

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT**

**BASIC FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2020**



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## INDEPENDENT AUDITORS' REPORT

Honorable School Committee  
Whitman-Hanson Regional School District

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Whitman-Hanson Regional School District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (located on pages 3 through 8), general fund budgetary comparison and certain pension and other postemployment benefits information, and the related notes to the required supplementary information (located on pages 49 through 55) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Boston, Massachusetts  
February 18, 2021

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

As management of the Whitman-Hanson Regional School District (the District) we offer readers of these financial statements this narrative overview and analysis of the District's financial activities for the fiscal year ended June 30, 2020.

**FINANCIAL HIGHLIGHTS**

- The liabilities and deferred inflows of resources of the District exceeded the assets and deferred outflows of resources at the close of the most recent fiscal year by \$53,448,150 (Net Position).
- The District's total net position decreased by \$5,117,236.
- At the end of the fiscal year, unassigned fund balance for the general fund totaled \$698,151, or 1.1% of total general fund revenues and other financing sources.
- The District redeemed \$615,000 of long-term debt during the fiscal year.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the *basic financial statements*, which consists of the following three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

This report also contains required supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The **statement of net position** presents information on all of the District's nonfiduciary assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The **statement of activities** presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., state school construction reimbursement revenue).

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

Both of the government-wide financial statements report the functions of the District that are principally supported by member town assessments and intergovernmental revenues (*governmental activities*). Governmental activities include all of the District's basic services, such as instruction and support services.

The government-wide financial statements can be found on pages 9-10 of this report.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other school districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into the following categories and are described below:

1. Governmental funds
2. Fiduciary funds

**Governmental Funds**

Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains many individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general, Hanson Middle HVAC, and Circuit Breaker funds, each of which is considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation titled *nonmajor governmental funds*.

The basic governmental funds financial statements can be found on pages 11-14 of this report.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's programs. The accounting used for fiduciary funds is similar to that used for the government-wide financial statements.

The other postemployment benefits (OPEB) trust fund, private-purpose trust funds, and agency funds are reported in the fiduciary funds financial statements.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**Fiduciary Funds (Continued)**

The basic fiduciary funds financial statements can be found on pages 15-16 of this report.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-48 of this report.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Presented in this information is the budget comparison for the general fund and certain pension and other postemployment benefits information, which can be located on pages 49-55 of this report.

**Government-Wide Financial Statement**

The following tables present current and prior year data on the government-wide financial statements.

**Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$53,448,150 at the close of the fiscal year and are summarized as follows:

	Governmental Activities	
	2020	2019
<b>Assets</b>		
Current Assets	\$ 3,907,128	\$ 2,580,001
Capital Assets, Net	58,611,493	60,808,743
Total Assets	62,518,621	63,388,744
<b>Deferred Outflows of Resources</b>	14,946,302	16,912,089
<b>Liabilities</b>		
Current Liabilities, Excluding Debt	855,258	984,434
Noncurrent Liabilities, Excluding Debt	115,905,045	110,770,053
Current Debt	1,936,637	1,391,137
Noncurrent Debt	3,741,817	4,387,952
Total Liabilities	122,438,757	117,533,576
<b>Deferred Inflows of Resources</b>	8,474,316	11,098,171
<b>Net Position</b>		
Net Investment in Capital Assets	53,061,657	54,783,359
Restricted	1,619,170	517,283
Unrestricted	(108,128,977)	(103,631,556)
Total Net Position	\$ (53,448,150)	\$ (48,330,914)



**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

A significant portion of the District's net position reflects its net investment in capital assets (e.g., land improvements, construction in progress, building and improvements, machinery and equipment, vehicles, library and text books, and software). These capital assets are used to provide services to students; consequently, these assets are not available for future spending. Although the investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used.

At year-end, the District reports an unrestricted net deficit of \$108,128,977. Such resources have been consumed with the recognition of the net OPEB and pension liabilities.

**Changes in Net Position**

For the fiscal year ended June 30, 2020, the District's total net position decreased by \$5,117,236, compared to a decrease of \$5,562,136 in the prior fiscal year. These amounts are summarized as follows:

	Governmental Activities	
	2020	2019
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 1,879,644	\$ 2,097,349
Operating Grants and Contributions	14,206,041	12,033,049
Capital Grants and Contributions	394,726	1,317,803
General Revenues:		
Member Town Assessments	25,346,930	23,582,367
Intergovernmental	25,993,367	25,835,234
Unrestricted Investment Income	75,488	107,540
Loss on Disposal of Capital Assets	(120,233)	-
Total Revenues	67,775,963	64,973,342
<b>Expenses</b>		
General Administration	1,821,931	2,093,201
Instructional Services	56,088,348	53,090,730
Other School Services	5,467,415	6,152,764
Operating Maintenance Buildings	4,763,738	4,742,395
Programs with Other Schools	4,621,012	4,299,377
Debt Service - Interest	130,755	157,011
Total Expenses	72,893,199	70,535,478
Change in Net Position	(5,117,236)	(5,562,136)
Net Position - Beginning of Year	(48,330,914)	(42,768,778)
Net Position - End of Year	\$ (53,448,150)	\$ (48,330,914)

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**Fund Financial Statement Analysis**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements.

At the end of the current fiscal year, the governmental funds reported combined ending fund balances totaling \$1,951,755, an increase of \$909,028 in comparison with the prior year. Approximately \$557,139 represents unassigned fund balance deficit. The remainder of fund balance includes the following constraints:

- Restricted: \$1,620,275
- Committed: \$350,000
- Assigned: \$538,619

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund totaled \$698,151, while total fund balance was \$1,586,770. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund revenues and other financing sources. Unassigned fund balance represents 1.1% of total general fund revenues and other financing sources, while total fund balance represents 2.5% of that same amount.

The fund balance of the District's general fund increased by \$404,676 during the current fiscal year. The District anticipated utilizing approximately \$561,000 of reserves in fiscal year 2020; however, the District ultimately recognized an approximate \$443,000 budgetary surplus.

Financial highlights of the District's other major governmental funds are as follows:

The fund balance of the Circuit Breaker fund increased by \$985,644 during the current fiscal year. The fund incurred \$4,725 of expenditures and provided \$193,604 of transfers to the general fund.

The fund balance of the Hanson Middle HVAC fund decreased by \$673,243 during the current fiscal year. The fund incurred \$673,243 of capital expenditures.

**General Fund Budgetary Highlights**

The original general fund budget was \$52,373,023 and \$15,390 of appropriations were carried over from the prior year. The budget was increased by \$52,715 during the fiscal year for supplemental appropriations.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The District's investment in capital assets at the end of the fiscal year totaled \$58,611,493 (net of accumulated depreciation). This investment in capital assets includes land improvements, construction in progress, building and improvements, machinery and equipment, vehicles, library and text books, and software. The total decrease in the investment in capital assets for the current fiscal year totaled \$2,197,250 or 3.6%.

The major capital asset event that occurred during the current fiscal year involved building improvements totaling approximately \$1,033,000.

The following table summarizes the District's capital assets (net of accumulated depreciation):

	Governmental Activities	
	2020	2019
Land Improvements	\$ 154,570	\$ 154,570
Construction in Progress	-	324,045
Building and Improvements	57,189,815	58,720,602
Machinery and Equipment	892,345	1,015,667
Vehicles	7,882	23,275
Library and Text Books	334,092	515,937
Software	32,789	54,647
Total Capital Assets	<u>\$ 58,611,493</u>	<u>\$ 60,808,743</u>

Additional information on the District's capital assets can be found in Note 5 of this report.

**Long-Term Debt**

At the end of the current fiscal year, total bonded general obligation debt outstanding was \$4,170,000, which is backed by the full faith and credit of the District. The District's total bonded debt consists entirely of general obligation bonds. The District's total bonded debt decreased by \$615,000 during the fiscal year.

The District maintains an AA rating with Standard & Poor's Financial Services, LLC.

Additional information on the District's long-term debt can be found in Note 9 of this report.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Business Services, 610 Franklin Street, Whitman, Massachusetts 02382.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	Governmental Activities
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 2,176,811
Restricted Cash and Cash Equivalents	1,697,310
Receivables, Net of Allowance for Uncollectible Amounts:	
Departmental and Other	33,007
Total Current Assets	3,907,128
Noncurrent Assets:	
Capital Assets Not Being Depreciated	154,570
Capital Assets, Net of Accumulated Depreciation	58,456,923
Total Noncurrent Assets	58,611,493
Total Assets	62,518,621
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to OPEB	13,433,124
Related to Pension	1,513,178
Total Deferred Outflows of Resources	14,946,302
<b>LIABILITIES</b>	
Current Liabilities:	
Warrants Payable	127,083
Other Liabilities	504,783
Accrued Interest	72,724
Compensated Absences	150,668
Short-Term Notes Payable	1,290,500
Bonds Payable, Current Portion	646,137
Total Current Liabilities	2,791,895
Noncurrent Liabilities:	
Compensated Absences	1,356,016
Net OPEB Liability	103,348,395
Net Pension Liability	11,200,634
Bonds Payable	3,741,817
Total Noncurrent Liabilities	119,646,862
Total Liabilities	122,438,757
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to OPEB	8,110,764
Related to Pension	363,552
Total Deferred Inflows of Resources	8,474,316
<b>NET POSITION</b>	
Net Investment in Capital Assets	53,061,657
Restricted for:	
Circuit Breaker	986,336
Other Specific Purposes	632,834
Unrestricted	(108,128,977)
Total Net Position	\$ (53,448,150)

See accompanying Notes to Financial Statements.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
Governmental Activities:					
General Administration	\$ 1,821,931	\$ -	\$ -	\$ -	\$ (1,821,931)
Instructional Services	56,088,348	752,261	13,851,166	-	(41,484,921)
Other School Services	5,467,415	1,043,012	354,875	-	(4,069,528)
Operations and Maintenance of Facilities	4,763,738	84,371	-	394,726	(4,284,641)
Programs with Other Schools	4,621,012	-	-	-	(4,621,012)
Debt Service - Interest	130,755	-	-	-	(130,755)
<b>Total Governmental Activities</b>	<b>\$ 72,893,199</b>	<b>\$ 1,879,644</b>	<b>\$ 14,206,041</b>	<b>\$ 394,726</b>	<b>(56,412,788)</b>
<b>General Revenues:</b>					
Member Town Assessments					25,346,930
Intergovernmental					25,993,367
Unrestricted Investment Income					75,488
Loss on Disposal of Capital Assets					(120,233)
Total General Revenues					<u>51,295,552</u>
Change in Net Position					(5,117,236)
Net Position - Beginning of Year					<u>(48,330,914)</u>
Net Position - End of Year					<u>\$ (53,448,150)</u>

See accompanying Notes to Financial Statements.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
GOVERNMENTAL FUNDS – BALANCE SHEET  
JUNE 30, 2020**

	General	Circuit Breaker	Hanson Middle HVAC	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,176,811	\$ -	\$ -	\$ -	\$ 2,176,811
Receivables, Net of Allowance for Uncollectible Amounts:					
Departmental and Other	-	-	-	33,007	33,007
Restricted Assets:					
Cash and Cash Equivalents	-	986,336	113,600	597,374	1,697,310
<b>Total Assets</b>	<b>\$ 2,176,811</b>	<b>\$ 986,336</b>	<b>\$ 113,600</b>	<b>\$ 630,381</b>	<b>\$ 3,907,128</b>
<b>LIABILITIES</b>					
Warrants Payable	\$ 85,258	\$ -	\$ -	\$ 41,825	\$ 127,083
Other Liabilities	504,783	-	-	-	504,783
Short-Term Notes Payable	-	-	1,175,000	115,500	1,290,500
<b>Total Liabilities</b>	<b>590,041</b>	<b>-</b>	<b>1,175,000</b>	<b>157,325</b>	<b>1,922,366</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	-	-	33,007	33,007
<b>FUND BALANCES</b>					
Restricted	-	986,336	-	633,939	1,620,275
Committed	350,000	-	-	-	350,000
Assigned	538,619	-	-	-	538,619
Unassigned	698,151	-	(1,061,400)	(193,890)	(557,139)
<b>Total Fund Balances</b>	<b>1,586,770</b>	<b>986,336</b>	<b>(1,061,400)</b>	<b>440,049</b>	<b>1,951,755</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 2,176,811</b>	<b>\$ 986,336</b>	<b>\$ 113,600</b>	<b>\$ 630,381</b>	<b>\$ 3,907,128</b>

See accompanying Notes to Financial Statements.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION  
JUNE 30, 2020**

Total Governmental Fund Balances	\$ 1,951,755
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	58,611,493
Other assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.	33,007
In the statement of net position, deferred outflows and inflows of resources are reported for amounts related to pensions.	1,149,626
In the statement of net position, deferred outflows and inflows of resources are reported for amounts related to OPEB.	5,322,360
In the statement of net position, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due.	(72,724)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds and Notes Payable, Net of Unamortized Premiums	(4,387,954)
Compensated Absences	(1,506,684)
Net OPEB Liability	(103,348,395)
Net Pension Liability	<u>(11,200,634)</u>
Net Position of Governmental Activities	<u>\$ (53,448,150)</u>

See accompanying Notes to Financial Statements.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
GOVERNMENTAL FUNDS – STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2020**

	General	Circuit Breaker	Hanson Middle HVAC	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Member Town Assessments	\$ 25,346,930	\$ -	\$ -	\$ 365,271	\$ 25,712,201
Charges for Services	-	-	-	1,612,246	1,612,246
Intergovernmental	36,740,011	1,183,973	-	2,193,711	40,117,695
Gifts and Donations	-	-	-	81,712	81,712
Investment Income	75,471	-	-	18	75,489
Other	-	-	-	294,183	294,183
Total Revenues	<u>62,162,412</u>	<u>1,183,973</u>	<u>-</u>	<u>4,547,141</u>	<u>67,893,526</u>
<b>EXPENDITURES</b>					
Current:					
General Administration	1,201,601	-	-	80,609	1,282,210
Instructional Services	29,203,820	4,725	-	2,514,914	31,723,459
Other School Services	3,403,610	-	-	1,117,450	4,521,060
Operations and Maintenance of Facilities	3,675,025	-	-	249,840	3,924,865
Employee Benefits and Other Fixed Charges	18,947,912	-	-	109,662	19,057,574
Capital Outlay	-	-	673,243	408,112	1,081,355
Programs with Other Schools	4,616,909	-	-	4,103	4,621,012
Debt Service:					
Principal	615,000	-	-	-	615,000
Interest	157,963	-	-	-	157,963
Total Expenditures	<u>61,821,840</u>	<u>4,725</u>	<u>673,243</u>	<u>4,484,690</u>	<u>66,984,498</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	340,572	1,179,248	(673,243)	62,451	909,028
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	193,604	-	-	129,500	323,104
Transfers Out	(129,500)	(193,604)	-	-	(323,104)
Total Other Financing Sources (Uses)	<u>64,104</u>	<u>(193,604)</u>	<u>-</u>	<u>129,500</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	404,676	985,644	(673,243)	191,951	909,028
Fund Balances - Beginning of Year	<u>1,182,094</u>	<u>692</u>	<u>(388,157)</u>	<u>248,098</u>	<u>1,042,727</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 1,586,770</u></u>	<u><u>\$ 986,336</u></u>	<u><u>\$ (1,061,400)</u></u>	<u><u>\$ 440,049</u></u>	<u><u>\$ 1,951,755</u></u>

See accompanying Notes to Financial Statements.



**WHITMAN-HANSON REGIONAL 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, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ 909,028

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These amounts represent the related activity of the current period.

Capital Outlays	762,228
Depreciation	(2,839,245)

In the statement of activities, the gain/loss on the disposal of capital assets is reflected, whereas in the governmental funds, a disposal of capital assets is not reported. As a result, the change in net position differs from the change in fund balance by the net book value of capital assets disposed. (120,233)

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in deferred inflows of resources. 2,670

The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any impact on net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the statement of activities. These amounts represent the related activity of the current period.

Bond Maturities	615,000
Amortization of Bond Premiums	31,135

In the statement of activities, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due. This amount represents the net change in accrued interest payable. (3,929)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These amounts represent the net changes:

Compensated Absences	30,322
Net OPEB Liability	(5,847,990)
Net Pension Liability	685,709

In the statement of activities, deferred outflows and inflows related to OPEB are amortized and recognized as OPEB expense. This amount represents the net change in deferred outflows and inflows related to OPEB. 1,728,423

In the statement of activities, deferred outflows and inflows related to pensions are amortized and recognized as pension expense. This amount represents the net change in deferred outflows and inflows related to pensions. (1,070,354)

Changes in Net Position of Governmental Activities \$ (5,117,236)

*See accompanying Notes to Financial Statements.*

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
FIDUCIARY FUNDS – STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2020**

	<u>Other Postemployment Benefit Trust Fund</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ 21,360	\$ 307,383
Investments:			
U.S. Agencies	-	62,561	-
Certificates of Deposits	-	112,160	-
Corporate Bonds	-	131,825	-
U.S. Treasuries	-	49,163	-
Equity Securities	-	20,778	-
Fixed Income Securities	-	20,742	-
External Investment Pools	218,824	-	-
Total Assets	<u>218,824</u>	<u>418,589</u>	<u>307,383</u>
<b>LIABILITIES</b>			
Liabilities Due Depositors	<u>-</u>	<u>-</u>	<u>\$ 307,383</u>
<b>NET POSITION</b>			
Net Position Restricted for Other Postemployment Benefits and Other Purposes	<u>\$ 218,824</u>	<u>\$ 418,589</u>	

See accompanying Notes to Financial Statements.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
FIDUCIARY FUNDS – STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2020**

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
<b>ADDITIONS</b>		
Contributions:		
Employer Contributions	\$ 3,238,366	\$ -
Private Donations	-	1,900
Total Contributions	3,238,366	1,900
Net Investment Income:		
Investment Income	5,100	9,472
Total Additions	3,243,466	11,372
<b>DEDUCTIONS</b>		
Benefit Payments	3,238,366	-
Scholarships Awarded	-	16,399
Total Deductions	3,238,366	16,399
<b>CHANGE IN NET POSITION</b>	5,100	(5,027)
Net Position - Beginning of Year	213,724	423,616
<b>NET POSITION - END OF YEAR</b>	\$ 218,824	\$ 418,589

See accompanying Notes to Financial Statements.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. General**

The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

**B. Reporting Entity**

Whitman-Hanson Regional School District (the District) was formed pursuant to Chapter 71 of the Massachusetts General Laws (MGL). The District consists of the Town of Whitman and the Town of Hanson, and is governed by the Whitman-Hanson Regional School Committee (the Committee). The Committee consists of 10 representatives elected from its member towns.

For financial reporting purposes, the basic financial statements include all funds, organizations, account groups, agencies, boards, commissions, and institutions that are not legally separate from the District.

The District has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and/or significance of their relationship with the District are such that exclusion would cause the District's basic financial statements to be misleading or incomplete. There are no component units that meet the requirements for inclusion in the District's basic financial statements.

Joint Venture

A joint venture is an organization (resulting from a contractual arrangement) that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture.

The District has entered into a joint venture with other municipalities to pool resources and shares the costs, risks, and rewards of providing goods or services to venture participants directly, or for the benefit of the general public or specific recipients. The District is a participant in the joint ventures listed below. Financial statements may be obtained from the joint ventures by contacting them directly.

Name	Purpose	Address	Fiscal Year 2020 Assessment
North River Collaborative	Special education services for students pre K - 12 grades.	198 Spring Street Rockland, MA 02370	N/A
Pilgrim Area Collaborative	Special education services for students pre K - 12 grades.	120 Centre Street Pembroke, MA 02359	N/A

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Government-Wide Financial Statements**

Government-Wide Financial Statements

The government-wide financial statements (statement of net position and the statement of activities) report information on all nonfiduciary activities of the primary government. The District reports governmental activities, which are primarily supported by member town assessments and intergovernmental revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

Fiduciary funds are reported by fund type.

**D. Measurement Focus, Basis of Accounting, and Basis of Presentation**

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Member town assessments and intergovernmental billings are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment
- Grants and contributions that are restricted to meeting the operational requirements of a specific function or segment
- Grants and contributions that are restricted to meeting the capital requirements of a specific function or segment

Other revenues not identifiable as program revenues are reported as general revenues.

The effect of interfund activity has been eliminated from the government-wide financial statements.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)**

Fund Financial Statements

**Governmental fund** financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due.

Membership assessments are apportioned amongst capital and operating costs, less intergovernmental and other revenues, and are based on student population.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

The *General Fund* is used to account for and report all financial resources not accounted for and reported in another fund.

The *Hanson Middle HVAC fund* is a fund used to account for the installation of air conditioning in the middle school building.

The *Circuit Breaker fund* is a fund used to account for state funding.

The nonmajor governmental funds consist of special revenue and capital projects funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

*Special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

*Capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or that will be held in trust for individuals, private organizations, or other governments.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)**

Fund Financial Statements (Continued)

*Debt service funds* are used to account for the accumulation of resources for the payment of principal and interest on long-term obligations of governmental funds.

**Fiduciary fund** financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the government's programs. The following fiduciary fund types are reported:

The *other postemployment benefits trust fund* is used to accumulate resources to provide funding for future OPEB (other postemployment benefits) liabilities.

The *private-purpose trust fund* is used to account for trust arrangements under which principal and investment income exclusively benefits individuals (scholarships), private organizations, or other governments.

The *agency fund* is used to account for assets held in a custodial capacity. Agency funds consist primarily of the operations of the Superintendent's office.

**E. Deposits and Investments**

Government-Wide and Fund Financial Statements

Cash is considered to be cash on hand, demand deposits, and short-term investments with a original maturity of three months or less from the date of acquisition.

Investments are carried at fair value based on quotations from a national securities exchange.

**F. Accounts Receivable**

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and fund financial statements are reported under the accrual basis of accounting and the modified accrual basis of accounting, respectively.

Departmental and Other

Departmental and Other receivables consist of tuition receivables and are recorded when billed.

The allowance for uncollectible amounts is estimated based on specific account analysis.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Accounts Receivable (Continued)**

Intergovernmental

Various state and federal operating and capital grants are applied for and received annually. For nonexpenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

Intergovernmental receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectible accounts.

**G. Inventories**

Government-Wide and Fund Financial Statements

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide and fund financial statements and, therefore, are not reported.

**H. Restricted Assets**

Government-Wide and Fund Financial Statements

Assets are reported as restricted when limitations on their use change the nature of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

**I. Capital Assets**

Government-Wide Financial Statements

Capital assets, which consist of land and improvements, building and improvements, machinery and equipment, vehicles, library and textbooks, and software, are reported in the government-wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated acquisition value at the date of donation. Construction period interest is not capitalized on constructed capital assets.

All purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.



**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Capital Assets (Continued)**

Government-Wide Financial Statements (Continued)

Capital assets (excluding land) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in Years)</u>
Building and Improvements	20 to 40
Machinery and Equipment	3 to 10
Vehicles	5
Library and Textbooks	5
Software	5

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the fiscal year of the purchase.

**J. Interfund Receivables and Payables**

During the course of its operations, transactions occur between funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between governmental funds are eliminated from the governmental activities in the statement of net position.

Fund Financial Statements

Transactions of a buyer/seller nature between funds are not eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from Other Funds" or "Due to Other Funds" on the balance sheet.

**K. Interfund Transfers**

During the course of its operations, resources are permanently reallocated between and within funds.

Government-Wide Financial Statements

Transfers between and within governmental funds are eliminated from the governmental activities in the statement of net position.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Interfund Transfers (Continued)**

Fund Financial Statements

Transfers between and within funds are not eliminated from the individual fund statements and are reported as transfers in and transfers out.

**L. Deferred Outflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

The District has two items that qualify for reporting in this category. Deferred outflows related to pensions and OPEB are reported in the government-wide financial statements.

**M. Deferred Inflows of Resources**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The District has three items that qualify for reporting in this category. Unavailable revenue is reported on the governmental funds balance sheet. Unavailable revenue represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting. Also, deferred inflows related to pensions and OPEB are reported in the government-wide financial statements.

**N. Net Position and Fund Balances**

Government-Wide Financial Statements (Net Position)

The government-wide financial statements utilize a net position presentation. Net position is displayed as three components:

*Net investment in capital assets* - represents capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted net position* - consists of net position with constraints placed on their use by external groups such as creditors, grantors, contributors, or laws or regulations.

*Unrestricted net position* – represents the net position available for future operations.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Net Position and Fund Balances (Continued)**

Governmental Funds Financial Statements (Fund Balances)

The following fund balance classifications describe the relative strength of the spending constraints:

*Nonspendable* – represents amounts that cannot be spent either because they are in nonspendable form (i.e., prepaid amounts) or because they are legally or contractually required to be maintained intact (i.e., principal of permanent fund).

*Restricted* – represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – represents amounts that can be used only for specific purposes imposed by a formal action of School Committee, which is the highest level of decision-making authority for the District. Committed amounts may be established, modified, or rescinded only through actions approved by the School Committee.

*Assigned* – represents amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. Under the District's structure, only authorized assignments for noncontractual encumbrances can be made by individual department heads.

*Unassigned* – represents the residual fund balance for the General Fund and the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

**O. Long-Term Debt**

Government-Wide Financial Statements

Long-term debt is reported as liabilities in the government-wide statements of net position. Material bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Long-Term Debt (Continued)**

Governmental Funds Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources when the debt is issued. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as administration (support services) expenditures.

**P. Investment Income**

Investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

Investment income from trust funds is retained with the respective fund.

**Q. Compensated Absences**

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws, and executive policies.

Government-Wide Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon employee retirements and resignations.

**R. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plymouth County Retirement Association (PCRA), and additions to/deductions from PCRA's fiduciary net position have been determined on the same basis as they are reported by PCRA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**S. Other Postemployment Benefits**

Government-Wide and Fund Financial Statements

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the other postemployment benefits trust fund (OPEB Trust) and additions to/deductions from the OPEB Trust's fiduciary net position have been determined on the same basis as they are reported by the OPEB Trust. For this purpose, the OPEB Trust recognizes benefits payments when due and payable in accordance with the benefits terms. Investments are reported at fair value.

**T. Use of Estimates**

Government-Wide and Fund Financial Statements

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

**U. Total Column**

Fund Financial Statements

The total column presented on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

Municipal Law requires the adoption of a balanced budget that is approved by the Committee. The Superintendent of Schools presents an annual budget to the Committee, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The Committee, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by two-thirds majority vote.

Subsequent to the Committee's approval, the budget is presented to the member towns. The budget is accepted by majority Town Meeting approval and must be approved by two-thirds of the District's members.

Increases in the budget subsequent to the approval of the annual budget require majority Committee approval.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

The majority of appropriations are noncontinuing which lapse at the end of each fiscal year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior fiscal year be carried forward and made available for spending in the current fiscal year.

Generally, expenditures may not exceed the level of spending authorized. However, the District is statutorily required to pay debt service, regardless of whether such amounts are appropriated.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original fiscal year 2020 approved budget for the general fund authorized \$52,373,023 in appropriations. During fiscal year 2020, increases in appropriations totaling \$52,715 for the general fund were authorized.

The Accountant's office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

The budgetary comparison schedules presented in the accompanying required supplementary information presents comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

**B. Fund Deficits**

At June 30, 2020, the following fund deficits exist:

Fund	Amount	Funding Source
Hanson Middle HVAC	\$ 1,061,400	Issuance of Debt
Technology (Hanson)	113,282	Issuance of Debt
COVID-19	80,608	CARES Act Funding
Total	\$ 1,255,290	

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 3 DEPOSITS AND INVESTMENTS**

***District (Excluding the OPEB Trust)***

The municipal finance laws of the Commonwealth authorize the District to invest temporarily idle cash in bank term deposits and certificates of deposits, and treasury and agency obligations of the United States government, with maturities of one year or less; U.S. Treasury or agency repurchase agreements with maturities of not more than 90 days; money market accounts; and the state treasurer's investment pool – the Massachusetts Municipal Depository Trust (MMDT).

The MMDT meets the criteria of an external investment pool and operates in accordance with applicable state laws and regulations. The Treasurer of the Commonwealth serves as Trustee. The reported value of the pool is the same as the fair value of pool shares.

A cash and investment pool is maintained that is available for use by all funds with unrestricted cash and investments. The deposits and investments of private purpose trust funds are held separately from other District funds.

**Deposits – 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 recovered. The District does not have a policy for custodial credit risk of deposits. As of June 30, 2020, \$1,101,480 of the District's bank balance of \$3,327,946 was uninsured and uncollateralized and therefore exposed to custodial credit risk.

**Investments Summary**

The District's investments at June 30, 2020 are presented below. All investments are presented by investment type, with debt securities presented by maturity.

Investment Type	Fair Value	Investment Maturities (Years)		
		Less Than 1	1 - 5	6 - 10
<b><u>Debt Securities:</u></b>				
U.S. Treasuries	\$ 49,163	\$ 34,115	\$ 15,048	\$ -
U.S. Agencies	62,561	-	62,561	-
Corporate Bonds	131,825	31,341	100,484	-
Money Market Mutual Funds	562	562	-	-
Other Fixed Income	20,742	-	20,742	-
Certificates of Deposit	112,160	80,787	31,373	-
External Investment Pool (MMDT)	<u>2,795,782</u>	<u>2,795,782</u>	-	-
Total Debt Securities	3,172,795	<u>\$ 2,942,587</u>	<u>\$ 230,208</u>	<u>\$ -</u>
<b><u>Other Investments:</u></b>				
Equity Securities	20,778			
Total Investments	<u>\$ 3,193,573</u>			

**Investments – Interest Rate Risk of Debt Securities**

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The District does not have a policy for interest rate risk of debt securities. As of June 30, 2020, the District was not exposed to interest rate risk.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

***District (Excluding the OPEB Trust) (Continued)***

**Investments – Custodial Credit Risk**

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a policy for custodial credit risk of investments. As of June 30, 2020, the District was not exposed to custodial credit risk.

**Investments – Credit Risk of Debt Securities**

Credit risk for investments is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The District does not have a policy for credit risk of debt securities. As of June 30, 2020, the credit quality ratings of the District's debt securities are as follows:

Investment Type	Fair Value	AAA	A1	A2	BAA1	BAA2	Unrated
Corporate Bonds	\$ 131,825	\$ 15,243	\$ 27,065	\$ 20,572	\$ 34,082	\$ 34,863	\$ -
Money Market Mutual Funds	562	-	-	-	-	-	562
Other Fixed Income	20,742	-	-	-	-	-	20,742
U.S. Treasuries	49,163	49,163	-	-	-	-	-
U.S. Agencies	62,561	62,561	-	-	-	-	-
Certificates of Deposit	112,160	-	-	-	-	-	112,160
External Investment Pool (MMDT)	2,795,782	-	-	-	-	-	2,795,782
Total Investments	<u>\$ 3,172,795</u>	<u>\$ 126,967</u>	<u>\$ 27,065</u>	<u>\$ 20,572</u>	<u>\$ 34,082</u>	<u>\$ 34,863</u>	<u>\$2,929,246</u>

**Investments – Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District does not have a policy for concentration of credit risk. As of June 30, 2020, the District was not exposed to concentration of credit risk.

**Investments – Fair Value Measurements**

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.



**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
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**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

***District (Excluding the OPEB Trust) (Continued)***

**Investments – Fair Value Measurements (Continued)**

The District has the following recurring fair value measurements as of June 30, 2020:

Investment Type	Total Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level:</b>				
Equity Securities	\$ 20,778	\$ 20,778	\$ -	\$ -
Money Market Mutual Funds	562	562	-	-
U.S. Treasuries	49,163	49,163	-	-
Corporate Bonds	131,825	-	131,825	-
Other Fixed Income	20,742	20,742	-	-
Certificates of Deposit	112,160	112,160	-	-
U.S. Agency Securities	62,561	62,561	-	-
Total Investments by Fair Value Level	397,791	<u>\$ 265,966</u>	<u>\$ 131,825</u>	<u>\$ -</u>

**Investments Measured at the**

**Amortized Cost:**

External Investment Pool (MMDT)	2,795,782
Total Investments	<u>\$ 3,193,573</u>

***Other Postemployment Benefits Trust Fund (OPEB Trust)***

**Investments Summary**

The OPEB Trust's investments at June 30, 2020 consisted of an external investment pool with maturities of less than one year in the amount of \$218,824.

**Investments – Interest Rate Risk of Debt Securities**

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The OPEB Trust does not have a policy for interest rate risk of debt securities. As of June 30, 2020, the OPEB Trust was not exposed to interest rate risk.

**Investments – Custodial Credit Risk**

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the OPEB Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The OPEB Trust does not have a policy for custodial credit risk of investments. As of June 30, 2020, the OPEB Trust was not exposed to custodial credit risk.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

*Other Postemployment Benefits Trust Fund (OPEB Trust) (Continued)*

**Investments – Credit Risk of Debt Securities**

Credit risk for investments is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The OPEB Trust does not have a policy for credit risk of debt securities. As of June 30, 2020, the OPEB Trust's investments in debt securities were unrated by a national credit rating organization.

**Investments – Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the OPEB Trust's investment in a single issuer. The OPEB Trust does not have a policy for concentration of credit risk. As of June 30, 2020, the OPEB Trust was not exposed to concentration of credit risk.

**Investments – Fair Value Measurements**

The OPEB Trust categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of June 30, 2020, the OPEB Trust did not have any investments that were required to be reported in the fair value hierarchy.

**NOTE 4 ACCOUNTS RECEIVABLE**

At June 30, 2020, receivables for the general fund, individual major governmental funds, and nonmajor governmental and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, were as follows:

	<u>Gross Amount</u>	<u>Allowance</u>	<u>Net Amount</u>
<u>Receivables</u>			
Departmental and Other	<u>\$ 113,878</u>	<u>\$ (80,871)</u>	<u>\$ 33,007</u>

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 154,570	\$ -	\$ -	\$ 154,570
Construction in Progress	324,045	-	(324,045)	-
Total Capital Assets Not Being Depreciated	478,615	-	(324,045)	154,570
Capital Assets Being Depreciated:				
Building and Improvements	104,303,933	1,032,738	-	105,336,671
Machinery and Equipment	6,070,765	53,535	(385,818)	5,738,482
Vehicles	434,566	-	-	434,566
Library and Textbooks	3,752,155	-	(2,716,210)	1,035,945
Software	2,119,983	-	(872,862)	1,247,121
Total Capital Assets Being Depreciated	116,681,402	1,086,273	(3,974,890)	113,792,785
Less Accumulated Depreciation for:				
Building and Improvements	(45,583,331)	(2,563,525)	-	(48,146,856)
Machinery and Equipment	(5,055,098)	(176,857)	385,818	(4,846,137)
Vehicles	(411,291)	(15,393)	-	(426,684)
Library and Textbooks	(3,236,218)	(61,612)	2,595,977	(701,853)
Software	(2,065,336)	(21,858)	872,862	(1,214,332)
Total Accumulated Depreciation	(56,351,274)	(2,839,245)	3,854,657	(55,335,862)
Total Capital Assets Being Depreciated, Net	60,330,128	(1,752,972)	(120,233)	58,456,923
Total Governmental Activities Capital Assets, Net	<u>\$ 60,808,743</u>	<u>\$ (1,752,972)</u>	<u>\$ (444,278)</u>	<u>\$ 58,611,493</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>Governmental Activities</u>	
Instructional Services	\$ 2,782,824
Operating Maintenance Buildings	45,814
School Services	10,607
Total Depreciation Expense - Governmental Activities	<u>\$ 2,839,245</u>

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 6 INTERFUND TRANSFERS**

Interfund transfers for the fiscal year ended June 30, 2020 are summarized as follows:

Transfers Out	Transfers In		Total
	General Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 129,500	\$ 129,500 (1)
Circuit Breaker Fund	193,604	-	193,604 (2)
Total	<u>\$ 193,604</u>	<u>\$ 129,500</u>	<u>\$ 323,104</u>

- (1) Represents budgeted transfer from the General Fund to the Technology Major Fund related to debt service.
- (2) Represents budgeted transfer from the Circuit Breaker Fund to the General Fund for special education.

**NOTE 7 SHORT-TERM FINANCING**

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue anticipation notes (RAN) or tax anticipation notes (TAN).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BAN) or grant anticipation notes (GAN).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures for short-term borrowings are accounted for in the general fund.

Details related to the short-term debt activity for the fiscal year ended June 30, 2020 is as follows:

Type	Purpose	Origination Date	Maturity Date	Interest Rate	Balance at June 30, 2019	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2020
BAN	School Technology	10/19/18	10/18/19	2.85 %	\$ 245,000	\$ -	\$ (245,000)	\$ -
BAN	HVAC - Hanson Middle	6/14/19	6/12/20	2.30	500,000	-	(500,000)	-
BAN	HVAC - Hanson Middle	7/24/19	7/24/20	2.16	-	675,000	-	675,000
BAN	HVAC - Hanson Middle	6/12/20	6/11/21	1.39	-	500,000	-	500,000
BAN	Technology	10/18/19	10/16/20	2.15	-	115,500	-	115,500
Total					<u>\$ 745,000</u>	<u>\$ 1,290,500</u>	<u>\$ (745,000)</u>	<u>\$ 1,290,500</u>

***Subsequent Events***

On July 24, 2020, the District issued BAN's totaling \$675,000 at an interest rate of 0.85% and maturing on July 23, 2021. The BAN issuance represents a renewal of BANs outstanding at June 30, 2020. On October 16, 2020, the District paid the outstanding BAN in the amount of \$115,500 from available funds.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 8 LONG-TERM OBLIGATIONS**

The following represents a summary of changes that occurred in long-term obligations during the fiscal year ended June 30, 2020:

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion
<u>Governmental Activities</u>					
Bonds and Notes Payable	\$ 4,785,000	\$ -	\$ (615,000)	\$ 4,170,000	\$ 615,000
Unamortized Bond Premiums	249,089	-	(31,135)	217,954	31,137
Total Bonds and Notes Payable	5,034,089	-	(646,135)	4,387,954	646,137
Compensated Absences	1,537,006	-	(30,322)	1,506,684	150,668
Total	<u>\$ 6,571,095</u>	<u>\$ -</u>	<u>\$ (676,457)</u>	<u>\$ 5,894,638</u>	<u>\$ 796,805</u>

The general fund liquidates the District's long-term liabilities.

**NOTE 9 LONG-TERM DEBT**

Details related to the District's outstanding indebtedness at June 30, 2020, and the future debt service requirements, are as follows:

Project	Maturity Date	Interest Rate (%)	Outstanding at June 30, 2019	Issued	Redeemed	Outstanding at June 30, 2020
School Building Construction	01/01/27	2.00 - 4.00%	\$ 4,785,000	\$ -	\$ (615,000)	\$ 4,170,000
Subtotal			4,785,000	-	(615,000)	4,170,000
Unamortized Premiums			249,089	-	(31,135)	217,954
Total			<u>\$ 5,034,089</u>	<u>\$ -</u>	<u>\$ (646,135)</u>	<u>\$ 4,387,954</u>

Debt service requirements for principal and interest for governmental bonds payable in future fiscal years are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 615,000	\$ 114,900	\$ 729,900
2022	615,000	90,300	705,300
2023	615,000	65,700	680,700
2024	600,000	53,400	653,400
2025	585,000	41,400	626,400
2026	575,000	27,360	602,360
2027	565,000	13,560	578,560
Total	<u>\$ 4,170,000</u>	<u>\$ 406,620</u>	<u>\$ 4,576,620</u>

The District is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2020, the District did not have any authorized and unissued debt.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS**

***Plan Description***

The District provides health and life insurance coverage for its retirees and their survivors (hereinafter referred to as the Plan) as a single-employer defined benefit Other Postemployment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions. Changes to Plan design and contribution rates must be accomplished through the collective bargaining process. The Plan does not issue a stand alone, GAAP-basis audited financial report.

Plan assets are managed by Plymouth County with the County Treasurer serving as the custodian of the fund. Investment policies and objectives are established by an investment committee consisting of five persons comprised of a representative sample from participating member units.

*Plan membership.* At June 30, 2020, membership consisted of 436 active Plan members and 469 inactive Plan members or beneficiaries currently receiving benefits.

*Benefits provided.* The District provides health insurance coverage for its retirees and survivors. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions.

*Contributions.* The contribution requirements of Plan members and the District are established and may be amended by the District. The required health and dental insurance contribution rates of Plan members and the District are 10% to 40% and 60% to 90%, respectively. The Plan members contribute 10% to 50% and the District contributes 50% to 90%, respectively, towards a \$2,000 term life insurance premium. The District currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Plan are paid by the District.

For the fiscal year ended June 30, 2020, the employer contributions totaled \$3,238,366. The Trust did not receive contributions from any other sources.

***Net OPEB Liability (Plan Reporting)***

*Investment policy.* The OPEB Trust's policy in regard to the allocation of investments is established and may be amended by the trustees. The following was the trustees adopted asset allocation policy as of June 30, 2020:

Asset Allocation	Target Allocation
Domestic Equity - Large Cap	30.00 %
Domestic Equity - Small/Mid Cap	20.00
International Equity - Developed Market	16.00
International Equity - Emerging Market	7.00
Domestic Fixed Income	23.00
Real Estate	4.00

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
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**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

***Net OPEB Liability (Plan Reporting) (Continued)***

*Rate of return.* For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 2.39%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the net OPEB liability of the Plan as of June 30, 2020 were as follows:

Total OPEB Liability	\$ 103,567,219
Plan Fiduciary Net Position	(218,824)
District's Net OPEB Liability	<u>\$ 103,348,395</u>

Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.21 %
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*Actuarial assumptions.* The total OPEB liability was determined by performing update procedures to roll the liability forward from the actuarial valuation as of July 1, 2018 to the June 30, 2020 measurement date. The following actuarial assumptions were applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method:	Individual Entry Age Normal
Investment Rate of Return:	6.79%, net of OPEB plan investment expense, including inflation
Municipal Bond Rate:	2.66% as of June 30, 2020
Single Equivalent Discount Rate:	2.75%, net of OPEB plan investment expense, including inflation. Using a blend of the Municipal Bond Index Rate for unfunded periods and the Investment Rate of Return for funded periods
Inflation:	2.50% Annually
Healthcare Cost Trend Rate:	4.50% Annually
Salary Increases:	3.00% Annually
Preretirement Mortality:	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with Scale MP-2016 for males and females Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females
Postretirement Mortality:	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females





**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
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**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

***Net OPEB Liability (Plan Reporting) (Continued)***

*Sensitivity of the net OPEB liability to changes in the healthcare trend.* In the event that healthcare trend rates were 1% higher or lower than forecast and employee contributions were to increase at the forecast rates, the total OPEB liability as of June 30, 2020 would change as follows:

	1% Decrease (3.50%)	Healthcare Cost Trend Rates (4.50%)	1% Increase (5.50%)
Net OPEB Liability	\$ 88,054,060	\$ 103,348,395	\$ 123,106,094

***Net OPEB Liability (District Reporting)***

The District's net OPEB liability was measured as of June 30, 2020 for the year ended June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018, which through update procedures was rolled forward to the June 30, 2020 measurement date.

**Changes in Net OPEB Liability**

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2019	\$ 97,714,129	\$ 213,724	\$ 97,500,405
Changes for the Year:			
Service Cost	2,961,138	-	2,961,138
Interest of Liability, Service Cost, and Benefit Payments	2,972,041	-	2,972,041
Changes in Assumptions	3,368,253	-	3,368,253
Differences between Expected and Actual Experience	(209,976)	-	(209,976)
Net Investment Income	-	5,100	(5,100)
Employer Contributions to Trust	-	3,238,366	(3,238,366)
Benefit Payments Withdrawn from Trust	-	(3,238,366)	3,238,366
Benefit Payments Excluding Implicit Cost	(2,383,923)	-	(2,383,923)
Implicit Cost Amount	(854,443)	-	(854,443)
Total Benefit Payments including Implicit Cost	(3,238,366)	-	(3,238,366)
Net Changes	5,853,090	5,100	5,847,990
Balance at June 30, 2020	<u>\$ 103,567,219</u>	<u>\$ 218,824</u>	<u>\$ 103,348,395</u>

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

***Net OPEB Liability (District Reporting) (Continued)***

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the District recognized OPEB Expense of \$7,357,934. At June 30, 2020, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference between Projected and Actual		
Investment Earnings	\$ 4,309	\$ -
Changes in Assumptions	13,428,815	-
Differences between Actual and Expected Experience	-	8,110,764
Total	<u>\$ 13,433,124</u>	<u>\$ 8,110,764</u>

All amounts reported as deferred outflows and inflows of resources are related to OPEB and will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 1,439,269
2022	1,440,830
2023	1,808,724
2024	633,537
Total	<u>\$ 5,322,360</u>

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 11 FUND BALANCES**

The constraints on fund balances as listed in aggregate in the governmental funds balance sheet are detailed as follows:

	General	Circuit Breaker	Hanson Middle HVAC	Nonmajor Governmental Funds	Total Governmental Funds
<b>Restricted:</b>					
Circuit Breaker	\$ -	\$ 986,336	\$ -	\$ -	\$ 986,336
General Administration	-	-	-	3,017	3,017
Instructional Services	-	-	-	126,623	126,623
Other School Services	-	-	-	424,364	424,364
Operating Maintenance Buildings	-	-	-	35,189	35,189
Capital	-	-	-	44,746	44,746
Subtotal - Restricted	-	986,336	-	633,939	1,620,275
<b>Committed:</b>					
Subsequent Year's Expenditures	350,000	-	-	-	350,000
<b>Assigned:</b>					
General Administration	3,000	-	-	-	3,000
Instructional Services	303,513	-	-	-	303,513
Other School Services	45,425	-	-	-	45,425
Operating Maintenance Buildings	96,681	-	-	-	96,681
Employee Benefits/Fixed Charges	90,000	-	-	-	90,000
Subtotal - Assigned	538,619	-	-	-	538,619
Unassigned	698,151	-	(1,061,400)	(193,890)	(557,139)
<b>Total</b>	<b>\$ 1,586,770</b>	<b>\$ 986,336</b>	<b>\$ (1,061,400)</b>	<b>\$ 440,049</b>	<b>\$ 1,951,755</b>

**NOTE 12 RISK FINANCING**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The amount of claims settlements has not exceeded insurance coverage in any of the previous three fiscal years.

***Health Insurance***

The District participates in a health insurance risk pool administered by the Mayflower Municipal Health Group (the Group). The Group offers a variety of premium based plans to its members with each participating governmental unit charged a premium for coverage based on rates established by the Group. The District is obligated to pay the Group its required premiums and, in the event the Group is terminated, its proportionate share of a deficit, should one exist. The amount of claim settlements has not exceeded insurance coverage in any of the previous three fiscal years.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 12 RISK FINANCING (CONTINUED)**

***Workers' Compensation***

The District participates in a premium-based workers' compensation policy for all employees. The amount of claim settlements has not exceeded insurance coverage in any of the previous three fiscal years.

**NOTE 13 PENSION PLAN**

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

*Plan description.* Employees of the District deemed eligible by the Plymouth County Retirement Association Board are provided with pensions through the PCRA – a cost-sharing multiple-employer defined benefit pension plan administered by the Plymouth County Retirement Association Board. Membership in the PCRA is mandatory immediately upon the commencement of employment for all permanent, full time employees (except for school department employees who serve in a teaching capacity). The PCRA issues a publicly available financial report that can be obtained by contacting the PCRA located at 10 Cordage Park Circle, Suite 234, Plymouth, Massachusetts 02360.

*Benefits provided.* Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the Plan. The Plan provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation for those hired prior to April 2, 2012. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

Members become vested after 10 years of creditable service. A retirement allowance may be received upon reaching 20 years of service or upon reaching the age of 65. Normal retirement for most employees occurs at age 65. The Association also provides death and disability benefits. The Association also provides early retirement at age 55 if the participant (1) has a record of 10 years of creditable service (2) was on the Association payroll on January 1, 1978, (3) voluntarily left Association employment on or after that date, and (4) left accumulated annuity deductions in the fund.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 13 PENSION PLAN (CONTINUED)**

***General Information about the Pension Plan (Continued)***

*Contributions.* Chapter 32 of the MGL assigns authority to establish and amend contribution requirements of the Plan. The contributions rates for active members are pursuant to statute. Active members contribute 5%, 7%, 8%, or 9% of their gross regular compensation depending on the date upon which their membership began and certain employees contribute an additional 2% over \$30,000 of annual compensation. Deductions are deposited in the annuity savings fund and earn interest at a rate determined by the Public Employee Retirement Administration Commission (PERAC) actuary. When a member's retirement becomes effective their deduction and related interest are transferred to the annuity reserve fund. Any cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth of Massachusetts' state law during those years are the responsibility of the Commonwealth and deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the system and all costs are the responsibility of the system. The percentage rate is keyed to the date upon which an employee's membership commences.

Employers are required to pay into the PCRA its share of the system-wide actuarial determined contribution that is apportioned among the employers. Contributions to the pension plan from the District were \$1,211,606 for the year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability of \$11,200,634 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The District proportion of the net pension liability is a blended rate of the proportionate share of active employer's covered payroll, direct charges for early retirement incentives, and the direct amortization of the actuarial determined net pension liability for employer members that no longer have active covered payroll. At December 31, 2019, the District's proportion was 1.6417%.

For the year ended June 30, 2020, the District recognized pension expense of \$1,596,251. At June 30, 2020, the District reported deferred outflows of resources related to pension of \$1,513,178 for differences between projected and actual experience, changes in assumptions, and changes in proportion and deferred inflows of resources related to pensions of \$363,552 for changes in assumptions, net difference between projected and actual investment earnings and changes in proportion.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 13 PENSION PLAN (CONTINUED)**

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

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

<u>Year Ending June 30.</u>	<u>Amount</u>
2021	\$ 419,466
2022	449,990
2023	511,010
2024	(230,840)

*Actuarial assumptions.* The total pension liability was determined using the following actuarial assumptions:

Salary Increases:	3.75%
Mortality Rates:	It is assumed that both preretirement mortality and beneficiary mortality is represented by the RP-2014 Blue Collar Mortality with Scale MP-2016, fully generational. Mortality for retired members for Group 1 and 2 is represented by the RP-2014 Blue Collar Mortality Table set forward five years for males and three years for females, fully generational. Mortality for retired members for Group 4 is represented by the RP-2014 Blue Collar Mortality Table set forward three years for males, and six years for females, fully generational. Mortality for disabled members for Group 1 and 2 is represented by the RP-2000 Mortality Table set forward six years. Mortality for disabled members for Group 4 is represented by the RP-2000 Mortality Table set forward two years. Generational adjusting is based on Scale MP-2016.
Investment Rate of Return:	7.875%, net of pension plan investment expense

The investment objective is to fully fund the Plan by generating sufficient long-term inflation adjusted capital appreciation while providing sufficient liquidity to meet short-term withdrawal requirements. The board desires to balance the goal of higher long-term returns with the goal of minimizing contribution volatility, recognizing these are often competing goals. This requires taking both assets and liabilities into account when setting investment strategy. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 13 PENSION PLAN (CONTINUED)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	26.00 %	7.40 %
International Developed Equity	6.00	7.90
Emerging Markets Equity	10.00	9.10
Global Equity	10.00	7.80
Domestic Fixed Income	9.00	3.00
Value-Added Fixed Income	6.00	4.90
Hedge Funds	4.00	4.00
Real Estate	10.00	7.50
Private Equity	13.00	9.40
Real Assets	6.00	7.50
Total	<u>100.00 %</u>	

*Discount rate.* The discount rate used to measure the total pension liability was 7.875%. The discount rate was selected based on a projection of employer and employee contributions benefit payments, expenses and the long-term expected rate of return on trust assets. Under Chapter 32 of the Massachusetts General Law, employers are required to make the necessary contributions to the trust such that the plan reaches a full funding status.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.875%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.875%) or 1-percentage-point higher (8.875%) than the current rate:

	1% Increase (6.875%)	Current Discount Rate (7.875%)	1% Increase (8.875%)
District's Proportionate Share of the Net Pension Liability	\$ 14,186,166	\$ 11,200,634	\$ 8,600,167

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued PCRA financial report.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 14 MASSACHUSETTS TEACHERS RETIREMENT SYSTEM**

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

*Plan description.* Public school teachers and certain administrators are provided with pensions through the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Massachusetts Teachers' Retirement Board. The MTRS is part of the Commonwealth of Massachusetts' (Commonwealth) reporting entity and does not issue a stand-alone audited financial report. The MTRS is reported as a Pension Trust Fund in the Commonwealth's audited financial statements that can be obtained at <http://www.mass.gov/osc/publications-and-reports/financial-reports/cafr-reports.html>.

*Benefits provided.* MTRS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit requirements. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after 10 years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of creditable service or upon reaching the age of 55 with 10 years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

*Contributions.* The MTRS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Member contributions for MTRS vary depending on the most recent date of membership, ranging from 5% to 11% of regular compensation. Members hired in 1979 or subsequent contribute an additional 2% of regular compensation in excess of \$30,000.

The Commonwealth is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers. Therefore, the District is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributing entity in MTRS.

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

Since the District does not contribute directly to MTRS, the District does not report a proportionate share of the net pension liability of the MTRS at June 30, 2020. The Commonwealth's net pension liability associated with the District was \$88,666,278.



**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 14 MASSACHUSETTS TEACHERS RETIREMENT SYSTEM (CONTINUED)**

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

The MTRS' net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019 rolled forward to June 30, 2019.

For the year ended June 30, 2020, the District recognized pension expense of \$10,752,325 associated with MTRS and revenue of the same amount for support provided by the Commonwealth.

*Actuarial assumptions.* The MTRS' total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of January 1, 2019 rolled forward to June 30, 2019. This valuation used the following assumptions:

Investment Rate of Return:	7.25%
Salary Increases:	Salary increases are based on analyses of past experience but range from 4.0% to 7.5% depending on length of service
Mortality Rates:	Preretirement – reflects RP-2014 White Collar Employees Table projected generationally with Scale MP-2016 (gender distinct)  Postretirement – reflects RP-2014 White Collar Healthy Annuitant Table projected generationally with Scale MP-2016 (gender distinct)  Disability – assumed to be in accordance with the RP-2014 Healthy Annuitant Table projected generationally with Scale BB and a base year of 2014 set forward four years.
Other:	3.5% interest rate credited to the annuity savings fund  3.0% cost of living increase per year

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2019 are summarized in the following table:

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 14 MASSACHUSETTS TEACHERS RETIREMENT SYSTEM (CONTINUED)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	39 %	4.9 %
Core Fixed Income	15	1.3
Private Equity	13	8.2
Portfolio Completion Strategies	11	3.9
Real Estate	10	3.6
Value Added Fixed Income	8	4.7
Timber/Natural Resources	4	4.1
Total	<u>100 %</u>	

*Discount rate.* The discount rate used to measure the MTRS' total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Pension plan fiduciary net position.* Detailed information about the MTRS' fiduciary net position is available in the Commonwealth's audited financial statements.

**NOTE 15 CONTINGENCIES**

Various legal actions and claims are pending against the District. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2020, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the District at June 30, 2020.

The District participates in a number of federal award programs. Although the grant programs have been audited in accordance with the Uniform Grant Guidance through June 30, 2020, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 16 COVID-19 PANDEMIC**

During fiscal year 2020, the World Health Organization declared the spread of COVID-19 a worldwide pandemic, which continues to significantly impact global markets, supply chains, businesses and communities. Specific to the District, COVID-19 may impact various parts of its 2021 operations and financial results, including, but not limited to, revenue loss, costs for emergency preparedness and shortages of personnel. Management believes the District is taking appropriate actions to mitigate the negative impact.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE (NON-GAAP BUDGETARY BASIS) –  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2020**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
<b>REVENUES</b>				
Member Town Assessments	\$ -	\$ 25,460,470	\$ -	\$ 25,460,470
Intergovernmental	-	25,851,316	52,715	25,904,031
Departmental	-	-	-	-
Investment Income	-	50,000	-	50,000
Total Revenues	<u>-</u>	<u>51,361,786</u>	<u>52,715</u>	<u>51,414,501</u>
<b>EXPENDITURES</b>				
Current:				
General Administration	-	1,143,945	65,397	1,209,342
Instructional Services	11,830	28,888,731	756,942	29,657,503
Other School Services	316	3,787,114	(318,661)	3,468,769
Operations and Maintenance of Facilities	3,244	4,062,230	(265,076)	3,800,398
Employee Benefits and Other Fixed Charges	-	8,419,321	(133,578)	8,285,743
Programs with Other Schools	-	5,180,699	(563,789)	4,616,910
Debt Service - Principal	-	744,500	500,000	1,244,500
Debt Service - Interest	-	146,483	11,480	157,963
Total Expenditures	<u>15,390</u>	<u>52,373,023</u>	<u>52,715</u>	<u>52,441,128</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(15,390)	(1,011,237)	-	(1,026,627)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	450,000	-	450,000
Total Other Financing Sources	<u>-</u>	<u>450,000</u>	<u>-</u>	<u>450,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(15,390)	(561,237)	-	(576,627)
Fund Balance - Beginning of Year	<u>1,182,094</u>	<u>1,182,094</u>	<u>1,182,094</u>	<u>1,182,094</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,166,704</u>	<u>\$ 620,857</u>	<u>\$ 1,182,094</u>	<u>\$ 605,467</u>

See accompanying Note to Required Supplementary Information.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE (NON-GAAP BUDGETARY BASIS) –  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

Actual	Current Year Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
\$ 25,346,930	\$ -	\$ 25,346,930	\$ (113,540)
25,987,686	-	25,987,686	83,655
-	-	-	-
75,471	-	75,471	25,471
<u>51,410,087</u>	<u>-</u>	<u>51,410,087</u>	<u>(4,414)</u>
1,201,600	3,000	1,204,600	4,742
29,203,820	303,512	29,507,332	150,171
3,403,610	45,426	3,449,036	19,733
3,675,025	96,681	3,771,706	28,692
8,195,587	90,000	8,285,587	156
4,616,910	-	4,616,910	-
744,500	-	744,500	500,000
157,963	-	157,963	-
<u>51,199,015</u>	<u>538,619</u>	<u>51,737,634</u>	<u>703,494</u>
211,072	(538,619)	(327,547)	699,080
193,604	-	193,604	(256,396)
<u>193,604</u>	<u>-</u>	<u>193,604</u>	<u>(256,396)</u>
404,676	(538,619)	(133,943)	442,684
<u>1,182,094</u>	<u>1,182,094</u>	<u>1,182,094</u>	<u>-</u>
<u>\$ 1,586,770</u>	<u>\$ 643,475</u>	<u>\$ 1,048,151</u>	<u>\$ 442,684</u>

See accompanying Note to Required Supplementary Information.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS**

**PENSION PLAN SCHEDULES**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PLYMOUTH COUNTY RETIREMENT ASSOCIATION (1) (2)**

	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	1.642 %	1.617 %	1.633 %	1.636 %	1.731 %	1.731 %
District's Proportionate Share of the Net Pension Liability	11,200,634	11,886,343	8,777,677	10,364,184	10,978,762	10,090,419
District's Covered Payroll	4,823,716	4,572,893	4,946,883	4,756,618	4,337,258	4,180,490
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	232.20 %	259.93 %	177.44 %	217.89 %	253.13 %	241.37 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.61 %	56.11 %	65.6 %	58.3 %	56.8 %	58.9 %

(1) Amounts presented were determined as of December 31

(2) Data is being accumulated annually to present 10 years of the reported information

**SCHEDULE OF DISTRICT CONTRIBUTIONS  
PLYMOUTH COUNTY RETIREMENT ASSOCIATION (1)**

	2020	2019	2018	2017	2016	2015
Actuarially Required Contribution *	\$ 1,211,606	\$ 1,175,190	\$ 1,115,553	\$ 1,075,550	\$ 1,057,651	\$ 974,781
Contributions in Relation to the Actuarially Required Contribution	(1,211,606)	(1,175,190)	(1,115,553)	(1,075,550)	(1,057,651)	(974,781)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 4,823,716	\$ 4,572,893	\$ 4,946,883	\$ 4,756,618	\$ 4,337,258	\$ 4,180,490
Contributions as a Percentage of Covered Payroll	25.12 %	25.70 %	22.55 %	22.61 %	24.39 %	23.32 %

\*Contribution is reported net of discount for lump-sum payment

(1) Data is being accumulated annually to present 10 years of the reported information

See accompanying Note to Required Supplementary Information.

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS**

**SCHEDULE OF SPECIAL FUNDING AMOUNTS OF THE NET PENSION LIABILITY  
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM (1) (2)**

	2020	2019	2018	2017	2016	2015
District's Share of Net Pension Liability	\$ 88,666,278	\$ 84,649,118	\$ 83,974,402	\$ 78,231,514	\$ 74,111,309	\$ 57,720,753
Commonwealth's Share of the District's Net Pension Liability	(88,666,278)	(84,649,118)	(83,974,402)	(78,231,514)	(74,111,309)	(57,720,753)
District's Net Pension Liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position as a Percentage of Total Net Pension Liability	53.95 %	54.84 %	54.25 %	52.73 %	55.38 %	61.64 %

- (1) Amounts presented were determined as of June 30 of the prior year  
(2) Data is being accumulated annually to present 10 years of the reported information

*See accompanying Note to Required Supplementary Information.*

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2020**

**OTHER POSTEMPLOYMENT BENEFITS SCHEDULES**

**SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY  
AND RELATED RATIOS (1)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>				
Service Cost	\$ 2,961,138	\$ 2,533,745	\$ 2,679,341	\$ 2,606,656
Interest	2,972,041	3,112,728	2,976,285	2,814,907
Changes in Assumptions	3,368,253	17,890,355	-	-
Differences between Expected and Actual Plan Experience	(209,976)	(10,690,599)	(3,423,165)	-
Benefit Payments	<u>(3,238,366)</u>	<u>(3,040,757)</u>	<u>(2,482,093)</u>	<u>(2,518,177)</u>
Net Change in Total OPEB Liability	5,853,090	9,805,472	(249,632)	2,903,386
Total OPEB Liability - Beginning of Period	<u>97,714,129</u>	<u>87,908,657</u>	<u>88,158,289</u>	<u>85,254,903</u>
Total OPEB Liability - End of Period (a)	<u>\$ 103,567,219</u>	<u>\$ 97,714,129</u>	<u>\$ 87,908,657</u>	<u>\$ 88,158,289</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 3,238,366	\$ 3,065,757	\$ 2,532,093	\$ 2,618,177
Net Investment Income	5,100	10,446	17,116	11,162
Benefit Payments	<u>(3,238,366)</u>	<u>(3,040,757)</u>	<u>(2,482,093)</u>	<u>(2,518,177)</u>
Net Change in Plan Fiduciary Net Position	5,100	35,446	67,116	111,162
Plan Fiduciary Net Position - Beginning of Period	<u>213,724</u>	<u>178,278</u>	<u>111,162</u>	<u>-</u>
Plan Fiduciary Net Position - End of Period (b)	<u>218,824</u>	<u>213,724</u>	<u>178,278</u>	<u>111,162</u>
District's Net OPEB Liability - Ending (a) - (b)	<u>\$ 103,348,395</u>	<u>\$ 97,500,405</u>	<u>\$ 87,730,379</u>	<u>\$ 88,047,127</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.21 %	0.22 %	0.13 %	0.13 %
Covered Payroll	\$ 30,598,966	\$ 29,707,734	\$ 29,914,789	\$ 29,043,484
Net OPEB Liability as a Percentage of Covered Payroll	337.75 %	328.20 %	303.16 %	303.16 %

(1) Data is being accumulated annually to present 10 years of the reported information



**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2020**

**SCHEDULE OF CONTRIBUTIONS (1)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially Required Contribution	\$ 7,928,340	\$ 7,363,258	\$ 7,304,693	\$ 6,956,656
Contributions in Relation to the Actuarially Required Contribution	<u>(3,238,366)</u>	<u>(3,065,757)</u>	<u>(2,532,093)</u>	<u>(2,618,177)</u>
Contribution Deficiency (Excess)	<u>\$ 4,689,974</u>	<u>\$ 4,297,501</u>	<u>\$ 4,772,600</u>	<u>\$ 4,338,479</u>
District's Covered Payroll	\$ 30,598,966	\$ 29,707,734	\$ 29,914,789	\$ 29,043,484
Contributions as a Percentage of Covered Payroll	10.58 %	10.32 %	8.46 %	9.01 %

(1) Data is being accumulated annually to present 10 years of the reported information

**SCHEDULE OF INVESTMENT RETURNS (PLAN) (1)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	<u>2.4 %</u>	<u>5.3 %</u>	<u>12.6 %</u>	<u>15.2 %</u>

(1) Data is being accumulated annually to present 10 years of the reported information

**WHITMAN-HANSON REGIONAL SCHOOL DISTRICT  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2020**

**NOTE 1 BUDGETARY – GAAP RECONCILIATION**

For budgetary financial reporting purposes, the Uniform Massachusetts Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the fiscal year ended June 30, 2020 is presented below:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Fund Balance</u>
Budgetary Basis as Reported on the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	\$ 51,410,087	\$ 51,737,634	\$ 193,604	\$ 1,048,151
Adjustments and Reclassifications:				
To Record MTRS On-Behalf Payments	10,752,325	10,752,325	-	-
Reclassification of Transfer for GAAP Purposes	-	(129,500)	(129,500)	-
To Record Encumbrances and Continuing Appropriations	-	(538,619)	-	538,619
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
GAAP Basis as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 62,162,412</u>	<u>\$ 61,821,840</u>	<u>\$ 64,104</u>	<u>\$ 1,586,770</u>

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,  
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