

EATON SCHOOL BOARD

AGENDA for the regular meeting of the Eaton School Board to be held on **Tuesday, May 16, 2023 at 6:00 p.m.** at Eaton Town Hall, lower level.

1. Call to Order
2. Approval of Minutes (4-3-23)
3. Business Affairs
 - A. Signing of Manifest
 - B. General Assurances, Terms and Requirements for Participation in Federal Programs
 - C. FYI - Audit Letter
4. Superintendent's Report
5. Any Other Business
 - A. Set Date for Next Meeting (June 5, 2023 – 6:00 p.m.)
6. Board Member Issues
 - A. K-6 Tuition Agreement Notification
7. Nonpublic Session – RSA 91-A:3 II
8. Personnel Action
9. Adjourn

Eaton School Board Meeting
Draft Minutes
April 3, 2023
5:00 p.m.

Monday, April 3, 2023 at 5:00 p.m. at Eaton Town Hall.

In attendance: Monique Hebert, Nella Thompson, Kevin Richard (SAU 9), and invited guest Representative Glen Cordelli.

1. Call to Order- Superintendent Kevin Richard called the reorganization meeting to order at 5:00 pm.
2. Reorganization of the Board
 - A. Election of Chairperson- Nella Thompson made a motion, seconded by Monique Hebert to nominate Monique Hebert as chairperson of the Eaton School Board. **Vote (2-0)**. Monique Hebert took over as Chair.
 - B. Election of Vice-chairperson- Monique Hebert made a motion, seconded by Nella Thompson to nominate Nella Thompson as Vice-chair. **Vote (2-0)**.
 - C. Set Meeting Dates and Time-There was some discussion about the time of the meeting for the benefit of the public showing up. Monique Hebert made a motion, seconded by Nella Thompson to start the school board meetings at 6:00 pm. **Vote (2-0)**.
3. Approval of Minutes (2-6-23)-Nella Thompson made a motion, seconded by Monique Hebert to approve the minutes. **Vote (2-0)**.
4. Business Affairs
 - A. Signing of Manifest-Signed
 - B. FYI - Program Assurances for Federal Formulas Grants -Reviewed
5. Superintendent's Report -Superintendent Kevin Richard provided several updates including:
 - The 603 Bright Futures Survey is live on the SAU 9 website and parents and community members are encouraged to fill out the survey.
 - There is an SAU 9 reorganization meeting on May 11th and all board members are encouraged to attend.
 - The MWV School to Career Camps for middle school students offers free weeklong experiences for students. Registration is open now and the slots are filling up quickly.
 - The MWV Youth STEM Expo will be held on May 24th at Living Shores

Aquarium. This is for students in grades 6-12.

6. Any Other Business

A. Set Date for Next Meeting (May 1, 2023 – 6:00 p.m.) -Nella will be out of town but could be available by phone or zoom.

7. Board Member Issues

Presentation by Representative Glen Cordelli- Representative Cordelli began the presentation at 5:09 pm. He spoke about the various educational options available to districts. Some of the options include: town tuition agreements, EFA's (Education Freedom Accounts), Charter Schools, Micro schools and Prenda Pods. He explained that it is a "buyer's market" and towns are looking for students. He also gave a few examples of what other districts are doing currently.

8. Nonpublic Session – RSA 91-A:3 II-None

9. Personnel Action-None

10. Adjourn- Monique Hebert made a motion, seconded by Nella Thompson to adjourn the meeting. **Vote (2-0). Meeting adjourned at 5:50 pm**

EATON SCHOOL BOARD

3-B
BOARD REPORT
MAY 1, 2023

**General Assurances, Terms, and Requirements for Participation in
Federal Programs**

Attached please find the FY2024 General Assurances, Requirements and Definitions for Participation in Federal Programs.

Subrecipients of any Federal grant funds provided through the New Hampshire Department of Education (NHDOE) must submit a signed copy of this document to the NHDOE Bureau of Federal Compliance prior to any grant application being deemed to be “substantially approvable”. Please note that no payment for project/grant awards will be made by the NHDOE without a current signed Certification Page on file.

I recommend that the Chair (on behalf of the School Board) sign the Certificate Page (and initial all other pages), acknowledging that the Superintendent has informed the School Board about the District’s participation in Federal Programs and the terms and conditions of the General Assurances, Requirements and Definitions for Participation in Federal Programs.

Respectfully submitted,

Kevin Richard
Superintendent of Schools

Attachment



Frank Edelblut
Commissioner

Christine Brennan
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
25 Hall Street
Concord, N.H. 03301
TEL. (603) 271-3495
FAX (603) 271-1953

April 3, 2023

TO: Superintendents

FROM: Lindsey Labonville, Administrator
Bureau of Federal Compliance

SUBJECT: General Assurances FY 2024

The New Hampshire Department of Education (NHED) has developed the attached "General Assurances, Requirements and Definitions for Participation in Federal Programs" document that must be signed by all agencies and organizations that receive federal funds through the NHED. The federally funded programs which flow money through the NHED require each applicant to file certain assurances. Some of these assurances apply to all programs and are therefore, considered "general assurances."

The submission of general assurances is required in part by:

- Federal regulation 34 CFR §76.301 of the Education Department General Administrative Regulations (EDGAR), which requires a general application for subgrantees/subrecipients for participation in federal programs funded by the U.S. Department of Education that meets the requirements of Section 442 of the General Education Provisions Act (GEPA).
- Applicable federal statutes.
- Applicable regulations of other federal agencies.

The NHED has consolidated the general assurances into one document which also now includes requirements and definitions in an effort to provide more guidance relative to implementation of the underlying assurances. NHED requests an annual submission for all of your Local Education Agencies (LEA's). This will simplify the collection of assurances and facilitate the requirement that the NHED Commissioner

of Education certify to the Secretary of Education the status of all LEAs. In New Hampshire both School Districts and School Administrative Units (SAUs) are considered LEA's. Individual program policy establishes which of these two entities may apply for federal funds. As such, both the Superintendent and the local School Board Chairperson are required to sign the certifications of the attached document.

I am requesting that you and the local School Board complete the certifications at the end of the enclosed general assurance document; initial each page in the spaces provided and return it in full to the attention of the Bureau of Federal Compliance. The Bureau of Federal Compliance office will notify the directors of all NHED programs approving federal funds to LEA's when they have received your assurances. The directors of the various federal programs are not to request additional copies from you, but to accept the Bureau of Federal Compliance list as the basis for determining compliance with these requirements as one item in their approval of proposals for funding. Other program specific assurances will still be requested from the LEA's by individual NHED programs.

Compliance with these general assurances will be subject to review by NHED staff during on-site federal compliance monitoring. Annual audits by CPA's in accordance with the Single Audit Act may also include compliance checks.

On the Certification page, please include the name and number of the SAU office and the name of the School District which will be applying for funds, both certifying parties are asked to execute the document, and return to the NHED Bureau of Federal Compliance office no later than **June 30, 2023**.

If you should have any questions regarding these general assurances, please contact Lindsey Labonville, Administrator of the Bureau of Federal Compliance at Lindsey.L.Labonville@doe.nh.gov or at 603-731-4621.

New Hampshire Department of Education

FY2024

GENERAL ASSURANCES, REQUIREMENTS AND DEFINITIONS FOR PARTICIPATION IN FEDERAL PROGRAMS

Subrecipients of any Federal grant funds provided through the New Hampshire Department of Education (NHED) must submit a signed copy of this document to the NHED Bureau of Federal Compliance prior to any formula grant application being deemed to be “substantially approvable” or any discretionary grant receiving “final approval”. Once a formula grant is deemed to be in substantially approvable form, the subrecipient may begin to obligate funds which will be reimbursed upon final approval of the application by the NHED (34 CFR 708).

Any funds obligated by the subrecipient prior to the application being in substantially approvable form will not be reimbursable even upon final approval of the application by the NHED.

While there have been no significant changes notable in the last year, this FY2024 general assurances document contains a few minor differences from the FY2023 general assurances document. You are encouraged to do a side-by-side comparison of the two documents so that you thoroughly understand the requirements and deadlines to which you are agreeing.

Following your review and acceptance of these General Assurances, Requirements and Definitions for Participation in Federal Programs please sign the certification statement on the appropriate page and then initial each of the remaining pages where indicated.

Please note that the practice of the School Board authorizing the Superintendent to sign on behalf of the School Board Chair is not acceptable to the NHED in this case and will be considered non-responsive.

Once the document is fully executed, email a copy of the entire document to:

New Hampshire Department of Education
Bureau of Federal Compliance
25 Hall Street
Concord, NH 03301
federalcompliance@doe.nh.gov

Should you have any questions please contact Lindsey Labonville at 603-731-4621, or Katelyn Komisarek at 603-856-4075.

General Assurances, Requirements and Definitions for Participation in Federal Programs

A. General Assurances

Assurance is hereby given by the subrecipient that, to the extent applicable:

- 1) The subrecipient has the legal authority to apply for the federal assistance, and the institutional, managerial, and financial capability (including funds sufficient to pay non-federal share of project costs, as applicable) to ensure proper planning, management, and completion of the project described in all applications submitted.
- 2) The subrecipient will give the awarding agency, the NHED, the Comptroller General of the United States and, if appropriate, other State Agencies, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
- 3) The subrecipient will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. The subrecipient will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
 - (a) Per 2 CFR 200.330 the non-Federal entity is required to submit reports at least annually on the status of real property in which the Federal Government retains an interest.
- 4) The subrecipient will comply with the requirements of the assistance awarding agency (2 CFR 200.1 Definitions '*Federal Awarding Agency*') with regard to the drafting, review and approval of construction plans and specifications.
- 5) The subrecipient will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
- 6) The subrecipient will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
- 7) The subrecipient will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
- 8) The subrecipient will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to:
 - (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin;
 - (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex;
 - (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps;

- (d) The Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age;
 - (e) The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse;
 - (f) The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
 - (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records;
 - (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing;
 - (i) Any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and,
 - (j) The requirements of any other nondiscrimination statute(s) which may apply to the application.
- 9) The subrecipient will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchases.
 - 10) The subrecipient will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds. The subrecipient further assures that no federally appropriated funds have been paid or will be paid by or on behalf of the subrecipient to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any federal grant; the entering into of any cooperative agreement; and the extension, continuation, renewal, amendment, or modification of any federal grant or cooperative agreement.
 - 11) The subrecipient will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported in whole or in part with federal funds.
 - 12) The subrecipient will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported in whole or in part with federal funds.
 - 13) The subrecipient will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
 - 14) The subrecipient will comply with all applicable requirements of all other federal laws, executive orders, regulations, and policies governing all program(s).
 - 15) The subrecipient will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and 2 CFR 200.501, Subpart F, "Audit Requirements," as applicable.
 - 16) The recipient will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

- 17) The control of funds provided to a subrecipient that is a Local Education Agency under each program, and title to property acquired with those funds, will be in a public agency, and a public agency will administer those funds and property.
- 18) Personnel funded from federal grants and their subcontractors will adhere to the prohibition from text messaging while driving an organization-owned vehicle, or while driving their own privately owned vehicle during official Grant business, or from using organization-supplied electronic equipment to text message or email while driving. Recipients must comply with these conditions under Executive Order 13513, "Federal Leadership On Reducing Text Messaging While Driving," October 1, 2009 (pursuant to provisions attached to federal grants funded by the US Department of Education).
- 19) The subrecipient assures that it will adhere to the Pro-Children Act of 2001, which states that no person shall permit smoking within any indoor facility owned or leased or contracted and utilized for the provision of routine or regular kindergarten, elementary, or secondary education or library services to children (P.L. 107-110, section 4303[a]). In addition, no person shall permit smoking within any indoor facility (or portion of such a facility) owned or leased or contracted and utilized for the provision of regular or routine health care or day care or early childhood development (Head Start) services (P.L. 107-110, Section 4303[b][1]). Any failure to comply with a prohibition in this Act shall be considered to be a violation of this Act and any person subject to such prohibition who commits such violation may be liable to the United States for a civil penalty, as determined by the Secretary of Education (P.L. 107-110, section 4303[e][1]).
- 20) The subrecipient will comply with the Stevens Amendment.
- 21) The subrecipient will submit such reports to the NHED and to U.S. governmental agencies as may reasonably be required to enable the NHED and U.S. governmental agencies to perform their duties. The subrecipient will maintain such fiscal and programmatic records, including those required under 20 U.S.C. 1234f, and will provide access to those records, as necessary, for those Departments/agencies to perform their duties
- 22) The subrecipient will assure that expenditures reported are proper and in accordance with the terms and conditions of any project/grant funding, the official who is authorized to legally bind the agency/organization agrees to the following certification for all fiscal reports and/or vouchers requesting payment [2CFR 200.415(a)].

"By signing this General Assurances, Requirements and Definitions for Participation in Federal Programs document, I certify to the best of my knowledge and belief that the reports submitted are true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purpose and objectives set forth in the terms and conditions of the Project Award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise."

- 23) If an LEA, the subrecipient will provide reasonable opportunities for systematic consultation with and participation of teachers, parents, and other interested agencies, organizations, and individuals, including education-related community groups and non-profit organizations, in the planning for and operation of each program.
- 24) If an LEA, the subrecipient shall assure that any application, evaluation, periodic program plan, or report relating to each program will be made readily available to parents and other members of the general public upon request.

- 25) If an LEA, the subrecipient has adopted effective procedures for acquiring and disseminating to teachers and administrators participating in each program, significant information from educational research, demonstrations, and similar projects, and for adopting, where appropriate, promising educational practices developed through such projects. Such procedures shall ensure compliance with applicable federal laws and requirements.
- 26) The subrecipient will comply with the requirements of the Gun-Free Schools Act of 1994.
- 27) The subrecipient will submit a fully executed and accurate Single-Audit Certification (required) and the Federal Expenditures Worksheet (if applicable) to the NHED no later than December 31, 2023. The worksheet will be provided to each subrecipient by the NHED via email and is posted on the NHED website
- 28) The subrecipient shall comply with the restrictions of New Hampshire RSA 15:5.
- 29) The subrecipient will comply with the requirements in 2 CFR Part 180, Government-wide Debarment and Suspension (Non-procurement).
- 30) The subrecipient certifies that it will maintain a drug-free workplace and will comply with the requirements of the Drug-Free Workplace Act of 1988 and 34 CFR 84.200.
- 31) The subrecipient will adhere to the requirements of Title 20 USC 7197 relative to the Transfer of Disciplinary Records.
- 32) The subrecipient will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
- 33) The subrecipient will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction sub-agreements.
- 34) The subrecipient will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
- 35) The subrecipient will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
- 36) The subrecipient will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

- 37) The subrecipient will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
- 38) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award (2 CFR 200.322).

B. Explanation of Grants Management Requirements

The following section elaborate on certain requirements included in legislation or regulations referred to in the "General Assurances" section. This section also explains the broad requirements that apply to federal program funds.

1. Financial Management Systems

Financial management systems, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.

Specifically, the financial management system must be able to:

- a) Identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and federal award identification must include, as applicable, the CFDA title and number, federal award identification number and year, name of the federal agency, and name of the pass-through entity, if any.
- b) Provide accurate, current, and complete disclosure of the financial results of each federal award or program.
- c) Produce records that identify adequately the source and application of funds for federally funded activities.
- d) Maintain effective control over, and accountability for, all funds, property, and other assets. The subrecipient must adequately safeguard all assets and assure that they are used solely for authorized purposes.
- e) Generate comparisons of expenditures with budget amounts for each federal award.

2. Written Policies and Procedures

The subrecipient must have written policies and procedures for:

Policy/Procedure Name	In Accordance With	Policy	Procedure
Drug-Free Workplace Policy	34 CFR 84.200 and the Drug-Free Workplace Act of 1988		N/A
Procurement Policy & Procedure	2 CFR 200.317-327		

Conflict of Interest/Standard of Conduct Policy	2 CFR 318(c)(1)		N/A
Inventory Management Policy & Procedure	2 CFR 200.313(d)		
District Travel Policy	2 CFR 200.475(b)		N/A
Policy/Procedure Name	In Accordance With	Policy	Procedure
Subrecipient Monitoring Policy & Procedure (if applicable)	2 CFR 200.332(d)		
Time and Effort Policy & Procedure	2 CFR 200.430		
Records Retention Policy & Procedure	2 CFR 200.334		
Prohibiting the Aiding and Abetting of Sexual Abuse Policy	ESEA 8546		N/A
Allowable Cost Determination Policy	2 CFR 200.302(b)(7)		N/A
Gun Free School Act	Gun Free School Act of 1994		N/A
Cash Management	2 CFR 200.302(b)(6) and 200.305		

3. Internal Controls

The subrecipient must:

- a) Establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should be in compliance with the guidance outlined in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- b) Comply with federal statutes, regulations, and the terms and conditions of the federal awards.
- c) Take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.
- d) Take reasonable measures to safeguard and protect personally identifiable information and other information the federal awarding agency or pass-through entity designates as sensitive or the subrecipient considers sensitive consistent with applicable federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.
- e) Maintain all accounts, records, and other supporting documentation pertaining to all costs incurred and revenues or other applicable credits acquired under each approved project in accordance with 2 CFR 200.334.

4. Allowable Costs

In accounting for and expending project/grant funds, the subrecipient may only charge expenditures to the project award if they are;

- a) in payment of obligations incurred during the approved project period;
- b) in conformance with the approved project;
- c) in compliance with all applicable statutes and regulatory provisions;
- d) costs that are allocable to a particular cost objective;
- e) spent only for reasonable and necessary costs of the program; and
- f) not used for general expenses required to carry out other responsibilities of the subrecipient.

5. Audits

This part is applicable for all non-federal entities as defined in 2 CFR 200, Subpart F.

- a) In the event that the subrecipient expends \$750,000 or more in federal awards in its fiscal year, the subrecipient must have a single or program-specific audit conducted in accordance with the provisions of 2 CFR 200, Subpart F. In determining the federal awards expended in its fiscal year, the subrecipient shall consider all sources of federal awards, including federal resources received from the NHED. The determination of amounts of federal awards expended should be in accordance with the guidelines established by 2 CFR 200, Subpart F.
- b) In connection with the audit requirements, the subrecipient shall also fulfill the requirements relative to auditee responsibilities as provided in 2 CFR 200.508.
- c) If the subrecipient expends less than \$750,000 in federal awards in its fiscal year, an audit conducted in accordance with the provisions of 2 CFR 200, Subpart F, is not required. In the event that the subrecipient expends less than \$750,000 in federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of 2 CFR 200, Subpart F, the cost of the audit must be paid from non-federal resources (i.e., the cost of such an audit must be paid from subrecipient resources obtained from non-federal entities).

The subrecipient assures it will implement the following audit responsibilities;

- a) Procure or otherwise arrange for the audit required by this part in accordance with auditor selection regulations (2 CFR 200.509), and ensure it is properly performed and submitted no later than nine months after the close of the fiscal year in accordance with report submission regulations (2 CFR 200.512).
- b) Provide the auditor access to personnel, accounts, books, records, supporting documentation, and other information as needed so that the auditor may perform the audit required by this part.
- c) Prepare appropriate financial statements, including the schedule of expenditures of federal awards in accordance with financial statements regulations (2 CFR 200.510).
- d) Promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan in accordance with audit findings follow-up regulations (2 CFR 200.511(b-c)).
- e) Upon request by the NHED Bureau of Federal Compliance (BFC), promptly submit a corrective action plan using the NHED template provided by the BFC for audit findings related to NHED funded programs.
- f) For repeat findings not resolved or only partially resolved, the subrecipient must provide an explanation for findings not resolved or only partially resolved to the BFC for findings related to all NHED funded programs. The BFC will review the subrecipient's submission and issue an appropriate Management Decision in accordance with 2 CFR 200.521.

6. Reports to be Submitted

Audits/Management Decisions

Copies of reporting packages for audits conducted in accordance with 2 CFR 200, Subpart F shall be submitted, by or on behalf of the recipient directly to the following:

- a) The Federal Audit Clearinghouse (FAC) in 2 CFR 200, Subpart F requires the auditee to electronically submit the data collection form described in 200.512(b) and the reporting package described in 200.512(c) to FAC at: [https://harvester.census.gov/facides/\(S\(mqamohbpj0hmyh1r45p1po1\)\)/account/login.aspx](https://harvester.census.gov/facides/(S(mqamohbpj0hmyh1r45p1po1))/account/login.aspx)

Copies of other reports or management decision letter(s) shall be submitted by or on behalf of the

subrecipient directly to:

- a) **New Hampshire Department of Education
Bureau of Federal Compliance
25 Hall Street
Concord, NH 03301** Or via email to: federalcompliance@doe.nh.gov
- b) In response to requests by a federal agency, auditees must submit a copy of any management letters issued by the auditor, 2 CFR 200.512(e).

Any other reports, management decision letters, or other information required to be submitted to the NHED pursuant to this agreement shall be submitted in a timely manner.

Single Audit Certifications and Federal Expenditures Worksheet

A fully executed and accurate Single-Audit Certification (required) and Federal Expenditures Worksheet (if applicable) shall be submitted to the NHED no later than **December 31, 2023**. A copy of the forms will be provided to each subrecipient by the NHED via email.

7. Debarment, Suspension, and Other Responsibility Matters

As required by Executive Orders (E.O.) 12549 and 12689, Debarment and Suspension, and implemented at 2 CFR Part 180, for prospective participants in primary covered transactions, as defined in 2 CFR 180.120, 180.125 and 180.200, no contract shall be made to parties identified on the General Services Administration's *Excluded Parties List System* as excluded from Federal Procurement or Non-procurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension." This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding their exclusion status and that of their principal employees.

The federal government imposes this requirement in order to protect the public interest, and to ensure that only responsible organizations and individuals do business with the government and receive and spend government grant funds. Failure to adhere to these requirements may have serious consequences – for example, disallowance of cost, termination of project, or debarment.

To assure that this requirement is met, there are four options for obtaining satisfaction that subrecipients and contractors are not suspended, debarred, or disqualified. They are:

The subrecipient certifies that it and its principals:

- a) Are not presently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from covered transactions by any federal Department or agency.
- b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes; commission of embezzlement; theft, forgery, bribery, falsification, or destruction of records; making false statements; or receiving stolen property.
- c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in this certification.
- d) Have not within a three-year period preceding this application had one or more public transactions (federal, state, or local) terminated for cause or default.

Where the subrecipient is unable to certify to any of the statements in this certification, they shall attach an explanation to this document.

8. Drug-Free Workplace (Grantees Other Than Individual)

As required by the Drug-Free Workplace Act of 1988 and implemented in 34 CFR 84.200 the subrecipient certifies that it will continue to provide a drug-free workplace by:

- a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance (34 CFR 84.610) is prohibited in the subrecipient's workplace and specifying the actions that will be taken against employees for violation of such prohibition.
- b) Establishing, as required by 34 CFR 84.215, an ongoing drug-free awareness program to inform employees about:
 - o The dangers of drug abuse in the workplace.
 - o The recipient's policy of maintaining a drug-free workplace.
 - o Any available drug counseling, rehabilitation, and employee assistance programs.
 - o The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- c) Requiring that each employee engaged in the performance of the project is given a copy of this statement.
- d) Notifying the employee in the statement that, as a condition of employment under the project, the employee will:
 - o Abide by the terms of the statement.
 - o Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction.
- e) Notifying the agency in writing within 5 calendar days after receiving notice of an employee's conviction of a violation of a criminal drug statute in the workplace, as required by 34 CFR 84.205(c)(2), from an employee or otherwise receiving actual notice of employee's conviction. Employers of convicted employees must provide notice, including position title to:

Director, Grants and Contracts Service
U.S. Department of Education
400 Maryland Avenue, S.W. [Room 3124, GSA – Regional Office Building No. 3]
Washington, D.C. 20202-4571

(Notice shall include the identification number[s] of each affected grant).

- f) Taking one of the following actions, as stated in 34 CFR 84.225(b), within 30 calendar days of receiving the required notice with respect to any employee who is convicted of a violation of a criminal drug statute in the workplace.
 - o Taking appropriate personnel action against such an employee, up to and including termination consistent with the requirements of the Rehabilitation Act of 1973, as amended
 - o Requiring such employee to participate satisfactorily in drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or

other appropriate agency.

- g) Making a good-faith effort to maintain a drug-free workplace through implementation of the requirements stated above

9. General Education Provisions Act (GEPA) Requirements - Section 427 (Federal Requirement) Equity for Students, Teachers, and Other Program Beneficiaries

The purpose of Section 427 of GEPA is to ensure equal access to education and to promote educational excellence by ensuring equal opportunities to participate for all eligible students, teachers, and other program beneficiaries in proposed projects, and to promote the ability of such students, teachers, and beneficiaries to meet high standards. Further, when designing their projects, grant applicants must address the special needs and equity concerns that might affect the ability of students, teachers, and other program beneficiaries to participate fully in the proposed project.

Program staff within the NHED must ensure that information required by Section 427 of GEPA is included in each application that the Department funds. *(There may be a few cases, such as research grants, in which Section 427 may not be applicable because the projects do not have individual project beneficiaries. Contact the Government Printing Office staff should you believe a situation of this kind exists).*

The statute highlights **six types of barriers that can impede equitable access or participation: gender, race, national origin, color, disability, and age.** Based on local circumstances, the applicant can determine whether these or other barriers may prevent participants from access and participation in the federally assisted project, and how the applicant would overcome these barriers.

These descriptions may be provided in a single narrative or, if appropriate, may be described in connection with other related topics in the application. Subrecipients should be asked to state in the table of contents where this requirement is met.

NHED program staff members are responsible for screening each application to ensure that the requirements of this section are met before making an award. If this condition is not met, after the application has been selected for funding the program staff should contact the subrecipient to find out why this information is missing. Documentation must be in the project file indicating that this review was completed before the award was made. If an oversight occurred, the program staff may give the applicant another opportunity to satisfy this requirement, but must receive the missing information before making the award, 34 CFR 75.231.

All applicants for new awards must satisfy this provision to receive funding. Those seeking *continuation* awards do not need to submit information beyond the descriptions included in their original applications.

10. Gun Possession (Local Education Agencies (LEAs) only)

As required by Title XIV, Part F, and Section 14601 (Gun-Free Schools Act of 1994) of the Improving America's Schools Act:

The LEA assures that it shall comply with the provisions of RSA 193:13 III.

RSA 193:13, III. Any pupil who brings or possesses a firearm as defined in section 921 of Title 18 of the United States Code in a safe school zone as defined in RSA 193-D:1 without written authorization from the Superintendent or designee shall be expelled from school by the local school board for a period of not less than 12 months.

The LEA assures that it has adopted a policy, which allows the Superintendent or Chief Administrative officer to modify the expulsion requirement on a case by case basis. RSA 193:13, IV.

The LEA assures that it shall report to the NHED in July of each year, a description of the circumstances surrounding any expulsions imposed under RSA 193:13, III and IV including, but not limited to:

- a) The name of the school concerned;
- b) The grade of the student disciplined;
- c) The type of firearm involved;
- d) Whether or not the expulsion was modified, and
- e) If the student was identified as Educationally Disabled.

The LEA assures that it has in effect a policy requiring referral to the criminal justice or juvenile delinquency system of any student who brings a firearm or weapon to school.

Ed 317.03 Standard for Expulsion by Local School Board.

- a) A school board which expels a pupil under RSA 193:13, II or III, shall state in writing its reasons, including the act leading to expulsion, and shall provide a procedure for review as allowed under RSA 193:13, II.
- b) School boards shall make certain that the pupil has received notice of the requirements of RSA 193-D and RSA 193:13 through announced, posted, or printed school rules.
- c) If a student is subject to expulsion and a firearm is involved, the Superintendent shall contact local law enforcement officials whenever there is any doubt concerning:
 - 1) Whether a firearm is legally licensed under RSA 159; or
 - 2) Whether the firearm is lawfully possessed, as opposed to unlawfully possessed, under the legal definitions of RSA 159.
- d) If a pupil brings or possesses a firearm in a safe school zone without written authorization from the Superintendent, the following shall apply:
 - 1) The Superintendent shall suspend the pupil for a period not to exceed 10 days, pending a hearing by the local board; and
 - 2) The school board shall hold a hearing within 10 days to determine whether the student was in violation of RSA 193:13, III and therefore is subject to expulsion.

11. Lobbying

As required by Section 1352, Title 31, of the U.S. Code, and implemented in 34 CFR Part 82, for persons entering into a grant or cooperative agreement over \$100,000, as defined in 34 CFR 82.105 and 82.110, the applicant certifies that:

- a) No federally appropriated funds have been paid or will be paid by or on behalf of the subrecipient to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any federal grant; the entering into of any cooperative agreement; and the extension, continuation, renewal, amendment, or modification of any federal grant or cooperative agreement.
- b) If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with federal grants or cooperative agreements, the subrecipient shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its

instructions.

- c) The subrecipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, contracts under grants, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

New Hampshire RSA 15:5 - Prohibited Activities.

- I. Except as provided in paragraph II, no recipient of a grant or appropriation of state funds may use the state funds to lobby or attempt to influence legislation, participate in political activity, or contribute funds to any entity engaged in these activities.
- II. Any recipient of a grant or appropriation of state funds that wishes to engage in any of the activities prohibited in paragraph I, or contribute funds to any entity engaged in these activities, shall segregate the state funds in such a manner that such funds are physically and financially separate from any non-state funds that may be used for any of these purposes. Mere bookkeeping separation of the state funds from other moneys shall not be sufficient.

12. Subrecipient Monitoring

In addition to reviews of audits conducted in accordance with 2 CFR 200, Subpart F, subrecipient monitoring procedures may include, but not be limited to, on-site or remote visits by NHED staff, limited scope audits, and/or other procedures. By signing this document, the subrecipient agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the NHED. In the event the NHED determines that a limited scope audit of the project recipient is appropriate, the subrecipient agrees to comply with any additional instructions provided by NHED staff to the subrecipient regarding such audit.

13. More Restrictive Conditions

Subrecipients found to be in noncompliance with program and/or fund source requirements or determined to be “high risk” shall be subject to the imposition of more restrictive conditions as determined by the NHED.

14. Obligations by Subrecipients

Obligations will be considered to have been incurred by subrecipients on the basis of documentary evidence of binding commitments for the acquisition of goods or property or for the performance of work, except that funds for personal services, for services performed by public utilities, for travel, and for the rental of facilities shall be considered to have been obligated at the time such services were rendered, such travel was performed, and/or when facilities are used (see 34 CFR 76.707).

15. Personnel Costs – Time Distribution

Charges to federal projects for personnel costs, whether treated as direct or indirect costs, are allowable to the extent that they satisfy the specific requirements of 2 CFR 200.430, and will be based on payrolls documented in accordance with generally accepted practices of the subrecipient and approved by a responsible official(s) of the subrecipient.

When employees work solely on a single federal award or cost objective, charges for their salaries and wages must be supported by personnel activity reports (PARs), which are periodic certifications (at least semi-annually) that the employees worked solely on that program for the period covered by the certification. These certifications must be signed by the employee or a supervisory official having firsthand knowledge

of the work performed by the employee.

When employees work on multiple activities or cost objectives (e.g., more than one federal project, a federal project and a non-federal project, an indirect cost activity and a direct cost activity, two or more indirect activities which are allocated using different allocation bases, or an unallowable activity and a direct or indirect cost activity), the distribution of their salaries or wages will be supported by personnel activity reports or equivalent documents that meet the following standards:

- a) Reflect an after-the-fact distribution of the actual activity of each employee
- b) Account for the total activity for which each employee is compensated
- c) Prepared at least monthly and must coincide with one or more pay period
- d) Signed and dated by the employee

16. Protected Prayer in Public Elementary and Secondary Schools

As required in Section 9524 of the Elementary and Secondary Education Act (ESEA) of 1965, as amended by the No Child Left Behind Act of 2001, LEAs must certify annually that they have no policy that prevents or otherwise denies participation in constitutionally protected prayer in public elementary and secondary schools.

17. Purchasing/Procurement

The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and 2 CFR 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

1. Informal procurement methods
 - a. Micro-purchases
 - b. Small purchases
2. Formal procurement methods
 - a. Sealed bids
 - b. Proposals
3. Noncompetitive procurement

18. Retention and Access to Records

Requirements related to retention and access to project/grant records, are determined by federal rules and regulations. Federal regulation 2 CFR 200.334, addresses the retention requirements for records that applies to all financial and programmatic records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal or Project award. If any litigation, claim, or audit is started before the expiration date of the retention period, the records must be maintained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

Access to records of the subrecipient and the expiration of the right of access is found at 2 CFR 200.337 (a) and (c), which states:

- a) Records of non-Federal entities. The Federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives [including but not limited to the NHED] must have the right of access to any documents, papers, or other records of non-Federal entity which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the non-Federal entity's personnel for the purpose of interview and discussion related to such documents.

- d) Expiration of right of access. The rights of access in this section are not limited to the required retention period but last as long as the records are retained.

19. The Stevens Amendment

All federally funded projects must comply with the Stevens Amendment of the Department of Defense Appropriation Act, found in Section 8136, which provides:

When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with federal money, all grantees receiving federal funds, including but not limited to state and local governments, shall clearly state (1) the percentage of the total cost of the program or project which will be financed with federal money, (2) the dollar amount of federal funds for the project or program, and (3) the percentage and dollar amount of the total costs of the project or program that will be funded by non-governmental sources.

20. Transfer of Disciplinary Records

Title 20 USC 7197 requires that the State have a procedure to assure that a student's disciplinary records, with respect to suspensions and expulsions, are transferred by the project recipient to any public or private elementary or secondary school where the student is required or chooses to enroll. In New Hampshire, that assurance is statutory and found at RSA 193-D:8.

The relevant portions of the federal and state law appear below.

- a) **Disciplinary Records** - In accordance with the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. 1232g), not later than 2 years after the date of enactment of this part, each State receiving Federal funds under this Act shall provide an assurance to the Secretary that the State has a procedure in place to facilitate the transfer of disciplinary records, with respect to a suspension or expulsion, by local educational agencies to any private or public elementary school or secondary school for any student who is enrolled or seeks, intends, or is instructed to enroll, on a full- or part-time basis, in the school.
- b) **193-D:8 Transfer Records; Notice** – All elementary and secondary educational institutions, including academies, private schools, and public schools, shall upon request of the parent, pupil, or former pupil, furnish a complete school record for the pupil transferring into a new school system. Such record shall include, but not be limited to, records relating to any incidents involving suspension or expulsion, or delinquent or criminal acts, or any incident reports in which the pupil was charged with any act of theft, destruction, or violence in a safe school zone.

C. Definitions (2 CFR 200.1)

- 1) **Audit finding** - *Audit finding* means deficiencies which the auditor is required by 2 CFR 200.516 (a) to report in the schedule of findings and questioned costs.
- 2) **Management decision** - *Management decision* means the Federal awarding agency's or pass-through entity's written determination, provided to the auditee, of the adequacy of the auditee's proposed corrective actions to address the findings, based on its evaluation of the audit findings and proposed corrective actions.
- 3) **Pass-through entity** - *Pass-through entity (PTE)* means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

- 4) **Period of performance** - *Period of performance* means the total estimate time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods. Identification of the Period of Performance in the Federal award per 2 CFR 200.211(b)(5) does not commit the awarding agency to fund the award beyond the currently approved budget period.
- 5) **Subaward** - *Subaward* means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.
- 6) **Subrecipient** - *Subrecipient* mean an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

CERTIFICATION

Instructions: The Superintendent, or other Qualifying Administrator, if the School District or School Administrative Unit (SAU) does not have a Superintendent, (*See* RSA 194-C:5, II) **must** consult with the School Board for the School District/SAU by informing said School Board about the District's/SAU's participation in Federal Programs and the terms and conditions of the General Assurances, Requirements and Definitions for Participation in Federal Programs. The Superintendent or other Qualifying Administrator and the Chair of the School Board **must** sign this certification page (and initial the remaining pages) as described below and return it to the NHED. **No payment for project/grant awards will be made by the NHED without a fully executed copy of this General Assurances, Requirements and Definitions for Participation in Federal Programs on file.** For further information, contact the NHED Bureau of Federal Compliance at federalcompliance@doe.nh.gov

Superintendent or other Qualifying Administrator Certification:

We the undersigned acknowledge that [a] person is guilty of a violation of R.S.A. § 641:3 if [h]e or she makes a written or electronic false statement which he or she does not believe to be true, on or pursuant to a form bearing a notification authorized by law to the effect that false statements made therein are punishable; or (b) With a purpose to deceive a public servant in the performance of his or her official function, he or she: (1) Makes any written or electronic false statement which he or she does not believe to be true; or (2) Knowingly creates a false impression in a written application for any pecuniary or other benefit by omitting information necessary to prevent statements therein from being misleading; or (3) Submits or invites reliance on any writing which he or she knows to be lacking in authenticity; or (4) Submits or invites reliance on any sample, specimen, map, boundary mark, or other object which he or she knows to be false.

Accordingly, I, the undersigned official legally authorized to bind the named School District/SAU hereby apply for participation in federally funded education programs on behalf of the School District/SAU named below. I certify, to the best of my knowledge, that the below School District/SAU will adhere to and comply with these General Assurances, Requirements and Definitions for Participation in Federal Programs (pages 1 through 17 inclusive). I further certify, as is evidenced by the Minutes of the School Board Meeting held on _____, _____, that I have informed the members of the School Board of the federal funds the District/SAU will be receiving and of these General Assurances, Requirements and Definitions for the Participation in Federal Programs for the District's/SAU's participation in said programs.

SAU Number: _____ District or SAU Name: _____

District UEI : _____ UEI(Sam.gov) Expiration: _____

Typed Name of Superintendent
or other Qualifying Administrator

Signature

Date

School Board Certification:

I, the undersigned official representing the School Board, acknowledge that the Superintendent, or other Qualifying Administrator, as identified above, has consulted with all members of the School Board, in furtherance of the School Board’s obligations, including those enumerated in RSA 189:1-a, and pursuant to the School Board’s oversight of federal funds the District will be receiving and of the General Assurances, Requirements and Definitions for Participation in Federal Programs in said programs.

Typed Name of School Board
Chair (on behalf of the School Board)

Signature

Date

Please email a fully executed copy of the entire document to:

**New Hampshire Department of Education
Bureau of Federal Compliance
25 Hall Street
Concord, NH 03301
federalcompliance@doe.nh.gov**

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

REPORT ACCEPTANCE

DRAFT FINANCIAL STATEMENTS ACCEPTANCE AND MANAGEMENT REPRESENTATION LETTER

Enclosed please find the following:

1. The "DRAFT FINANCIAL STATEMENTS" for management (identified in our engagement letter as the top financial official) review and due diligence procedures, approval and acceptance of the nonattest service we provided as per our engagement letter. You must review the draft of your financial statements and note disclosures and (1) agree them to your final adjusted financial records and systems; (2) including the narrative and financial amounts in the note disclosures; or if applicable, (3) contact us with any comments, questions, corrections, changes, edits, etc. that you might have. We have provided you with a standard reporting checklists to assist you in taking this responsibility and we will answer any questions that you might have.
2. The "MANAGEMENT REPRESENTATION LETTER" is required to be reviewed, signed and returned to our office prior to our issuance of the final audit report in bound or electronic format. The signing of the management representation letter indicates, among various other significant matters and representations stated therein, that you have read, understand and accept the preparation responsibility for the "FINANCIAL STATEMENTS." The date of the management representation letter is proximate to the auditor's report date and the date of the Legal Representation Letter.

If you have any questions, please contact us at your convenience. Thank you.

CONFIDENTIALITY WARNING

This memorandum contains confidential and privileged client or personal information. If the receiver of this memorandum is not the intended recipient, you are hereby notified that any use or dissemination, distribution or copy of this memorandum is strictly prohibited. If you have received this memorandum in error by email, fax, USPS or other please contact our office immediately and we will reimburse you for your phone charge and arrange to receive this memorandum and any attachments.

Eaton School District

School Board
176A Main Street
Conway, New Hampshire 03818

MANAGEMENT REPRESENTATIONS

March 27, 2023

Roberge and Company, P.C.
Certified Public Accountants
PO Box 129
Franklin, New Hampshire 03235

This representation letter is provided in connection with your audit of the financial statements of the Eaton School District, which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of June 30, 2022, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of February 11, 2022, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 30, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.

- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - i) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - ii) Additional information that you have requested from us for the purpose of the audit.
 - iii) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - iv) Minutes of the meetings of the Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - i) Management,
 - ii) Employees who have significant roles in internal control, or
 - iii) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 18) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government - Specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting activities in separate funds.
- 23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance

- 24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) *As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possess suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.*
- 28) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 31) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
- 32) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 34) Investments, derivative instruments, and land and other real estate held by


endowments are properly valued.

- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 41) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 42) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 43) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 44) With respect to the combining nonmajor fund financial statements, if any:

We acknowledge our responsibility for presenting the combining nonmajor fund financial statements in accordance with accounting principles generally accepted in the United States of America, and we believe the combining nonmajor fund financial statements, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the combining nonmajor fund financial statements have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

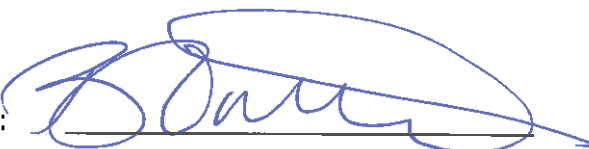
To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

MANAGEMENT SIGNATURES:

By: 

Title: Superintendent of Schools

Date: 4/13/23

By: 

Title: Budget and Finance Director

Date: 4/13/23

GOVERNANCE SIGNATURE:

By: _____

Title: Chair of the School Board

Date: _____

EATON SCHOOL DISTRICT

Eaton, New Hampshire

FINANCIAL STATEMENTS

June 30, 2022

and

Independent Auditor's Report

EATON SCHOOL DISTRICT

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June 30, 2022**

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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

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

INDEPENDENT AUDITOR'S REPORT

To the School Board
Eaton School District
Eaton, New Hampshire

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Eaton 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 each major fund of the Eaton 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 Eaton 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 Eaton 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 Eaton 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 Eaton 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 & COMPANY, P.C.

Franklin, New Hampshire
March 27, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Eaton School District
Year Ended June 30, 2022

The Superintendent of Schools and the Accountant, as "management" of the Eaton 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 decreased by \$26,207 or 9% between June 30, 2021, and 2022.
- The District's total combined net position amounted to \$281,986 as of June 30, 2022. Net position consisted of \$79,641 net investment in capital assets and an unrestricted balance of \$202,345.
- The District has no long-term liabilities.
- During the year, the District's expenses were \$26,207 more than the \$891,102 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, total budgetary basis fund balance of the general fund was \$202,345, \$173,423 was committed for capital reserves and \$28,922 was unassigned fund balance.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Eaton School District
Year Ended June 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS

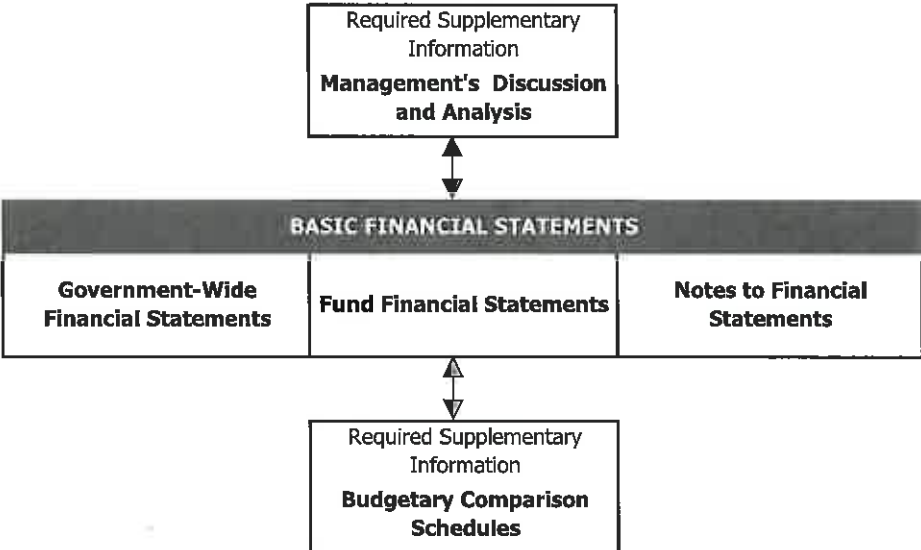
This discussion and analysis is intended to serve as an introduction to the District’s annual report, which consists of a series of basic financial statements, notes and related financial or compliance information. The District’s financial statements are comprised of five primary sections or components: (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 Eaton School District does not have any long-term 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.

Exhibit A-1



MANAGEMENT'S DISCUSSION AND ANALYSIS

Eaton 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
SCOPE	Entire government (except fiduciary funds)	All activities of the District that are not proprietary or fiduciary
REQUIRED FINANCIAL STATEMENTS	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances
ACCOUNTING BASIS	Accrual	Modified Accrual
MEASUREMENT FOCUS	Economic Resources	Current Financial Resources
TYPE OF INFORMATION ASSETS AND DEFERRED OUTFLOWS, AND LIABILITIES AND DEFERRED INFLOWS	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
TYPE OF INFORMATION REVENUES, EXPENSES, AND EXPENDITURES	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

Eaton 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

Eaton 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 decreased between June 30, 2021, and 2022 by \$26,207 or 9% to \$281,986.

Exhibit B-1 NET POSITION

	Governmental Activities		
	2021	2022	Change
Assets			
Current and other assets	\$ 312,714	\$ 316,137	\$ 3,423
Noncurrent assets	-	-	-
Total assets	312,714	316,137	3,423
Liabilities			
Current liabilities	4,521	9,151	4,630
Noncurrent liabilities	-	-	-
Total liabilities	4,521	9,151	4,630
Deferred Inflows of Resources			
Deferred inflows of resources	-	25,000	25,000
Total deferred inflows of resources	-	25,000	25,000
Net Position			
Net investment in capital assets	-	79,641	79,641
Unrestricted	308,193	202,345	(105,848)
Total net position	\$ 308,193	\$ 281,986	\$ (26,207)

A portion of the net position is either invested in capital assets or restricted as to the purposes they can be used for.

- The District owns school buses.
- The District does not have any long-term debt.

The unrestricted net position is \$202,345.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Eaton School District
Year Ended June 30, 2022

Change in Net Position

The District's total revenues were \$891,102 while total expenses were \$917,309, resulting in a decrease in net position of \$26,207.

Exhibit B-2 shows that a significant portion, 76.39%, of the District's total revenues came from the school district assessment, 23.20% from State of New Hampshire source intergovernmental revenues, and 0.39% came from local sources. Operating grants and contributions accounted for 0.02% of total revenue.

Exhibit B-2 SOURCES OF DISTRICT REVENUES

	Governmental Activities		% of Total	Change
	2021	2022		
Program Revenues				
Operating grants and contributions	5,472	184	0.02%	(5,288)
General Revenues				
School district assessment	613,101	680,685	76.39%	67,584
Local sources	1,503	3,479	0.39%	1,976
State of New Hampshire sources	227,961	206,754	23.20%	(21,207)
	<u>\$ 848,037</u>	<u>\$ 891,102</u>	<u>100.00%</u>	<u>\$ 43,065</u>

Exhibit B-3 shows that 88.26% of the District's total expenses were for instruction and 10.77% were for support services.

Exhibit B-3 DISTRICT EXPENSES

Functions / Programs	Governmental Activities		Change
	2021	2022	
Instruction	734,572	809,653	75,081
Support services	85,325	98,807	13,482
Unallocated			
Depreciation	7,880	8,849	969
	<u>827,777</u>	<u>917,309</u>	<u>89,532</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Eaton 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	\$ 734,572	\$ 729,100	\$ 809,653	\$ 809,469
Support services	85,325	85,325	98,807	98,807
Unallocated				
Depreciation	7,880	7,880	8,849	8,849
	<u>\$ 827,777</u>	<u>\$ 822,305</u>	<u>\$ 917,309</u>	<u>\$ 917,125</u>

The total cost of all governmental activities this year was \$917,309; the total net cost was \$917,125. 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 \$887,439, which consisted of \$680,685 paid in the form of local property taxes, and \$206,754 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 in the amount of \$399 and other local sources in the amount of \$3,080.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Eaton 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 decreased \$105,848 during the year from \$308,193 as of June 30, 2021, to \$202,345 as of June 30, 2022. The June 30, 2022, fund balance consisted of \$173,423 committed for capital reserves, and an unassigned fund balance in the amount of \$28,922. 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

Eaton 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 more than the budgetary revenue estimates by a variance of \$13,885.
- Actual total outflows (expenditures or charges to appropriations) were less than the budgeted appropriation by \$15,037.
- 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

Eaton School District
Year Ended June 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2022, the District had invested \$79,641 (\$167,281 at cost or estimated cost less accumulated depreciation of \$87,640) in vehicles as summarized in Exhibit C-1.

This amount represents a 100.00% increase over the prior year. This year's major changes are also summarized in Exhibit C-1.

Exhibit C-1 NET CAPITAL ASSETS AND MAJOR ADDITIONS

Net Capital Assets	Governmental Activities		
	2021	2022	Change
Vehicles	\$ 78,791	\$ 167,281	112.31%
Capital assets, at cost	78,791	167,281	112.31%
Accumulated depreciation	78,791	87,640	11.23%
Capital assets, net	\$ -	\$ 79,641	100.00%
Increase (Decrease) in Capital Assets, Net		\$ 79,641	
Changes			
Vehicles		\$ 88,490	
Depreciation expense		(8,849)	
		\$ 79,641	

More detailed information about the District's capital assets is presented in the notes to the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Eaton School District
Year Ended June 30, 2022

Debt

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

State law (RSA 33:4-a) limits the amount of general obligation debt that the District may incur at any one time to 7% 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 general obligation 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 2022-2023 budget to the District voters.

All students in Eaton are sent to Conway School District under the tuition agreements that were approved by voters in 2003 for middle school and high school students, and 2006 for elementary students.

The budget, as proposed (excluding separate and special articles), reflects a decrease of \$89,296 (9.78%). Regular education tuition decreased \$85,084, and special education expenses decreased while transportation expenses increased.

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 SAU #9 Finance Office at 603-447-8368.

BASIC FINANCIAL STATEMENTS

EATON SCHOOL DISTRICT**Statement of Net Position
June 30, 2022**

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 63,073
Receivables, net	173,423
Capital assets:	
Other capital assets, net of accumulated depreciation	<u>79,641</u>
Total assets	<u>316,137</u>
LIABILITIES	
Accounts payable	<u>9,151</u>
Total liabilities	<u>9,151</u>
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	<u>25,000</u>
Total deferred inflows of resources	<u>25,000</u>
NET POSITION	
Net investment in capital assets	79,641
Unrestricted	<u>202,345</u>
Total net position	<u>\$ 281,986</u>

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

EATON SCHOOL DISTRICT**Statement of Activities
Year Ended June 30, 2022**

Functions / Programs	<u>Program Revenues</u>		Net (Expense)
	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	Revenue and
			Changes in Net Position
			Primary Governmental Activities
Governmental activities:			
Instruction			
Regular instruction	\$ 784,980	\$ -	\$ (784,980)
Special education instruction	24,673	184	(24,489)
Support services			
Student support services	5,825	-	(5,825)
General administration	6,077	-	(6,077)
Executive administration	27,070	-	(27,070)
Student transportation	59,835	-	(59,835)
Depreciation (unallocated)	8,849	-	(8,849)
Total governmental activities	<u>917,309</u>	<u>184</u>	<u>(917,125)</u>
General revenues:			
School district assessment			\$ 680,685
Local sources			3,080
State of New Hampshire source			206,754
Investment income			<u>399</u>
Total general revenues			<u>890,918</u>
Change in net position			(26,207)
Net position, beginning			<u>308,193</u>
Net position, ending			<u>\$ 281,986</u>

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

EATON SCHOOL DISTRICT**Balance Sheet
Governmental Funds
June 30, 2022**

	<u>General Fund</u>	<u>Total Governmental Funds</u>
Assets		
Cash and cash equivalents	\$ 63,073	\$ 63,073
Held by trustees	<u>173,423</u>	<u>173,423</u>
Total assets	<u>\$ 236,496</u>	<u>\$ 236,496</u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Accounts payable	\$ 9,151	\$ 9,151
Total liabilities	<u>9,151</u>	<u>9,151</u>
Deferred Inflows of Resources:		
Unearned revenue	<u>25,000</u>	<u>25,000</u>
Total deferred inflows of resources	<u>25,000</u>	<u>25,000</u>
Fund balances:		
Committed	173,423	173,423
Unassigned	<u>28,922</u>	<u>28,922</u>
Total fund balance	<u>202,345</u>	<u>202,345</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 236,496</u>	<u>\$ 236,496</u>

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

EATON SCHOOL DISTRICT

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

Total Fund Balances - Governmental Funds	\$	202,345
---	----	---------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in the governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Cost	\$	167,281	
Less accumulated depreciation		<u>(87,640)</u>	<u>79,641</u>

Total Net Position - Governmental Activities	\$	<u>281,986</u>
---	----	----------------

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

EATON 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>
Revenues		
School district assessment	\$ 680,685	\$ 680,685
Local sources	3,080	3,080
State of New Hampshire sources	206,754	206,754
Federal sources	184	184
Investment income	399	399
Total revenues	<u>891,102</u>	<u>891,102</u>
Expenditures		
Current:		
Instruction	809,653	809,653
Support services	5,797	5,797
General administration	6,077	6,077
Executive administration	<u>175,423</u>	<u>175,423</u>
Total expenditures	<u>996,950</u>	<u>996,950</u>
Revenues over (under) expenditures	(105,848)	(105,848)
Fund balance, beginning	<u>308,193</u>	<u>308,193</u>
Fund balance, ending	<u>\$ 202,345</u>	<u>\$ 202,345</u>

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

EATON 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**

Total Net Change in Fund Balances - Governmental Funds \$ (105,848)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlays	\$	88,490	
Depreciation expense		<u>(8,849)</u>	<u>79,641</u>

Change in Net Position of Governmental Activities \$ (26,207)

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

NOTES TO BASIC FINANCIAL STATEMENTS

EATON SCHOOL DISTRICT

Notes to Basic Financial Statements
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Eaton 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.

EATON SCHOOL DISTRICT**Notes to Basic Financial Statements
June 30, 2022****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.

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 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.

EATON SCHOOL DISTRICT**Notes to Basic Financial Statements
June 30, 2022****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 are 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.

E. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY**Cash and Cash Equivalents**

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.

EATON SCHOOL DISTRICT**Notes to Basic Financial Statements
June 30, 2022****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 owned school buses.

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 tuitioned all of its students to other Districts.

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 liabilities.

Governmental Fund Equity and Fund Balance Policy

The district classifies its fund balance as follows:

Nonspendable – Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – Includes amounts that can be spent only for the specific purposes stipulated by; externally imposed grantors, contributors, or laws or regulations of other governments, imposed by law through enabling legislation which assesses or charges external resource providers.

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

Assigned – Includes amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The School Board delegates to the Superintendent of Schools the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

Unassigned – Includes the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

EATON SCHOOL DISTRICT**Notes to Basic Financial Statements
June 30, 2022****NOTE 1 – (CONTINUED)**

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-bII. 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.

EATON SCHOOL DISTRICT

**Notes to Basic Financial Statements
June 30, 2022****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% 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 participates in the Property/Liability and Workers' Compensation programs of the New Hampshire Public Risk Management Exchange (Primex). Primex is a pooled risk management program under RSA 5-B and RSA 281-A. The member participation agreement permits Primex to make additional assessments to members, should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution.

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.

EATON SCHOOL DISTRICT**Notes to Basic Financial Statements
June 30, 2022****NOTE 3 - DEPOSITS**

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

Statement of net position:	
Cash and investments	\$ 63,073
	<u>\$ 63,073</u>

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

Deposits with financial institutions	\$ 63,073
	<u>\$ 63,073</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, the District's entire bank balance of \$63,251 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.

EATON SCHOOL DISTRICT

Notes to Basic Financial Statements
June 30, 2022
NOTE 4 - INTERGOVERNMENTAL RECEIVABLES AND PAYABLES**Intergovernmental Receivables**

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

	General Fund
Local Governments	
Amounts held by Trustees of Trust Funds	\$ 173,423
	<u>\$ 173,423</u>

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

Intergovernmental Payables

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

EATON SCHOOL DISTRICT**Notes to Basic Financial Statements
June 30, 2022****NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the District for the year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental Activities (at cost)				
Capital assets being depreciated:				
Vehicles	\$ 78,791	\$ 88,490	\$ -	\$ 167,281
	<u>78,791</u>	<u>88,490</u>	<u>-</u>	<u>167,281</u>
Less accumulated depreciation:				
Vehicles	78,791	8,849	-	87,640
Accumulated depreciation	<u>78,791</u>	<u>8,849</u>	<u>-</u>	<u>87,640</u>
Capital assets being depreciated, net	<u>-</u>	<u>79,641</u>	<u>-</u>	<u>79,641</u>
Governmental activities capital assets, Net of accumulated depreciation	<u>\$ -</u>	<u>\$ 79,641</u>	<u>\$ -</u>	<u>\$ 79,641</u>
Depreciation expense for the year ended June 30, 2022 (unallocated)				<u>\$ 8,849</u>

EATON 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	
	%	Amount
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.

EATON 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 Fund</u>	<u>Total Governmental Funds</u>
Nonspendable:	\$ -	\$ -
Restricted:	-	-
Committed:		
Capital reserves	173,423	173,423
Designated by district meeting	-	-
Assigned:	-	-
Unassigned:	28,922	28,922
	<u>\$ 202,345</u>	<u>\$ 202,345</u>

EATON SCHOOL DISTRICT**Notes to Basic Financial Statements
June 30, 2022****NOTE 8-TUITION AGREEMENTS WITH CONWAY SCHOOL DISTRICT**

The Eaton School District has entered into tuition agreements to send its' students to the Conway School District as follows:

Grades K-6 - Eaton shall send 100% of its pupils, grades K through 6, with exceptions, to Conway for schooling, and Eaton School District shall be responsible for the transportation methods and expenses in connection with such attendance. The agreement commenced on July 1, 2006 and shall continue for a minimum term of twenty (20) school years. Eaton will be responsible for Student Charges, Capital Improvements and Facilities Maintenance Funding computed as follows: Student charges will be a fixed amount as determined in the agreement and will be allocated based on 35% of the town's equalized value and 65% of the town's average daily membership in attendance at the elementary schools (K-6). Each year an adjustment will be made to the total student charges reflecting the actual increase or decrease of costs over the past year; Capital improvement charges consist of its share of the principal and interest of current fiscal year cost of said long-term debt less appropriate school building aid allocated based on the town's equalized value as a percentage of the total equalized value of all towns; a Facilities maintenance fund will be established and held by the Conway School District and will be funded by each district which shall pay its share of 3% of the actual construction cost divided by 20 and will be allocated based on the town's equalized value as a percentage of the total equalized value of all towns.

Grades 7-8 - Eaton shall send at least ninety percent (90%) of its pupils, grades 7 through 8, with exceptions, to Conway for schooling, and Eaton School District shall be responsible for the transportation methods and expenses in connection with such attendance. The agreement commenced on July 1, 2006 and shall continue for a minimum term of twenty (20) school years. Eaton will be responsible for Student Charges, Capital Improvements and Facilities Maintenance Funding computed as follows: Student charges will be a fixed amount as determined in the agreement and will be allocated based on 35% of the town's equalized value and 65% of the town's average daily membership in attendance at the junior high school. Each year an adjustment will be made to the total student charges reflecting the actual increase or decrease of costs over the past year; Capital improvement charges consist of its share of the principal and interest of current fiscal year cost of said long-term debt less appropriate school building aid allocated based on the town's equalized value as a percentage of the total equalized value of all towns; a Facilities maintenance fund will be established and held by the Conway School District and will be funded by each district which shall pay its share of 3% of the actual construction cost divided by 20 and will be allocated based on the town's equalized value as a percentage of the total equalized value of all towns.

Grades 9-12 - Eaton shall send at least ninety percent (90%) of its pupils, grades 9 through 12, with exceptions, to Conway for schooling, and Eaton School District shall be responsible for the transportation methods and expenses in connection with such attendance. The agreement commenced on July 1, 2006 and shall continue for a minimum term of twenty (20) school years. Eaton will be responsible for Student Charges, Capital Improvements and Facilities Maintenance Funding computed as follows: Student charges will be a fixed amount as determined in the agreement and will be allocated based on 35% of the town's equalized value and 65% of the town's average daily membership in attendance at the high school; Capital improvement charges consist of its share of the principal and interest of current fiscal year cost of said long-term debt less appropriate school building aid allocated based on the town's equalized value as a percentage of the total equalized value of all towns; a Facilities maintenance fund will be established and held by the Conway School District and will be funded by each district which shall pay its share of 3% of the actual construction cost divided by 20 and will be allocated based on the town's equalized value as a percentage of the total equalized value of all towns.

REQUIRED SUPPLEMENTARY INFORMATION

EATON SCHOOL DISTRICT**Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance
Budgetary Fund Balance - Beginning	\$ 98,448	\$ 98,448	\$ 46,029	\$ (52,419)
Resources (inflows):				
School district assessment				
Local school tax	680,685	680,685	680,685	-
Local sources				
Earnings on investments	100	100	201	101
Other			3,080	3,080
State of New Hampshire sources				
State education tax	206,754	206,754	206,754	-
Federal sources				
Medicaid distribution	-	-	184	184
Transfers in				
Received from capital reserves	99,000	99,000	161,939	62,939
Amounts available for appropriation	<u>1,084,987</u>	<u>1,084,987</u>	<u>1,098,872</u>	<u>13,885</u>
Charges to appropriations (outflows):				
Instruction				
Regular instruction	784,980	784,980	784,980	-
Special education instruction	16,500	16,500	24,673	(8,173)
Support services				
Student support services	4,520	4,520	5,797	(1,277)
General administration				
School board contingency	3,000	3,000	-	3,000
School board	7,152	7,152	6,077	1,075
Executive administration				
SAU management services	27,070	27,070	27,070	-
Student transportation	168,565	168,565	148,325	20,240
Support services	200	200	28	172
Transfers out				
Transfer to capital reserve	73,000	73,000	73,000	-
Total charges to appropriations	<u>1,084,987</u>	<u>1,084,987</u>	<u>1,069,950</u>	<u>15,037</u>
Budgetary Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,922</u>	<u>\$ 28,922</u>

See the accompanying notes to the required supplementary information.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

EATON SCHOOL DISTRICT

Notes to Required Supplementary Information
June 30, 2022

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.

EATON 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>
Sources / Inflows of Resources:	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 1,098,872
Differences - Budget to GAAP:	
Budgetary inflows that are not revenues for financial reporting purposes	
Beginning unreserved fund (balance) deficit	(46,029)
Budgetary capital reserve transfers	(161,939)
Financial reporting revenues that are not inflows for budgetary purposes	
Earnings on capital reserve investments	<u>198</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 891,102</u>
Uses / Outflows of Resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,069,950
Differences - Budget to GAAP:	
Budgetary outflows that are not expenditures for financial reporting purposes	
Budgetary capital reserve transfers	<u>(73,000)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 996,950</u>