

**CONCORD-CARLISLE
REGIONAL SCHOOL DISTRICT**

Annual Financial Statements

For the Year Ended June 30, 2015

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INDEPENDENT AUDITORS' REPORT

To the School Committee
Concord-Carlisle Regional School District

Additional Offices:

Nashua, NH
Manchester, NH
Greenfield, MA
Ellsworth, ME

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 Concord-Carlisle Regional School District, as of and for the year ended June 30, 2015 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

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Concord-Carlisle Regional School District, as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance 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 Management's Discussion and Analysis, the Schedule of Funding Progress, the Schedule of Proportionate Share of Net Pension Liability, and the Schedule of Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Melanson Heath

January 28, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Concord-Carlisle Regional School District (the District), we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. Unless otherwise noted, all amounts in this analysis are expressed as whole numbers.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position 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., earned but unused vacation leave).

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable 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 impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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 own programs.

Notes to 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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$31,925,129 (i.e., net position), a change of \$6,539,756 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$11,191,738, a change of \$13,444,739 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,508,462, a change of \$130,530 in comparison to the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$63,961,683, a change of \$30,180,145 in comparison to the prior year. The increase in long-term debt is mainly attributable to the District issuing a \$30,000,000 bond for the construction of the new Concord-Carlisle High School in FY2015.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide financial data for the current and prior fiscal years (in thousands):

		<u>NET POSITION</u>	
		Governmental <u>Activities</u>	
		<u>2015</u>	<u>2014</u>
Current assets	\$	16,652	\$ 35,270
Capital assets		<u>93,499</u>	<u>69,986</u>
Total assets		110,151	105,256
Long-term liabilities		72,201	39,566
Bond anticipation notes		2,000	30,000
Other liabilities		3,845	7,571
Deferred inflows		<u>180</u>	<u>-</u>
Total liabilities and deferred inflows		78,226	77,137
Net position:			
Net investment in capital assets		33,518	24,938
Restricted		4,030	2,993
Unrestricted		<u>(5,623)</u>	<u>188</u>
Total net position	\$	<u><u>31,925</u></u>	\$ <u><u>28,119</u></u>

		<u>CHANGE IN NET POSITION</u>	
		Governmental <u>Activities</u>	
		<u>2015</u>	<u>2014</u>
Revenues:			
Program revenues:			
Charges for services	\$	1,326	\$ 1,361
Operating grants and contributions		4,705	6,195
Capital grants and contributions		6,663	15,326
General revenues:			
Assessments to member Towns		24,234	23,209
Grants and contributions not restricted to specific programs		2,335	2,238
Investment income		64	53
Miscellaneous		<u>94</u>	<u>252</u>
Total revenues		39,421	48,634

(continued)

(continued)

CHANGE IN NET POSITION

	Governmental <u>Activities</u>	
	<u>2015</u>	<u>2014</u>
Expenses:		
Administration	1,387	1,554
Instruction	15,929	14,632
Other school services	3,874	3,387
Operations and maintenance	1,885	1,775
Fixed charges	4,567	7,165
Interest	1,749	1,212
Programs with other districts	3,295	4,046
Miscellaneous	195	82
Total expenses	<u>32,881</u>	<u>33,853</u>
Change in net position	6,540	14,781
Net position - beginning of year, as restated*	<u>25,385</u>	<u>13,338</u>
Net position - end of year	<u>\$ 31,925</u>	<u>\$ 28,119</u>

* July 1, 2014 net position was restated for GASB 68. Due to fiscal year 2015 being the first year of implementation of GASB 68, prior periods have not been restated in accordance with the standards. Refer to Note 19.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position was \$31,925,129, a change of \$6,539,756 from the prior year.

The largest portion of net position \$33,517,660 reflects our investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in 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 net position, \$4,030,182, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$(5,622,713), primarily resulting from the District's unfunded net OPEB obligation and net pension liability.

Governmental activities. Governmental activities for the year resulted in a change in net position of \$6,539,756. Key elements of this change are as follows:

General fund expenditures in excess of revenues	\$ (1,144,747)
MSBA state grant to finance school construction	6,663,316
Decrease in net OPEB obligation	76,867
Principal debt service in excess of depreciation expense	919,370
Decrease in net pension liability and related deferred inflows	167,649
Capital assets from current year revenues	986,116
Nonmajor funds expenditures in excess of revenues	(702,696)
Other	<u>(426,119)</u>
Total	<u>\$ 6,539,756</u>

D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$11,191,738, a change of \$13,444,739 in comparison to the prior year. Key elements of this change are as follows:

General fund expenditures in excess of revenues	\$ (1,144,747)
High School Building Fund revenues and bond proceeds in excess of expenditures	13,410,515
Bond premium received on general obligation bonds	1,881,667
Circuit Breaker expenditures in excess of revenues	(329,210)
Other nonmajor funds expenditures in excess of revenues	<u>(373,486)</u>
Total	<u>\$ 13,444,739</u>

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,508,462, while total fund balance was \$2,745,506. 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 expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/15</u>	<u>6/30/14</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 1,508,462	\$ 1,377,932	\$ 130,530	5.3%
Total fund balance	\$ 2,745,506	\$ 3,658,968	\$ (913,462)	9.6%

State law allows regional school districts to retain surplus funds (i.e. unassigned fund balance) up to five percent of the succeeding year's general fund budgeted operating and capital expenditures. The District's calculation is as follows:

06/30/15 general fund unassigned fund balance	\$ 1,508,462
FY16 general fund budgeted operating and capital expenditures	\$ 30,643,037
06/30/15 general fund unassigned fund balance as a % of FY2016 general fund budget	4.92%

The total fund balance of the general fund changed by \$(913,462) during the current fiscal year. Key factors in this change are as follows:

Use of fund balance (E&D) as a funding source	\$ (580,000)
Revenues in excess of budget	575,815
Expenditures less than budget	130,009
Change in stabilization accounts	(1,166,711)
Increase in year-end encumbrances and other assignments	<u>127,425</u>
Total	\$ <u><u>(913,462)</u></u>

Included in the total general fund balance are the District's Concord-Carlisle High School (CCHS) and technology stabilization accounts with the following balances:

	<u>6/30/15</u>	<u>6/30/14</u>	<u>Change</u>	<u>Fund Balance Classification</u>
CCHS stabilization	\$ 153,777	\$ 333,460	\$ (179,683)	Committed
Technology stabilization	<u>55,172</u>	<u>1,042,200</u>	<u>(987,028)</u>	Committed
Total	\$ <u><u>208,949</u></u>	\$ <u><u>1,375,660</u></u>	\$ <u><u>(1,166,711)</u></u>	

E. GENERAL FUND BUDGETARY HIGHLIGHTS

There were no differences between the original budget and the final amended budget.

F. CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets at year-end amounted to \$93,499,249 (net of accumulated depreciation), an increase of \$23,513,287

from the prior year. This investment in capital assets includes land, construction in progress, buildings and improvements, and machinery, equipment and furnishings.

Major capital asset events during the current fiscal year included the following:

- \$23,311,379 for the High School Building project.
- \$905,979 for various technology equipment purchases.
- \$21,559 for athletic equipment purchases.
- \$(725,630) for current year depreciation expense.

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding was \$63,961,683, all of which was backed by the full faith and credit of the District.

Additional information on capital assets and long-term debt can be found in the Notes to Financial Statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Concord-Carlisle Regional School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

John F. Flaherty
Deputy Superintendent for Finance and Operations
Concord-Carlisle Regional School District
120 Meriam Road
Concord, Massachusetts 01742

CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2015

	Governmental <u>Activities</u>
Assets	
Current:	
Cash and short-term investments	\$ 15,141,264
Receivables:	
Intergovernmental	1,511,009
Noncurrent:	
Land and construction in progress	84,488,675
Depreciable capital assets, net	<u>9,010,574</u>
Total Assets	110,151,522
Liabilities	
Current:	
Accounts payable	2,076,188
Accrued liabilities	1,647,447
Notes payable	2,000,000
Other current liabilities	121,878
Current portion of long-term liabilities:	
Bonds payable	2,933,334
Compensated absences	129,589
Noncurrent:	
Bonds payable, net of current portion	61,028,349
Compensated absences, net of current portion	573,895
Net OPEB obligation	5,150,010
Net pension liability	2,385,894
Deferred Inflows of Resources	<u>179,809</u>
Total Liabilities and Deferred Inflows of Resources	78,226,393
Net Position	
Net investment in capital assets	33,517,660
Restricted for:	
Grants and other statutory restrictions	4,030,182
Unrestricted	<u>(5,622,713)</u>
Total Net Position	<u><u>\$ 31,925,129</u></u>

The accompanying notes are an integral part of these financial statements.

CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

		<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities					
Administration	\$ 1,386,868	\$ -	\$ -	\$ -	\$ (1,386,868)
Instruction	15,928,819	631,338	2,161,471	6,663,316	(6,472,694)
Other school services	3,873,537	694,192	787,219	-	(2,392,126)
Operations and maintenance	1,884,691	-	-	-	(1,884,691)
Fixed charges	4,566,744	-	1,756,761	-	(2,809,983)
Interest	1,749,138	-	-	-	(1,749,138)
Programs with other districts	3,295,393	-	-	-	(3,295,393)
Miscellaneous	<u>195,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(195,502)</u>
Total Governmental Activities	<u>\$ 32,880,692</u>	<u>\$ 1,325,530</u>	<u>\$ 4,705,451</u>	<u>\$ 6,663,316</u>	(20,186,395)
		General Revenues			
					24,234,011
					2,335,122
					63,069
					<u>93,949</u>
					<u>26,726,151</u>
					6,539,756
		Net Position			
					<u>25,385,373</u>
					<u>\$ 31,925,129</u>

The accompanying notes are an integral part of these financial statements.

CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2015

	General Fund	High School Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and short-term investments	\$ 4,238,783	\$ 7,778,644	\$ 3,123,837	\$ 15,141,264
Receivables:				
Intergovernmental	<u>60,736</u>	<u>516,700</u>	<u>933,573</u>	<u>1,511,009</u>
Total Assets	<u>\$ 4,299,519</u>	<u>\$ 8,295,344</u>	<u>\$ 4,057,410</u>	<u>\$ 16,652,273</u>
Liabilities				
Accounts payable	\$ 205,493	\$ 1,849,745	\$ 20,950	\$ 2,076,188
Accrued liabilities	1,226,642	-	35,827	1,262,469
Notes payable	-	2,000,000	-	2,000,000
Other liabilities	<u>121,878</u>	<u>-</u>	<u>-</u>	<u>121,878</u>
Total Liabilities	1,554,013	3,849,745	56,777	5,460,535
Fund Balances				
Restricted	72,294	4,445,599	4,009,083	8,526,976
Committed	208,949	-	-	208,949
Assigned	955,801	-	-	955,801
Unassigned	<u>1,508,462</u>	<u>-</u>	<u>(8,450)</u>	<u>1,500,012</u>
Total Fund Balances	<u>2,745,506</u>	<u>4,445,599</u>	<u>4,000,633</u>	<u>11,191,738</u>
Total Liabilities and Fund Balances	<u>\$ 4,299,519</u>	<u>\$ 8,295,344</u>	<u>\$ 4,057,410</u>	<u>\$ 16,652,273</u>

The accompanying notes are an integral part of these financial statements.

CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND
 BALANCES TO NET ASSETS OF GOVERNMENTAL
 ACTIVITIES IN THE STATEMENT OF NET POSITION

JUNE 30, 2015

Total governmental fund balances	\$	11,191,738
<ul style="list-style-type: none"> • Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 		93,499,249
<ul style="list-style-type: none"> • Deferred inflows of resources related to pensions resulting from projected vs. actual earnings will be recognized as a reduction of the net pension liability in the years ending June 30, 2016 through June 30, 2019. 		(179,809)
<ul style="list-style-type: none"> • In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. 		(384,978)
<ul style="list-style-type: none"> • Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds: <ul style="list-style-type: none"> Bonds payable Net OPEB obligation Net pension liability Compensated absences 		(63,961,683) (5,150,010) (2,385,894) <u>(703,484)</u>
Net position of governmental activities	\$	<u>31,925,129</u>

The accompanying notes are an integral part of these financial statements.

CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2015

	<u>General</u>	<u>High School Building Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Assessments to member towns	\$ 24,234,011	\$ -	\$ -	\$ 24,234,011
Charges for services	-	-	1,325,530	1,325,530
Intergovernmental	3,075,916	6,663,316	2,113,410	11,852,642
Investment income	61,651	-	1,739	63,390
Miscellaneous	58,627	-	129,487	188,114
Total Revenues	<u>27,430,205</u>	<u>6,663,316</u>	<u>3,570,166</u>	<u>37,663,687</u>
Expenditures				
Current:				
Administration	1,526,797	-	-	1,526,797
Instruction	14,272,583	-	1,183,928	15,456,511
Other school services	2,629,704	-	1,235,948	3,865,652
Operations and maintenance	1,812,151	-	413	1,812,564
Fixed charges	3,035,003	-	19,496	3,054,499
Programs with other districts	1,624,394	-	1,670,999	3,295,393
Capital outlay	687,634	23,252,801	35,190	23,975,625
Debt service	2,986,686	-	126,888	3,113,574
Total Expenditures	<u>28,574,952</u>	<u>23,252,801</u>	<u>4,272,862</u>	<u>56,100,615</u>
Excess (deficiency) of revenues over expenditures	(1,144,747)	(16,589,485)	(702,696)	(18,436,928)
Other Financing Sources (Uses)				
Bond proceeds	-	30,000,000	-	30,000,000
Premium on bond proceeds	-	-	1,881,667	1,881,667
Transfers in	231,285	-	-	231,285
Transfers out	-	-	(231,285)	(231,285)
Total Other Financing Sources (Uses)	<u>231,285</u>	<u>30,000,000</u>	<u>1,650,382</u>	<u>31,881,667</u>
Change in fund balance	(913,462)	13,410,515	947,686	13,444,739
Fund Balance, at Beginning of Year	<u>3,658,968</u>	<u>(8,964,916)</u>	<u>3,052,947</u>	<u>(2,253,001)</u>
Fund Balance, at End of Year	<u>\$ 2,745,506</u>	<u>\$ 4,445,599</u>	<u>\$ 4,000,633</u>	<u>\$ 11,191,738</u>

The accompanying notes are an integral part of these financial statements.

CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

Net change in governmental fund balances	\$ 13,444,739																		
<ul style="list-style-type: none"> • 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: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Capital outlay purchases</td> <td style="width: 30%; text-align: right;">24,238,917</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(725,630)</td> </tr> </table> • 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 effect on net position: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Issuance of debt</td> <td style="width: 30%; text-align: right;">(30,000,000)</td> </tr> <tr> <td>Repayments of bonded debt</td> <td style="text-align: right;">1,645,000</td> </tr> <tr> <td>Current year bond premiums, net of current year amortization</td> <td style="text-align: right;">(1,825,145)</td> </tr> </table> • In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;"></td> <td style="width: 30%; text-align: right;">(337,087)</td> </tr> </table> • Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Compensated absences</td> <td style="width: 30%; text-align: right;">(145,554)</td> </tr> <tr> <td>Change in net OPEB obligation</td> <td style="text-align: right;">76,867</td> </tr> <tr> <td>Change in net pension liability and related deferred inflows</td> <td style="text-align: right;"><u>167,649</u></td> </tr> </table> 		Capital outlay purchases	24,238,917	Depreciation	(725,630)	Issuance of debt	(30,000,000)	Repayments of bonded debt	1,645,000	Current year bond premiums, net of current year amortization	(1,825,145)		(337,087)	Compensated absences	(145,554)	Change in net OPEB obligation	76,867	Change in net pension liability and related deferred inflows	<u>167,649</u>
Capital outlay purchases	24,238,917																		
Depreciation	(725,630)																		
Issuance of debt	(30,000,000)																		
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Current year bond premiums, net of current year amortization	(1,825,145)																		
	(337,087)																		
Compensated absences	(145,554)																		
Change in net OPEB obligation	76,867																		
Change in net pension liability and related deferred inflows	<u>167,649</u>																		
Change in net position of governmental activities	\$ <u>6,539,756</u>																		

The accompanying notes are an integral part of these financial statements.

CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

GENERAL FUND

STATEMENT OF REVENUES AND OTHER SOURCES, AND EXPENDITURES AND OTHER USES -
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Assessments to member towns	\$ 24,234,011	\$ 24,234,011	\$ 24,234,011	\$ -
Intergovernmental	2,603,319	2,603,319	3,075,916	472,597
Investment income	15,000	15,000	58,901	43,901
Miscellaneous	5,000	5,000	58,627	53,627
Transfers in	225,595	225,595	231,285	5,690
Total Revenues	<u>27,082,925</u>	<u>27,082,925</u>	<u>27,658,740</u>	<u>575,815</u>
Expenditures				
Current:				
Administration	1,562,156	1,562,156	1,519,683	42,473
Instruction	13,670,111	13,670,111	14,179,902	(509,791)
Other school services	2,311,214	2,311,214	2,616,201	(304,987)
Operations and maintenance	1,808,888	1,808,888	1,853,194	(44,306)
Fixed charges	2,836,664	2,836,664	2,496,888	339,776
Programs with other districts	2,316,852	2,316,852	1,698,558	618,294
Capital outlay	96,021	96,021	109,510	(13,489)
Debt service	3,061,019	3,061,019	3,058,980	2,039
Total Expenditures	<u>27,662,925</u>	<u>27,662,925</u>	<u>27,532,916</u>	<u>130,009</u>
Excess of revenues over expenditures	(580,000)	(580,000)	125,824	705,824
Other Financing Sources				
Use of fund balance	580,000	580,000	-	(580,000)
Total Other Financing Sources	<u>580,000</u>	<u>580,000</u>	<u>-</u>	<u>(580,000)</u>
Excess of revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,824</u>	<u>\$ 125,824</u>

The accompanying notes are an integral part of these financial statements.

CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2015

	Private Purpose Trust <u>Funds</u>	OPEB Trust Fund	Agency <u>Funds</u>
Assets			
Cash and short term investments	\$ 83,268	\$ -	\$ 157,274
Investments	-	1,281,149	-
Other assets	<u>-</u>	<u>-</u>	<u>1,750</u>
Total Assets	83,268	1,281,149	159,024
Liabilities			
Accounts payable	-	-	174
Student activity funds	-	-	141,821
Other liabilities	<u>-</u>	<u>-</u>	<u>17,029</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>159,024</u>
Net Position			
Net position held in trust	<u>\$ 83,268</u>	<u>\$ 1,281,149</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2015

	Private Purpose Trust <u>Funds</u>	OPEB Trust <u>Fund</u>
Additions		
Contributions	\$ 22,190	\$ 350,000
Investment income	<u>136</u>	<u>27,595</u>
Total Additions	22,326	377,595
Deductions		
Scholarship payments	<u>2,250</u>	<u>-</u>
Total Deductions	<u>2,250</u>	<u>-</u>
Net Increase	20,076	377,595
Net position		
Beginning of year	<u>63,192</u>	<u>903,554</u>
End of year	<u>\$ 83,268</u>	<u>\$ 1,281,149</u>

The accompanying notes are an integral part of these financial statements.

CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Concord-Carlisle Regional School District conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The District is a municipal corporation governed by an elected School Committee. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In fiscal year 2015, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Member Town assessments and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include member Town assessments.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. In general, all other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental funds:

- The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *High School Building* fund is used to account for activity associated with the construction of the new Concord-Carlisle High School.

The *Private-Purpose Trust Fund* is used to account for scholarship arrangements, under which principal and investment income exclusively benefits individuals, private organizations, or other governments.

The *OPEB Trust Fund* is used to accounts for money used for the purpose of funding post-retirement welfare benefits.

The *Agency Fund* is used to account for money held by the District on behalf of others (e.g., student activity funds).

D. Cash and Short-Term Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the general fund. Certain special revenue and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments". The interest earnings attributable to each fund type are included under investment income.

E. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Vehicles	5
Office equipment	5
Computer equipment	5

F. Compensated Absences

It is the District's policy to permit certain employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

G. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

H. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

Fund Balance – In general, fund balance represents the difference between current assets and current liabilities. The District reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance which is available for appropriation in future periods.

The District's fund balance classification policies and procedures are as follows:

- 1) Nonspendable funds are either unspendable in the current form (i.e., inventory or prepaid items) or can never be spent.
- 2) Restricted funds are used solely for the purpose for which the fund was established. In the general fund, this includes funds restricted for debt service. In the case of special revenue funds, restricted funds are created by statute or otherwise have external constraints on how the funds can be expended.
- 3) Committed funds are reported and expended as a result of motions passed by the District's highest decision making authority (i.e., the School Committee). Committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- 4) Assigned funds are used for specific purposes as established by the District's management. Assignments represent amounts that

are constrained by the District's *intent* to use these funds for a specific purpose, but are neither restricted nor committed. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet paid for. This account also includes fund balance (E&D) voted to be used in the subsequent fiscal period.

- 5) Unassigned funds are available to be spent in future periods.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the District uses the following order to liquidate liabilities: restricted, committed, assigned and unassigned.

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

I. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

The School Committee annually determines the amount to be raised (after deducting the amount of anticipated revenue the District expects to receive) to maintain and operate the School District during the next fiscal year. The School District then calculates the assessments to each Town based on its approved budget and seeks an appropriation in the amount of that assessment from each Town's annual town meeting. After assessments are appropriated by each Town that are consistent with the School Committee's budget (either its initial budget or a budget revised to be consistent with the Town's appropriations), the School District Treasurer certifies the assessments to the Treasurers of the Towns.

Formal budgetary integration is employed as a management control device during the year for the general fund. Effective budgetary control is achieved for all other funds through provisions of the Massachusetts General Laws.

At year-end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

B. Budgetary Basis

The general fund final appropriation appearing on the “Budget and Actual” page of the fund financial statements represents the final amended budget after all transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>General Fund</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP basis)	\$ 27,430,205	\$ 28,574,952
Other financing sources/uses (GAAP basis)	<u>231,285</u>	<u>-</u>
Subtotal (GAAP Basis)	27,661,490	28,574,952
Reverse beginning of year appropriation carryforwards from expenditures	-	(290,670)
Add end-of-year appropriation carryforwards from expenditures	-	418,095
Reverse unbudgeted stabilization account activity	<u>(2,750)</u>	<u>(1,169,461)</u>
Budgetary basis	<u>\$ 27,658,740</u>	<u>\$ 27,532,916</u>

D. Assessments of Member Towns

Most capital and operating costs of the District in excess of each town's net minimum contribution are apportioned to the member towns on the basis of their respective pupil enrollments in the District on October 1 of the preceding year. Certain costs, such as transportation and debt service, are outside of the net school spending requirements established by the Commonwealth. These costs are apportioned to the member towns based on either the above percentage or on a member-specific basis. For the year ended June 30, 2015, the assessments were calculated as follows:

	Within the <u>Levy Limit</u>	Excluded <u>Debt Service</u>	Total <u>Assessment</u>
Concord	\$ 15,856,221	\$ 1,858,841	\$ 17,715,062
Carlisle	<u>5,834,916</u>	<u>684,033</u>	<u>6,518,949</u>
Total	<u>\$ 21,691,137</u>	<u>\$ 2,542,874</u>	<u>\$ 24,234,011</u>

E. Deficit Fund Equity

The following funds had deficits as of June 30, 2015:

Non-Major Governmental Funds:

Community Chest	\$ (6,962)
ARRA IDEA	(1,393)
Wilson Flight Math/Sci	<u>(95)</u>
Total	<u>\$ (8,450)</u>

The deficits in these funds will be eliminated through future intergovernmental and departmental revenues.

3. Cash and Investments

A. Custodial Credit Risk

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District may not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Massachusetts General Laws, Chapter 44, Section 55, limits the District's deposits "in a bank or trust company or banking company to an amount not exceeding sixty per cent of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess." The District follows the Massachusetts statute as written.

At June 30, 2015, \$16,079,117 of the District's bank balance of \$16,377,907 was exposed to custodial credit risk as uninsured, uncollateralized, or collateral held by pledging bank's trust department not in the District's name. However, \$15,880,875 of the exposed balance was on deposit with the Massachusetts Municipal Depository Trust (MMDT).

B. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. For short-term investments that were purchased using surplus revenues, Massachusetts General Law, Chapter 44, Section 55, limits the Government's investments to the top rating issued by at least one nationally recognized statistical rating organization (NRSROs).

At June 30, 2015, the District's investments consisted of mutual funds valued at \$1,281,149. Mutual funds are not subject to credit risk rating.

C. Concentration of Credit Risk

The District places no limit on the amount that may invest in any one issuer.

The District has 100% of its investments in mutual funds held by ICMA-RC.

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The District's investments consist of mutual funds which do not have maturity terms.

E. Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The District does not have policies for foreign currency risk.

4. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2015.

5. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 14,667	\$ -	\$ -	\$ 14,667
Machinery, equipment, and furnishings	<u>3,093</u>	<u>928</u>	<u>-</u>	<u>4,021</u>
Total capital assets, being depreciated	17,760	928	-	18,688
Less accumulated depreciation for:				
Buildings and improvements	(6,358)	(497)	-	(6,855)
Machinery, equipment, and furnishings	<u>(2,593)</u>	<u>(229)</u>	<u>-</u>	<u>(2,822)</u>
Total accumulated depreciation	<u>(8,951)</u>	<u>(726)</u>	<u>-</u>	<u>(9,677)</u>
Total capital assets, being depreciated, net	8,809	202	-	9,011
Capital assets, not being depreciated:				
Land	1,306	-	-	1,306
Construction in progress	<u>59,871</u>	<u>23,311</u>	<u>-</u>	<u>83,182</u>
Total capital assets, not being depreciated	<u>61,177</u>	<u>23,311</u>	<u>-</u>	<u>84,488</u>
Governmental activities capital assets, net	<u>\$ 69,986</u>	<u>\$ 23,513</u>	<u>\$ -</u>	<u>\$ 93,499</u>

Depreciation expense was charged to functions of the District as follows (in thousands):

Governmental Activities:	
Administration	\$ 18
Instruction	629
Other school services	57
Operations and maintenance	<u>22</u>
Total depreciation expense - governmental activities	<u>\$ 726</u>

6. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities represent 2015 expenditures paid after June 30, 2015.

7. Notes Payable

The District had the following notes outstanding at June 30, 2015:

	Interest Rate	Date of Issue	Date of Maturity	Balance at 6/30/15
High school construction	1.50%	03/04/15	03/16/16	\$ <u>2,000,000</u>
Total				<u>\$ 2,000,000</u>

The following summarizes activity in notes payable during fiscal year 2015:

	Balance Beginning of Year	New Issues	Maturities	Balance End of Year
High school construction	\$ 30,000,000	\$ 2,000,000	\$ (30,000,000)	\$ 2,000,000
Total	<u>\$ 30,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ (30,000,000)</u>	<u>\$ 2,000,000</u>

8. Long-Term Debt

A. General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds currently outstanding are as follows:

<u>Governmental Activities:</u>	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/15
High School renovations	12/15/17	4.00%	\$ 730,000
High School construction	06/15/38	3.09%	30,050,000
High School construction	03/15/38	4.01%	<u>30,000,000</u>
Total Governmental Activities:			<u>\$ 60,780,000</u>

B. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2015 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,795,000	\$ 2,255,825	\$ 5,050,825
2017	2,945,000	2,146,525	5,091,525
2018	2,890,000	2,015,325	4,905,325
2019	2,650,000	1,891,525	4,541,525
2020	2,650,000	1,759,025	4,409,025
2021 - 2025	13,050,000	6,985,125	20,035,125
2026 - 2030	13,000,000	4,640,025	17,640,025
2031 - 2035	13,000,000	2,609,750	15,609,750
2036 - 2038	<u>7,800,000</u>	<u>530,400</u>	<u>8,330,400</u>
Total	<u>\$ 60,780,000</u>	<u>\$ 24,833,525</u>	<u>\$ 85,613,525</u>

The general fund has been designated as the sole source to repay the governmental-type general obligation long-term debt outstanding as of June 30, 2015.

C. Changes in General Long-Term Liabilities

During the year ended June 30, 2015, the following changes occurred in long-term liabilities (in thousands):

	Total Balance <u>7/1/14</u>	Additions	Reductions	Total Balance <u>6/30/15</u>	Less Current Portion <u>6/30/15</u>	Equals Long-Term Portion <u>6/30/15</u>
<u>Governmental Activities</u>						
Bonds payable	\$ 32,425	\$ 30,000	\$ (1,645)	\$ 60,780	\$ (2,795)	\$ 57,985
Unamortized bond premiums	<u>1,356</u>	<u>1,882</u>	<u>(56)</u>	<u>3,182</u>	<u>(138)</u>	<u>3,044</u>
Total bonds payable	33,781	31,882	(1,701)	63,962	(2,933)	61,029
Compensated absences	558	241	(96)	703	(130)	573
Net OPEB obligation	5,227	1,654	(1,731)	5,150	-	5,150
Net pension liability	<u>2,733</u>	<u>-</u>	<u>(347)</u>	<u>2,386</u>	<u>-</u>	<u>2,386</u>
Totals	<u>\$ 42,299</u>	<u>\$ 33,777</u>	<u>\$ (3,875)</u>	<u>\$ 72,201</u>	<u>\$ (3,063)</u>	<u>\$ 69,138</u>

9. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net assets by the District that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities.

The following is a summary of deferred inflow of resources balances as of June 30, 2015:

	<u>Governmental Activities</u>
Net difference between projected and actual pension investment earnings	\$ 179,809

10. Restricted Net Position

The accompanying entity-wide financial statements report restricted net position when external constraints from grantors or contributors are placed on net position.

11. Governmental Funds – Balances

Fund balances are segregated to account for resources that are either not available expenditure in the future or are legally set aside for a specific future use.

The District implemented GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which is intended to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at June 30, 2015:

Restricted – Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes all of the District’s funds set aside in the general fund for debt service, special revenue funds, as well as capital projects funded by general obligation bond issuances.

Committed – Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District’s highest decision making authority. This fund balance classification includes funds set aside in the District’s technology stabilization and CCHS stabilization funds.

Assigned – Represents amounts that are constrained by the District’s intent to use these resources for a specific purpose. This fund balance classification includes general fund encumbrances for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period, E&D appropriated as a funding source for the District’s subsequent fiscal year budget, and other assignments made by management. The District follows an informal policy that permits management to assign fund balance amounts to a specific purpose.

Unassigned – Represents net amounts that are available to spend in future periods. This fund balance classification includes general fund surplus fund balance and various capital project temporary deficit fund balances.

Following is a breakdown of the District’s fund balances at June 30, 2015:

	General Fund	High School Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted				
For debt service	\$ 72,294	\$ -	\$ -	\$ 72,294
Special revenue funds				
Federal grants	-	-	10,649	10,649
State grants:				
Circuit breaker	-	-	167,296	167,296
Other state grants	-	-	103	103
Debt service revolving	-	-	2,922,150	2,922,150
School lunch	-	-	161,835	161,835
Athletics	-	-	272,668	272,668
Lecture and Enrichment	-	-	135,269	135,269
Adult education	-	-	98,822	98,822
Other	-	-	189,096	189,096
Bonded projects	-	4,445,599	51,195	4,496,794
Total Restricted	72,294	4,445,599	4,009,083	8,526,976

(continued)

(continued)

	<u>General Fund</u>	<u>High School Building Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Committed				
For technology stabilization	55,172	-	-	55,172
For CCHS stabilization	<u>153,777</u>	<u>-</u>	<u>-</u>	<u>153,777</u>
Total Committed	208,949	-	-	208,949
Assigned				
For encumbrances:				
Administration	16,195	-	-	16,195
Instruction	84,778	-	-	84,778
Other school services	3,747	-	-	3,747
Operations and maintenance	91,340	-	-	91,340
Fixed charges	49,314	-	-	49,314
Capital outlay	20,745	-	-	20,745
Programs with other districts	79,682	-	-	79,682
For next year's expenditures	<u>610,000</u>	<u>-</u>	<u>-</u>	<u>610,000</u>
Total Assigned	955,801	-	-	955,801
Unassigned				
General fund	1,508,462	-	-	1,508,462
Deficit funds	<u>-</u>	<u>-</u>	<u>(8,450)</u>	<u>(8,450)</u>
Total Unassigned	<u>1,508,462</u>	<u>-</u>	<u>(8,450)</u>	<u>1,500,012</u>
Total Fund Balance	<u>\$ 2,745,506</u>	<u>\$ 4,445,599</u>	<u>\$ 4,000,633</u>	<u>\$ 11,191,738</u>

12. Interfund Transfers

The District reports interfund transfers between many of its funds. The sum of all transfers presented in the table agrees with the sum of interfund transfers presented in the governmental financial statements. The following is an analysis of interfund transfers made in fiscal year 2015:

<u>Governmental Funds:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 231,285	\$ -
Nonmajor Funds:		
Special Revenue Fund	-	225,595
Capital Project Fund	<u>-</u>	<u>5,690</u>
Grand Total	<u>\$ 231,285</u>	<u>\$ 231,285</u>

The \$225,595 transfer from the Special Revenue Fund to the General represents a use of bond premiums to offset debt service costs.

13. Subsequent Events

Capital lease

Subsequent to June 30, 2015, the District entered into a 36-month capital lease for personal computers, servers, and networking equipment. Future minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Present Value of Minimum Lease Payments</u>	<u>Interest Payments</u>	<u>Total Lease Payments</u>
2016	\$ 206,581	\$ -	\$ 206,581
2017	195,519	11,062	206,581
2018	<u>200,974</u>	<u>5,607</u>	<u>206,581</u>
Total	<u>\$ 603,074</u>	<u>\$ 16,669</u>	<u>\$ 619,743</u>

14. Commitments and Contingencies

Outstanding Legal Issues - There are various pending legal issues in which the District is involved. The District's management is of the opinion that any potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

15. Post-Employment Healthcare and Life Insurance Benefits

GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the Statement of Activities when future retirees earn their post-employment benefits, rather than when they use them. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Position over time.

A. Plan Description

In addition to providing the pension benefits described in Note 16, the District provides post-employment health care and life insurance benefits for retired employees through the District's plan. The benefits, benefit levels, employee contributions and employer contributions are governed by Chapter 32 of the Massachusetts General Laws. As of June 30, 2014, the most recent actuarial valuation date, approximately 152 retirees and 224 active employees meet the eligibility requirements. The plan does not issue a separate financial report.

B. Benefits Provided

The District provides medical and life insurance to benefits to retirees and their covered dependents. All active employees who retire from the District and meet the eligibility criteria are eligible to receive these benefits.

C. Funding Policy

Retirees and their spouses contribute 37%-50% of the premium cost for medical insurance on most plans. The District contributes the remainder of the health plan costs on a pay-as-you-go basis.

D. Annual OPEB Costs and Net OPEB Obligation

The District's fiscal 2015 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the District's annual OPEB cost for the year ending June 30, 2015, the amount actually contributed to the plan, and the change in the District's net OPEB obligation based on an actuarial valuation as of June 30, 2014.

Annual Required Contribution (ARC)	\$ 1,608,025
Interest on net OPEB obligation	310,831
Adjustment to ARC	<u>(264,811)</u>
Annual OPEB cost	1,654,045
Contributions made	<u>(1,730,912)</u>
Decrease in net OPEB obligation	(76,867)
Net OPEB obligation - beginning of year	<u>5,226,877</u>
Net OPEB obligation - end of year	<u><u>\$ 5,150,010</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2015 fiscal year and preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 1,654,045	105%	\$ 5,150,010
2014	1,549,309	38%	5,226,877
2013	1,545,946	37%	4,264,549
2012	1,136,405	19%	3,286,607
2011	1,059,150	20%	2,367,079
2010	986,156	20%	1,520,317

E. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2014, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 18,101,238
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 18,101,238</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0%</u>
Covered payroll (active plan members)	<u>\$ 15,323,201</u>
UAAL as a percentage of covered payroll	<u>118.1%</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

F. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan as understood by the District and the plan members and include the types of benefits provided at the time of each valuation and the historical

pattern of sharing of benefit costs between the District and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2014 actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial value of assets was zero as the District had not advance funded its obligation as of the valuation date. On October 28, 2014, the District established an irrevocable trust fund for the purpose of funding their net OPEB obligation. The actuarial assumptions included a 5.0% investment rate of return and an initial annual healthcare cost trend rate of 9.0% which decreases to a 5.0% long-term rate for all healthcare benefits after ten years. The UAAL is amortized over 25 years using an increasing amortization payment at the rate of assumed payroll increase of 3.25% due to inflation.

16. Concord Contributory Retirement System

The District follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the employees' retirement funds.

A. Plan Description

Substantially all employees of the District (except teachers and administrators under contract employed by the District) are members of the Town of Concord Contributory Retirement System (the System), a cost sharing, multiple employer public employee retirement system (PERS). The System is a member of the Massachusetts Contributory Retirement Systems and is governed by Chapter 32 of the Massachusetts General Laws. Eligible employees must participate in the System. The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of the Massachusetts General Laws establishes the authority of the System, contribution percentages and benefits paid.

The System is governed by a five-member board. The five members include two appointed by the town, two elected by the members and retirees, and a fifth member chosen by the other four members with the approval of the Public Employee Retirement Administration Commission. The System's Retirement Board does not have the authority to amend benefit provisions.

Membership of each plan consisted of the following at January 1, 2014 (the latest actuarial valuation):

Retirees and beneficiaries receiving benefits	270
Terminated plan members entitled to but not yet receiving benefits	108
Active plan members	<u>502</u>
Total	<u><u>880</u></u>
Number of participating employers	3

B. Benefits Provided

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. 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 age 65 or upon attaining 20 years of service. The plan also provides for early retirement at age 55 if the participant (1) has a record of 10 years of creditable service, (2) was on the District payroll on January 1, 1978, (3) voluntarily left District employment on or after that date, and (4) left accumulated annuity deductions in the fund. A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement allowance and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

Per Chapter 176 of the Acts of 2011, for members who retire on or after April 2, 2012, if in the 5 years of creditable service immediately preceding retirement, the difference in the annual rate of regular compensation between any 2 consecutive years exceeds 100 percent, the normal yearly amount of the retirement allowance shall be based on the average annual rate of regular compensation received by the member during the period of 5 consecutive years preceding retirement.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. In addition, depending upon the number of years of creditable service, such employees are entitled to receive zero, fifty, or one hundred percent of the regular interest which has accrued upon those deductions. However, effective July 1, 2010, members voluntarily withdrawing with less than 10 years of service get credited interest each year at a rate of 3% and do not forfeit any interest previously earned on contributions.

C. Contributions

Participants contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of the Massachusetts General Laws. The employee's individual contribution percentage is determined by their date of entry into the system. In addition, all employees hired after January 1, 1979 contribute an additional 2% on all gross regular compensation over the rate of \$30,000 per year. The percentages are as follows:

Before January 1, 1975	5%
January 1, 1975 - December 31, 1983	7%
January 1, 1984 - June 30, 1996	8%
Beginning July 1, 1996	9%

Employers are required to contribute at actuarially determined rates as accepted by the Public Employee Retirement Administration Commission (PERAC).

The District's contribution to the System for the year ended June 30, 2015 was \$533,364, which was equal to its annual required contribution.

Actuarial Assumptions

A summary of the actuarial assumptions as of the latest actuarial valuation is shown below:

Valuation Date	January 1, 2014, rolled forward to December 31, 2014
Actuarial cost method	Entry Age
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	4.25%
Inflation rate	3.00%
Post-retirement cost-of-living adjustment	3.00% on the first \$12,000

Actuarial valuation of the ongoing Systems involves estimates of the reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The actuarial assumptions used in the December 31, 2014 valuation were based on the results of the most recent actuarial experience study, which was for the period January 1, 2013 through December 31, 2013.

Target Allocations

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range (expected returns, net of pension plan investment expense and inflation) is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap Equities	35.30%	4.61%
Core Bonds	26.70%	0.97%
International Equities	11.10%	5.10%
Real Estate	7.40%	3.40%
Private Equities	5.20%	6.55%
Hedge Funds	3.20%	3.64%
Cash/Portfolio Completion	3.00%	N/A
Value-Added Bonds	2.90%	3.80%
Emerging Market Equities	2.40%	6.31%
Mid/Small Cap Equities	1.40%	4.85%
Timber/Natural Resources	<u>1.40%</u>	3.64%
Total	<u>100.00%</u>	

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive 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.

Sensitivity of the 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 7.50%, 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 (6.50%) or 1 percentage-point higher (8.50%) than the current rate:

<u>Fiscal Year Ended</u>	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
12/31/2014	\$ 4,674,564	\$ 2,385,894	\$ 502,543

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

At June 30, 2015, the District reported a liability of \$2,385,894 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2014, the District's proportion was 13.20%.

For the year ended June 30, 2015, the District recognized pension expense of \$316,591. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 179,809

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ 44,952
2017	44,952
2018	44,952
2019	<u>44,953</u>
Total	<u>\$ 179,809</u>

17. Massachusetts Teachers' Retirement System (MTRS)

A. Plan Description

The Massachusetts Teachers' Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing multi-employer defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans. MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a non-employer contributor and is responsible for all contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives, and Quincy College. The MTRS is part of the Commonwealth's reporting entity and does not issue a stand-alone audited financial report.

Management of MTRS is vested in the Massachusetts Teachers' Retirement Board (MTRB), which consists of seven members—two elected by the MTRS members, one who is chosen by the six other MTRB members, the State Treasurer (or their designee), the State Auditor (or their designee), a member appointed by the Governor, and the Commissioner of Education (or their designee), who serves ex-officio as the Chairman of the MTRB.

B. Benefits Provided

MTRS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contributory PERS. 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 ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of creditable service or upon reaching the age of 55 with ten 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.

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. Costs of administering the plan are funded out of plan assets.

C. Contributions

Member contributions for MTRS vary depending on the most recent date of membership:

<u>Hire Date</u>	<u>% of Compensation</u>
Prior to 1975	5% of regular compensation
1975 - 1983	7% of regular compensation
1984 to 6/30/1996	8% of regular compensation
7/1/1996 to present	9% of regular compensation
7/1/2001 to present	11% of regular compensation (for teachers hired after 7/1/01 and those accepting provisions of Chapter 114 of the Acts of 2000)
1979 to present	An additional 2% of regular compensation in excess of \$30,000

D. Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of January 1, 2014 rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of January 1, 2014, rolled back to June 30, 2013. This valuation used the following assumptions:

- (a) 8.0% investment rate of return, (b) 3.5% interest rate credited to the annuity savings fund and (c) 3.0% cost of living increase per year.
- Salary increases are based on analyses of past experience but range from 4.0% to 7.5% depending on length of service.
- Mortality rates were as follows:
 - Pre-retirement - reflects RP-2000 Employees table adjusted for “white-collar” employment projected 22 years with Scale AA (gender distinct)
 - Post-retirement - reflects RP-2000 Healthy Annuitant table adjusted for large annuity amounts and projected 17 years with Scale AA (gender distinct)
 - Disability – reflects RP-2000 Healthy Annuitant table adjusted for large annuity amounts and projected 17 years with Scale AA (gender distinct) set forward 3 years for males.

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, 2014 and 2013 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	
		<u>2014</u>	<u>2013</u>
Global equity	43.0%	7.2%	7.70%
Core fixed income	13.0%	2.5%	2.00%
Hedge funds	10.0%	5.5%	4.75%
Private equity	10.0%	8.8%	9.00%
Real estate	10.0%	6.3%	6.00%
Value added fixed income	10.0%	6.3%	6.30%
Timber/natural resources	4.0%	5.0%	5.00%
Total	<u>100.0%</u>		

E. Discount Rate

The discount rate used to measure the total pension liability was 8.0%. 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.

F. Sensitivity Analysis

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate. In particular, the table presents the MTRS collective net pension liability assuming it was calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate (amounts in thousands):

<u>Fiscal Year Ended</u>	<u>1% Decrease to 7%</u>	<u>Current Discount Rate 8%</u>	<u>1% Increase to 9%</u>
06/30/2013	\$ 21,426,000	\$ 17,234,000	\$ 13,672,000
06/30/2014	\$ 20,247,000	\$ 15,896,000	\$ 12,200,000

G. Special Funding Situation

The Commonwealth is a non-employer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68), and the Commonwealth is a non-employer contributing entity in MTRS. Since the employers do not contribute directly to MTRS, there is no net pension liability to recognize for each employer.

H. District Proportions

In fiscal year 2014 (the most recent measurement period), the District's proportionate share of the MTRS' collective net pension liability and pension expense was \$29,791,673 and \$2,069,770 respectively, based on a proportionate share of 0.187412%. As required by GASB 68, the District has recognized its portion of the collective pension expense as both a revenue and expense in the government-wide Statement of Activities.

18. Risk Management

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 government carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

19. Beginning Net Position Restatement

The District's beginning net position for fiscal year 2015 has been restated from the previous fiscal year to conform to GASB Statement 68. Fiscal year 2014 and prior periods have not been restated due to impractical nature of allocating annual activity and lack of information for measurement dates June 30, 2012 and prior; as this is a new standard and beginning net position restatement does not recognize beginning balances for other deferred out-flows of resources and deferred inflows of resources related to pensions per GASB 71. Accordingly, the following reconciliation is provided:

Government-Wide Financial Statements:

	<u>Governmental Activities</u>
As previously reported	\$ 28,118,725
GASB 68 implementation for net pension liability	<u>(2,733,352)</u>
As restated	<u>\$ 25,385,373</u>

**CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS
REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2015

(Unaudited)

(Amounts Expressed in thousands)

Other Post-Employment Benefits						
Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) - <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percent- age of Covered Payroll <u>[(b-a)/c]</u>
06/30/14	\$ -	\$ 18,101	\$ 18,101	0.0%	\$ 15,323	118.1%
01/01/12	-	16,318	16,318	0.0%	17,273	94.5%
01/01/09	-	8,476	8,476	0.0%	11,978	70.8%

See Independent Auditors' Report.

CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

**SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2015
(Unaudited)**

<u>Concord Contributory Retirement System:</u>	<u>2015</u>
Proportion of the net pension liability for the most recent measurement date	13.20%
Proportionate share of the net pension liability for the most recent measurement date	\$ 2,385,894
Covered-employee payroll for the most recent measurement date	\$ 2,511,488
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	95.0%
Plan fiduciary net position as a percentage of the total pension liability	88.0%
 <u>Massachusetts Teachers' Retirement System:</u>	
Proportion of the net pension liability for the most recent measurement date	0.187412%
District's proportionate share of the net pension liability for the most recent measurement date	\$ -
Commonwealth of Massachusetts' total proportionate share of net pension liability associated with the District	<u>29,791,673</u>
Total net pension liability associated with the District	<u><u>\$ 29,791,673</u></u>
Covered-employee payroll for the most recent measurement date	\$ 11,491,156
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	259.26%
Plan fiduciary net position as a percentage of the total pension liability	61.64%

Schedules are intended to show information for 10 years. Additional years will be

See Independent Auditors' Report.

CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2015
(Unaudited)

<u>Concord Contributory Retirement System:</u>	<u>2015</u>
Contractually required contribution for the current fiscal year	\$ 533,364
Contributions in relation to the contractually required contribution	<u>(533,364)</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>
Covered-employee payroll for the current fiscal year	2,511,488
Contributions as a percentage of covered-employee payroll	21.2%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available

See Independent Auditors' Report.