

## **HART'S LOCATION SCHOOL BOARD**

AGENDA for the meeting of the Hart's Location School Board to be held on **Tuesday, June 13, 2023** at 8:00 a.m. at the Josiah Bartlett Elementary School. *The agenda is subject to change.*

1. Call to Order
2. Approval of Minutes (4-11-23)
3. Business Affairs
  - A. Signing of Manifest
  - B. FYI - Final Audited Financials for FY22
4. Administrator's Report
5. Any Other Business
  - A. Set Date for Next Meeting (September 12 , 2023 at 8:00 a.m. in Bartlett)
6. Public Comment
7. Nonpublic Session – RSA 91-A:3 II
8. Adjournment

**HART'S LOCATION SCHOOL BOARD**  
**DRAFT MINUTES**  
**April 11, 2023**

Josiah Bartlett Elementary School

In attendance: Helen Brandon, Nancy Ritger (via phone), Kevin Richard (SAU 9).

1. The meeting was called to order by Superintendent Richard at 8:12 am
2. Reorganization of Board
  - a. Election of Chairperson-Nancy Ritger made a motion, seconded by Helen Brandon to elect Helen Brandon as chair of the Hart's Location School Board.  
**Vote: Helen Brandon-yes, Nancy Ritger-yes (2-0-0)**
  - b. Election of Vice-chairperson- Helen Brandon made a motion, seconded by Nancy Ritger to elect Nancy Ritger as vice-chair of the Hart's Location School Board.  
**Vote: Helen Brandon-yes, Nancy Ritger-yes (2-0-0)**
  - c. Set Meeting Dates and Times-Same  
:
3. Approval of Minutes (2-14-23)
  - a. Helen Brandon moved to approve the minutes, seconded by Nancy Ritger.  
**Vote: Helen Brandon-yes, Nancy Ritger-yes (2-0-0)**
4. Business Affairs-
  - A. Signing of Manifest-
  - B. Appointment of Nancy Hayes as Non-resident Treasurer-Nancy Ritger made a motion, seconded by Helen Brandon to elect Nancy Hayes as treasurer. **Vote: Helen Brandon-yes, Nancy Ritger-yes (2-0-0)**
  - C. Consider General Assurances, Terms and Requirements for Participation in Federal Programs- Helen Brandon moved to approve the assurances, seconded by Nancy Ritger. **Vote: Helen Brandon-yes, Nancy Ritger-yes (2-0-0)**
4. Administrator's Report-  
Superintendent Richard provided a brief update on the SAU 9 reorganization meeting on May 11, 2023.
5. Any Other Business-Stacy Dumont was a write-in for the vacant school board position. Helen Brandon will reach out to Stacy to see if she is willing to fill the position.
  - a. Set date for Next Meeting- (June 13, 2023 at 8:00 am in Bartlett)

6. Adjournment- Helen Brandon moved to adjourn the meeting. The motion was seconded by Nancy Ritger. **Roll call vote: Nancy Ritger-Yes, Helen Brandon-Yes (2-0)**. The meeting was adjourned at 8:19 am.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'K. R.', with a stylized flourish at the end.

Kevin Richard  
Superintendent of Schools

HART'S LOCATION SCHOOL BOARD

3-B  
BOARD REPORT  
JUNE 13, 2023

**FYI – Final Audited Financials for FY22**

Attached please find the final audited financials for year ending June 30, 2022 and the Independent Auditors Report for the Hart's Location School District.

Respectfully submitted,

Kevin Richard  
Superintendent of Schools

Attachment

# ROBERGE AND COMPANY, P.C.

## Certified Public Accountants

---

Member – American Institute of CPA's (AICPA)  
Member – AICPA Government Audit Quality Center (GAQC)  
Member – AICPA Private Company Practice Section (PCPS)  
Member – New Hampshire Society of CPA's

P.O. Box 129  
Franklin, New Hampshire 03235  
Tel (603) 524-6734  
jroberge@rcopc.com

To the School Board  
Hart's Location School District  
Hart's Location, New Hampshire

We have audited the accompanying financial statements of the governmental activities and each major fund of Hart's Location School District as of and for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated June 30, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Hart's Location School District are described in the Notes to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates that were particularly sensitive.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated as of the report date and updated if applicable.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the School Board and management of the Hart's Location School District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Roberge and Co., P.C.*

**ROBERGE & COMPANY, P.C.**  
Franklin, New Hampshire  
March 27, 2023

**HART'S LOCATION SCHOOL DISTRICT**  
Hart's Location, New Hampshire

**FINANCIAL STATEMENTS**

June 30, 2022

and

Independent Auditor's Report

# HARTS' LOCATION SCHOOL DISTRICT

---

## Table of Contents June 30, 2022

<b>Independent Auditor's Report</b>	4-5
<b>Management's Discussion and Analysis</b>	7-16
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements:	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet - Governmental Funds	20
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances	
Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund	
Balances of Governmental Funds to the Statement of Activities	23
Notes to Basic Financial Statements	25-35
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule - General Fund	37
Notes to Required Supplementary Information	39-40



## **INDEPENDENT AUDITOR'S REPORT**

# ROBERGE AND COMPANY, P.C.

## Certified Public Accountants

---

Member – American Institute of CPA's (AICPA)  
Member – AICPA Government Audit Quality Center (GAQC)  
Member – AICPA Private Company Practice Section (PCPS)  
Member – New Hampshire Society of CPA's

P.O. Box 129  
Franklin, New Hampshire 03235  
Tel (603) 524-6734  
jroberge@rcopc.com

### INDEPENDENT AUDITOR'S REPORT

To the School Board  
Hart's Location School District  
Hart's Location, New Hampshire

#### Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Hart's Location School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Hart's Location School District, as of June 30, 2022, and the respective changes in financial position 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. 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 Hart's Location 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.

#### Responsibilities of Management 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.

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 Hart's Location 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Hart's Location 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 Hart's Location 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.

### **Required Supplementary Information**

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

*Roberge and Co., P.C.*

**ROBERGE & COMPANY, P.C.**

Franklin, New Hampshire

March 27, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

Hart's Location School District  
Year Ended June 30, 2022

The Superintendent of Schools and the Finance Director, as "management" of the Hart's Location School District (the "District"), a local education authority located in the County of Carroll, New Hampshire, submits this section of the District's annual financial report in order to present our discussion and analysis of the District's financial performance during the year ended June 30, 2022. Our discussion and analysis is in accordance with the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34). Please read it in conjunction with the financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

- The District's total combined net position increased by \$56,354 or 52% between June 30, 2021, and 2022.
- The District's total combined net position amounted to \$164,056 as of June 30, 2022. Net position consisted of \$0 net investment in capital assets (the district does not own any assets and finances all its operations with general revenues, primarily local and state school taxes); and an unrestricted balance of \$164,056.
- The District has no long-term liabilities.
- During the year, the District's expenses were \$56,354 less than the \$181,289 in revenues generated from general revenues (consisting of the school district assessment and local, state and federal sources not restricted to specific purposes).
- As of June 30, 2022, the budgetary basis unassigned fund balance of the general fund was \$41,609 and \$122,447 was committed for capital reserves.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Hart's Location School District  
Year Ended June 30, 2022

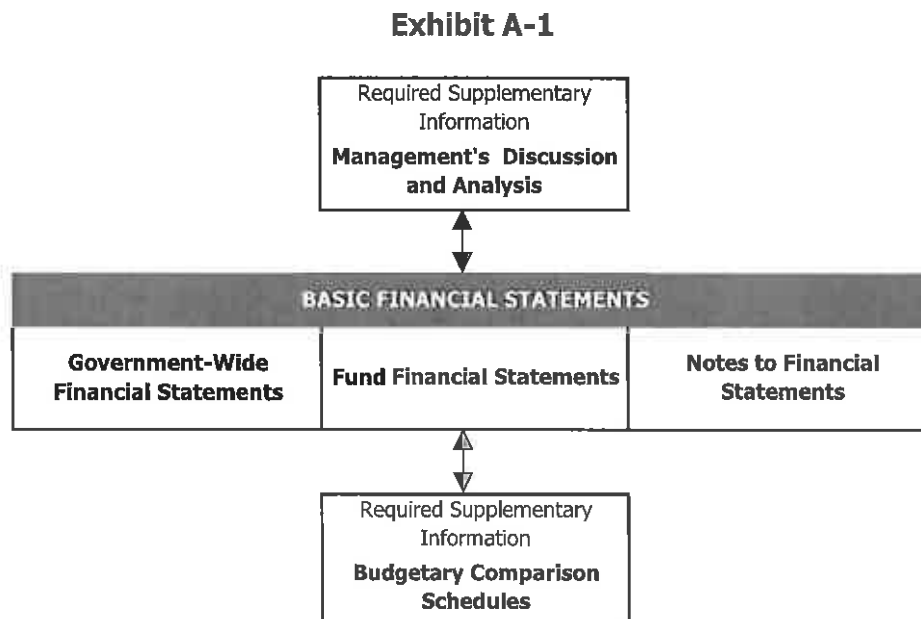
## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's annual report, which consists of a series of basic financial statements, notes and related financial or compliance information. The District's financial statements are comprised of five primary sections or components: (1) basic government-wide financial statements, (2) basic fund financial statements, (3) notes to basic financial statements, (4) required supplementary information, and (5) notes to required supplementary information.

The basic financial statements include two kinds of statements that present different views of the District based upon measurement focus and basis of accounting.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status. (The Hart's Location School District does not have any long-term assets or liabilities).
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements. The governmental funds statements tell how the District's services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Exhibit A-1 shows how the required parts of this annual report are arranged and related to one another.



# MANAGEMENT'S DISCUSSION AND ANALYSIS

Hart's Location School District  
Year Ended June 30, 2022

Exhibit A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain.

## Exhibit A-2

	Government-Wide	Fund Statements Governmental
<b>SCOPE</b>	Entire government	All activities of the District
<b>REQUIRED FINANCIAL STATEMENTS</b>	Statement of Net Position	Balance Sheet
	Statement of Activities	Statement of Revenues, Expenditures and Changes in Fund Balances
<b>ACCOUNTING BASIS</b>	Accrual	Modified Accrual
<b>MEASUREMENT FOCUS</b>	Economic Resources	Current Financial Resources
<b>TYPE OF INFORMATION ASSETS AND DEFERRED OUTFLOWS, AND LIABILITIES AND DEFERRED INFLOWS</b>	All assets and deferred outflows, and liabilities and deferred inflows, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included
<b>TYPE OF INFORMATION REVENUES, EXPENSES, AND EXPENDITURES</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

Hart's Location School District  
Year Ended June 30, 2022

## District Wide Financial Statements:

The first two basic statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status and report net position and changes in them. Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources and is one way to measure the District's financial health, or financial position.

- Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating, respectively.
- In order to assess the overall health of the District other nonfinancial factors should also be considered, such as changes in the District's general revenues (principally the school district assessment which is derived by local and statewide property taxes and general state aid); current and long-term student population information; and other items subject to significant financial or budgetary uncertainty (out-of-District special education enrollment and the related high cost potential of the mandated services).

The government-wide financial statements of the District are included in the Governmental Activities category. Most of the District's basic services are included here, such as instruction and support services (including general and executive administration). General revenues, including the school district assessment and state and federal aid finance most of these 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 that the District uses to keep track of specific sources of funding and spending for particular purposes. State law, regulation or bond covenant requires some funds, while others are established to comply with the requirements of grantors. The District reports the following funds:

Governmental Funds - Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationships (or differences) between them.



# MANAGEMENT'S DISCUSSION AND ANALYSIS

Hart's Location School District  
Year Ended June 30, 2022

## CONDENSED FINANCIAL INFORMATION AND ANALYSIS OF THE DISTRICT AS A WHOLE

### Net Position

Exhibit B-1 shows the composition of the District's total combined net position, which increased between June 30, 2021, and 2022 by \$56,354 or 52% to \$164,056.

### Exhibit B-1 NET POSITION

	Governmental Activities		
	2021	2022	Change
<b>Assets</b>			
Current and other assets	\$ 110,010	\$ 167,648	\$ 57,638
Noncurrent assets	-	-	-
<b>Total assets</b>	<u>110,010</u>	<u>167,648</u>	<u>57,638</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	-	-	-
<b>Total deferred outflows of resources</b>	-	-	-
<b>Liabilities</b>			
Current liabilities	-	-	-
Noncurrent liabilities	-	-	-
<b>Total liabilities</b>	-	-	-
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	2,308.00	2,592	284
<b>Total deferred inflows of resources</b>	<u>2,308.00</u>	<u>2,592</u>	<u>284</u>
<b>Net Position</b>			
Unrestricted	<u>107,702</u>	<u>164,056</u>	<u>56,354</u>
<b>Total net position</b>	<u>\$ 107,702</u>	<u>\$ 164,056</u>	<u>\$ 56,354</u>

A portion of the net position is restricted as to the purposes they can be used for.

- The District does not have any capital assets or long-term debt.

The unrestricted balance is \$164,056.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Hart's Location School District  
Year Ended June 30, 2022

## Change in Net Position

The District's total revenues were \$181,289 while total expenses were \$124,935, resulting in an increase in net position of \$56,354.

Exhibit B-2 shows that, 79.65%, of the District's total revenues came from the local school district assessment, 18.98% from State of New Hampshire source intergovernmental revenues, and 1.27% from federal sources.

### Exhibit B-2 SOURCES OF DISTRICT REVENUES

	Governmental Activities				Change		
	2021		2022				
<b>Program Revenues</b>							
Operating grants and contributions	\$ 200	0.11%	\$ 159	0.09%	\$ (41)	-20.50%	
<b>General Revenues</b>							
School district assessment	\$ 79,176	69.00%	\$ 144,392	79.65%	\$ 65,216	82.37%	
Local sources	67	0.06%	24	0.01%	(43)	-64.18%	
State of New Hampshire sources	32,673	28.47%	34,406	18.98%	1,733	5.30%	
Federal sources	2,637	2.30%	2,308	1.27%	(329)	-12.48%	
	<u>\$ 114,753</u>	<u>100.00%</u>	<u>\$ 181,289</u>	<u>100.00%</u>	<u>\$ 66,577</u>	<u>58.02%</u>	

Exhibit B-3 shows that 94.30% of the District's total expenses were for instruction and 5.70% were for support services.

### Exhibit B-3 DISTRICT EXPENSES

Functions / Programs	Governmental Activities				Change	
	2021		2022			
Instruction	\$ 142,743	95.93%	\$ 117,817	94.30%	\$ (24,926)	-17.46%
Support services	6,050	4.07%	7,118	5.70%	1,068	17.65%
	<u>\$ 148,793</u>	<u>100.00%</u>	<u>\$ 124,935</u>	<u>100.00%</u>	<u>\$ (23,858)</u>	<u>-16.03%</u>

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Hart's Location School District  
Year Ended June 30, 2022

## Governmental Activities

Exhibit B-4 presents the net cost of the District's largest functions based upon the total expense, less charges for services and operating grants and contributions, of each function. The net cost reflects the amount that was funded by general revenues (principally the school district assessment which is derived by local and statewide property taxes and general state aid).

### Exhibit B-4 TOTAL AND NET COST OF SERVICES

Functions / Programs	2021		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 142,743	\$ 142,543	\$ 117,817	\$ 117,658
Support services	6,050	6,050	7,118	7,118
	<u>\$ 148,793</u>	<u>\$ 148,593</u>	<u>\$ 124,935</u>	<u>\$ 124,776</u>

The total cost of all governmental activities this year was \$124,935; the total net cost was \$124,776. The primary financing for these activities of the District was as follows:

#### Property taxes

- The amount that was paid by taxpayers through property taxes was \$178,798, which consisted of \$144,392 paid in the form of local property taxes, and \$34,406 paid in the form of property taxes under the State of New Hampshire state-wide education tax system for the annual school district assessment.

#### Local Revenues

- Earnings on investments and other local revenue in the amount of \$24.

#### Federal Revenues

- The District received \$2,308 in federal forest reserve funds.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

Hart's Location School District  
Year Ended June 30, 2022

## ANALYSIS OF BALANCES AND TRANSACTIONS OF THE DISTRICT'S INDIVIDUAL FUNDS

### General Fund

The total general fund balance increased \$56,354 during the year from \$107,702 as of June 30, 2021, to \$164,056 as of June 30, 2022. The June 30, 2022, fund balance consisted of \$122,447 committed for capital reserves, and an unassigned fund balance in the amount of \$41,609. In accordance with RSA 198:4-b, the district may vote to retain unassigned general fund balance in an amount not to exceed 2.5 percent of the current fiscal year's net assessment.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

Hart's Location School District  
Year Ended June 30, 2022

## GENERAL FUND BUDGETARY HIGHLIGHTS

For the year ended June 30, 2022, the District did not revise its statutory budgetary line items; rather, the District's budgetary control was managed on an aggregate total budget-to-actual basis; total estimated revenues and appropriations versus actual revenues and expenditures.

### Actual Versus Final Budget Comparison

The amounts of actual inflows (resources) and outflows (charges to appropriations) varied from the final budget for the following significant items:

- Actual inflows (resources) were less than the budgetary revenue estimates by a variance of \$(1,562).
- Actual total outflows (expenditures or charges to appropriations) were less than the budgeted appropriation by \$43,171. This was the result of special education costs being less than anticipated.
- None of the currently known reasons for the budgetary variations are expected to have a significant effect on future services or liquidity.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

Hart's Location School District  
Year Ended June 30, 2022

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The District did not own any capital assets as of June 30, 2022. (All students are tuition to other Districts).

### Debt

The District did not have any long-term liabilities as of June 30, 2022.

State law (RSA 195:6II) limits the amount of general obligation debt that the District may incur at any one time to 7.5% of the locally assessed valuation of the Town as equalized by the Commissioner of the New Hampshire Department of Revenue Administration. As of June 30, 2022, the District was below its legal debt limit.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

District management and the School Board considered many factors when submitting the fiscal year 2022-2022 budget to the district voters.

The budget consists primarily of tuition, transportation, SAU9 district share, and special education expenses. The budget, as proposed, reflects a decrease of \$69,853. Overall, the total approved FY23 budget (including separate and special warrant articles) represented a decrease of 38.57%.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the District's Director of Budget and Finance.

## **BASIC FINANCIAL STATEMENTS**

# HARTS' LOCATION SCHOOL DISTRICT

---

## Statement of Net Position June 30, 2022

	<u>Primary Government Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 45,201
Receivables, net	<u>122,447</u>
Total assets	<u>167,648</u>
<b>LIABILITIES</b>	
Accounts payable	<u>1,000</u>
Total liabilities	<u>1,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred revenue	<u>2,592</u>
Total deferred inflows of resources	<u>2,592</u>
<b>NET POSITION</b>	
Unrestricted	<u>164,056</u>
Total net position	<u>\$ 164,056</u>

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



# HARTS' LOCATION SCHOOL DISTRICT

## Statement of Activities Year Ended June 30, 2022

Functions / Programs			Net (Expense)
			Revenue and
			Changes in Net
			Position
			Primary
		Program Revenues	Government
	Expenses	Operating Grants and Contributions	Governmental Activities
Governmental activities:			
Instruction			
Regular instruction	\$ 117,817	\$ 159	\$ (117,658)
Support services			
General administration	1,637	-	(1,637)
Executive administration	4,235	-	(4,235)
Student transportation	1,246	-	(1,246)
Total governmental activities	<u>124,935</u>	<u>159</u>	<u>(124,776)</u>
General revenues:			
School district assessment			\$ 144,392
State of New Hampshire sources			34,406
Federal sources			2,308
Investment income			24
Total general revenues			<u>181,130</u>
Change in net position			56,354
Net position, beginning			<u>107,702</u>
Net position, ending			<u>\$ 164,056</u>

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

# HARTS' LOCATION SCHOOL DISTRICT

**Balance Sheet  
Governmental Funds  
June 30, 2022**

	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 45,201	\$ 45,201
Held by trustees	122,447	122,447
<b>Total assets</b>	<b>\$ 167,648</b>	<b>\$ 167,648</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 1,000	\$ 1,000
<b>Total liabilities</b>	<b>1,000</b>	<b>1,000</b>
Deferred Inflows of Resources:		
Unearned revenue	2,592	2,592
<b>Total deferred inflows of resources</b>	<b>2,592</b>	<b>2,592</b>
Fund balances:		
Committed	122,447	122,447
Unassigned	41,609	41,609
<b>Total fund balance</b>	<b>164,056</b>	<b>164,056</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 167,648</b>	<b>\$ 167,648</b>

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

# HARTS' LOCATION SCHOOL DISTRICT

---

## Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2022

**Total Fund Balances - Governmental Funds** \$ 164,056

There were no differences between the Fund Based Financial Statements and Government-wide Financial Statements

**Total Net Position - Governmental Activities** \$ 164,056

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

# HARTS' LOCATION SCHOOL DISTRICT

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds Year Ended June 30, 2022

	<u>General Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>		
School district assessment	\$ 144,392	\$ 144,392
State of New Hampshire sources	34,406	34,406
Federal sources	2,467	2,467
Investment income	24	24
Total revenues	<u>181,289</u>	<u>181,289</u>
<b>Expenditures</b>		
Current:		
Instruction	117,817	117,817
General administration	1,637	1,637
Executive administration	5,481	5,481
Total expenditures	<u>124,935</u>	<u>124,935</u>
Revenue over (under) expenditures	56,354	56,354
Fund balance, beginning	<u>107,702</u>	<u>107,702</u>
Fund balance, ending	<u>\$ 164,056</u>	<u>\$ 164,056</u>

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

# HARTS' LOCATION SCHOOL DISTRICT

---

## Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2022

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$ <u>56,354</u>
There were no differences between the Fund Based Financial Statements and Government-wide Financial Statements	
<b>Change in Net Position of Governmental Activities</b>	\$ <u>56,354</u>

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Hart's Location School District (the "District" or "Government") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB), (when applicable), that do not conflict or contradict GASB pronouncements. The significant accounting policies established in GAAP and used by the District are discussed below.

### A. THE REPORTING ENTITY

The District is a primary (special-purpose) local government governed by an elected board. As required by GAAP, these financial statements are required to present the District and its component units (if any).

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization; or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government. Fiscal independency is the ability to complete certain essential fiscal events without substantive approval by a primary government: (a) determine its budget without another government's having the authority to approve and modify that budget; (b) levy taxes or set rates or charges without approval by another government; and (c) issue bonded debt without approval by another government. Based upon the application of these criteria, these financial statements include no component units.

### B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. The District does not have any business type primary activities.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted; and unrestricted. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions / programs. The functions / programs are also supported by general revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants reflect capital-specific grants. The net costs (by function) are normally covered by general revenue. The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

## NOTE 1 – (continued)

### C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions. Funds are classified into three major categories: governmental, proprietary and fiduciary, if applicable.

Fund financial statements focus on major funds of the primary government in contrast to the governmental and business type (if any) activities reported in the government-wide financial statements. Major funds represent the government's most important funds and are determined based on minimum criteria set forth in GASBS No. 34 (numerical formula using total assets, liabilities, revenues, or expenditures/expenses of either fund category or activity combined). Major individual governmental funds are reported in separate columns in the fund financial statements with a combined column for all other nonmajor funds. The general fund is required to be reported as major fund. The following fund types are used by the District:

1. **Governmental Funds** – The focus of governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

**General Fund** is the general operating fund of the District and is used to account for all resources except those required to be accounted for in another fund.



## NOTE 1 – (continued)

### D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Two different measurement focuses are used under the new financial reporting model, the flow of current financial resources and the flow of economic resources. The determination of when transactions are recognized is referred to as the basis of accounting. Like measurement focus, there are two different bases of accounting used: the accrual basis and the modified accrual basis.

#### Government-Wide Financial Statements

The government-wide financial statements use the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, generally, all revenues, expenses, gains, losses, assets, and liabilities should be recognized when the economic exchange takes place. The government-wide financial statements report all of the assets, liabilities, revenues, expenses, and gains and losses of the entire government. These financial statements do not report fund information. Instead, they focus on two specific types of activities performed by the government, "governmental activities" and, when applicable, "business type activities". Governmental and proprietary fund types are included in the governmental and, when applicable, business type activities reported in the government-wide financial statements and therefore utilize the measurement focus and basis of accounting applicable to these statements. Fiduciary funds are not reported in the government-wide financial statements.

#### Fund Financial Statements

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues and asset are recognized when they susceptible to accrual, i.e., both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally within sixty days after year-end. Expenditures and liabilities are recognized in the accounting period in which the fund liability is incurred and due, with certain modifications. Debt service and capital lease payments are recognized when the payment is due and compensated absences, claims and judgments, and special termination benefits are recognized to the extent that the liabilities are "normally expected to be liquidated with expendable available financial resources".

### E. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

#### Cash and Cash Equivalents and Investments

The District has defined cash and cash equivalents to include cash on hand, demand deposits as well as short-term investments with a maturity date of within three months of the date acquired by the District.

#### Interfund Activity

Interfund activity is reported as either, loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to at market or near market rates, are treated as revenues and expenditures / expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements. The District did not report any interfund activity.

## NOTE 1 – (continued)

### Capital Assets

For government-wide financial statements, capital assets purchased or acquired, in accordance with the District's capitalization policy, are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the assets estimated useful lives. For the year ended June 30, 2022, the District did not own any capital assets.

For fund financial statements, capital assets purchased for governmental operations are accounted for as capital expenditures of the governmental fund at the time of purchase. For the year ended June 30, 2022, the District did not report any capital assets.

### Long-term Obligations

All long-term debt is reported as liabilities in the government-wide financial statements. Governmental funds reported in the fund financial statements are concerned with current financial resources only and do not report long-term debt. Instead, debt proceeds are reported as other financing sources when received and payments of principal and interest are reported as expenditures when due. As of and for the year ended June 30, 2022, the District did not have any long-term debt liability.

### Governmental Fund Equity and Fund Balance Policy

The district implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement established new fund balance classifications and reporting requirements as follows:

**Nonspendable** – Are fund balances that cannot be spent because they are either; not in spendable form, such as inventories or prepaid amounts, or are legally or contractually required to be maintained intact, such as the principal of a permanent fund.

**Restricted** – Are amounts that can only be used for specific purposes because of enabling legislation or externally imposed constraints, such as grant requirements or laws or regulations.

**Committed** – Are amounts that can be used for specific purposes because of a formal action by the entities highest level of decision-making authority (District Meeting). This would include contractual obligations if existing resources have been committed. Formal action (School Board vote at a public meeting) to establish constraints should be taken before year-end, even if the amount might not be determined until the subsequent period.

**Assigned** – Are amounts intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body (School Board), or by and official whom authority has been given (Superintendent of Schools). Such assignments cannot exceed the available fund balance in any particular fund. This is the residual fund balance classification of all governmental funds except the general fund. Assigned fund balances should not be reported in the general fund if doing so causes the government to report a negative "unassigned" general fund balance.

**Unassigned** – Is the residual classification for the general fund. The general fund is the only governmental fund that can report a positive unassigned fund balance. Other governmental funds might have a negative unassigned fund balance as a result to overspending for specific purposes for which amounts had been restricted, committed, or assigned.

# HART'S LOCATION SCHOOL DISTRICT

Notes to Basic Financial Statements  
June 30, 2022

## NOTE 1 – (continued)

In instances where both restricted and unrestricted fund balances are available to fund expenditures, the restricted fund balances will be exhausted first, followed by the unrestricted classifications of, committed, assigned and unassigned fund balances.

The district voted to authorize, indefinitely until rescinded, to retain year-end unassigned general funds in an amount not to exceed in any fiscal year, 2.5% of the current fiscal year's net assessment, in accordance with RSA 198:4-b, II. Such fund balance retained may only be used to reduce the tax rate or for emergencies to be approved by the Department of Education under RSA 32:11.

### Revenues

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the period in which the resources are measurable and available. Revenue resulting from non-exchange transactions, in which the District receives value without directly giving equal value in return, generally includes grants and donations and is recognized when applicable grantor requirements, including purpose, eligibility, timing, and matching have been met.

General revenues on the Statement of Activities include the school district assessment (levied by the appropriate local governments as property taxes) and aid from various State of New Hampshire sources that are not program revenues (charges for services or related to operating or capital grant programs).

### Use of 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 reported amounts of assets and liabilities and disclosures. Accordingly, actual results could differ from those estimates.

## NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### Legal Debt Limit

Per state statute, the District may not incur debt at any one time in excess of 7.5% of its locally assessed valuation (for all municipalities in the District) as last equalized by the Commissioner of the New Hampshire Department of Revenue Administration.

For the year ended June 30, 2022, the District had not exceeded its legal debt limit.

### Risk Management

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, injuries to employees and natural disasters. The District purchases, through an agent, coverage from an insurance company for general liability and errors and omissions. There have no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

### Claims, Judgments and Contingent Liabilities

Litigation - The District is subject to various claims, and sometimes lawsuits, which arise in the normal course of operations. Management of the District believes that the outcome of these contingencies will not have a materially adverse effect on the financial statements and accordingly, no provision for loss has been recorded.

# HART'S LOCATION SCHOOL DISTRICT

Notes to Basic Financial Statements  
June 30, 2022

## NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits and investments as of June 30, 2022, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 45,201
	<u>\$ 45,201</u>

Deposits and investments as of June 30, 2022, consist of the following:

Cash on hand	\$ 45,201
Deposits with financial institutions	45,201
	<u>\$ 45,201</u>

### Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk on deposits. As of June 30, 2022, all of the District's bank balance of \$837 was covered by FDIC insurance and \$0 was exposed to custodial credit risk because it was uninsured and the collateral for the amounts was held by the depository's agent but not in the District's name.

# HART'S LOCATION SCHOOL DISTRICT

Notes to Basic Financial Statements  
June 30, 2022

## NOTE 4 - INTERFUND BALANCES AND TRANSFERS

### Balances

As of June 30, 2022, the District did not have any interfund balances.

	<u>Due From</u>	<u>Due To</u>
Major Funds:		
General fund	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>

### Transfers

For the year ended June 30, 2022, the District did not have any interfund transfers.

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General fund	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>

# HART'S LOCATION SCHOOL DISTRICT

Notes to Basic Financial Statements  
June 30, 2022

## NOTE 5 - INTERGOVERNMENTAL RECEIVABLES AND PAYABLES

### Intergovernmental Receivables

Intergovernmental receivables as of June 30, 2022, consisted of the following:

	<u>General Fund</u>
Local Governments	
Amounts held by Trustees of Trust Funds	\$ 122,447
	<u>\$ 122,447</u>

The intergovernmental receivable represents capital reserves held by the Trustees of Trust Funds in accordance with State Statute.

### Intergovernmental Payables

The district did not have any intergovernmental payables as of June 30, 2022.

# HART'S LOCATION SCHOOL DISTRICT

Notes to Basic Financial Statements  
June 30, 2022

## NOTE 6 - JOINT VENTURE

The District is a member of a joint venture, School Administrative Unit #9, (SAU). The District has an ongoing financial responsibility to fund the annual operations of the SAU along with the other members of the SAU. The SAU administers the operations of the member districts on a shared fee arrangement calculated under a cost allocation formula which is based on equalized property value and average daily enrollment of the member districts. The SAU does not accumulate financial resources and maintains minimal net position. The member districts and their respective financial responsibility to the SAU for the year ended June 30, 2022, are as follows:

Member School Districts	SAU ASSESSMENT	
	<u>%</u>	<u>Amount</u>
Conway	67.28%	\$ 1,150,361
Bartlett	21.42%	366,221
Jackson	7.22%	123,435
Albany	1.47%	25,097
Eaton	1.58%	27,070
Chatham	0.78%	13,385
Harts Location	0.25%	4,235
	<u>100.00%</u>	<u>\$ 1,709,804</u>

The financial statements of School Administrative Unit #9 are available for public review, by request, at the SAU Office on 176A Main Street, Conway, NH 03818.



# HART'S LOCATION SCHOOL DISTRICT

Notes to Basic Financial Statements  
June 30, 2022

## NOTE 7 - FUND BALANCE COMPONENTS

The District's governmental fund balance components under GASB 54 are comprised of the following:

	<u>General</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Non-Spendable:	\$ -	\$ -
Restricted:	-	-
Committed:	-	-
Capital reserves	122,447	122,447
Assigned:	-	-
Unassigned:	41,609	41,609
	<u>\$ 164,056</u>	<u>\$ 164,056</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

# HARTS' LOCATION SCHOOL DISTRICT

## Budgetary Comparison Schedule - General Fund Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Budgetary Fund Balance - Beginning</b>	\$ -	\$ -	\$ (1,721)	\$ (1,721)
Resources (inflows):				
School district assessment				
Local school tax	144,392	144,392	144,392	-
State of New Hampshire sources				
State education tax	34,406	34,406	34,406	-
Federal sources				
Medicaid distribution			159	159
Federal forest reserve	<u>2,308</u>	<u>2,308</u>	<u>2,308</u>	<u>-</u>
Amounts available for appropriation	<u>181,106</u>	<u>181,106</u>	<u>179,544</u>	<u>(1,562)</u>
Charges to appropriations (outflows):				
Instruction				
Regular instruction	101,674	101,674	117,817	(16,143)
Special education instruction	54,635	54,635	-	54,635
Support services				
Student support services	1,100	1,100	-	1,100
General administration				
School board	2,250	2,250	1,637	613
Executive administration				
SAU management services	4,235	4,235	4,235	-
Student transportation	4,212	4,212	1,246	2,966
Transfers out				
Transfer to capital reserve	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>	<u>-</u>
Total charges to appropriations	<u>181,106</u>	<u>181,106</u>	<u>137,935</u>	<u>43,171</u>
<b>Budgetary Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,609</u>	<u>\$ 41,609</u>

See the accompanying notes to the required supplementary information.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

## NOTE 1 - BUDGETARY INFORMATION

### A. Original Budget

Governmental budgetary appropriations and estimated revenues are accounted for on a fund basis in accordance with state statutes, administrative rules and local laws, policies or procedures. The budgetary process results in a formally adopted District budget by voters at the annual District meeting. Subsequent regulatory reviews by departments of the State of New Hampshire are made of the budgetary process (warrant articles, required results of votes, etc.), adopted budget and the estimated revenues of the District. After final allocation of state aid programs to the District and approval of final estimated revenues (including the use of beginning unassigned general fund balance), a balanced District budget is achieved in accordance with State statute (the "original" budget). The original budget is the first complete, legally appropriated budget adjusted for appropriate changes occurring *before* the beginning of the year.

### B. Budgetary Changes, Transfers, Encumbrances and Continuing Appropriations

#### Budgetary Changes

In accordance with RSA 198:20-b, appropriations may be made by the school board by applying for, accepting and expending unanticipated funds (money from a state, federal or other governmental unit or a private source) which become available during the year without further action by the District. Such money may be used only for legal purposes for which a school district may appropriate money; shall not require the expenditure of other school district funds except those funds lawfully appropriated for the same purpose; and shall be exempt from the provisions of RSA 32 relative to the limitation of expenditure of school district moneys. The statute requires the school board to hold a public hearing on the action to be taken and to comply with various public notice requirements.

#### Transfers

The school board may authorize budgetary transfers between allowable appropriations (programs, functions or categories); however, total expenditures may not exceed the total allowable appropriations budgeted (which consists of the original budget plus appropriations allowable under RSA 198:20-b, encumbrances carried forward from the prior year and continuing appropriations, if any).

#### Encumbrances and Continuing Appropriations

All annual appropriations lapse at year-end unless encumbered. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Encumbrances are not expenditures and are reported as an assignment of fund balances in governmental funds and are carried forward to supplement appropriations of the subsequent year.

Certain appropriations that are not "annual appropriations" do not lapse at year-end. These continuing appropriations include those from special or unanticipated revenues, capital projects and specific items that are not required to have been completed at year-end. Continuing appropriations are reported as a commitment of fund balances in governmental funds and are carried forward to supplement appropriations of the subsequent year.

### C. Final Budget

The final budget consists of the original budget adjusted for appropriate legal changes applicable to the year, including those occurring during and after the end of the year.

# HART'S LOCATION SCHOOL DISTRICT

Notes to Required Supplementary Information  
June 30, 2022

## NOTE 2 - EXPLANATION OF BUDGETARY TO GAAP DIFFERENCES

### Basis and Timing Differences

The basis of accounting or the timing of transactions used or applied by the funds in the basic financial statements (fund financial statements) differs from the basis of accounting or timing of transactions used or applied by the funds for budgetary purposes. The following is an explanation of the differences between budgetary inflows and outflows and GAAP revenues and expenditures.

<u>Budgetary Fund</u>	<u>General Fund</u>
<u>Financial Statement Major Fund</u>	<u>General Fund</u>
<b>Sources / Inflows of Resources:</b>	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 179,544
Differences - Budget to GAAP:	
Budgetary inflows that are not revenues for financial reporting purposes	
Beginning fund (balance) deficit	1,721
Financial reporting revenues that are not inflows for budgetary purposes	
Earnings on capital reserve investments	<u>24</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ <u>181,289</u>
<b>Uses / Outflows of Resources:</b>	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 137,935
Differences - Budget to GAAP:	
Budgetary outflows that are not expenditures for financial reporting purposes	
Capital reserve transfer	<u>(13,000)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ <u>124,935</u>