

# HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT

FINANCIAL REPORT

AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2015

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT  
FINANCIAL REPORT  
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JUNE 30, 2015**

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# Roberts & Greene, PLLC

## INDEPENDENT AUDITOR'S REPORT

To the Members of the School Board  
Hollis-Brookline Cooperative School District  
Hollis, New Hampshire

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hollis-Brookline Cooperative School District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hollis-Brookline Cooperative School District, as of June 30, 2015, and the respective changes in financial position thereof and budgetary comparison statements for the major funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principles***

As discussed in Note I.B.5. to the financial statements, in fiscal year 2015, the School District adopted new accounting guidance regarding the accounting and reporting for pensions. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-8, and the other postemployment benefits schedule of funding progress, schedule of the School

District's proportionate share of the net pension liability, and the schedule of School District contributions on pages 36-38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

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

May 12, 2016

*Roberts & Heene, PLLC*

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDING JUNE 30, 2015**

This section of the Hollis-Brookline School District annual financial report presents our discussion and analysis of the district's financial performance during the fiscal year that ended June 30, 2015. Responsibility for the accuracy of the data, and the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material performance as a whole. With this in mind, please also refer to the district's financial statements, which immediately follow this section. The MDA is an element of required supplementary information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999.

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

**DISTRICT-WIDE STATEMENTS**

The district-wide statements report information about the district as a whole. The statement of net position includes all of the district's assets and liabilities, except for capital assets. All of the current year's revenues and expense are accounted for in the statement of activities regardless of when cash is received or paid. Net position – the difference between the district's assets and liabilities – is one way to measure the district's financial health or position. The district-wide statements present and aggregate view of the finances of the school district by answering the question, "How did the school

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDING JUNE 30, 2015**

district do financially during the 2014-15 school year?" These statements report all assets and liabilities using the accrual basis of accounting used by most private-sector enterprises. The accrual basis takes into account all of the district's current-year revenues and expenses regardless of when they were paid or received.

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

**FUND FINANCIAL STATEMENTS**

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

The district has two types of funds:

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

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDING JUNE 30, 2015**

**Notes to the Basic Financial Statements**

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

**Government-Wide Financial Analysis**

The School District implemented GASB Statement No. 68 this year. With the new reporting change, the School District is allocated its proportionate share of the New Hampshire Retirement System's net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. A restatement to record the effects of the new reporting guidance decreased beginning net position by \$10,434,371. Decisions regarding the allocations are made by the administrators of the NHRS, not by the School District's management, and are audited by the plan auditors.

**Hollis-Brookline Cooperative School District**

**Statement of Net Position**

Change in net position for fiscal year 2015 compared to fiscal year 2014:

	<b>2014</b>	<b>2015</b>	<b>Increase (Decrease)</b>	<b>% Increase (Decrease)</b>
Current and other assets	1,395,068	1,627,522	232,454	16.7%
Capital assets	20,796,943	20,217,775	(579,168)	-2.8%
<b>Total Assets</b>	<b>22,192,011</b>	<b>21,845,297</b>	<b>(346,714)</b>	<b>-1.6%</b>
Deferred outflows of resources	-	1,694,333	1,694,333	1644333%
Long-term liabilities outstanding	6,187,581	17,512,160	11,324,579	183.0%
Other liabilities	1,850,993	875,228	(975,765)	-52.7%
<b>Total liabilities</b>	<b>8,038,574</b>	<b>18,387,388</b>	<b>10,348,814</b>	<b>128.7%</b>
Deferred inflows of resources	15,446	1,416,632	1,401,186	9071.5%
<b>Net Position:</b>				
Net investment in capital assets	13,732,837	14,411,008	678,171	4.9%
Restricted	384,243	384,497	254	0.1%
Unrestricted	20,911	(11,059,895)	(11,080,806)	-52990.3%
<b>Total Net Position</b>	<b>14,137,991</b>	<b>3,735,610</b>	<b>(10,402,381)</b>	<b>-73.6%</b>

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDING JUNE 30, 2015**

**Statement of Activities**

Change in fund revenue and expense for fiscal year 2015 compared to fiscal year 2014:

<b>Revenues:</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>% Change</b>
<b>Program Revenues:</b>				
Charges for Services	136,994	536,438	(399,444)	-74%
Operating Grants and Contributions	1,241,091	878,671	362,420	41%
Capital Grants and Contributions	398,487	400,514	(2,027)	-1%
<b>General Revenues:</b>				
Assessment	13,288,859	13,910,558	(621,699)	-4%
Grants and Contributions	5,266,229	5,266,861	(632)	0%
Miscellaneous	329,087	179,158	149,929	84%
<b>Total Revenues</b>	<b>20,660,747</b>	<b>21,172,200</b>	<b>(511,453)</b>	<b>-2%</b>
<b>Program Expenses:</b>				
Instruction	10,220,098	10,257,906	(37,808)	0%
Student Support	1,141,158	1,228,602	(87,444)	-7%
Instructional Staff	437,251	531,823	(94,572)	-18%
General Administration	64,446	61,514	2,932	5%
Executive Administration	719,000	689,453	29,547	4%
School Administration	832,837	874,424	(41,587)	-5%
Operation and Maintenance of Plant	1,145,341	1,178,032	(32,691)	-3%
Student Transportation	776,776	702,399	74,377	11%
Other	3,785,008	3,657,969	127,039	3%
Non-instructional Services	514,483	508,978	5,505	1%
Facilities Acquisition and Construction		71,180	(71,180)	-100%
Interest on Long-term Debt	887,275	868,627	18,648	2%
<b>Total Expenses</b>	<b>20,523,673</b>	<b>20,630,907</b>	<b>(107,234)</b>	<b>-1%</b>
Change in Net Position	137,074	541,293	(404,219)	-75%
Net Position - Beginning	13,491,614	3,194,317	10,297,297	322%
Net Position - Ending	13,628,688	3,735,610	9,893,078	265%

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

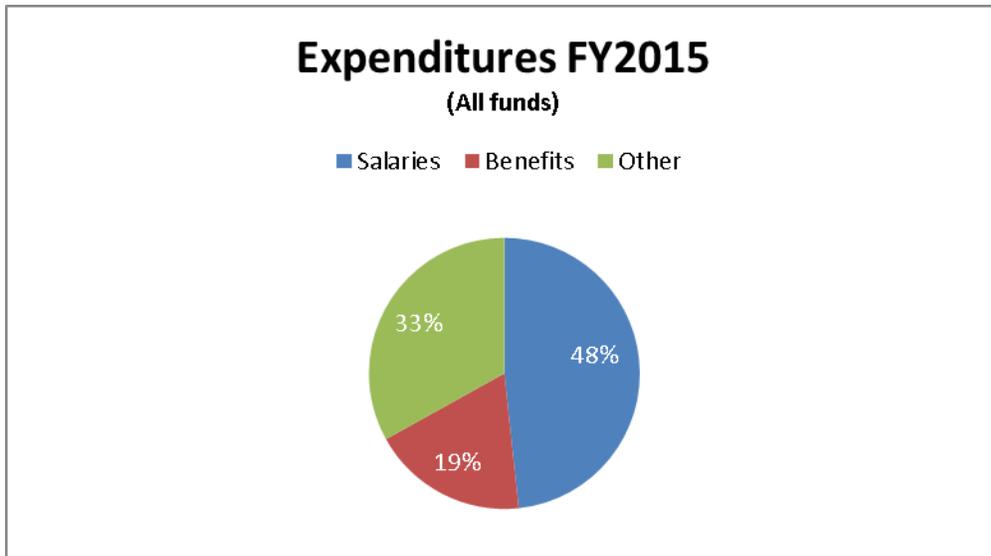
Revenues – The decrease under “Operating Grants and Contributions” was driven by less revenue in the IDEA grant. “Miscellaneous” revenues were down as compared to last year because of lower payments from the Local Government Center as a result of a mandated return of surplus funds to member districts. Lunch revenue from the food service program has dropped but the increases this year over last come from Catastrophic Aid and Medicaid payments.

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDING JUNE 30, 2015**

Program Expenses – Increases in “Other” was driven by a decrease in professional services associated with lower grant expenses. Both the “Student Support” and “Instructional Staff” increases are tied to special needs students moving from the lower districts into the cooperative districts.

**Hollis Brookline School District Activities**

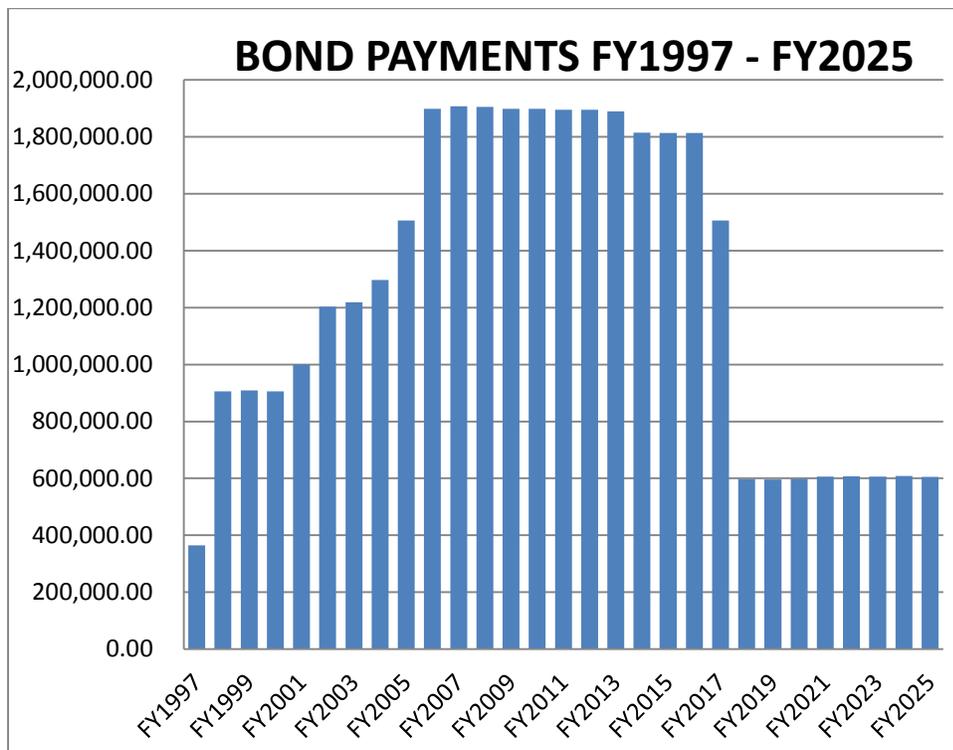
The district’s expenses are predominately salaries and benefits which are illustrated below. "Other" expenses account for contracted services, transportation, operation & maintenance of plant, debt service, and general operational materials. The disbursement of cost has remained fairly consistent with prior fiscal year expenditures (45% salary, 36% other, 19% benefits).



**DEBT ADMINISTRATION**

The School Administrative Unit carries debt on the renovation of the Hollis Brookline Middle School as well as the construction of the High School. A significant portion of debt is scheduled to retire in FY2017.

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDING JUNE 30, 2015**



**OTHER DISCUSSION**

The district’s financial status is sound. Being that the majority of cost is associated to salary and benefits the budget is rather predictable from year to year. The district adopted for the FY14 fiscal year the ability to retain fund balance for emergency expenditures and over-expenditures. This tool has greatly improved the financial position of the district to deal with unexpected costs that may arise during the course of operations. Were a situation to arise prior to the adoption of this mechanism, the district would have to rely on excess revenues or additional taxation.

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

## **BASIC FINANCIAL STATEMENTS**

**EXHIBIT 1**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2015**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 199,029
Investments	7,811
Intergovernmental receivables	1,374,062
Other receivables	1,250
Inventory	8,033
Prepaid items	37,337
Capital assets, not being depreciated:	
Construction in progress	28,706
Capital assets, net of accumulated depreciation:	
Land improvements	224,903
Buildings and building improvements	19,849,826
Machinery, equipment and vehicles	114,340
Total assets	21,845,297
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	1,694,333
<b>LIABILITIES</b>	
Accounts payable	227,218
Accrued salaries and benefits	68,280
Intergovernmental payable	34,072
Accrued interest payable	545,658
Noncurrent obligations:	
Due within one year:	
Bonds	960,323
Compensated absences	21,954
Termination benefits	79,506
Due in more than one year:	
Bonds	4,846,444
Termination benefits	341,156
Other postemployment benefits	332,017
Net pension	10,930,760
Total liabilities	18,387,388
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unearned revenue	18,032
Pensions	1,398,600
Total deferred inflows of resources	1,416,632
<b>NET POSITION</b>	
Net investment in capital assets	14,411,008
Restricted for endowments:	
Nonexpendable	260,902
Expendable	123,595
Unrestricted	(11,059,895)
Total net position	\$ 3,735,610

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

**EXHIBIT 2**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2015**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes In Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction	\$ 10,257,906	\$ 165,634	\$ 823,315	\$ -	\$ (9,268,957)
Support services:					
Student	1,228,602	-	-	-	(1,228,602)
Instructional staff	531,823	-	9,112	-	(522,711)
General administration	61,514	-	-	-	(61,514)
Executive administration	689,453	-	-	-	(689,453)
School administration	874,424	-	-	-	(874,424)
Operation and maintenance of plant	1,178,032	-	-	-	(1,178,032)
Student transportation	702,399	-	-	-	(702,399)
Other	3,657,969	-	-	-	(3,657,969)
Non-instructional services	508,978	370,804	46,244	-	(91,930)
Facilities acquisition and construction	71,180	-	-	-	(71,180)
Interest on long-term debt	868,627	-	-	400,514	(468,113)
Total governmental activities	<u>\$ 20,630,907</u>	<u>\$ 536,438</u>	<u>\$ 878,671</u>	<u>\$ 400,514</u>	<u>(18,815,284)</u>
General revenues:					
School district assessment					13,910,558
Grants and contributions not restricted to specific programs					5,266,861
Miscellaneous					179,158
Total general revenues					<u>19,356,577</u>
Change in net position					541,293
Net position, beginning, as restated, see Note III.E.					3,194,317
Net position, ending					<u>\$ 3,735,610</u>

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

**EXHIBIT 3**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

	General	Grants	Permanent	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 11,670	\$ -	\$ -	\$ 187,359	\$ 199,029
Investments	7,811	-	-	-	7,811
Receivables, net of allowance for uncollectibles:					
Accounts	800	-	-	450	1,250
Intergovernmental	796,046	186,965	384,497	6,554	1,374,062
Interfund receivable	201,332	-	-	-	201,332
Inventory	-	-	-	8,033	8,033
Prepaid items	35,606	1,731	-	-	37,337
Total assets	<u>\$ 1,053,265</u>	<u>\$ 188,696</u>	<u>\$ 384,497</u>	<u>\$ 202,396</u>	<u>\$ 1,828,854</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 220,494	\$ -	\$ -	\$ 6,724	\$ 227,218
Accrued salaries and benefits	68,280	-	-	-	68,280
Intergovernmental payable	27,286	5,211	-	1,575	34,072
Interfund payable	-	183,485	-	17,847	201,332
Total liabilities	<u>316,060</u>	<u>188,696</u>	<u>-</u>	<u>26,146</u>	<u>530,902</u>
Deferred inflows of resources:					
Deferred revenue	<u>200</u>	<u>-</u>	<u>-</u>	<u>17,832</u>	<u>18,032</u>
Fund balances:					
Nonspendable	35,606	-	260,902	8,033	304,541
Restricted	-	-	123,595	-	123,595
Committed	127,528	-	-	150,385	277,913
Assigned	62,697	-	-	-	62,697
Unassigned	511,174	-	-	-	511,174
Total fund balances	<u>737,005</u>	<u>-</u>	<u>384,497</u>	<u>158,418</u>	<u>1,279,920</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,053,265</u>	<u>\$ 188,696</u>	<u>\$ 384,497</u>	<u>\$ 202,396</u>	<u>\$ 1,828,854</u>

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

**EXHIBIT 4**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**Reconciliation of Total Governmental Fund Balances to the Statement of Net Position**  
**June 30, 2015**

Total fund balances of governmental funds (Exhibit 3)	\$	1,279,920
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Cost	\$	33,971,739
Less accumulated depreciation		<u>(13,753,964)</u>
		20,217,775
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	\$	(201,332)
Payables		<u>201,332</u>
		-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(545,658)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds	\$	5,806,767
Compensated absences		21,954
Termination benefits		420,662
Other postemployment benefits		332,017
Net pension liability		<u>10,930,760</u>
		(17,512,160)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	\$	1,694,333
Deferred inflows of resources related to pensions		<u>(1,398,600)</u>
		295,733
Net position of governmental activities (Exhibit 1)	\$	<u><u>3,735,610</u></u>

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

**EXHIBIT 5**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2015**

	General	Grants	Permanent	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
School district assessment	\$ 13,910,558	\$ -	\$ -	\$ -	\$ 13,910,558
Other local	228,672	-	6,965	479,959	715,596
State	6,150,766	-	-	3,004	6,153,770
Federal	158,748	190,288	-	43,240	392,276
Total revenues	<u>20,448,744</u>	<u>190,288</u>	<u>6,965</u>	<u>526,203</u>	<u>21,172,200</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	9,190,667	181,176	-	56,958	9,428,801
Support services:					
Student	1,228,602	-	-	-	1,228,602
Instructional staff	522,711	9,112	-	-	531,823
General administration	61,514	-	-	-	61,514
Executive administration	689,453	-	-	-	689,453
School administration	875,459	-	-	-	875,459
Operation and maintenance of plant	1,156,959	-	-	58,518	1,215,477
Student transportation	702,399	-	-	-	702,399
Other	3,792,597	-	-	-	3,792,597
Non-instructional services	-	-	-	507,484	507,484
Debt service:					
Principal	948,399	-	-	-	948,399
Interest	854,682	-	-	-	854,682
Facilities acquisition and construction	99,886	-	-	-	99,886
Total expenditures	<u>20,123,328</u>	<u>190,288</u>	<u>-</u>	<u>622,960</u>	<u>20,936,576</u>
Excess (deficiency) of revenues over (under) expenditures	<u>325,416</u>	<u>-</u>	<u>6,965</u>	<u>(96,757)</u>	<u>235,624</u>
Other financing sources (uses):					
Transfers in	5,720	-	-	991	6,711
Transfers out	-	-	(6,711)	-	(6,711)
Total other financing sources and uses	<u>5,720</u>	<u>-</u>	<u>(6,711)</u>	<u>991</u>	<u>-</u>
Net change in fund balances	331,136	-	254	(95,766)	235,624
Fund balances, beginning	405,869	-	384,243	254,184	1,044,296
Fund balances, ending	<u>\$ 737,005</u>	<u>\$ -</u>	<u>\$ 384,497</u>	<u>\$ 158,418</u>	<u>\$ 1,279,920</u>

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

**EXHIBIT 6**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund**  
**Balances of Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2015**

Net change in fund balances of total governmental funds (Exhibit 5)		\$ 235,624
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capitalized capital outlay in the current period.		
Capitalized capital outlay	\$ 87,224	
Depreciation expense	<u>(666,392)</u>	(579,168)
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	\$ (6,711)	
Transfers out	<u>6,711</u>	-
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position.		
Principal repayment of bonds		948,399
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Increase in accrued interest expense	\$ (13,945)	
Increase in compensated absences	(3,201)	
Increase in termination benefits	(183,015)	
Increase in other postemployment benefits payable	<u>(172,048)</u>	(372,209)
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense.		
School District pension contributions	\$ 1,164,714	
Cost of benefits, net of employee contributions	<u>(856,067)</u>	308,647
Change in net position of governmental activities (Exhibit 2)		<u>\$ 541,293</u>

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

**EXHIBIT 7**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2015**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
School district assessment	\$ 13,910,558	\$ 13,910,558	\$ 13,910,558	\$ -
Other local	33,757	33,757	228,672	194,915
State	6,102,025	6,102,025	6,150,766	48,741
Federal	90,000	90,000	158,748	68,748
Total revenues	<u>20,136,340</u>	<u>20,136,340</u>	<u>20,448,744</u>	<u>312,404</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	9,371,317	9,069,728	9,134,037	(64,309)
Support services:				
Student	1,107,928	1,230,025	1,228,602	1,423
Instructional staff	388,765	535,158	525,663	9,495
General administration	136,143	144,406	61,514	82,892
Executive administration	689,453	694,529	689,453	5,076
School administration	930,224	862,513	875,771	(13,258)
Operation and maintenance of plant	1,075,463	1,161,530	1,189,442	(27,912)
Student transportation	866,010	728,938	702,399	26,539
Other	3,891,093	3,922,369	3,813,766	108,603
Debt service:				
Principal	948,399	948,399	948,399	-
Interest	864,682	854,682	854,682	-
Facilities acquisition and construction	-	117,200	99,886	17,314
Total expenditures	<u>20,269,477</u>	<u>20,269,477</u>	<u>20,123,614</u>	<u>145,863</u>
Excess (deficiency) of revenues over (under) expenditures	(133,137)	(133,137)	325,130	458,267
Other financing sources (uses):				
Transfers in	-	-	5,720	5,720
Transfers out	(90,000)	(90,000)	(90,000)	-
Total other financing sources and uses	<u>(90,000)</u>	<u>(90,000)</u>	<u>(84,280)</u>	<u>5,720</u>
Net change in fund balance	<u>\$ (223,137)</u>	<u>\$ (223,137)</u>	240,850	<u>\$ 463,987</u>
Increase in nonspendable fund balance			(23,036)	
Decrease in committed fund balance			7,461	
Unassigned fund balance, beginning			285,899	
Unassigned fund balance, ending			<u>\$ 511,174</u>	

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

**EXHIBIT 8**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**Grants Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (GAAP Basis)**  
**For the Fiscal Year Ended June 30, 2015**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Federal:			
IDEA Grants	\$ 335,511	\$ 190,288	\$ (145,223)
<b>EXPENDITURES</b>			
Current:			
Instruction	335,511	181,176	154,335
Support services:			
Instructional Staff	-	9,112	(9,112)
Total expenditures	335,511	190,288	145,223
Net change in fund balance	\$ -	-	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ -	

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

**EXHIBIT 9**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**June 30, 2015**

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	<u>Agency</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 147,157
Accounts receivable	<u>8,039</u>
Total assets	155,196
<b>LIABILITIES</b>	
Due to student groups	<u>155,196</u>
<b>NET POSITION</b>	<u>\$ -</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2015**

**I. Summary of Significant Accounting Principles**

**I.A. Introduction**

The accounting and reporting framework and the more significant accounting principles and practices of the Hollis-Brookline Cooperative School District (the School District) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the School District's financial activities for the fiscal year ended June 30, 2015.

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

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

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

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

*Government-Wide Financial Statements*

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

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

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT  
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*Fund Financial Statements*

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

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

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

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

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

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

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

*Governmental Funds*

The School District reports the following major governmental funds:

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

*Grants Fund* – Reports as a special revenue fund and accounts for federal grant programs.

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*Permanent Fund* – Used to account for endowments from which only the income can be used for school purposes.

The school district also reports two nonmajor funds: food service and other special revenue.

*Fiduciary Funds*

The School District reports the following type of fiduciary fund:

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

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

The School District adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, for the year ended June 30, 2015. This resulted in the inclusion of pension related liability and deferred inflows and outflows of resources in governmental activities. The prior year’s net position was restated as shown in Note III.E.

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

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

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

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

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

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT  
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Any person who directly or indirectly receives any such funds or monies for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the School District. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

**I.C.2. *Inventory and Prepaid Items***

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

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

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

The School District’s capital assets with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The School District capitalizes assets with cost of \$10,000 or more and an estimated useful life of one year or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follow:

	Years
Land improvements	20
Buildings and building improvements	50-115
Machinery, equipment and vehicles	15-20

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

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

Deferred inflows of resources in the governmental fund financial statements represent donated commodities that are held in inventory to be used in the subsequent year. Deferred outflows and

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inflows of resources in the Statement of Net Position consist of resources related to pensions that will be recognized in a subsequent period.

**I.C.5. *Long-Term Debt***

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

**I.C.6. *Compensated Absences***

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

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

**I.C.7. *Termination Benefits***

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

**I.C.8. *Equity***

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

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

The governmental funds report the following components of fund balance:

- Nonspendable, which consists of the prepaid items; the balance of the School District's inventory, which cannot be spent because of its form; and the principal amount of endowments

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held by the Town of Hollis Trustees of Trust Funds, which is not spendable in accordance with legal requirements.

- Restricted, which represents the expendable portion of the endowment for school purposes held by the Town of Hollis Trustees of Trust Funds. This amount can only be spent for instruction in accordance with the legal restrictions established by the donors.
- Committed, which represents the athletic expendable trust fund; an amount voted at the 2015 School District Meeting to be transferred to the Expendable Trust Fund; balances of revenues from grants to be used for instruction; and balances of revenues from charges for services to be used for non-instructional services (food service).
- Assigned, which represents encumbrances for instruction and support services assigned by a vote of the school board or by management through the use of approved purchase orders.
- Unassigned, which represents the remaining General Fund balance not reported as nonspendable, restricted, committed or assigned.

**I.C.9. *Estimates***

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

**II. Stewardship, Compliance and Accountability**

**Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all major governmental funds except the Permanent Fund. Unless encumbered, all appropriations lapse at year-end. The School District is required to use beginning unassigned fund balance to balance the budget. In the fiscal year 2015, \$223,137 of the fund balance from the fiscal year 2014 was used.

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

Revenues are budgeted by source. Expenditures are budgeted by functions as follow: instruction, student support, instructional staff, general administration, executive administration, school

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administration, operation and maintenance of plant, student transportation, other support services, non-instructional services, debt service and facilities acquisition and construction. Management can transfer appropriations among budget line items as necessary, but the total expenditures cannot legally exceed the total appropriations unless permission is received from the Commissioner of Education.

**Reconciliation of Budgetary Basis to GAAP**

**General Fund**

Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 20,213,614
Adjustments:	
Basis difference:	
Encumbrances, beginning	12,381
Encumbrances, ending	(62,697)
Perspective difference:	
Transfer to expendable trust fund	(90,000)
Expendable trust fund activity	50,030
Per Exhibit 5 (GAAP basis)	<u>\$ 20,123,328</u>

For the Food Service Fund, there is no difference between the budgetary basis and GAAP. The Permanent Fund is not budgeted.

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

**III.A. Assets**

**III.A.1. Receivables**

Significant receivables consist of reimbursements and intergovernmental amounts arising from medicaid, grants, refunds, and reimbursements from other school districts for shared services.

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.

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT  
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**III.A.2. Capital Assets**

*Changes in Capital Assets*

This table provides a summary of changes in capital assets:

	Balance, beginning	Additions	Balance, ending
Governmental activities:			
At cost:			
Not being depreciated:			
Construction in progress	\$ -	\$ 28,706	\$ 28,706
Being depreciated:			
Land improvements	820,880	-	820,880
Buildings and building improvements	32,796,932	58,518	32,855,450
Machinery, equipment and vehicles	266,703	-	266,703
Total capital assets being depreciated	33,884,515	58,518	33,943,033
Total all capital assets	33,884,515	87,224	33,971,739
Less accumulated depreciation:			
Land improvements	(561,096)	(34,881)	(595,977)
Buildings and building improvements	(12,390,513)	(615,111)	(13,005,624)
Machinery, equipment and vehicles	(135,963)	(16,400)	(152,363)
Total accumulated depreciation	(13,087,572)	(666,392)	(13,753,964)
Net book value, capital assets being depreciated	20,796,943	(607,874)	20,189,069
Net book value, all capital assets	\$ 20,796,943	\$ (579,168)	\$ 20,217,775

*Depreciation Expense*

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

Governmental activities:	
Instruction	\$ 643,370
Support services:	
Operation and maintenance of plant	19,893
Non-instructional services	3,129
Total depreciation expense	\$ 666,392

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

General obligation bonds are approved by the voters and repaid with general revenues (property taxes). These bonds are backed by the full faith and credit of the School District.

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT  
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Long-term debt currently outstanding is as follows:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at June 30, 2015	Current Portion
General obligation bonds payable:						
High school addition	\$ 8,100,000	1997	2017	6.0	\$ 446,033	\$ 229,589
High school addition	\$ 2,700,000	1997	2017	6.0	430,000	210,000
High school classroom addition	\$ 3,200,000	2001	2016	5.2	140,734	140,734
Middle school renovations	\$ 7,703,400	2005	2025	3.0-5.0	4,790,000	380,000
					<u>5,806,767</u>	<u>960,323</u>
Compensated absences payable:						
Vested sick leave					17,693	17,693
Accrued vacation leave					4,261	4,261
					<u>21,954</u>	<u>21,954</u>
Termination benefits payable					420,662	79,506
Other postemployment benefits payable					332,017	-
Net pension liability					10,930,760	-
					<u>\$ 17,512,160</u>	<u>\$ 1,061,783</u>

*Changes in Long-Term Liabilities*

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2015:

	General Obligation Bonds Payable	Compensated Absences Payable	Termination Benefits Payable	Other Postemployment Benefits Payable	Net Pension Liability	Total
Balance, beginning	\$ 6,755,166	\$ 18,753	\$ 237,647	\$ 159,969	\$ -	\$ 7,171,535
Additions	-	3,201	183,015	172,048	10,930,760	11,289,024
Reductions	(948,399)	-	-	-	-	(948,399)
Balance, ending	<u>\$ 5,806,767</u>	<u>\$ 21,954</u>	<u>\$ 420,662</u>	<u>\$ 332,017</u>	<u>\$ 10,930,760</u>	<u>\$ 17,512,160</u>

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT  
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*Debt Service Requirements to Maturity*

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 960,323	\$ 859,725	\$ 1,820,048
2017	836,444	676,980	1,513,424
2018	420,000	187,625	607,625
2019	440,000	166,125	606,125
2020	465,000	144,081	609,081
2021-2025	2,685,000	348,269	3,033,269
Totals	<u>\$ 5,806,767</u>	<u>\$ 2,382,805</u>	<u>\$ 8,189,572</u>

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

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

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

The \$201,332 due to the General Fund represents an overdraft of pooled cash from the Grants Fund (\$183,485), and reimbursement from the Food Service Fund (\$17,847) for general expenditures paid by the General Fund.

**III.C.2. *Transfers***

Transfers within the reporting entity are for the purpose of distribution of income earned on Permanent Funds in the amounts of \$5,720 to the General Fund and \$991 to the Other Special Revenue Fund. The government-wide statement of activities eliminates transfers reported within the governmental activities columns.

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT  
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**III.D. Fund Equity**

***Components of Fund Equity***

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

	General Fund	Permanent Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:				
Endowment	\$ -	\$ 260,902	\$ -	\$ 260,902
Inventory	-	-	8,033	8,033
Prepaid items	35,606	-	-	35,606
Total nonspendable	<u>35,606</u>	<u>260,902</u>	<u>8,033</u>	<u>304,541</u>
Restricted for instruction	-	123,595	-	123,595
Committed for:				
Instruction	44,989	-	140,318	185,307
Non-instructional services	-	-	10,067	10,067
Capital outlay	82,539	-	-	82,539
Total committed	<u>127,528</u>	<u>-</u>	<u>150,385</u>	<u>277,913</u>
Assigned to:				
Instruction	4,802	-	-	4,802
Support services	57,895	-	-	57,895
Total assigned	<u>62,697</u>	<u>-</u>	<u>-</u>	<u>62,697</u>
Unassigned	511,174	-	-	511,174
Total fund balances	<u>\$ 737,005</u>	<u>\$ 384,497</u>	<u>\$ 158,418</u>	<u>\$ 1,279,920</u>

**III.E. Restatement of Beginning Equity**

Equity balance at July 1, 2014 was restated to reflect the following adjustment:

To record the net pension liability for implementation of GASB Statement No. 68	Governmental Activities
Net position, as previously reported	\$ (10,943,674)
Net position, as restated	<u>14,137,991</u>
	<u>\$ 3,194,317</u>

**IV. Other Information**

**IV.A. Risk Management**

The School District's risk management activities are reported with governmental activities and recorded in the general fund. During the fiscal year, the School District was a member of the Local

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Government Center Property-Liability Trust, Inc., which is considered a public entity risk pool, currently operating as a common risk management and insurance program for member governmental entities.

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

Contributions paid for fiscal year 2015 to be recorded as an insurance expenditure/expense totaled \$51,746. There were no unpaid contributions for the year ended June 30, 2015. The School District also paid \$51,692 for workers' compensation and \$21,841 for unemployment compensation for the fiscal year. The trust agreement permits the Trust to make additional assessments to members should there be a deficiency in trust assets to meet its liabilities. At this time, the Trust foresees no likelihood of any additional assessments for past years.

#### **IV.B. Retirement Pensions**

##### *General Information about the Pension Plan*

The New Hampshire Retirement System (NHRS) is a multiple-employer, cost-sharing, contributory public employee defined benefit plan qualified under section 401(a) of the Internal Revenue Code, and funded through a trust which is exempt from tax under Internal Revenue Code section 501(a). The NHRS provides service, disability, death and vested retirement benefits for employees and their beneficiaries. The New Hampshire Legislature establishes the provisions for benefits and contributions. The NHRS issues a separate financial report that is available at [www.nhrs.org](http://www.nhrs.org) or by contacting the NHRS at 54 Regional Drive, Concord, NH 03301.

Both the members and the School District make contributions to the NHRS. Member rates of contribution are set by the Legislature. Employer rates are determined by the NHRS trustees based on an actuarial valuation. The rate of contribution is 7% of gross earnings for all employees. The rates of contribution from the School District were 14.16% for teachers and 10.77% for other employees, which are actuarially determined to generate an amount, that when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions from the School District during the fiscal years 2013, 2014 and 2015 were \$849,136, \$1,106,093 and \$1,164,714, respectively. The amounts are paid on a monthly basis as due.

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

At June 30, 2015, the School District reported a liability of \$10,930,760 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities and school districts, actuarially determined. As of June 30, 2014, the School District's proportion was 0.2912%, which was an increase of 0.015% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the School District recognized pension expense of \$856,067. At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 529,619	\$ -
Net differences between projected and actual earnings on pension plan investments	-	1,398,600
School District contributions subsequent to the measurement date	<u>1,164,714</u>	<u>-</u>
	<u>\$ 1,694,333</u>	<u>\$ 1,398,600</u>

The School District reported \$1,164,714 as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

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

<u>Year Ended June 30,</u>	
2015	\$ (234,705)
2016	(234,705)
2017	(234,705)
2018	(234,705)
2019	69,839
	<u>\$ (868,981)</u>

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*Actuarial Assumptions*

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.75%
Salary increases	5.8% average, including inflation
Investment rate of return	7.75% per year

Mortality rates were based on the RP-2000 Mortality Table, projected to 2020 with Scale AA. The table includes a margin of 15% for men and 17% for women for mortality improvements.

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

The following presents the School District’s proportionate share of the net pension liability calculated using the discount rate of 7.75%, 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 one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of net pension liability	\$ 14,397,590	\$ 10,930,760	\$ 8,005,970

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

**IV.C. Contingent Liabilities**

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

**IV.D. Other Post-employment Benefits**

*Plan Description*

Benefits provided to retirees follow New Hampshire Revised Statutes Annotated 100-A:50 (Medical Insurance Coverage). This statute states that the School District “shall permit its employees upon

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retirement to continue to participate in the same medical insurance or health care group or plan as its active employees. Retired employees shall be deemed to be part of the same group as active employees of the same employer for purposes of determining medical insurance premiums. Coverage for spouses, other family members and beneficiaries of retirees shall also be permitted to the extent that coverage is provided for the spouses, other family members and beneficiaries of active employees . . .” In addition, the statute states “Each political subdivision, as employer, may elect to pay the full cost of group medical insurance or health care coverage for its retirees, or may require each retiree to pay any part or all of the cost of the retiree’s participation.”

Since the same premiums are charged to active employees and retirees, and the School District is unable to obtain age-adjusted premium information for the retirees, GASB 45 requires the School District to calculate age-adjusted premiums for the purpose of projecting future benefits for retirees.

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

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

Medical coverage continues to the spouse after the death of the retiree provided the spouse makes the required contributions.

Currently, there are 201 active and retired employees that receive health benefits from the School District. The School District recognizes the cost of providing health insurance annually as expenditures in the General Fund as payments are made. For the year ended June 30, 2015, the School District recognized nothing for its share of insurance premiums for currently enrolled retirees.

The School District has obtained a valuation report as of July 1, 2013, which indicated that the total liability for other postemployment benefits is \$1,738,417.

The School District’s annual other postemployment benefit (OPEB) cost (expense) for its plan is calculated based on the annual required contribution of the employer (ARC), an amount determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years.

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The following is a brief description of the retiree medical plan:

- Participant Contributions: Retired employees contribute 100% of the total premium cost.
- Continuation of Coverage to Spouse After Death of Retiree: Surviving spouse may continue coverage for lifetime by paying the required medical premium rates.
- Life Insurance Benefit: None.
- Medical Premiums Rates: The total monthly costs by plan are shown below:

<u>Non-Medicare Plans</u>	<u>Single</u>	<u>2-Person</u>
BC3T5RDR(07) –R\$2/15M\$1	928.01	1,856.02
BC3T10(07)-RX10/20/30	892.63	1,785.26
BC3T15IPDED(07)-RX10/20/45	834.44	1,668.88
MTB05(07)-R\$3/5M\$1	865.31	1,730.62
MTB05(07)-RX10/20/30	828.80	1,657.60
MTB10IPDED(07)-RX10/20/45	789.23	1,578.46
MTBSOS20/40/1KDED(07)- RX10/20/45	608.22	1,216.44
LUMENOS25000(07)	621.11	1,242.22
 <u>Medicare Plans</u>		
MC3(07)-R\$100M\$1	565.35	
MC3(07)-RX10/20/30	552.29	
MC3(07)-RX10/20/45	537.06	
MCNRX(07)	214.78	

The following methods and assumptions were used:

- Valuation Date: July 1, 2013
- Discount Rate: 4.00% pay-as-you-go.
- Amortization Method: Level dollar amount over thirty (30) years on an open amortization period for pay-as-you-go.

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT  
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Health Care Costs Trend Rates:	<u>Year</u>	<u>Trend</u>
	1	7.00%
	2	6.50%
	3	6.00%
	4	5.50%
	5	5.00%
	Ultimate	5.00%

Mortality Table: RP-2000 Combined Mortality Table, projected to 2021, using Scale AA.

Actuarial Cost Method: Projected Unit Credit. The costs of each employee's postemployment benefits are allocated on a pro rata basis from the employee's date of hire to the date the employee is fully eligible for benefits.

Annual OPEB Cost and Net OPEB Obligation	<u>7/1/2014- 6/30/2015</u>
1. Annual Required Contribution (ARC)	\$ 230,042
2. Interest on net OPEB Obligation	6,399
3. Adjustment to ARC	<u>(9,252)</u>
4. Annual OPEB Cost (Expense)	\$ 227,189
5. Contribution made	<u>(55,141)</u>
6. Increase in net OPEB Obligation	172,048
7. Net OPEB Obligation - beginning of year	<u>159,969</u>
8. Net OPEB Obligation - end of year	<u><u>\$ 332,017</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 are as follow:

Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation	Covered Payroll	OPEB Cost % of Pay
<u>\$ 227,189</u>	<u>24.3%</u>	<u>\$ 332,017</u>	<u>\$ 8,835,191</u>	<u>18.20%</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**EXHIBIT 10**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**Other Postemployment Benefits**  
**Schedule of Funding Progress**  
**For the Fiscal Year Ended June 30, 2015**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll (AAL)
7/1/2013	\$ -	\$ 1,738,417	\$ 1,738,417	0.00%	\$ 8,835,191	19.68%

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

**EXHIBIT 11**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*New Hampshire Retirement System*  
**For the Fiscal Year Ended June 30, 2015**

	Fiscal Year 2015	Fiscal Year 2014
School District's proportion of the net pension liability	0.2912%	0.2762%
School District's proportionate share of the net pension liability	\$ 10,930,760	\$ 11,888,422
School District's covered employee payroll	\$ 8,469,299	\$ 7,994,706
School District's proportionate share of the net pension liability as a percentage of covered-employee payroll	129.06%	148.70%
Plan fiduciary net position as a percentage of the total pension liability	66.32%	59.82%

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

**EXHIBIT 12**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
*Schedule of School District Contributions*  
*New Hampshire Retirement System*  
*For the Fiscal Year Ended June 30, 2015*

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	Fiscal Year 2015	Fiscal Year 2014
Contractually required contribution	\$ 1,164,714	\$ 1,106,584
Contributions in relation to the contractually required contribution	\$ (1,164,714)	\$ (1,106,584)
Contribution deficiency	\$ -	\$ -
School District's covered-employee payroll	\$ 8,469,299	\$ 7,994,706
Contributions as a percentage of covered-employee payroll	13.75%	13.84%

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

**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT  
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION  
AS OF AND FOR THE FISCAL YEAR ENDED  
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The Schedule of Funding Progress, the Schedule of the School District's Proportionate Share of the Net Pension Liability and the Schedule of School District Contributions are meant to present related information for ten years. Because this is the second year that the School District has reported the OPEB schedule, and the first year that the School District has adopted GASB Statement No. 68 and presented this information, only three and two years, respectively, are reported. An additional year's information will be added each year until there are ten years presented.

**INDIVIDUAL AND COMBINING FUND SCHEDULES**

**EXHIBIT 13**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**For the Fiscal Year Ended June 30, 2015**

	Special Revenue Funds		
	Food Service	Other	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 39,721	\$ 147,638	\$ 187,359
Receivables:			
Accounts	-	450	450
Intergovernmental	6,554	-	6,554
Inventory	8,033	-	8,033
Total assets	<u>\$ 54,308</u>	<u>\$ 148,088</u>	<u>\$ 202,396</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 529	\$ 6,195	\$ 6,724
Intergovernmental payable	-	1,575	1,575
Interfund payable	17,847	-	17,847
Total liabilities	<u>18,376</u>	<u>7,770</u>	<u>26,146</u>
Deferred inflows of resources:			
Deferred revenue	<u>17,832</u>	<u>-</u>	<u>17,832</u>
Fund balances:			
Nonspendable	8,033		8,033
Committed	10,067	140,318	150,385
Total fund balances	<u>18,100</u>	<u>140,318</u>	<u>158,418</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 54,308</u>	<u>\$ 148,088</u>	<u>\$ 202,396</u>

**EXHIBIT 14**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2015**

	Special Revenue Funds		
	Food Service	Other	Total
<b>REVENUES</b>			
Local	\$ 370,804	\$ 109,155	\$ 479,959
State	3,004	-	3,004
Federal	43,240	-	43,240
Total revenues	<u>417,048</u>	<u>109,155</u>	<u>526,203</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	-	56,958	56,958
Support services	-	58,518	58,518
Non-instructional services	507,484	-	507,484
Total expenditures	<u>507,484</u>	<u>115,476</u>	<u>622,960</u>
Deficiency of revenues under expenditures	(90,436)	(6,321)	(96,757)
Other financing sources:			
Transfers in	-	991	991
Net change in fund balances	(90,436)	(5,330)	(95,766)
Fund balances, beginning	108,536	145,648	254,184
Fund balances, ending	<u>\$ 18,100</u>	<u>\$ 140,318</u>	<u>\$ 158,418</u>

**EXHIBIT 15**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**General Fund**  
**Schedule of Estimated and Actual Revenues**  
**For the Fiscal Year Ended June 30, 2015**

	Estimated	Actual	Variance Positive (Negative)
School district assessment:			
Current appropriation	\$ 13,910,558	\$ 13,910,558	\$ -
Other local sources:			
Investment earnings	4,550	3,742	(808)
Impact fees	-	23,967	23,967
Rentals	-	2,940	2,940
Athletics	-	56,479	56,479
Refund of prior year expenditures	-	141,544	141,544
Miscellaneous	29,207	-	(29,207)
Total from other local sources	<u>33,757</u>	<u>228,672</u>	<u>194,915</u>
State sources:			
Adequacy aid (grant)	3,044,832	3,044,832	-
Adequacy aid (tax)	2,222,029	2,222,029	-
School building aid	400,514	400,514	-
Catastrophic aid	430,000	474,432	44,432
Vocational tuition aid	4,650	8,959	4,309
Total from state sources	<u>6,102,025</u>	<u>6,150,766</u>	<u>48,741</u>
Federal sources:			
Medicaid	<u>90,000</u>	<u>158,748</u>	<u>68,748</u>
Other financing sources:			
Transfers in	<u>-</u>	<u>5,720</u>	<u>5,720</u>
Total revenues and other financing sources	20,136,340	<u>\$ 20,454,464</u>	<u>\$ 318,124</u>
Use of fund balance to reduce school district assessment	<u>223,137</u>		
Total revenues, other financing sources and use of fund balance	<u>\$ 20,359,477</u>		

**EXHIBIT 16**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**General Fund**  
**Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2015**

	Encumbered from Prior Year		Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:						
Instruction:						
Regular programs	\$ 2,551	\$ 5,321,662	\$ 5,289,346	\$ -	\$ 34,867	
Special programs	4,595	3,062,600	3,094,047	4,802	(31,654)	
Vocational programs	-	132,950	177,662	-	(44,712)	
Other	4,256	552,516	579,582	-	(22,810)	
Total instruction	<u>11,402</u>	<u>9,069,728</u>	<u>9,140,637</u>	<u>4,802</u>	<u>(64,309)</u>	
Support services:						
Student	-	1,230,025	1,228,602	-	1,423	
Instructional staff	-	535,158	522,711	2,952	9,495	
General administration	-	144,406	61,514	-	82,892	
Executive administration	-	694,529	689,453	-	5,076	
School administration	700	862,513	875,459	1,012	(13,258)	
Operation and maintenance of plant	279	1,161,530	1,156,959	32,762	(27,912)	
Student transportation	-	728,938	702,399	-	26,539	
Other	-	3,922,369	3,792,597	21,169	108,603	
Total support services	<u>979</u>	<u>9,279,468</u>	<u>9,029,694</u>	<u>57,895</u>	<u>192,858</u>	
Debt service:						
Principal	-	948,399	948,399	-	-	
Interest	-	854,682	854,682	-	-	
Total debt service	<u>-</u>	<u>1,803,081</u>	<u>1,803,081</u>	<u>-</u>	<u>-</u>	
Facilities acquisition and construction	<u>-</u>	<u>117,200</u>	<u>99,886</u>	<u>-</u>	<u>17,314</u>	
Other financing uses:						
Transfers out	<u>-</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>	<u>-</u>	
Total encumbrances, appropriations, expenditures and other financing uses	<u>\$ 12,381</u>	<u>\$ 20,359,477</u>	<u>\$ 20,163,298</u>	<u>\$ 62,697</u>	<u>\$ 145,863</u>	

**EXHIBIT 17**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**General Fund**  
**Schedule of Changes in Unassigned Fund Balance**  
**For the Fiscal Year Ended June 30, 2015**

Unassigned fund balance, beginning		\$ 285,899
Changes:		
Fund balance used to reduce school district assessment		(223,137)
Budget summary:		
Revenue surplus (Exhibit 15)	\$ 318,124	
Unexpended balance of appropriations (Exhibit 16)	<u>145,863</u>	
Budget surplus		463,987
Decrease in committed fund balance		<u>7,461</u>
Unassigned fund balance, ending		<u><u>\$ 511,174</u></u>

**EXHIBIT 18**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**Student Activities Funds**  
**Combining Schedule of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2015**

	Balance, beginning	Additions	Deductions	Balance, ending
<b>Assets:</b>				
Cash and cash equivalents				
High School	\$ 93,259	\$ 427,778	\$ 411,124	\$ 109,913
Middle School	31,818	216,831	211,405	37,244
Intergovernmental receivable	19,615	8,039	19,615	8,039
Total assets	<u>\$ 144,692</u>	<u>\$ 652,648</u>	<u>\$ 642,144</u>	<u>\$ 155,196</u>
<b>Liabilities:</b>				
Due to student groups	<u>\$ 144,692</u>	<u>\$ 652,648</u>	<u>\$ 642,144</u>	<u>\$ 155,196</u>

**EXHIBIT 19**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**Student Activities Funds**  
**Summary of Activity - Middle School**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Balance, beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, ending</u>
Art Club	\$ 2,014	\$ 3,331	\$ 715	\$ 4,630
Band/Music Club	221	75	275	21
Books/Equipment	148	166	50	264
Cheerleading Club	326	-	-	326
Climbing Wall Club	176	2,060	1,013	1,223
Cola	-	983	817	166
CPR First Aid	3,133	1,917	1,693	3,357
Culture Club	370	-	370	-
Drama Club	2,171	1,429	1,224	2,376
Field Trips	6,081	31,767	31,072	6,776
Generations Club	1,954	-	700	1,254
History Club	141	545	300	386
Library Club	390	1,259	1,229	420
Mountain Biking Club	-	707	681	26
Music Club	1,079	5,822	5,943	958
Officials	-	5,064	5,064	-
Rachel's Challenge Club	270	-	56	214
Ski Club	1,803	2,885	3,550	1,138
Student Athletics Fund	(336)	17,032	16,696	-
Student Council Club	2,825	3,724	4,176	2,373
Washington, D.C.	4,045	132,157	129,583	6,619
Yearbook Club	5,007	5,908	6,198	4,717
Total	<u>\$ 31,818</u>	<u>\$ 216,831</u>	<u>\$ 211,405</u>	<u>\$ 37,244</u>

**EXHIBIT 20**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**Student Activities Funds**  
**Summary of Activity - High School**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Balance,</u> <u>beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>ending</u>
10 Percent Fund	\$ 2,139	\$ 1,373	\$ 886	\$ 2,626
Amnesty International	214	-	-	214
AP Testing	-	34,966	34,966	-
Art Club	2	-	-	2
Athletic Donations	-	3,214	2,612	602
Athletic Dues	-	22,946	22,946	-
Athletic Officials	217	12,576	12,793	-
Athletics General	389	-	389	-
CavBlock Program	325	-	228	97
Chemistry Club	290	475	351	414
Chronicle	353	205	252	306
Class Gift Fund	4,823	40	-	4,863
Class of 2008	-	1,025	-	1,025
Class of 2009	371	-	-	371
Class of 2010	15	-	-	15
Class of 2011	3,229	-	-	3,229
Class of 2012	2,439	-	-	2,439
Class of 2013	10,962	-	2,000	8,962
Class of 2014	2,308	-	-	2,308
Class of 2015	4,456	55,356	54,381	5,431
Class of 2016	3,718	6,407	2,356	7,769
Class of 2017	168	1,722	627	1,263
Class of 2018	-	1,202	254	948
Coke Sales	-	9,673	9,673	-
Culinary Club	29	-	-	29
Dance Team	761	-	-	761
Debate Team	177	2,088	2,265	-
DI Team	80	-	-	80
Emergency Fund	125	-	-	125
ESY	-	418	-	418
Field Trips	436	12,067	11,985	518
French Club	279	272	272	279
Gay Straight Alliance	127	-	-	127
Green Group	10	-	-	10
Guidance	-	1,198	1,198	-
Hall of Fame	62	-	-	62
Home Front Heroes	20	188	-	208
HB The Change	-	51	-	51
Interact	2,353	-	-	2,353
Latin Club	5	-	-	5

**EXHIBIT 20 (continued)**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**Student Activities Funds**  
**Summary of Activity - High School**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Balance,</u> <u>beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>ending</u>
Life of an Athlete	\$ 1,908	\$ 5,508	\$ 5,470	\$ 1,946
Math Hot Line	384	-	384	-
Math Team	54	-	-	54
Miscellaneous	-	2,778	2,778	-
National Honor Society	1,989	2,896	4,075	810
NEASC	-	3,972	3,972	-
Outing Club	101	140	-	241
Parking Permits	-	7,360	7,360	-
Peer Outreach	60	-	-	60
Petty Cash	24	982	1,937	(931)
PF - All State Comp.	-	5,660	5,660	-
PF - Building Use	-	2,118	3,129	(1,011)
PF - Concerts	742	6,915	7,438	219
PF - Guitar Night	-	5,185	1,960	3,225
PF - Improv	23	1,827	1,718	132
PF - Musical	3,061	13,037	15,394	704
PF - Theatre	410	6,270	6,667	13
PF - Tri M	306	86	371	21
PF - Trips	4,474	37,424	40,523	1,375
Photo	-	1,942	1,165	777
Physics - Bridge Bldg.	507	-	-	507
Postage	(813)	945	841	(709)
Poster Printer	-	101	-	101
Quiz Bowl	161	-	-	161
Red Cross Club	3,936	666	3,930	672
SADD	204	-	-	204
SALT	2,158	-	2,158	-
SAT Prep	-	13,975	13,975	-
Scholarships	170	3,479	3,649	-
School Store	212	-	-	212
Science Olympiad	1,144	-	125	1,019
Ski & Snowboard Club	756	1,936	1,442	1,250
SOPE	57	-	-	57
Spanish Club	1,964	703	233	2,434
Sports Bowling	136	4,210	3,662	684
Sports Boys' Basketball	350	-	-	350
Sports Boys' Soccer	1,000	4,588	4,610	978
Sports Cross Country	710	1,383	1,690	403
Sports Field Hockey	955	-	-	955
Sports Football	-	10	10	-

**EXHIBIT 20 (continued)**  
**HOLLIS-BROOKLINE COOPERATIVE SCHOOL DISTRICT**  
**Student Activities Funds**  
**Summary of Activity - High School**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Balance, beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, ending</u>
Sports Girls' Basketball	\$ 28	\$ -	\$ -	\$ 28
Sports Girls' Soccer	170	-	-	170
Sports Girls' Tennis	108	495	84	519
Sports Gymnastics	166	-	-	166
Sports Ice Hockey	1,430	15,374	16,804	-
Sports Ski Team	3,594	3,520	1,018	6,096
Sports Softball	35	-	-	35
Sports Spirit Squad	1,988	954	812	2,130
Sports Swim Team	1,000	4,327	5,054	273
Sports Track	42	440	460	22
Sports Unified Athletics	-	2,140	2,000	140
Sports Volleyball	1,185	1,235	1,715	705
Sports Wrestling	3,033	13,496	16,529	-
Student Athletic Fund	-	45,580	45,580	-
Student Council	(859)	4,211	1,126	2,226
Uncleared Checks	9,938	4,381	4,391	9,928
US First	11,030	29,456	23,961	16,525
Video Club	200	-	-	200
Yearbook	11,761	6,650	4,445	13,966
Total	<u>\$ 112,874</u>	<u>\$ 435,817</u>	<u>\$ 430,739</u>	<u>\$ 117,952</u>



# Roberts & Greene, PLLC

## INDEPENDENT AUDITOR'S COMMUNICATION TO MANAGEMENT

To the Members of the School Board  
Hollis-Brookline Cooperative School District  
Hollis, New Hampshire

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hollis-Brookline Cooperative School District as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

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

May 12, 2016

*Roberts & Greene, PLLC*