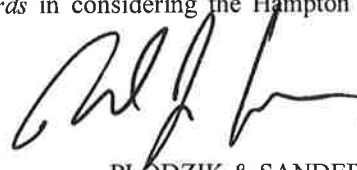
Supplementary Information – Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hampton School District's basic financial statements. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2023 on our consideration of the Hampton School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hampton School District's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hampton School District's internal control over financial reporting and compliance.

February 27, 2023
Concord, New Hampshire



PLODZIK & SANDERSON
Professional Association

BASIC FINANCIAL STATEMENTS

EXHIBIT A
HAMPTON SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 803,926
Intergovernmental receivable	622,481
Capital assets, not being depreciated	188,620
Capital assets, net of accumulated depreciation	35,113,190
Total assets	36,728,217
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	4,507,006
Amounts related to other postemployment benefits	148,376
Total deferred outflows of resources	4,655,382
LIABILITIES	
Accounts payable	28,512
Accrued salaries and benefits	92,428
Accrued interest payable	318,832
Noncurrent obligations:	
Due within one year	840,499
Due in more than one year	39,848,976
Total liabilities	41,129,247
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - donation	25,933
Amounts related to pensions	5,296,734
Amounts related to other postemployment benefits	18,199
Total deferred inflows of resources	5,340,866
NET POSITION	
Net investment in capital assets	11,779,367
Restricted	245,290
Unrestricted	(17,111,171)
Total net position	\$ (5,086,514)

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

EXHIBIT B
HAMPTON SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2022

	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Change in Net Position
Governmental activities:				
Instruction	\$ 11,587,087	\$ 71,913	\$ 1,233,804	\$(10,281,370)
Support services:				
Student	1,299,410	-	-	(1,299,410)
Instructional staff	1,564,165	-	119,706	(1,444,459)
General administration	97,107	-	3,604	(93,503)
Executive administration	413,797	-	-	(413,797)
School administration	1,016,283	-	-	(1,016,283)
Operation and maintenance of plant	1,608,413	350	-	(1,608,063)
Student transportation	901,913	-	4,760	(897,153)
Other	4,581,077	-	-	(4,581,077)
Noninstructional services	621,071	6,147	816,546	201,622
Interest on long-term debt	787,924	-	-	(787,924)
Total governmental activities	<u>\$ 24,478,247</u>	<u>\$ 78,410</u>	<u>\$ 2,178,420</u>	<u>\$(22,221,417)</u>
General revenues and contributions:				
School district assessment				17,918,905
Grants and contributions not restricted to specific programs				4,557,805
Interest				6,091
Miscellaneous				355,642
Total general revenues and contributions				<u>22,838,443</u>
Change in net position				617,026
Net position, beginning, as restated (see Note 16)				<u>(5,703,540)</u>
Net position, ending				<u>\$ (5,086,514)</u>

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

EXHIBIT C-1
HAMPTON SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2022

	General	Grants	Food Service	Other Governmental Fund (Student Activities)	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 657,234	\$ -	\$ 47,261	\$ 99,431	\$ 803,926
Intergovernmental receivable	171,714	224,226	226,541	-	622,481
Lease receivable					
Interfund receivables	224,226	-	-	-	224,226
Total assets	<u>\$ 1,053,174</u>	<u>\$ 224,226</u>	<u>\$ 273,802</u>	<u>\$ 99,431</u>	<u>\$ 1,650,633</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 28,512	\$ -	\$ 28,512
Accrued salaries and benefits	92,428	-	-	-	92,428
Interfund payable	-	224,226	-	-	224,226
Total liabilities	<u>92,428</u>	<u>224,226</u>	<u>28,512</u>	<u>-</u>	<u>345,166</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - donations	25,933	-	-	-	25,933
FUND BALANCES					
Restricted	-	-	245,290	-	245,290
Committed	171,714	-	-	-	171,714
Assigned	286,844	-	-	99,431	386,275
Unassigned	476,255	-	-	-	476,255
Total fund balances	<u>934,813</u>	<u>-</u>	<u>245,290</u>	<u>99,431</u>	<u>1,279,534</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,053,174</u>	<u>\$ 224,226</u>	<u>\$ 273,802</u>	<u>\$ 99,431</u>	<u>\$ 1,650,633</u>

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

EXHIBIT C-2
HAMPTON SCHOOL DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2022

Total fund balances of governmental funds (Exhibit C-1)		\$ 1,279,534
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 46,633,993	
Less accumulated depreciation	<u>(11,332,183)</u>	35,301,810
Pension and other postemployment benefits (OPEB) related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources related to pensions	\$ 4,507,006	
Deferred inflows of resources related to pensions	(5,296,734)	
Deferred outflows of resources related to OPEB	148,376	
Deferred inflows of resources related to OPEB	<u>(18,199)</u>	(659,551)
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (224,226)	
Payables	<u>224,226</u>	-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(318,832)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bond and notes	\$ 21,446,480	
Unamortized bond premium	1,888,572	
Leases	187,391	
Compensated absences	339,419	
Net pension liability	15,451,588	
Other postemployment benefits	<u>1,376,025</u>	(40,689,475)
Net position of governmental activities (Exhibit A)		<u><u>\$ (5,086,514)</u></u>

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

EXHIBIT C-3
HAMPTON SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022

	General	Grants	Food Service	Other Governmental Fund (Student Activities)	Total Governmental Funds
REVENUES					
School district assessment	\$ 17,918,905	\$ -	\$ -	\$ -	\$ 17,918,905
Other local	401,673	-	6,147	38,847	446,667
State	5,127,420	-	8,887	-	5,136,307
Federal	78,039	707,696	807,659	-	1,593,394
Total revenues	23,526,037	707,696	822,693	38,847	25,095,273
EXPENDITURES					
Current:					
Instruction	9,719,148	579,626	-	37,321	10,336,095
Support services:					
Student	1,287,684	-	-	-	1,287,684
Instructional staff	1,444,459	119,706	-	-	1,564,165
General administration	93,503	3,604	-	-	97,107
Executive administration	435,431	-	-	-	435,431
School administration	1,064,130	-	-	-	1,064,130
Operation and maintenance of plant	1,841,517	-	-	-	1,841,517
Student transportation	897,153	4,760	-	-	901,913
Other	5,698,162	-	-	-	5,698,162
Noninstructional services	67,938	-	577,403	-	645,341
Debt service:					
Principal	610,000	-	-	-	610,000
Interest	890,335	-	-	-	890,335
Facilities acquisition and construction	325,000	-	-	-	325,000
Total expenditures	24,374,460	707,696	577,403	37,321	25,696,880
Excess (deficiency) of revenues over (under) expenditures	(848,423)	-	245,290	1,526	(601,607)
OTHER FINANCING SOURCES					
Lease inception	96,127	-	-	-	96,127
Net change in fund balances	(752,296)	-	245,290	1,526	(505,480)
Fund balances, beginning	1,687,109	-	-	97,905	1,785,014
Fund balances, ending	\$ 934,813	\$ -	\$ 245,290	\$ 99,431	\$ 1,279,534

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

EXHIBIT C-4
HAMPTON SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2022

Net change in fund balances of total governmental funds (Exhibit C-3)		\$ (505,480)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense exceeded capital outlay expenditures in the current year, as follows:		
Capitalized capital outlay	\$ 649,230	
Depreciation expense	<u>(1,509,480)</u>	(860,250)
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Inception of leases	\$ (96,127)	
Principal repayment of bond and note	626,480	
Amortization of bond premium	89,932	
Principal repayment of leases	<u>83,037</u>	703,322
Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ 12,479	
Decrease in compensated absences payable	149,870	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	966,582	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>150,503</u>	<u>1,279,434</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 617,026</u>

EXHIBIT D-1
HAMPTON SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
School district assessment	\$17,918,905	\$17,918,905	\$17,918,905	\$ -
Other local	56,500	332,275	381,486	49,211
State	4,757,805	4,757,805	5,127,420	369,615
Federal	25,000	25,000	78,039	53,039
Total revenues	<u>22,758,210</u>	<u>23,033,985</u>	<u>23,505,850</u>	<u>471,865</u>
EXPENDITURES				
Current:				
Instruction	9,843,085	9,646,113	9,689,481	(43,368)
Support services:				
Student	1,295,902	1,359,144	1,287,684	71,460
Instructional staff	1,255,450	1,287,370	1,348,332	(60,962)
General administration	77,201	77,201	93,503	(16,302)
Executive administration	430,074	433,755	435,431	(1,676)
School administration	865,910	889,037	1,064,130	(175,093)
Operation and maintenance of plant	1,474,295	1,751,820	1,841,517	(89,697)
Student transportation	1,023,000	924,748	897,153	27,595
Other	5,817,558	5,989,062	5,698,162	290,900
Debt service:				
Principal	610,000	610,000	610,000	-
Interest	890,335	890,335	890,335	-
Facilities acquisition and construction	300,000	300,000	300,000	-
Noninstructional	69,471	69,471	67,938	1,533
Total expenditures	<u>23,952,281</u>	<u>24,228,056</u>	<u>24,223,666</u>	<u>4,390</u>
Net change in fund balance	<u>\$(1,194,071)</u>	<u>\$(1,194,071)</u>	(717,816)	<u>\$476,255</u>
Unassigned fund balance, beginning			1,194,071	
Unassigned fund balance, ending			<u>\$ 476,255</u>	

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

EXHIBIT D-2
HAMPTON SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (GAAP Basis)
Grants Fund
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Federal	\$ 725,000	\$ 707,696	\$ 707,696	\$ -
EXPENDITURES				
Current:				
Instruction	506,572	579,626	579,626	-
Support services:				
Instructional staff	150,341	119,706	119,706	-
General administration	710	3,604	3,604	-
Student transportation	67,377	4,760	4,760	-
Total expenditures	<u>725,000</u>	<u>707,696</u>	<u>707,696</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning			-	
Fund balance, ending			<u>\$ -</u>	

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

EXHIBIT D-3
HAMPTON SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (GAAP Basis)
Food Service Fund
For the Fiscal Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Local:			
Sales	\$ 5,000	\$ 6,147	\$ 1,147
State:			
Lunch reimbursement	100,000	8,887	(91,113)
Federal:			
Lunch reimbursement	395,000	511,041	116,041
Breakfast reimbursement	-	243,866	243,866
USDA commodities	-	27,675	27,675
Other	-	25,077	25,077
Total revenues	<u>500,000</u>	<u>822,693</u>	<u>297,616</u>
EXPENDITURES			
Current:			
Noninstructional services	<u>500,000</u>	<u>577,403</u>	<u>(77,403)</u>
Net change in fund balance	<u>\$ -</u>	<u>245,290</u>	<u>\$ 220,213</u>
Fund balance, beginning		-	
Fund balance, ending		<u>\$ 245,290</u>	

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

HAMPTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

	<u>NOTE</u>
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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Hampton School District, in Hampton, New Hampshire (the School District), have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

1-A Reporting Entity

The Hampton School District is a municipal corporation governed by an elected 5-member School Board. In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The School District has no component units to include in its reporting entity.

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

1-B Government-wide and Fund Financial Statements

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

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

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

Fund Financial Statements – Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds, and are presented in the other governmental column of the fund financial statements.

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

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

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

Measurement Focus and Basis of Accounting – The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement based grants, which use a period of one year. District assessments,

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intergovernmental revenue, and other local sources associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The School District reports the following major governmental funds:

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

Grants Fund – accounts for the resources received from various federal agencies. The resources are restricted to accomplishing the various objectives of the grantor agencies.

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

Nonmajor Funds – The School District also reports one nonmajor governmental fund.

1-D Cash and Cash Equivalents

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

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

1-E Receivables

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

1-F Capital Assets

Capital assets are reported in the government-wide financial statements, but are not reported in the fund financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation, if received on or before June 15, 2015. Donated capital assets received after June 15, 2015 are recorded at acquisition value. The School District has established a threshold of \$5,000 or more and an estimated useful life in excess of one year for capitalization of depreciable assets.

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

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

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

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

Capital Asset Class:	<u>Years</u>
Buildings and building improvements	50 - 100
Machinery, equipment, and vehicles	5 - 20
Right to use asset	5

1-G Interfund Receivables and Payables

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

1-H Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of June 30, 2022.

1-I Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) until that time. The District has two items that qualify for reporting in this category. Deferred outflows related to pensions and deferred outflows related to OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years.

Deferred inflows of resources, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. The District has three types of items which qualify for reporting in this category. Deferred inflows of resources related to pensions and OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years. In addition, unavailable revenue from grants arises when the related eligible expenditures will not be made until the subsequent period.

1-J Long-term Obligations

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

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, the School District utilizes the following classifications to categorize the financial transactions:

Direct Borrowings – financial transactions for a note or a loan where the School District negotiates certain terms with a single lender and are not offered for public sale.

Direct Placements – financial transactions for the sale of bonds where the School District engages with a single buyer or limited number of buyers without a public offering.

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1-K Leases

The School District is a lessee for a noncancellable leases of copiers and laptops the School District recognizes a lease liability and an intangible right-to-use lease assets (lease asset) in the government-wide financial statements.

At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease assets are initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease assets are amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the School District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise.

The School District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

1-L Compensated Absences

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

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

1-M Defined Benefit Pension Plan

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

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

1-N Postemployment Benefits Other Than Pensions (OPEB)

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

New Hampshire Retirement System Plan – For the purposes of measuring the total other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Hampshire Retirement System OPEB Plan (the plan) and additions to/deductions from the plan's

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fiduciary net position has been determined on the same basis as they are reported by the New Hampshire Retirement System. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Single Employer Plan – The School District maintains a single employer plan, but has not obtained an actuarial report calculating the other postemployment benefit liability, deferred outflows of resources, and deferred inflows of resources in accordance with GASB Statement No. 75, *Accounting and Financial Reporting For Postemployment Benefits Other Than Pensions*.

1-O Net Position/Fund Balances

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

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

Restricted Net Position – Results when constraints placed on net position use are either externally imposed by a third party (statutory, bond covenant, or granting agency) or are imposed by law through constitutional provisions or enabling legislation. The School District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future period.

Unrestricted Net Position – Consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

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

Restricted – Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

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

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

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

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

1-P Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include assessing

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the collectability of accounts receivable, the useful lives of capital assets, net pension liability, other postemployment benefit liability, and deferred outflows and inflows of resources related to both pension and other postemployment benefits among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the School District’s operations. At its annual meeting, the School District adopts a budget for the current year for the general, grants, and food service funds. However, the School Board has voted and accepted the federal grants awarded to the District through the year so these amounts are reported as a final budget for the grants fund, which is also reported as a major fund. Except as reconciled below, the budget was adopted on a basis consistent with United States generally accepted accounting principles.

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

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures, and are therefore, reported as part of the assigned fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2022, \$1,194,071 of the beginning general fund unassigned fund balance was applied for this purpose.

2-B Budgetary Reconciliation to GAAP Basis

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

Revenues	
Per Exhibit D-1 (budgetary basis)	\$23,505,850
Adjustments:	
Basis difference:	
Lease inception	96,127
GASB Statement No. 54:	
Interest earnings related to the blended expendable trust funds	3,861
Other local revenue of the blended funds	16,326
Per Exhibit C-3 (GAAP Basis)	<u>\$23,622,164</u>
Expenditures	
Per Exhibit D-1 (budgetary basis)	\$24,223,666
Adjustments:	
Basis difference:	
Encumbrances, beginning	300,000
Encumbrances, ending	(275,000)
Lease inception	96,127
GASB Statement No. 54:	
Other regular program expenditures of the blended funds	29,667
Per Exhibit C-3 (GAAP basis)	<u>\$24,374,460</u>

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2-C Accounting Change

Governmental Accounting Standards Board Statement No. 87, *Leases*, was implemented during fiscal year 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Beginning net position was restated to retroactively report the change in accounting principle, see Note 8, *Leases*, and Note 16, *Prior Period Adjustments*, for further information.

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The School District's deposits are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held by the School District's agent in the School District's name. The FDIC currently insures the first \$250,000 of the School District's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by collateral. As of year-end, the carrying amount of the School District's deposits was \$803,926 and the bank balances totaled \$2,320,684 Petty cash totaled \$600.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2022, consisted of intergovernmental amounts arising from grants, school lunch program, and expendable trust funds held by the Town of Hampton Trustees of Trust Funds for the School District. Receivables are recorded on the School District's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 consisted of the following:

	Balance, Beginning (As restated)	Additions	Retirements	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 188,620	\$ -	\$ -	\$ 188,620
Being depreciated/amortized:				
Buildings and building improvements	45,077,007	538,971	(649,710)	44,966,268
Machinery, equipment, and vehicles	1,841,358	14,132	(941,816)	913,674
Right-to-use assets	469,304	96,127	-	565,431
Total capital assets	<u>47,576,289</u>	<u>649,230</u>	<u>(1,591,526)</u>	<u>46,633,993</u>

(Continued)

HAMPTON SCHOOL DISTRICT
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Capital assets continued:

	Balance, Beginning (As restated)	Additions	Retirements	Balance, ending
Less accumulated depreciation/amortization:				
Buildings and building improvements	(9,920,908)	(1,252,808)	649,710	(10,524,006)
Machinery, equipment, and vehicles	(1,201,326)	(170,770)	941,816	(430,280)
Right-to-use assets	(291,995)	(85,902)	-	(377,897)
Total accumulated depreciation/amortization	<u>(11,414,229)</u>	<u>(1,509,480)</u>	<u>1,591,526</u>	<u>(11,332,183)</u>
Net book value, capital assets being depreciated/amortized	<u>35,973,440</u>	<u>(860,250)</u>	<u>-</u>	<u>35,113,190</u>
Net book value, all capital assets	<u>\$ 36,162,060</u>	<u>\$ (860,250)</u>	<u>\$ -</u>	<u>\$ 35,301,810</u>

Depreciation/amortization expense of \$1,509,408 was charged to the instruction functions of the School District based on their usage of the related assets.

NOTE 6 – INTERFUND BALANCES

Interfund receivable and payable balances consisting of overdrafts in pooled cash and budgetary transfers at June 30, 2022 are as follows:

Receivable Fund	Payable Fund	Amount
General	Grants	<u>\$ 224,226</u>

NOTE 7 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources at June 30, 2022 consist of amounts related to pensions totaling \$4,507,006 and amounts related to OPEB totaling \$148,376 For further discussion on these amounts, see Notes 10 and 12, respectively.

Deferred inflows of resources at June 30, 2022 consist of the following:

	Governmental Activities	General Fund
Local donation revenue collected in advance of eligible expenditures being made	\$ 25,933	\$ 25,933
Amounts related to pensions, see Note 10	5,296,734	-
Amounts related to OPEB, see Note 12	18,199	-
Total deferred inflows of resources	<u>\$ 5,340,866</u>	<u>\$ 25,933</u>

NOTE 8 – LEASES

The District had the following lease payables as of June 30, 2022:

	Original Amount	Issue Date	Maturity Date	Interest Rate	Payable at June 30, 2022
Lease Payables:					
Cannon Copier	\$ 67,246	2018	2023	6.51%	\$ 8,119
Konica Copier	170,891	2018	2023	6.51%	33,957
Cannon Copier	45,486	2019	2025	2.80%	22,804
Dell Lease	92,489	2020	2022	2.69%	29,588
Cannon Copier	102,360	2022	2027	2.50%	92,923
				Total	<u>\$ 187,391</u>

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The annual requirements to amortize all lease payables outstanding as of June 30, 2022, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 80,748	\$ 13,339	\$ 94,087
2024	26,745	5,380	32,125
2025	23,758	2,174	25,933
2026	18,565	661	19,225
2027	15,838	184	16,021
Totals	<u>\$ 165,653</u>	<u>\$ 21,738</u>	<u>\$ 187,391</u>

NOTE 9 – LONG-TERM LIABILITIES

Changes in the School District’s long-term liabilities consisted of the following for the year ended June 30, 2022:

	Balance July 1, 2021 (as restated)	Additions	Reductions	Balance June 30, 2022	Due Within One Year	Due In More Than One Year
Bond and note payables:						
Direct placement	\$22,040,000	\$ -	\$ (610,000)	\$ 21,430,000	\$ 640,000	\$20,790,000
Direct borrowing - note payable	32,960	-	(16,480)	16,480	16,480	-
Premium	1,978,504	-	(89,932)	1,888,572	89,932	1,798,640
Total bond and note payables:	<u>24,051,464</u>	<u>-</u>	<u>(716,412)</u>	<u>23,335,052</u>	<u>746,412</u>	<u>22,588,640</u>
Leases payable	174,301	96,127	(83,037)	187,391	94,087	93,304
Compensated absences	489,289	-	(149,870)	339,419	-	339,419
Pension related liability	23,530,916	-	(8,079,328)	15,451,588	-	15,451,588
Net other postemployment benefits	1,590,426	-	(214,401)	1,376,025	-	1,376,025
Total long-term liabilities	<u>\$49,836,396</u>	<u>\$ 96,127</u>	<u>\$ (9,243,048)</u>	<u>\$ 40,689,475</u>	<u>\$ 840,499</u>	<u>\$39,848,976</u>

Long-term bonds and notes are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate	Outstanding at June 30, 2022
Bond payable					
Direct placement:					
Hampton Academy renovations	<u>\$25,950,000</u>	2018	2043	3.15%	<u>\$21,430,000</u>
Direct borrowing:					
Promethean boards	<u>\$ 82,400</u>	2019	2023	15.24%	<u>\$ 16,480</u>

The annual requirements to amortize the general obligation bond and note outstanding as of June 30, 2022, including interest payments, are as follows:

Fiscal Year Ending June 30,	Bonds - Direct Placement			Note - Direct Borrowing		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 640,000	\$ 858,460	\$ 1,498,460	\$ 16,480	\$ 2,512	\$ 18,992
2024	675,000	824,928	1,499,928	-	-	-
2025	710,000	789,610	1,499,610	-	-	-
2026	745,000	752,508	1,497,508	-	-	-
2027	785,000	713,493	1,498,493	-	-	-
2028-2032	4,520,000	2,952,665	7,472,665	-	-	-
2033-2037	5,455,000	1,998,308	7,453,308	-	-	-
2038-2042	6,450,000	973,105	7,423,105	-	-	-
2043	1,450,000	29,725	1,479,725	-	-	-
Totals	<u>\$21,430,000</u>	<u>\$ 9,892,801</u>	<u>\$ 31,322,801</u>	<u>\$ 16,480</u>	<u>\$ 2,512</u>	<u>\$ 18,992</u>

HAMPTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 10 – DEFINED BENEFIT PENSION PLAN

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

Benefits Provided – Benefit formulas and eligibility requirements for the Pension Plan are set by state law (RSA 100-A). The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II.

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

Group II benefits are provided based on age, years of creditable service and benefit multiplier depending on vesting status as of 1/1/12. The maximum retirement allowance for Group II members vested by 1/1/12 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by 1/1/12 the benefit is calculated the same way but the multiplier used in the calculation will change depending on age and years of creditable service as follows:

Years of Creditable Service as of 1/1/12	Minimum Age	Minimum Service	Benefit Multiplier
At least 8 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

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

Contributions – The System is financed by contributions from both the employees and the School District. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees are required to contribute 7% of earnable compensation. For fiscal year 2022, the School District contributed 19.48% for teachers and 13.75% for other employees. The contribution requirement for the fiscal year 2022 was \$2,064,786, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the School District reported a liability of \$15,451,588 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The School District’s proportion of the net pension liability was based on a projection of the School District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2021, the School District’s proportion was 0.35% which was a decrease of 0.02% from its proportion measured as of June 30, 2020.

HAMPTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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For the year ended June 30, 2022, the School District recognized pension expense of \$1,116,166. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 395,721	\$ 813,512
Net difference between projected and actual investment earnings on pension plan investments	-	4,321,455
Changes in assumptions	1,613,831	-
Differences between expected and actual experience	432,667	161,767
Contributions subsequent to the measurement date	2,064,787	-
Total	\$ 4,507,006	\$ 5,296,734

The \$2,064,787 reported as deferred outflows of resources related to pensions results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,		
2022	\$	(343,314)
2023		(420,650)
2024		(505,416)
2025		(1,585,135)
Thereafter		-
Totals	\$	(2,854,515)

Actuarial Assumptions – The collective total pension liability was determined by an actuarial performed as of June 30, 2020, rolled forward to June 30, 2021, using the following assumptions:

Inflation:	2.0% per year	
Wage inflation	2.75% per year (2.25% for Teachers)	
Salary increases:	5.6% average, including inflation	
Investment rate of return:	6.75% net of pension plan investment expense, including inflation	

Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

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

HAMPTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Following is a table presenting target allocations and long-term rates of return for 2021:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return 2021
Large Cap Equities	22.50%	6.46%
Small/Mid Cap Equities	7.50%	1.14%
Total domestic equities	30.00%	
Int'l Equities (unhedged)	14.00%	5.53%
Emerging Int'l Equities	6.00%	2.37%
Total international equity	20.00%	
Core US Fixed Income	25.00%	3.60%
Private equity	10.00%	8.85%
Private debt	5.00%	7.25%
Total alternative investments	15.00%	
Real estate	10.00%	6.60%
Total	100.00%	

Discount Rate – The discount rate used to measure the collective total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan’s actuarial funding policy as required by RSA 100-A:16. Based on those assumptions, the Pension Plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Pension Plan investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

Sensitivity of the School District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the School District’s proportionate share of the net pension liability calculated using the discount rate of 6.75% as well as what the School District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2021	\$22,097,539	\$ 15,451,588	\$ 9,907,780

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

NOTE 11 – SUPPLEMENTAL RETIREMENT PLAN

All employees employed by the School District participate in a defined contribution pension plan administered by Security Benefit. Participation begins immediately at the time of employment. The School District has no requirement or obligation under State Statutes to contribute to this plan, however the School District has adopted the Supplemental Retirement Plan 457/ 403(b) for its employees. The School Board has the authority to establish and amend the benefit provisions and contribution requirements of the plan. The School District does not contribute to the plan. Employee contributions for the year ended June 30, 2021 were \$338,383.

HAMPTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

12-A New Hampshire Retirement System (NHRS)

Plan Description – The New Hampshire Retirement System (NHRS or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2019 Comprehensive Annual Financial Report, which can be found on the system’s website at www.nhrs.org.

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

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

Maximum medical subsidy rates paid during fiscal year 2021 were as follows:

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

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

Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2021, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2022, the School District contributed 1.54% for teachers and 0.31% for other employees. The contribution requirement for the fiscal year 2022 was \$148,375, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At June 30, 2022, the School District reported a liability of \$1,376,025 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The School District’s proportion of the net OPEB liability was based on a projection of the School District’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2021, the School District’s proportion was 0.34% which was a decrease of 0.02% from its proportion measured as of June 30, 2020.

HAMPTON SCHOOL DISTRICT
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For the year ended June 30, 2022, the School District recognized OPEB expense of \$501. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ -	\$ 723
Net difference between projected and actual investment earnings on OPEB plan investments	-	17,189
Changes in assumptions		
Differences between expected and actual experience	-	287
Contributions subsequent to the measurement date	148,376	-
Total	\$ 148,376	\$ 18,199

The \$148,376 reported as deferred outflows of resources related to OPEB results from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2022	\$ (4,942)
2023	(3,612)
2024	(4,048)
2025	(5,597)
2026	-
Thereafter	-
Totals	\$ (18,199)

Actuarial Assumptions – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2020 and a measurement date of June 30, 2021. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Price inflation:	2.0% per year
Wage inflation:	2.75% per year (2.25% for Teachers)
Salary increases:	5.6% average, including inflation
Investment rate of return:	6.75% net of OPEB plan investment expense, including inflation
Health care trend rate:	Not applicable, given that the benefits are fixed stipends

Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

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

HAMPTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Following is a table presenting target allocations and long-term rates of return for 2021:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return 2021
Large Cap Equities	22.50%	6.46%
Small/Mid Cap Equities	7.50%	1.14%
Total domestic equities	30.00%	
Int'l Equities (unhedged)	14.00%	5.53%
Emerging Int'l Equities	6.00%	2.37%
Total international equity	20.00%	
Core US Fixed Income	25.00%	3.60%
Private equity	10.00%	8.85%
Private debt	5.00%	7.25%
Total alternative investments	15.00%	
Real estate	10.00%	6.60%
Total	100.00%	

Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2021 was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

Sensitivity of the School District’s Proportionate Share of the OPEB Liability to Changes in the Discount Rate – The following table presents the School District’s proportionate share of the OPEB liability calculated using the discount rate of 6.75% as well as what the School District’s proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2021	\$ 1,495,847	\$ 1,376,025	\$ 1,271,772

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

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

12-B Retiree Health Benefit Program

The School District provides postemployment benefit options for health care to eligible retirees, terminated employees, and their dependents in accordance with the provisions of various employment contracts. The benefit levels, employee contributions, and employer contributions are governed by the School District’s contractual agreements. Expenses for the cost of providing health insurance for currently enrolled retirees are recognized in the general fund of the funds financial statements as payments are made.

HAMPTON SCHOOL DISTRICT
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The Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in 2015. GASB Statement No. 75 requires State and local government employers to recognize the net OPEB liability and the OPEB expense on their financial statements, along with the related deferred outflows and inflows of resources. The School District has not fully implemented GASB Statement No. 75 at June 30, 2022, or contracted with an actuarial firm to assist in evaluating the impact of this standard on the School District. The amounts that should be recorded as the net OPEB liability and the OPEB expense is unknown.

NOTE 13 - ENCUMBRANCES

Encumbrances outstanding in the amount of \$275,000 general fund at June 30, 2022 consists of facilities acquisition and construction.

NOTE 14 – GOVERNMENTAL ACTIVITIES NET POSITION

Net position reported on the government-wide Statement of Net Position at June 30, 2022 include the following:

	Governmental Activities
Net investment in capital assets:	
Net book value of all capital assets	\$ 35,301,810
Less:	
General obligation bond payable	(21,430,000)
Unamortized bond premiums	(1,888,572)
Leases payable	(187,391)
Note Payable	(16,480)
Total net investment in capital assets	11,779,367
Food service	245,290
Unrestricted	(17,111,171)
Total net position	\$ (5,086,514)

NOTE 15 – GOVERNMENTAL FUND BALANCES

Governmental fund balances at June 30, 2022 consist of the following:

	General Fund	Food Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:				
Food service	\$ -	\$ 245,290	\$ -	\$ 245,290
Committed:				
Expendable trust	171,714	-	-	171,714
Assigned:				
Encumbrances	275,000	-	-	275,000
District portion of student activities	11,844	-	-	11,844
Student activities	-	-	99,431	99,431
Total assigned fund balance	286,844	-	99,431	386,275
Unassigned	476,255	-	-	476,255
Total governmental fund balances	\$934,813	\$ 245,290	\$ 99,431	\$ 1,279,534

HAMPTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

NOTE 16 – PRIOR PERIOD ADJUSTMENTS

Net position at July 1, 2021 was restated for the following:

	Government-wide Statements
To record lease payable	\$ (15,439)
To record right to use asset	177,309
To restate for direct borrowing	(32,960)
Net position, as previously reported	(5,832,450)
Net position, as restated	\$ (5,703,540)

NOTE 17 – RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2022, the School District was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from July 1, 2021 to June 30, 2022 by Primex³, which retained \$2,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and for each property loss it is based upon the District's property schedule on file with Primex³. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In fiscal year 2021-22 the School District paid \$79,741 and \$59,894, respectively, to Primex for workers' compensation and property/liability. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

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

NOTE 18 – CAFETERIA BENEFIT PLAN

Effective July 1, 2002, the School District implemented a cafeteria benefit plan pursuant to Section 125 of the IRS code. Under this plan, eligible employees may direct a contribution, made by the School District, into any combination of the following benefit categories:

1. Medical Insurance Premium Account;
2. Out of Pocket Medical Spending Account; or
3. Dependent Care Spending Account.

In addition to directing the School District's contribution to the above categories, eligible employees may elect to contribute pre-tax dollars to these categories. Under no circumstances may an employee direct more than \$5,000 annually into the Dependent Care Spending Account, and \$3,000 into the Medical Spending Account. This cap applies to both School District contributions and employee pre-tax contributions.

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

HAMPTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

NOTE 19 – CONTINGENT LIABILITIES

There are various claims and suits pending against the School District which arose in the normal course of the School District's activities. In the opinion of management, the ultimate disposition of these various claims and suits will not have a material effect on the financial position of the School District.

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

NOTE 20 – COVID-19

As a result of the spread of COVID-19, Coronavirus, economic uncertainties continue. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES Act) in response to the economic downfall caused by the COVID-19 pandemic. This Act provided funding through the Coronavirus Relief Fund (CRF) as well as the Education Stabilization Fund (ESF). On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) was signed into law, which provided additional funding for the ESF programs.

The ESF provided funds to the School District through the Elementary and Secondary School Emergency Relief Fund (ESSER). The objective of ESSER is to provide local education agencies with emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the nation. This funding was awarded to the School District under the ESSER I, II, and III grants, with the School District expending \$128,072 of this funding in the fiscal year 2022 and must be used for activities to prevent, prepare and respond to the coronavirus.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

NOTE 21 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through February 27, 2023, the date the June 30, 2022 financial statements were available to be issued, and noted no events occurred that require recognition or disclosure:

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT E
HAMPTON SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2022
Unaudited

Fiscal year-end	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
School District's:									
Proportion of the net pension liability	0.35%	0.36%	0.34%	0.35%	0.34%	0.36%	0.36%	0.37%	0.35%
Proportionate share of the net pension liability	\$ 15,138,413	\$ 13,362,532	\$ 13,635,564	\$ 18,601,400	\$ 16,638,247	\$ 17,334,937	\$ 17,298,077	\$ 23,530,916	\$ 15,451,588
Payroll (as of the measurement date)	\$ 9,788,212	\$ 9,829,417	\$ 9,820,125	\$ 10,064,035	\$ 9,958,329	\$ 10,187,862	\$ 10,775,763	\$ 10,775,763	\$ 10,440,573
Proportionate share of the net pension liability as a percentage of its covered payroll	154.66%	135.94%	138.85%	184.83%	167.08%	170.15%	160.53%	218.37%	148.00%
Plan fiduciary net position as a percentage of the total pension liability	66.32%	59.81%	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%

EXHIBIT F
HAMPTON SCHOOL DISTRICT
Schedule of School District Contributions - Pensions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2022
Unaudited

Fiscal year-end	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contribution	\$ 874,631	\$1,154,926	\$1,154,749	\$ 1,252,591	\$1,239,390	\$ 1,521,586	\$ 1,564,494	\$ 1,610,226	\$ 2,064,786
Contributions in relation to the contractually required contributions	874,631	1,154,926	1,154,749	1,252,591	1,239,390	1,521,586	1,564,494	1,610,226	2,064,786
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll (as of the fiscal year)	\$9,788,212	\$9,829,417	\$9,820,125	\$10,064,035	\$9,958,329	\$10,187,862	\$10,775,763	\$10,440,573	\$11,161,938
Contributions as a percentage of covered payroll	8.94%	11.75%	11.76%	12.45%	12.45%	14.94%	14.52%	15.42%	18.50%

HAMPTON SCHOOL DISTRICT
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

***Schedule of the School District's Proportionate Share of Net Pension Liability
and Schedule of School District Contributions – Pensions***

Changes in Benefit Terms – There were no changes in benefit terms for the current period.

Changes in Assumptions – There were no changes in assumptions for the current period.

Methods and Assumptions Used to Determine Contribution Rates – A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at www.nhrs.org.

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits E and F represent the actuarial determined costs associated with the School District's pension plan at June 30, 2022. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

EXHIBIT G
HAMPTON SCHOOL DISTRICT
Schedule of the School District's Proportionate Share of the Net Other Postemployment Benefits Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2022
Unaudited

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
School District's proportion of the net OPEB liability	0.44%	0.43%	0.33%	0.33%	0.36%	0.34%
School District's proportionate share of the net OPEB liability (asset)	\$ 2,147,668	\$ 1,967,253	\$ 1,518,501	\$ 1,440,256	\$ 1,590,426	\$ 1,376,025
School District's covered payroll (as of the measurement date)	\$ 10,064,035	\$ 9,958,329	\$ 10,187,862	\$ 10,775,763	\$ 10,775,763	\$ 10,440,573
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	21.34%	19.75%	14.91%	13.37%	14.76%	13.18%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%	11.06%

EXHIBIT H
HAMPTON SCHOOL DISTRICT
Schedule of School District Contributions - Other Postemployment Benefits
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2022

Unaudited

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contribution	\$ 257,780	\$ 255,010	\$ 146,704	\$ 142,922	\$ 161,718	\$ 148,375
Contributions in relation to the contractually required contribution	<u>257,780</u>	<u>255,010</u>	<u>146,704</u>	<u>142,922</u>	<u>161,718</u>	<u>148,375</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll (as of the fiscal year)	<u>\$ 10,064,035</u>	<u>\$ 9,958,329</u>	<u>\$ 10,187,862</u>	<u>\$ 10,775,763</u>	<u>\$ 10,440,573</u>	<u>\$ 11,161,938</u>
Contributions as a percentage of covered payroll	2.56%	2.56%	1.44%	1.33%	1.55%	1.33%

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

HAMPTON SCHOOL DISTRICT
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFITS LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

Schedule of the School District's Proportionate Share of Net Other Postemployment Benefits Liability and Schedule of School District Contributions – Other Postemployment Benefits

Changes in Benefit Terms – There were no changes in benefit terms for the current period.

Changes in Assumptions – There were no changes in assumptions for the current period.

Methods and Assumptions Used to Determine Contribution Rates – A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at www.nhrs.org.

As required by GASB Statement No. 75, Exhibits G and H represent the actuarial determined costs associated with the School District's other postemployment benefits at June 30, 2022. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
HAMPTON SCHOOL DISTRICT
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2022

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 17,918,905	\$ 17,918,905	\$ -
Other local sources:			
Tuition	5,000	16,740	11,740
Investment earnings	1,500	2,230	730
Miscellaneous	325,775	362,516	36,741
Total from other local sources	<u>332,275</u>	<u>381,486</u>	<u>49,211</u>
State sources:			
Adequacy aid (tax)	4,557,805	4,557,805	-
Catastrophic aid	200,000	569,615	369,615
Total from state sources	<u>4,757,805</u>	<u>5,127,420</u>	<u>369,615</u>
Federal sources:			
Medicaid	25,000	78,039	53,039
Total revenues	23,033,985	<u>\$ 23,505,850</u>	<u>\$ 471,865</u>
Use of fund balance to reduce school district assessment	1,194,071		
Total revenues and use of fund balance	<u>\$ 24,228,056</u>		

SCHEDULE 2
HAMPTON SCHOOL DISTRICT
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2022

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
Instruction:					
Regular programs	\$ -	\$ 6,679,591	\$ 6,610,734	\$ -	\$ 68,857
Special programs	-	2,740,307	2,929,209	-	(188,902)
Other programs	-	156,673	111,477	-	45,196
Non-public programs	-	69,542	38,061	-	31,481
Total instruction	-	9,646,113	9,689,481	-	(43,368)
Support services:					
Student	-	1,359,144	1,287,684	-	71,460
Instructional staff	-	1,287,370	1,348,332	-	(60,962)
General administration	-	77,201	93,503	-	(16,302)
Executive administration	-	433,755	435,431	-	(1,676)
School administration	-	889,037	1,064,130	-	(175,093)
Operation and maintenance of plant	-	1,751,820	1,841,517	-	(89,697)
Student transportation	-	924,748	897,153	-	27,595
Other	-	5,989,062	5,698,162	-	290,900
Total support services	-	12,712,137	12,665,912	-	46,225
Noninstructional	-	69,471	67,938	-	1,533
Debt service:					
Principal of long-term debt	-	610,000	610,000	-	-
Interest on long-term debt	-	890,335	890,335	-	-
Total debt service	-	1,500,335	1,500,335	-	-
Facilities acquisition and construction	300,000	300,000	325,000	275,000	-
Total appropriations, expenditures, and encumbrances	\$ 300,000	\$ 24,228,056	\$ 24,248,666	\$ 275,000	\$ 4,390

SCHEDULE 3
HAMPTON SCHOOL DISTRICT
Major General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2022

Unassigned fund balance, beginning		\$1,194,071
Changes:		
Unassigned fund balance used to reduce school district assessment		(1,194,071)
2021-2022 Budget summary:		
Revenue surplus (Schedule 1)	\$ 471,865	
Unexpended balance of appropriations (Schedule 2)	4,390	
2021-2022 Budget surplus	476,255	476,255
Unassigned fund balance, ending		\$ 476,255

SCHEDULE 4
HAMPTON SCHOOL DISTRICT
Student Activity Funds
Combining Balance Sheet
June 30, 2022

	Student Activity Funds			Total
	Hampton Academy	Marston School	Centre School	
ASSETS				
Cash and cash equivalents	\$ 59,690	\$ 25,815	\$ 13,926	\$ 99,431
FUND BALANCES				
Assigned	\$ 59,690	\$ 25,815	\$ 13,926	\$ 99,431

SCHEDULE 5
HAMPTON SCHOOL DISTRICT
Student Activity Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022

	Student Activity Funds			Total
	Hampton Academy	Marston School	Centre School	
REVENUES				
Other local	\$ 20,112	\$ 12,677	\$ 6,058	\$ 38,847
EXPENDITURES				
Current:				
Instruction	20,161	9,572	7,588	37,321
Net change in fund balances	(49)	3,105	(1,530)	1,526
Fund balances, beginning	59,739	22,710	15,456	97,905
Fund balances, ending	<u>\$ 59,690</u>	<u>\$ 25,815</u>	<u>\$ 13,926</u>	<u>\$ 99,431</u>

***SINGLE AUDIT ACT SCHEDULES AND
INDEPENDENT AUDITOR'S REPORTS***



PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hampton School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Hampton School District's basic financial statements, and have issued our report thereon dated February 27, 2023. Our report on the financial statements of the governmental activities was adverse as indicated therein.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Hampton 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 Hampton School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hampton 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 or significant deficiencies may exist that were not identified.

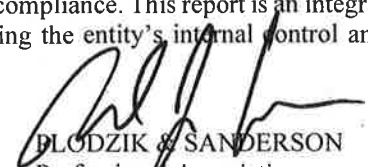
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hampton School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 27, 2023
Concord, New Hampshire


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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Hampton School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Hampton School District's major federal programs for the year ended June 30, 2022. The Hampton School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Hampton School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Hampton School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Hampton School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Hampton School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Hampton School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is

Hampton School District
Report on Compliance for Each Major Federal Program and Report on Internal Control
Over Compliance Required by the Uniform Guidance

considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Hampton School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Hampton School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Hampton School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Hampton School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

February 27, 2023
Concord, New Hampshire



PLODZIK & SANDERSON
Professional Association

SCHEDULE I
HAMPTON SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:
Unmodified opinion on each major fund and aggregate remaining fund information; and an adverse opinion on governmental activities.

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553 and 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

SECTION II - FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

**Schedule II
HAMPTON SCHOOL DISTRICT
Schedule of Expenditure of Federal Awards
For the Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through the State of New Hampshire Department of Education				
CHILD NUTRITION CLUSTER				
School Breakfast Program	10.553	N/A	\$ -	\$ 243,866
National School Lunch Program:				
Meal reimbursements	10.555	N/A	-	538,716
Supply chain assistance	10.555	N/A	-	21,501
School meals emergency operating costs reimbursement program	10.555	N/A	-	3,576
<i>CLUSTER TOTAL</i>			<u>-</u>	<u>807,659</u>
U.S. DEPARTMENT OF EDUCATION				
Passed Through the State of New Hampshire Department of Education				
Title I Grants to Local Educational Agencies:				
Title I Part A	84.010	20210978	-	45,761
Title I Part D2	84.010	20211537	-	36,104
Title I Part A	84.010	20220440	-	82,710
Title I Part D2	84.010	20220996	-	9,257
<i>PROGRAM TOTAL</i>			<u>-</u>	<u>173,832</u>
SPECIAL EDUCATION CLUSTER				
Special Education - Grants to States:				
IDEA	84.027	202612	-	8,721
IDEA	84.027	20211094	-	24,657
IDEA	84.027	20220601	-	247,572
COVID-19 - ARP IDEA	84.027X	20220656	-	46,236
Special Education - Preschool Grants:				
Preschool	84.173	20211094	-	506
Preschool	84.173	20220601	-	5,515
COVID-19 - ARP Preschool	84.173X	20220656	-	4,290
<i>CLUSTER TOTAL</i>			<u>-</u>	<u>337,497</u>
Supporting Effective Instruction State Grants:				
Title IIA	84.367	20210996	-	3,002
Title IIA	84.367	20220544	-	45,220
<i>PROGRAM TOTAL</i>			<u>-</u>	<u>48,222</u>
Student Support and Academic Enrichment Program	84.424	20211082	-	16,600
COVID-19 - Education Stabilization Fund:				
CRRSA ESSER II	84.425D	20211678	-	91,823
ARPA ESSER III	84.425U	20220802	-	35,927
ARP ESSER Homeless	84.425W	20220950	-	322
			<u>-</u>	<u>128,072</u>
English Language Acquisition State Grants:				
Passed Through the Winnacunnet Cooperative School District, New Hampshire				
Title III	84.365	20211321	-	2,168
Title III	84.365	20220551	-	1,305
<i>PROGRAM TOTAL</i>			<u>-</u>	<u>3,473</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 1,515,355</u>

The accompanying notes are an integral part of this schedule.

HAMPTON SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Hampton School District under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Hampton School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Hampton School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The Hampton School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Food Donation

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities on the date received. For the fiscal year ended June 30, 2022, the value of food donations received was \$27,675.