

**BARRE UNIFIED UNION SCHOOL DISTRICT #97
BARRE, VERMONT**

**FINANCIAL STATEMENTS
JUNE 30, 2020
AND
INDEPENDENT AUDITOR'S REPORTS**

BARRE UNIFIED UNION SCHOOL DISTRICT #97

JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

The Board of Education
Barre Unified Union School District #97

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Barre Unified Union School District #97 (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.

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 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 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 District'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 District'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, the business-type activities, each major fund and the aggregate remaining fund information of the Barre Unified Union School District #97 as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary

comparisons for the General Fund and the Central Vermont Career Center 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 the management's discussion and analysis and schedules 1 and 2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2020, on our consideration of the District's internal control over financial reporting; on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements; and on other matters. The purpose of that report is 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 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.

Montpelier, Vermont
December 31, 2020

Madgett Bennett 4
Mark Wain, P.C.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

The management's discussion and analysis (MD&A) of Barre Unified Union School District #97 (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the independent auditor's letter, the basic financial statements, the notes to the financial statements, and the supplementary information to enhance their understanding of the District's financial performance.

Please note that this is the first audit of the newly merged District. On November 30, 2018 the State Board of Education directed the Barre Supervisory Union, Barre City School District, Barre Town School District, and Spaulding Union High School District/Central Vermont Career Center to merge into this District under Act 46. This transition took place smoothly, as evidenced by the attached favorable financial statements and auditors' opinion.

Unfortunately, due to failed votes in Barre Town, the District was not able to benefit from the incentives under Act 46 which would have assisted the transition and would have provided the tax payers with substantial savings over a 10 year period.

Financial Highlights

Key financial highlights for the year ended June 30, 2020, are as follows:

- The financial statements as of June 30, 2020 reflect the government-wide net position decrease of approximately \$270,368. The net position of governmental activities decreased \$286,796, the business-type activities increased \$17,371, and the component unit decreased by \$943.
- Government-wide revenues totaled \$56.9 million. General revenues accounted for \$32.8 million or 57.6 percent of total revenues. Program revenues in the form of charges for services, grants, contributions, and other sources accounted for \$24 million or 42.4 percent of total revenues.
- The District had \$57.1 million in expenses related to governmental activities; \$24 million of these expenses were offset by program-specific charges for services, grants, contributions, and other sources. General revenues (primarily taxes and subsidies) of \$32.8 million were not sufficient in funding the remaining cost of programs which decreased net position by \$286,796.
- Among the governmental funds, the General Fund and the Central Vermont Career Center Fund had \$51.8 million in revenues and \$51.7 million in expenditures. These two funds also had \$0.1 million in net other financing sources (consisting of transfers in and an insurance recovery). The General Fund's fund balance increased by \$165,037. The Central Vermont Career Center Fund's fund balance increased by \$37,000.

Using this Annual Report

The District's annual report consists of a series of financial statements and notes to those statements that show information for the District as a whole, its various funds, and its fiduciary responsibilities. The statements are organized in a manner so that the reader might understand the District. First, the statements show the District as a financial whole by presenting information on a government-wide basis. Then, the statements provide the reader with a detailed look at specific financial activities of the District.

The first two statements are the Government-Wide Statement of Net Position and the Government-Wide Statement of Activities. These statements provide information about the financial status and operations of the entire District.

Fund financial statements provide the next level of detail, showing the District's most significant funds in separate columns and non-major funds totaled in one column. For governmental funds, these statements tell how the services were financed in the short-term as well as what remains for future spending. Proprietary fund statements show the financial information for activities operated like a business: the Adult Education Fund, and Building Trades Fund. Fiduciary fund statements present information for relationships where the District acts solely as a trustee or agent of the party to whom the resources belong.

The notes to financial statements further explain the information presented in the financial statements and provide more detailed data. The notes are an integral part of the financial statements. The notes are followed by a section of supplementary information that further explains and supports the financial statements with additional post-employment benefits plan information.

Reporting the District as a Whole

The analysis of the District as a whole in the MD&A begins on page 5. While this report contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "Is the condition of the District better or worse as a result of the operations during the school year?" The government-wide statements, which begin on page 11, present information about the District as a whole in a way that helps to answer this question. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. Both statements are prepared on the accrual basis of accounting, which is similar to the method used by most private sector companies.

The government-wide statements report the District's net position. Assets plus deferred outflows of resources less liabilities and deferred inflows of resources, as reported in the Statement of Net Position, are one way to measure the District's financial health, or net position. Over time, increases or decreases in the District's net position, as reported in the statement of activities, are used as one indicator of whether the District's financial health is improving or deteriorating. The District exists to provide services, primarily educational, to its students so it does not have the profit-generation goal of private-sector companies. For this reason, the reader must also consider nonfinancial factors, such as the quality of the education provided, when assessing the *overall* health of the District.

In the government-wide financial statements, the District's activities are divided into three categories:

- *Governmental Activities* - Most of the District's programs and services are reported under this category including instruction, support services, operation and maintenance of plant services, pupil transportation, and extracurricular activities. These activities are primarily financed by property taxes, subsidies and grants from the federal and state governments.
- *Business-Type Activities* - The District operates an adult education program whereby it charges students, staff, and other users in order to cover the costs of the services provided. The District also operates a building trades program, which is funded by proceeds from house sales.
- *Component Unit* - The District has identified the Spaulding High School Foundation, LTD. (SHS Foundation) as a discretely presented component unit in accordance with GASB Statement No. 61, *The Financial Reporting Entity Omnibus*. Component units are legally separate entities that are included in the District's financial statements due to fiscal dependency or common management. In the case of the SHS

Foundation, it is a legally separate nonprofit entity. The relationship between the SHS Foundation and the District includes a financial benefit, as the intent of the SHS Foundation is to support the District. The SHS Foundation is reported in a separate column in the District’s government-wide financial statements.

Reporting the District’s Most Significant Funds

The analysis of the District’s major funds begins on page 7. The fund financial statements, which provide detailed information about the most significant funds, not the District as a whole, begin on page 13. The District’s funds are divided into three broad types - governmental, proprietary and fiduciary. Each type of fund uses a different accounting approach.

- *Governmental Funds* - Most of the District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund statements provide a detailed short-term view of the District’s general government operations and the basic services it provides. Governmental fund information is used to determine whether there are more or less financial resources that can be spent in the near future to finance District programs. The relationship (or differences) between governmental activities (as reported in the statement of net position and the statement of activities) and governmental funds is described in the financial statements on pages 16 and 19.
- *Proprietary Funds* - Proprietary funds (described on pages 23 through 25) consist solely of activities treated as business-type activities in the government-wide financial statements. Since the same basis of accounting is used by proprietary funds and business-type activities, the information presented in total is essentially the same. The fund financial statements do provide some additional detail and information, such as cash flows.
- *Fiduciary Funds* - The District acts as fiscal agent for certain student groups and other outside groups. This activity is reported separately by the District. All of the District’s fiduciary activities are reported in a separate statement on page 26. These activities are excluded from the District’s other statements because the District cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

Recall that the statement of net position provides the perspective of the District as a whole (primary government and component unit). The Table below provides the District’s net position at June 30, 2020.

		<u>2020</u>
Assets		
Current assets	\$	4,898,642
Noncurrent assets		<u>14,245,882</u>
Total Assets		<u>19,144,524</u>

	<u>2020</u>
Deferred outflows of resources	<u>481,415</u>
Liabilities	
Current liabilities	3,337,134
Noncurrent liabilities	<u>3,553,365</u>
Total Liabilities	<u>6,890,499</u>
Deferred inflows of resources	<u>222,313</u>
Net Position	
Net investment in capital assets	11,535,276
Restricted	2,145,923
Unrestricted	<u>(1,168,072)</u>
Total Net Position	\$ <u>12,513,127</u>

The District's net position consists of \$11.5 million invested in capital assets (such as buildings, and land). The restricted net position of \$2.1 million consists of the balances in capital projects funds that are voter committed for capital projects and tax stabilization, as well as the Central Vermont Career Center Fund, Grant Funds, Food Service Fund, and Afterschool Program Fund restricted fund balances. The unrestricted negative net position of \$1.1 million is primarily made up of long-term liabilities such as the District's proportionate share of the VMERS net pension liability.

The results of this year's operations as a whole are reported in the statement of activities on page 13. All expenses are reported in the first column. Specific charges, grants, revenues, and subsidies that directly relate to specific expense categories are listed as program revenues in the second, third, and fourth columns. The fifth and sixth columns show the amount of the District's governmental and business-type activities, respectively, that must be supported by general revenues and transfers. The eighth column shows amounts relating to the SHS Foundation component unit. The District's largest general revenue is the education spending grant. The table below takes the information from the statement of activities and rearranges the line items slightly to display total revenues for the year.

	<u>2020</u>
Expenses	
Education - General	\$ 49,725,649
Education - Career Center	2,595,644
Grants	3,321,897
Food service	1,234,586
Other programs	99,103
Adult education	46,270
Component unit	3,253
Interest	<u>166,212</u>
Total Expenses	<u>57,192,614</u>

	<u>2020</u>
Program Revenues	
Grants and Contributions	22,049,281
Charges for Services	1,636,203
Other	<u>401,116</u>
Total Program Revenues	<u>24,086,600</u>
General Revenues	
Education Spending Grant	32,689,276
Interest income	<u>146,370</u>
Total General Revenues	<u>32,835,646</u>
Total Revenues	<u>56,922,246</u>
Change in Net Position	\$ <u>(270,368)</u>

The table on the previous page shows that total revenues were less than total expenses for the District as a whole by \$270,368 for the year ended June 30, 2020. It should be noted that although the District is required to present government-wide information using the accrual basis of accounting, as detailed above, the District must still prepare its budgets and report its operations under the modified accrual basis of accounting used in the fund financial statements. Operations in relation to the District's budget will be discussed later in this report under the "Financial Analysis of the District by Funds" section.

The statement of activities breaks the expenses of the District into functions or programs. These expenses are offset by related revenues (charges for services, grants, and contributions) before the general revenues of the District are applied.

The dependence upon local taxes for governmental activities is apparent. Program revenue provides only 46% of the funding needed for instruction, the major program area of the District. Even if all of the unrestricted grants, subsidies, and contributions are used toward instruction, there remains a need for more than \$28.2 million of the funding for instruction to come from local taxes and other general revenues.

The District has multiple business-type activities. These activities include the adult education and building trades activities. The total cost of the adult education operations was \$46,270. These costs were offset by charges for services (tuition) of \$41,977 and state grant funding of \$21,664. The building trades operation had a partially completed house included in its inventory that totaled \$43,101 at June 30, 2020.

Financial Analysis of the District by Funds

As previously noted, the District uses a number of funds to control and manage resources for particular purposes. Information about the District's major governmental funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. Combined, the governmental funds had total revenues of \$56.8 million, and expenditures of \$56.6 million. The net change in fund balance for the year was an increase of \$431,987. The increase in fund balance is primarily related to strong grant funding and reduced operating costs due to the COVID pandemic.

General Fund & Central Vermont Career Center Fund

The general fund increased its fund balance by \$165,037 to a deficit balance of \$313,296. The District had budgeted to utilize \$200,000 in prior year fund balance. The positive variance is attributed to total expenditures falling below estimates.

Nonspendable fund balance in the amount of \$8,910 corresponds with the prepaid expense amount included in assets. Restricted fund balance in the amount of \$859,313 is the fund balance for the Central Vermont Career Center Fund, Grant Funds, Food Service Fund, and Afterschool Program Fund. The District's voters have committed \$317,573 for future capital projects and \$957,962 for tax stabilization. The District reported a remaining negative unassigned fund balance of \$338,320.

Long-term Debt

As of June 30, 2020, the District had an obligation to repay debt of \$2,710,606. The District is indebted to the Vermont Municipal Bond Bank for a 2010 series 4 bond which matures in December 2021 and three other notes with varying maturities through August 2028.

Financial Highlights

The District's budget is prepared according to Vermont law and is based on the modified accrual basis of accounting. The funds with a formally adopted budget are the General Fund, and the Central Vermont Career Center Fund. General Fund and Central Vermont Career Center Fund budget to actual statements can be found on pages 20 through 22 of this report.

Total General Fund revenue from all sources was \$327,063 lower than budgeted. Expenditures were \$217,689 lower than budgeted. The end result is that the District added \$165,037 to its fund balance.

Relative to the budget, the following significant variations occurred during the fiscal year:

- The District budgeted to utilize \$200,000 of excess fund balance from prior years to cover expenditures and those funds did not need to be utilized in the current year. They will be carried over to future years.
- State grant revenues were lower than anticipated but are offset by savings in expenditures.
- Federal grant revenues were higher than anticipated but are offset by higher federal expenditures.
- Interest revenue exceeded the anticipated budget by \$91,334. This resulted from interest generated by the District's positive cash balance.
- Special education expenses in the areas of tuition to outside placements and contracted services were higher than anticipated.

The Central Vermont Career Center Fund's revenues were more than expenditures in FY20 and caused an increase in fund balance for the year of \$37,000. Revenues and expenditures vary from the operating budget, as shown on the Statement of Revenues and Expenditures - Budget and Actual - Central Vermont Career Center Fund. Management has reviewed and reported these variances to the District's Board and finds them to be acceptable. Certain budget to actual variances are described on the following page.

- Revenues:

The Central Vermont Career Center Fund's revenue was below budget by \$131,580 because the anticipated use of \$100,000 in prior year surplus was not appropriated.

The Central Vermont Career Center Fund budgeted to utilize \$100,000 of excess fund balance from prior years to cover expenditures and utilized \$0 in the current year. The remainder will be carried over to future years.

Intergovernmental - State: This was \$22,878 lower than the budget but due to decreased activity in the program overall.

- Expenditures:

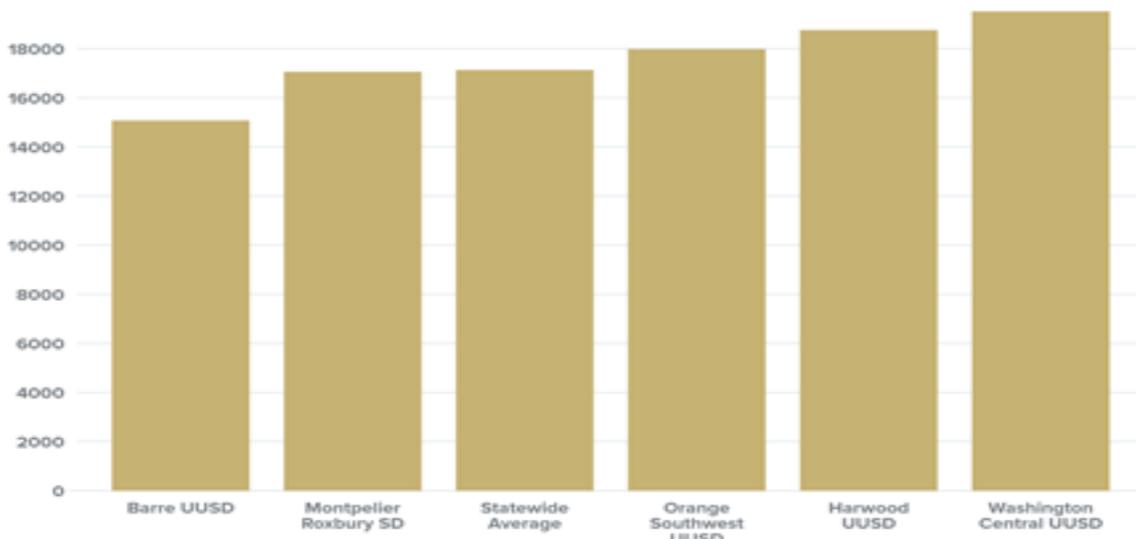
Vocational Education: This area shows the largest variance of \$210,990. The majority of the difference was lower than anticipated costs for salaries/wages, health insurance, and supplies.

The District’s combined fund balance for the General Fund and Central Vermont Career Center Fund at June 30, 2020 was a deficit of \$132,416.

The District’s Future

The District has the lowest per pupil spending compared to other schools in Vermont. As measured by the Vermont Agency of Education, following is the Education Spending per pupil cost chart for FY21 for various districts throughout Vermont:

Spending Per Equalized Pupil by District



The District will likely not be able to continue to sustain this low spending in future years because of collective bargaining agreement increases as well as the double-digit health insurance increases over the past 3 years. The unfunded legislative, associations, and agency of education mandates continue to present a financial hardship to this District. One example is 16 V.S.A. 19444d, Employer Annual Charge for Teacher Health Care. This is an annual assessment paid to the State of Vermont Office of the State Treasurer for teachers new to the retirement system on July 1, 2015. The District paid \$145,000 in FY20 and this number will continue to increase each year. In addition, Act 11 of 2018 resulted in the arbitrator choosing the Vermont NEA’s proposal which has had significant impact, increasing the cost of health insurance benefits to the District.

The COVID-19 pandemic has challenged districts across Vermont and has created a huge deficit in the State of Vermont's Education Fund due primarily to the decrease in non-property revenues such as the sales and use tax, meals and rooms tax, purchase and use tax, and lottery proceeds. The recent announcement dated December 1, 2020 from the Vermont Tax Commissioner, Craig Bolio, forecasts serious concerns regarding Vermont affordability. Vermonters are approaching the FY22 budget cycle with one of the largest single year increases in the average homestead tax rate in the last decade.

The Vermont Association of School Business Officials (VASBO) worked with the Agency of Education (AOE) to develop a Uniform Chart of Accounts (UCOA). The District closely mirrored this UCOA while consolidating 5 budgets into a single budget. The legislature mandated all districts/supervisory unions to have implemented the new UCOA by July 1, 2022 however this mandate was delayed due to the issues surrounding state-wide consistency and the lack of published business rules from the AOE. The AOE contracted with a financial management company, PowerSchool to use a version of the company's eFinancePlus cloud software state wide. Districts state wide were directed they would be implementing the system in a 3 year cycle. This has recently been delayed, as well, due to issues around limited functionality of the system and inadequate on-site consultation. Several districts who have completed a full year with the system were issued audit findings during their annual financial statement and single audits. Findings included issues in basic reporting, lack of due to due from accounting as this process was not automated in the system, and absence of a bank reconciliation module.

The District remains committed to providing students and staff with the resources that will provide a quality education while remaining sensitive to fiscal constraints.

While focusing on educational advancement, the District has also emphasized the need to have appropriate facilities because the District believes that the school environment also impacts good education. The District continues to maintain all buildings and grounds with safety and aesthetically pleasing environment in mind. In addition, the District reached out to voters on March 6, 2020 seeking approval to acquire property and to build an alternative school. The current program is now in a leased building. The new facility will expand the number of students who are able to attend the program, increase opportunities for students, and will reduce the cost of sending students out of our community to expensive independent programs.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Manager at the central office at 120 Ayers Street, Barre, VT 05641.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2020
(Page 1 of 2)

	Primary Government			Component Unit Spaulding High School Foundation, LTD.
	Governmental Activities	Business-type Activities	Totals	
ASSETS:				
Current assets -				
Cash and cash equivalents	\$ 2,626,828	\$ -	\$ 2,626,828	\$ 11,075
Accounts receivable	2,208,414	964	2,209,378	-
Inventory	8,910	43,101	52,011	-
Due from (to) other activities	(32,295)	31,645	(650)	-
Total current assets	4,811,857	75,710	4,887,567	11,075
Noncurrent assets -				
Capital assets	40,456,723	-	40,456,723	-
less - accumulated depreciation	(26,210,841)	-	(26,210,841)	-
Total noncurrent assets	14,245,882	-	14,245,882	-
Total assets	19,057,739	75,710	19,133,449	11,075
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred pension expense	481,415	-	481,415	-
LIABILITIES:				
Current liabilities -				
Accounts payable	353,099	-	353,099	-
Accrued expenses	2,644,338	-	2,644,338	-
Current portion - Long-term debt	284,043	-	284,043	-
Accrued interest	55,654	-	55,654	-
Total current liabilities	3,337,134	-	3,337,134	-
Noncurrent liabilities -				
Accrued compensated absences	200,649	-	200,649	-
Net pension liability	926,153	-	926,153	-
Long-term debt	2,426,563	-	2,426,563	-
Total noncurrent liabilities	3,553,365	-	3,553,365	-
Total liabilities	6,890,499	-	6,890,499	-

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2020
(Page 2 of 2)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	Spaulding High School Foundation, LTD.
DEFERRED INFLOWS OF RESOURCES:				
Deferred pension credits	213,331	-	213,331	-
Unavailable grants	8,982	-	8,982	-
Total deferred inflows of resources	222,313	-	222,313	-
NET POSITION:				
Net investment in capital assets	11,535,276	-	11,535,276	-
Restricted	2,134,848	-	2,134,848	11,075
Unrestricted	(1,243,782)	75,710	(1,168,072)	-
Total net position	\$ 12,426,342	\$ 75,710	\$ 12,502,052	\$ 11,075

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

**BARRE UNIFIED UNION SCHOOL DISTRICT #97
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Grants and Contributions</u>	<u>Charges for Services</u>	<u>Other</u>	<u>Primary Government</u>			<u>Component Unit</u>
					<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>	<u>Spaulding High School Foundation, LTD.</u>
FUNCTIONS/PROGRAMS:								
Governmental activities -								
Education - General	\$ 49,725,649	\$ 15,807,225	\$ 234,729	\$ 146,373	\$ (33,537,322)	\$ -	\$ (33,537,322)	\$ -
- Career Center	2,595,644	1,850,906	1,025,447	11,980	292,689	-	292,689	-
Grants	3,321,897	3,335,463	-	119,454	133,020	-	133,020	-
Food service	1,234,586	1,031,713	334,050	53,308	184,485	-	184,485	-
Other programs	99,103	-	-	70,001	(29,102)	-	(29,102)	-
Interest	166,212	-	-	-	(166,212)	-	(166,212)	-
Total governmental activities	<u>57,143,091</u>	<u>22,025,307</u>	<u>1,594,226</u>	<u>401,116</u>	<u>(33,122,442)</u>	<u>-</u>	<u>(33,122,442)</u>	<u>-</u>
Business-type activities -								
Adult education	46,270	21,664	41,977	-	-	17,371	17,371	-
Building trades	-	-	-	-	-	-	-	-
Total business-type activities	<u>46,270</u>	<u>21,664</u>	<u>41,977</u>	<u>-</u>	<u>-</u>	<u>17,371</u>	<u>17,371</u>	<u>-</u>
Total primary government	\$ <u>57,189,361</u>	\$ <u>22,046,971</u>	\$ <u>1,636,203</u>	\$ <u>401,116</u>	<u>(33,122,442)</u>	<u>17,371</u>	<u>(33,105,071)</u>	<u>-</u>
Component unit	\$ <u>3,253</u>	\$ <u>2,310</u>	\$ <u>-</u>	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(943)</u>
					32,689,276	-	32,689,276	-
					146,370	-	146,370	-
					<u>32,835,646</u>	<u>-</u>	<u>32,835,646</u>	<u>-</u>
CHANGE IN NET POSITION					(286,796)	17,371	(269,425)	(943)
NET POSITION, July 1, 2019					<u>12,713,138</u>	<u>58,339</u>	<u>12,771,477</u>	<u>12,018</u>
NET POSITION, June 30, 2020					\$ <u>12,426,342</u>	\$ <u>75,710</u>	\$ <u>12,502,052</u>	\$ <u>11,075</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020
(Page 1 of 3)

	<u>General Fund</u>	<u>Central Vermont Career Center Fund</u>	<u>Grant Funds</u>	<u>Food Service Fund</u>	<u>Afterschool Program Fund</u>	<u>Capital Projects Fund</u>	<u>Tax Stabilization Fund</u>	<u>Totals Governmental Funds</u>
ASSETS								
Cash and								
cash equivalents	\$ 2,626,394	\$ -	\$ -	\$ 434	\$ -	\$ -	\$ -	\$ 2,626,828
Inventory	-	-	-	8,910	-	-	-	8,910
Accounts receivable	2,106,397	800	76,865	24,352	-	-	-	2,208,414
Due from other funds	<u>-</u>	<u>181,475</u>	<u>364,652</u>	<u>145,775</u>	<u>75,108</u>	<u>292,549</u>	<u>957,962</u>	<u>2,017,521</u>
Total assets	\$ <u>4,732,791</u>	\$ <u>182,275</u>	\$ <u>441,517</u>	\$ <u>179,471</u>	\$ <u>75,108</u>	\$ <u>292,549</u>	\$ <u>957,962</u>	\$ <u>6,861,673</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY								
LIABILITIES:								
Accounts payable	\$ 352,804	\$ -	\$ 295	\$ -	\$ -	\$ -	\$ -	\$ 353,099
Accrued expenditures	2,642,943	1,395	-	-	-	-	-	2,644,338
Due to other funds	<u>2,049,816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,049,816</u>
Total liabilities	<u>5,045,563</u>	<u>1,395</u>	<u>295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,047,253</u>
DEFERRED INFLOWS OF RESOURCES:								
Unavailable grants	<u>524</u>	<u>-</u>	<u>8,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,982</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020
(Page 2 of 3)

	<u>General Fund</u>	Central Vermont Career Center <u>Fund</u>	<u>Grant Funds</u>	Food Service <u>Fund</u>	Afterschool Program <u>Fund</u>	Capital Projects <u>Fund</u>	Tax Stabilization <u>Fund</u>	Totals Governmental <u>Funds</u>
FUND EQUITY:								
Fund balances -								
Nonspendable	-	-	-	8,910	-	-	-	8,910
Restricted	-	180,880	432,764	170,561	75,108	-	-	859,313
Committed	-	-	-	-	-	317,573	957,962	1,275,535
Unassigned (deficit)	<u>(313,296)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,024)</u>	<u>-</u>	<u>(338,320)</u>
Total fund balance (deficit)	<u>(313,296)</u>	<u>180,880</u>	<u>432,764</u>	<u>179,471</u>	<u>75,108</u>	<u>292,549</u>	<u>957,962</u>	<u>1,805,438</u>
 Total liabilities, deferred inflows of resources and fund equity	 \$ <u>4,732,791</u>	 \$ <u>182,275</u>	 \$ <u>441,517</u>	 \$ <u>179,471</u>	 \$ <u>75,108</u>	 \$ <u>292,549</u>	 \$ <u>957,962</u>	 \$ <u>6,861,673</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020
(Page 3 of 3)

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION:**

Amount reported on Balance Sheet - Governmental Funds - total fund balances	\$	1,805,438
Amounts reported for governmental activities in the Government-wide Statement of Net Position are different because -		
Capital assets used in governmental funds are not financial resources and are therefore not reported in the funds.		
Capital assets		40,456,723
Accumulated depreciation		(26,210,841)
Long-term liabilities not due and payable in the current period are not reported in the funds.		
Accrued compensated absences		(200,649)
Long-term debt		(2,710,606)
Accrued interest on long-term debt		(55,654)
Balances related to net pension asset or liability and related deferred outflows/inflows of resources are not reported in the governmental funds.		
Deferred pension expense		481,415
Deferred pension credits		(213,331)
Net pension liability		<u>(926,153)</u>
Net position of governmental activities - Government-wide Statement of Net Position	\$	<u>12,426,342</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

(Page 1 of 3)

	General Fund	Central Vermont Career Center Fund	Grant Funds	Food Service Fund	Afterschool Program Fund	Capital Projects Fund	Tax Stabilization Fund	Totals Governmental Funds
REVENUES:								
Education spending grant	\$ 32,689,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,689,276
Intergovernmental -								
State	15,693,567	1,850,906	605,457	26,454	-	-	-	18,176,384
Federal	66,199	-	2,730,006	1,005,259	-	-	-	3,801,464
Local -								
Tuition	190,283	1,007,393	-	-	-	-	-	1,197,676
Charges for services	44,446	18,054	-	334,050	-	-	-	396,550
E-rate	47,459	-	-	-	-	-	-	47,459
Interest	146,334	-	-	5	-	31	-	146,370
Other	75,334	11,980	119,454	53,308	70,001	-	-	330,077
Total revenues	<u>48,952,898</u>	<u>2,888,333</u>	<u>3,454,917</u>	<u>1,419,076</u>	<u>70,001</u>	<u>31</u>	<u>-</u>	<u>56,785,256</u>
EXPENDITURES:								
Salaries	25,068,829	1,754,893	2,327,942	-	18,193	-	-	29,169,857
Benefits	12,583,485	337,511	551,101	-	141	-	-	13,472,238
Professional services	3,069,493	35,662	237,094	1,131,675	275	-	-	4,474,199
Purchased services	5,342,540	79,392	61,017	-	80,000	-	-	5,562,949
Supplies and materials	1,243,301	264,591	144,743	100,298	493	-	-	1,753,426
Facilities	799,436	123,595	-	-	-	-	-	923,031
Miscellaneous	-	-	-	2,613	-	-	1	2,614
Capital outlay	551,471	33,643	-	-	-	249,169	-	834,283

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

(Page 2 of 3)

	<u>General Fund</u>	<u>Central Vermont Career Center Fund</u>	<u>Grant Funds</u>	<u>Food Service Fund</u>	<u>Afterschool Program Fund</u>	<u>Capital Projects Fund</u>	<u>Tax Stabilization Fund</u>	<u>Totals Governmental Funds</u>
EXPENDITURES								
(CONTINUED):								
Debt service - Principal	248,429	35,853	-	-	-	-	-	284,282
- Interest	<u>155,288</u>	<u>16,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,543</u>
Total expenditures	<u>49,062,272</u>	<u>2,681,395</u>	<u>3,321,897</u>	<u>1,234,586</u>	<u>99,102</u>	<u>249,169</u>	<u>1</u>	<u>56,648,422</u>
EXCESS OF REVENUES OR (EXPENDITURES)	<u>(109,374)</u>	<u>206,938</u>	<u>133,020</u>	<u>184,490</u>	<u>(29,101)</u>	<u>(249,138)</u>	<u>(1)</u>	<u>136,834</u>
OTHER FINANCING SOURCES (USES):								
Proceeds from long-term debt	-	-	-	-	-	224,114	-	224,114
Insurance recovery	71,039	-	-	-	-	-	-	71,039
Transfers in (out)	<u>203,372</u>	<u>(169,938)</u>	<u>(33,434)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>274,411</u>	<u>(169,938)</u>	<u>(33,434)</u>	<u>-</u>	<u>-</u>	<u>224,114</u>	<u>-</u>	<u>295,153</u>
NET CHANGE IN FUND BALANCES	165,037	37,000	99,586	184,490	(29,101)	(25,024)	(1)	431,987
FUND BALANCES, (DEFICIT), JULY 1, 2019	<u>(478,333)</u>	<u>143,880</u>	<u>333,178</u>	<u>(5,019)</u>	<u>104,209</u>	<u>317,573</u>	<u>957,963</u>	<u>1,373,451</u>
FUND BALANCES, (DEFICIT), JUNE 30, 2020 \$	<u>(313,296)</u>	<u>180,880</u>	<u>432,764</u>	<u>179,471</u>	<u>75,108</u>	<u>292,549</u>	<u>957,962</u>	<u>1,805,438</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

(Page 3 of 3)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES:

Net change in fund balances - total governmental funds	\$ 431,987
Amounts reported for governmental activities in the Government-wide Statement of Activities are different because -	
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 as depreciation expense.	
Additions to capital assets, net of dispositions	834,283
Depreciation	(1,337,608)
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.	
Proceeds from long-term debt	(224,114)
Payments on long-term debt	284,282
(Increase)/decrease in accrued interest on long-term debt	5,331
Changes in other post-employment benefits accumulated by employees will increase or decrease the liability reported in the government-wide statements, but are only recorded as an expenditure when paid in the governmental funds.	
(Increase)/decrease in accrued compensated absences	(16,421)
Changes in net pension asset or liability and related deferred outflows/inflows of resources will increase or decrease the amounts reported in the government-wide statements, but are only recorded as an expenditure when paid in the governmental funds.	
Net (increase) decrease in net pension obligation	<u>(264,536)</u>
Change in net position of governmental activities - Government-wide Statement of Activities	\$ <u><u>(286,796)</u></u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

(Page 1 of 2)

	Original and Final <u>Budget</u>	Actual (Budgetary Basis)	Variance Over (Under)
REVENUES:			
Tuition	\$ 210,000	\$ 190,283	\$ (19,717)
Fund balance appropriation	200,000	-	(200,000)
Charges for services	10,000	44,446	34,446
Education spending grant	32,689,276	32,689,276	-
Intergovernmental - State	8,505,528	8,098,410	(407,118)
- Federal	-	66,199	66,199
E-rate	-	47,459	47,459
Interest	55,000	146,334	91,334
Other	15,000	75,334	60,334
Total revenues	<u>41,684,804</u>	<u>41,357,741</u>	<u>(327,063)</u>
EXPENDITURES:			
Direct instruction	14,910,789	14,660,712	(250,077)
Special education	9,677,665	9,801,010	123,345
Vocational education	1,099,924	980,329	(119,595)
Athletics	590,018	483,982	(106,036)
Co-curricular	150,700	146,002	(4,698)
Guidance services	911,191	869,432	(41,759)
Health services	441,227	432,125	(9,102)
Psychological services	975,232	1,086,051	110,819
Speech pathology and audiology services	800,673	799,923	(750)
Occupational therapy	228,544	192,381	(36,163)
Other support services	92,295	190,085	97,790
Instruction and curriculum development	353,963	339,285	(14,678)
Library and media services	442,681	404,983	(37,698)
Board of education	266,071	254,289	(11,782)
Executive administration	274,901	276,258	1,357
Office of the principal	1,776,944	1,599,504	(177,440)
Other support services	624,965	741,102	116,137
Fiscal services	531,882	511,185	(20,697)
Public information services	73,388	61,221	(12,167)
Personnel services	224,264	238,175	13,911
Administrative technology services	1,292,934	1,410,520	117,586
Operation and maintenance of buildings	3,857,220	3,906,519	49,299
Transportation	1,681,853	1,678,324	(3,529)
Debt service - capital construction	303,480	301,692	(1,788)

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

**BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020**

(Page 2 of 2)

	Original and Final <u>Budget</u>	Actual (Budgetary <u>Basis)</u>	Variance Over <u>(Under)</u>
EXPENDITURES (CONTINUED):			
Debt service - other	<u>102,000</u>	<u>102,026</u>	<u>26</u>
Total expenditures	<u>41,684,804</u>	<u>41,467,115</u>	<u>(217,689)</u>
EXCESS OF REVENUES OR (EXPENDITURES)	-	(109,374)	109,374
OTHER FINANCING SOURCES (USES):			
Insurance recovery	-	71,039	71,039
Transfers in (out), net	<u>-</u>	<u>203,372</u>	<u>203,372</u>
NET CHANGE IN FUND BALANCE	\$ <u>-</u>	\$ <u>165,037</u>	\$ <u>165,037</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - CENTRAL VERMONT CAREER CENTER FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original and Final <u>Budget</u>	Actual (Budgetary Basis) <u> </u>	Variance Over (Under) <u> </u>
REVENUES:			
Tuition	\$ 1,024,129	\$ 1,007,393	\$ (16,736)
Fund balance appropriation	100,000	-	(100,000)
Charges for services	22,000	18,054	(3,946)
Intergovernmental - State	1,873,784	1,850,906	(22,878)
Other	<u>74,000</u>	<u>11,980</u>	<u>(62,020)</u>
Total revenues	<u>3,093,913</u>	<u>2,888,333</u>	<u>(205,580)</u>
EXPENDITURES:			
Special education	75,404	72,914	(2,490)
Vocational education	1,833,106	1,622,116	(210,990)
Guidance services	61,732	64,099	2,367
Health services	25,076	24,449	(627)
Other improvement instruction services	1,639	5,422	3,783
Library and media services	27,142	25,858	(1,284)
Office of the principal	502,618	536,302	33,684
Administrative technology services	17,500	22,884	5,384
Operation and maintenance of buildings	245,874	255,243	9,369
Debt service - capital construction	51,384	45,665	(5,719)
Debt service - other	<u>8,500</u>	<u>6,443</u>	<u>(2,057)</u>
Total expenditures	<u>2,849,975</u>	<u>2,681,395</u>	<u>(168,580)</u>
 EXCESS OF REVENUES OR (EXPENDITURES)	 243,938	 206,938	 (37,000)
OTHER FINANCING SOURCES (USES):			
Transfers in (out), net	<u>(243,938)</u>	<u>(169,938)</u>	<u>(74,000)</u>
Total other financing sources (uses):	<u>(243,938)</u>	<u>(169,938)</u>	<u>(74,000)</u>
 NET CHANGE IN FUND BALANCE	 \$ <u> -</u>	 \$ <u> 37,000</u>	 \$ <u> 37,000</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2020

	<u>Adult Education Fund</u>	<u>Building Trades Fund</u>	<u>Totals Proprietary Funds</u>
ASSETS:			
Current assets -			
Accounts receivable	\$ 964	\$ -	\$ 964
Due from other funds	72,593	-	72,593
Inventory	<u>-</u>	<u>43,101</u>	<u>43,101</u>
Total assets	<u>73,557</u>	<u>43,101</u>	<u>116,658</u>
LIABILITIES:			
Current liabilities -			
Due to other funds	<u>-</u>	<u>40,948</u>	<u>40,948</u>
Total liabilities	<u>-</u>	<u>40,948</u>	<u>40,948</u>
NET POSITION:			
Unrestricted	<u>73,557</u>	<u>2,153</u>	<u>75,710</u>
Total net position	\$ <u>73,557</u>	\$ <u>2,153</u>	\$ <u>75,710</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Adult Education <u>Fund</u>	Building Trades <u>Fund</u>	Totals Proprietary <u>Funds</u>
OPERATING REVENUES:			
Tuition	\$ 41,977	\$ -	\$ 41,977
Intergovernmental - State	<u>21,664</u>	<u>-</u>	<u>21,664</u>
Total operating revenues	<u>63,641</u>	<u>-</u>	<u>63,641</u>
OPERATING EXPENSES:			
Salaries	39,483	-	39,483
Employee benefits	243	-	243
Supplies and materials	<u>6,544</u>	<u>-</u>	<u>6,544</u>
Total operating expenses	<u>46,270</u>	<u>-</u>	<u>46,270</u>
 CHANGE IN NET POSITION	 17,371	 -	 17,371
 NET POSITION, July 1, 2019	 <u>56,186</u>	 <u>2,153</u>	 <u>58,339</u>
 NET POSITION, June 30, 2020	 \$ <u>73,557</u>	 \$ <u>2,153</u>	 \$ <u>75,710</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Adult Education <u>Fund</u>	Building Trades <u>Fund</u>	Totals Proprietary <u>Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 41,013	\$ -	\$ 41,013
Cash provided from state grants	21,664	-	21,664
Cash paid to suppliers for goods and services	(6,544)	(43,101)	(49,645)
Cash paid to employees for services	<u>(39,726)</u>	<u>-</u>	<u>(39,726)</u>
Net cash provided (used) by operating activities	<u>16,407</u>	<u>(43,101)</u>	<u>(26,694)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Increase (decrease) in balance due to/from the General Fund	<u>(16,407)</u>	<u>43,101</u>	<u>26,694</u>
Net cash provided (used) by noncapital financing activities	<u>(16,407)</u>	<u>43,101</u>	<u>26,694</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (CASH OVERDRAFT)	-	-	-
CASH, AND CASH EQUIVALENTS (CASH OVERDRAFT), July 1, 2019	<u>-</u>	<u>-</u>	<u>-</u>
CASH, AND CASH EQUIVALENTS (CASH OVERDRAFT), June 30, 2020	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 17,371	\$ -	\$ 17,371
(Increase) decrease in accounts receivable	(964)	-	(964)
(Increase) decrease in inventory	<u>-</u>	<u>(43,101)</u>	<u>(43,101)</u>
Net cash provided (used) by operating activities	\$ <u>16,407</u>	\$ <u>(43,101)</u>	\$ <u>(26,694)</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Agency Funds</u>
ASSETS:	
Cash and cash equivalents	\$ 297,422
Due from other funds	<u>650</u>
Total assets	\$ <u>298,072</u>
LIABILITIES:	
Amounts held as agent for others	\$ <u>298,072</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1. Summary of significant accounting policies:

The Barre Unified Union School District #97 (the District) is organized according to State law under the governance of the Board of Education (the Board) to provide public education to preschool through 12th grade students across two communities: Barre City and Barre Town, Vermont. The District operates three schools serving approximately 2,500 students including the Central Vermont Career Center, Barre. Students from other districts attend the schools by tuition arrangements.

- A. Reporting entity - The District is a primary unit of government under reporting criteria established by the Governmental Accounting Standards Board (GASB). Those criteria include a separately elected governing body, separate legal standing, and fiscal independence from other state and local governmental entities. Based on these criteria, there are no other entities which are component units of the District.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing *Governmental Accounting and Financial Reporting Standards* which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes U.S. GAAP for governmental units.

- B. Government-wide and fund financial statements - The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

In the government-wide Statement of Net Position, the financial position of the District is consolidated and incorporates capital assets as well as all long-term debt and obligations. The government-wide Statement of Activities reflects both the gross and net costs by category. Direct expenses that are clearly identifiable with the category are offset by program revenues of the category. Program revenues include charges for services provided by a particular function or program and grants that are restricted to meeting the operational or capital requirements of the particular segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds, if any, are summarized in a single column.

- C. Basis of presentation - The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/inflows of resources, fund balances or net position, revenues, and expenditures or expenses, as appropriate.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1. Summary of significant accounting policies (continued):

C. Basis of presentation (continued) -

The District reports the following major governmental funds:

General Fund - The General Fund is the primary operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in another fund.

Central Vermont Career Center Fund - This fund is the operating fund of the Central Vermont Career Center, Barre, which provides career focused programs for the District.

Grant Funds - This fund is used to account for the proceeds of specific revenue sources related to federal, state and local grants that are restricted to expenditures for specified services.

Food Service Fund - This fund is used to account for the operations of the food service program. The food service program provides lunches for the students of the District.

Afterschool Program Fund - This fund is used to account for the specific revenue sources of the District's afterschool program.

Capital Projects Fund - This fund is used to account for the acquisition or construction of major capital facilities.

Tax Stabilization Fund - This fund is used to account for resources that are voter committed for future use.

The District reports the following major proprietary funds:

Adult Education Fund - This fund is used to account for tuition received from adult graduates and other resources for further education.

Building Trades Fund - This fund is used to account for the construction and sale of homes built by students.

The District also reports fiduciary funds which are used to account for assets held in a trustee capacity (trust funds) or as an agent (agency funds) for the benefit of parties outside of the District. The District's fiduciary funds are the Agency Funds.

D. Measurement focus and basis of accounting - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become both measurable and available. "Measurable" means the amount of the transaction that can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1. Summary of significant accounting policies (continued):

D. Measurement focus and basis of accounting (continued) -

liabilities of the current period. Expenditures generally are recorded when the fund liability is incurred, if measurable, as under accrual accounting. However, debt service expenditures are recorded only when payment is made.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

- E. Budgets and budgetary accounting - The District adopts annual budgets for the General Fund, and the Central Vermont Career Center Fund at an annual meeting. The accounting method used for the budget presentation varies from U.S. GAAP as described in note 8. Formal budgetary integration is employed as a management control during the year for the General Fund, and the Central Vermont Career Center Fund. The District does not legally adopt budgets for other governmental funds. All budgeted amounts lapse at year end.

Transfers of budgeted amounts between line items require approval of management. The budgets are presented in these financial statements. Board approval is required for interfund transfers and budget transfers between personnel and operating costs.

- F. Use of estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflows/inflows of resources as well as disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

- G. 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; injuries to employees and others; environmental liability; and natural disasters. The District manages these risks through commercial insurance packages and participation in public entity risk pools covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. There were no settlements in excess of the insurance coverage in any of the past three fiscal years.

- H. Cash, cash equivalents and investments - The District considers all cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition to be cash and cash equivalents. Investments and unrealized gains and losses are reflected in the individual fund and government-wide financial statements. Investments of the District are reported at fair value using quoted prices in active markets for identical assets. This is considered a level 1 input valuation technique under the framework established by U.S. GAAP for measuring fair value. The District does not own investments valued with level 2 or level 3 inputs, which would use quoted prices for similar assets, or in inactive markets, or other methods for estimating fair value.

- I. Inventory - Inventory in the Food Program Fund, and Building Trades Fund is valued using the average cost method. Inventory is recorded as an expense when consumed rather than when purchased.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1. Summary of significant accounting policies (continued):

J. Prepaid items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

K. Capital assets - Capital assets, which include land, buildings, equipment, vehicles and infrastructure, are reported in the applicable governmental or business-type activities column of the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The District does not retroactively report infrastructure assets. There have been no infrastructure additions since the implementation of GASB Statement No. 34. Donated capital assets are recorded at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest costs are capitalized on projects during the construction period. Normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not capitalized. Capital assets are depreciated using the straight-line method over the useful lives shown on the following page.

Land improvements	5 - 50 years
Buildings and improvements	5 - 50 years
Equipment and fixtures	3 - 20 years
Vehicles	5 years
Software	3 - 5 years

L. Deferred outflows/inflows of resources - In addition to assets and liabilities, deferred outflows of resources and deferred inflows of resources are reported as separate sections in the applicable statement of net position or balance sheet. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources in the current period. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources in the current period.

M. Accrued compensated absences - The District allows employees to accrue sick leave benefits based on the terms of their employment contract. Teachers are eligible to receive \$15 per day of accrued sick leave up to 100 days at termination. Para-educators employed 15 years or more are eligible to receive \$20 per day for unused accumulated sick leave up to a maximum of 100 days. Accrued compensated absences at June 30, 2020 of \$200,649 have been recorded as a noncurrent liability in the Government-wide Statement of Net Position but not in the fund financial statements.

N. Long-term obligations - Governmental activities, business-type activities, and proprietary funds report long-term debt and other long-term obligations as liabilities in the applicable statement of net position. Governmental funds report the amount of debt issued as other financing sources and the repayment of debt as debt service expenditures.

O. Fund equity - In the fund financial statements, governmental funds may report five categories of fund balances: nonspendable, restricted, committed, assigned and unassigned.

Nonspendable fund balance includes amounts associated with inventory, prepaid expenditures, long-term loans or notes receivable, and trust fund principal to be held in perpetuity.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1. Summary of significant accounting policies (continued):

O. Fund equity (continued) -

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance includes amounts that can be used only for specific purposes determined by the District's highest level of decision making authority, the voters, as a result of articles passed at Annual or Special Meetings.

Assigned fund balance includes amounts that are intended to be used by the District for specific purposes as authorized by the Board.

Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in another classification. Deficits are also classified as unassigned.

The District's policy is to apply expenditures to fund balance in the order of restricted, committed, assigned and unassigned unless the Board specifies otherwise.

- P. On-behalf payments - The State of Vermont makes payments on behalf of the District's teachers to the Vermont State Teachers' Retirement System (VSTRS) for pension and other postemployment benefits (OPEB). The District recognizes these on-behalf payments as intergovernmental grant revenues and education expenses or expenditures, as appropriate, in the government-wide financial statements and in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. The amounts are not budgeted and have been excluded from the budget basis statements; see note 8 for reconciling details.

2. Deposits:

Custodial credit risk - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will 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. The District does not have a policy for custodial credit risk. As of June 30, 2020, the District's depository accounts were fully insured or collateralized.

3. Capital assets:

Capital asset activity for the year ended June 30, 2020 has been detailed below.

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2020</u>
Governmental activities -				
Capital assets, not depreciated:				
Land	\$ 355,426	\$ 249,169	\$ -	\$ 604,595
Total capital assets, not depreciated	<u>355,426</u>	<u>249,169</u>	<u>-</u>	<u>604,595</u>

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

3. Capital assets (continued):

	Balance <u>June 30, 2019</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2020</u>
Capital assets, depreciated:				
Land improvements	32,349	-	-	32,349
Buildings and improvements	33,986,349	472,157	-	34,458,506
Equipment and fixtures	4,850,002	112,957	-	4,962,959
Vehicles	272,414	-	-	272,414
Software	125,900	-	-	125,900
Total capital assets, depreciated	<u>39,267,014</u>	<u>585,114</u>	<u>-</u>	<u>39,852,128</u>
Less accumulated depreciation for:				
Land improvements	28,092	1,617	-	29,709
Buildings and improvements	20,681,789	998,307	-	21,680,096
Equipment and fixtures	3,852,510	321,713	-	4,174,223
Vehicles	184,942	15,971	-	200,913
Software	125,900	-	-	125,900
Total accumulated depreciation	<u>24,873,233</u>	<u>1,337,608</u>	<u>-</u>	<u>26,210,841</u>
Total capital assets, depreciated, net	<u>14,393,781</u>	<u>(752,494)</u>	<u>-</u>	<u>13,641,287</u>
Capital assets, net	\$ <u>14,749,207</u>	\$ <u>(503,325)</u>	\$ <u>-</u>	\$ <u>14,245,882</u>

Depreciation expense of \$1,337,608 in the governmental activities was allocated to expenses of the general education function.

4. Interfund receivable and payable balances:

Interfund receivable and payable balances, due to the pooling of cash in the General Fund for cash receipts and disbursements, as of June 30, 2020 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds -		
General Fund	\$ -	\$ 2,049,816
Central Vermont Career Center Fund	181,475	-
Grant Funds	364,652	-
Food Service Fund	145,775	-
Afterschool Program Fund	75,108	-
Capital Projects Fund	292,549	-
Tax Stabilization Fund	957,962	-
	<u>2,017,521</u>	<u>2,049,816</u>
Proprietary funds -		
Adult Education Fund	72,593	-
Building Trades Fund	-	40,948
	<u>72,593</u>	<u>40,948</u>

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

4. Interfund receivable and payable balances (continued):

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Fiduciary funds -		
Agency Funds	650	-
	<u>\$ 2,090,764</u>	<u>\$ 2,090,764</u>

5. Interfund transfers:

Interfund transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. Interfund transfers for the year ended June 30, 2020 were as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental funds -		
General Fund	\$ 203,372	\$ -
Central Vermont Career Center Fund	-	169,938
Grant Funds	-	33,434
	<u>\$ 203,372</u>	<u>\$ 203,372</u>

Transfers to the General Fund from the Central Vermont Career Center Fund totaling \$169,938 relate to a budgeted assessment. Lastly, transfers to the General Fund from the Grant Funds totaling \$33,434 relate to the payment of indirect federal grant expenditures recorded in the General Fund.

6. Long-term obligations:

Long-term obligations activity for the year ended June 30, 2020 was as follows:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
Governmental activities -					
Long-term debt	\$ 2,770,774	\$ 224,114	\$ 284,282	\$ 2,710,606	\$ 284,043
Accrued interest on long-term debt	60,985	-	5,331	55,654	55,654
Accrued compensated absences	184,228	16,421	-	200,649	-
Net pension liability	<u>610,788</u>	<u>315,365</u>	<u>-</u>	<u>926,153</u>	<u>-</u>
	<u>\$ 3,626,775</u>	<u>\$ 555,900</u>	<u>\$ 289,613</u>	<u>\$ 3,893,062</u>	<u>\$ 339,697</u>

7. Debt:

Short-term - During the year, the District borrowed and repaid \$3,949,661 on a \$3,949,661 line of credit in the form of a 2.75% tax anticipation note which matured in June 2020. Interest related to this note was \$108,469.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

7. Debt (continued):

Long-term - Outstanding long-term debt as of June 30, 2020 is as follows:

Governmental activities -

Notes from direct borrowings:

Vermont Municipal Bond Bank - 2001 Series 1 (refunded by 2010 Series 4), various interest rates. Annual principal payments ranging from \$20,000 to \$25,000. Matures December 2021.	\$ 40,000
Capital improvement note payable, interest at 2.45%, matures August 2028.	2,026,492
Capital improvement note payable, interest at 2.49%, matures July 2026.	420,000
Bond anticipation note payable, interest at 2.07%, matures April 2021 to be paid with into a 15 year bond.	<u>224,114</u>
	<u>\$ 2,710,606</u>

Long-term debt activity for the year ended June 30, 2020 are as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities -					
Notes from direct borrowings:					
VMBB 10 Series 4	\$ 60,000	\$ -	\$ 20,000	\$ 40,000	\$ 20,000
VMBB 11 Series 4	5,000	-	5,000	-	-
Note payable, 2.45%	2,225,774	-	199,282	2,026,492	204,043
Note payable, 2.49%	480,000	-	60,000	420,000	60,000
Note payable, 2.07%	<u>-</u>	<u>224,114</u>	<u>-</u>	<u>224,114</u>	<u>-</u>
	<u>\$ 2,770,774</u>	<u>\$ 224,114</u>	<u>\$ 284,282</u>	<u>\$ 2,710,606</u>	<u>\$ 284,043</u>

Debt service requirements to maturity are as follows:

	<u>Governmental Activities</u>	
	<u>Notes from Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>
Fiscal year -		
2021	\$ 284,043	\$ 65,795
2022	513,156	59,309
2023	274,164	46,999
2024	279,411	40,258
2025	284,786	33,388
2026-2029	<u>1,075,046</u>	<u>63,668</u>
	<u>\$ 2,710,606</u>	<u>\$ 309,417</u>

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

7. Debt (continued):

Long-term (continued) -

In prior years the Vermont Municipal Bond Bank (VMBB) has refunded the 2001 Series 1, and 2002 Series 1 which resulted in interest savings of \$27,745 and \$1,819, respectively. These savings allocations, to be received between FY16 and FY22, have been reflected as a reduction of interest in the debt service requirements table. There is no remaining principal due on the 2002 Series 1 Bond at June 30, 2020.

In the event of default by the District outstanding debt balances become immediately due. The District has committed to pay its debt obligations with future budgeted appropriations funded with education taxes or other resources that can be lawfully used to pay these expenditures. Additionally, in the event the District is in default on their payment obligations issued from the Vermont Municipal Bond Bank (VMBB), the State Treasurer has the ability to intercept State funding until the default is cured.

8. Budgetary basis of accounting:

These financial statements include totals for General Fund revenues and expenditures on the District's budgetary basis of accounting, which vary from the totals of revenues and expenditures recognized on the basis of accounting prescribed by U.S. GAAP, as follows:

	<u>Revenues</u>	<u>Expenditures</u>
General Fund:		
U.S. GAAP basis	\$ 48,952,898	\$ 49,062,272
On-behalf payments -		
VSTRS pension	(5,787,422)	(5,787,422)
VSTRS OPEB	<u>(1,807,735)</u>	<u>(1,807,735)</u>
Budget basis	\$ <u>41,357,741</u>	\$ <u>41,467,115</u>

9. Pension plans:

Vermont State Teachers' Retirement System -

Plan description: The District participates in the Vermont State Teachers' Retirement System (VSTRS or the Plan), a cost-sharing multiple-employer defined benefit public employee retirement system with a special funding situation in which the State of Vermont contributes to the Plan on-behalf of the participating employers. The Plan was created in 1947, and is governed by Title 16, V.S.A. Chapter 55. It covers nearly all teachers and school administrators in schools supported by the State. The general administration and responsibility for the proper operation of VSTRS is vested in a Board of Trustees consisting of eight members. VSTRS issues annual financial information which is available and may be reviewed at the VSTRS' office, 109 State Street, Montpelier, Vermont, 05609-6200, by calling (802) 828-2305 or online at <http://www.vermonttreasurer.gov>.

Benefits provided: The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on the number of years of creditable service and are determined as a percentage of average final compensation in the three highest consecutive years of service. Eligibility for benefits requires five years of service.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

9. Pension plans (continued):

Vermont State Teachers' Retirement System (continued) -

Contributions: Member teachers are required to contribute 5.5% (Group A); or 5.0% (Group C if the member has five or more years of service at July 1, 2014); otherwise 6.0% (Group C) of their annual covered salary and the State contributes the balance of an actuarially determined rate. The State is a nonemployer contributor to the Plan and is required by statute to make all actuarially determined employer contributions on-behalf of member employers. The District's teachers contributed \$1,027,947, \$963,994, and \$905,642 to the System in 2020, 2019 and 2018, respectively.

Pension liabilities and pension expense: The District does not contribute directly to the Plan; therefore, no net pension liability needs to be recorded by the District. However, the District is required to report the District's portion of the following items as calculated by the System:

District's share of		
VSTRS net pension liability	\$	40,162,009
VSTRS net pension expenditure	\$	5,787,422

Vermont Municipal Employees' Retirement System -

Plan description: The District contributes to the Vermont Municipal Employees' Retirement System (VMERS or the Plan) a cost-sharing multiple-employer public employee retirement system with defined benefit and defined contribution plans, administered by the State of Vermont. The State statutory provisions, found in Title 24, Chapter 125, of the V.S.A., govern eligibility for benefits, service requirements and benefit provisions. The general administration and responsibility for the proper operation of VMERS is vested in the Board of Trustees consisting of five members. VMERS issues annual financial information which is available and may be reviewed at the VMERS' office, 109 State Street, Montpelier, Vermont, 05609-6200, by calling (802) 828-2305, or online at <http://www.vermonttreasurer.gov>.

Benefits provided: VMERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits do vary between the groups included in the Plan, but are determined for the members of each group as a percentage of average compensation in a certain number of the highest consecutive years of service. Eligibility for benefits requires five years of service.

Contributions: Defined benefit plan members are required to contribute 2.75% (Group A), 5.125% (Group B), 10.25% (Group C) or 11.6% (Group D) of their annual covered salary, and the District is required to contribute 4.25% (Group A), 5.75% (Group B), 7.5% (Group C) or 10.1% (Group D) of the employees' compensation. Defined contribution plan members are required to contribute 5.0% of their annual covered salary and the District is required to contribute an equal dollar amount. The contribution requirements of plan members and the District are established and may be amended by the Board of Trustees. The District's contributions to VMERS for the years ended June 30, 2020, 2019 and 2018 were \$120,273, \$102,567 and \$65,976, respectively. The amounts contributed were equal to the required contributions for each year.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

9. Pension plans (continued):

Vermont Municipal Employees' Retirement System (continued) -

Pension liabilities, deferred outflows of resources, deferred inflows of resources: These financial statements include the District's proportionate share of the VMERS net pension liability, deferred outflows of resources for pension expense, deferred inflows of resources from investment earnings and contributions, and the related effects on government-wide net position and activities. The State of Vermont has provided the following information to all employers participating in VMERS, which is based on its calculation of the District's 0.53384% proportionate share of VMERS.

Districts's share of VMERS net pension liability	\$ 926,153
Deferred outflows of resources - Deferred pension expense	\$ 481,415
Deferred inflows of resources - Deferred pension credits	\$ 213,331

Additional information: VMERS obtains an annual actuarial valuation for the pension plan. Detailed information is provided in that report for actuarial assumptions of inflation rates, salary increases, investment rates of return, mortality rates, discount rates, and the calculations used to develop annual contributions and the VMERS net position.

The District adopted GASB Statement No 68 in FY 2015 and is developing the ten years of required supplementary information in schedules 1 and 2. This historical pension information includes the District's Proportionate Share of Net Pension Liability of VMERS and District's Contributions to VMERS.

403(b) Non-Teaching Employees' Retirement Plan -

Plan description: District employees who are at least 21 years old and not covered under the Vermont State Teachers' Retirement System or the Vermont Municipal Employees' Retirement System are eligible to be covered under a 403(b) pension plan administered through MassMutual. The District contributes at various rates for certain classes of employees. In addition, any employee of the District may voluntarily contribute to this Plan; however, the District will not match these contributions. All contributions are 100% vested to each employee. At June 30, 2020, there are 206 plan members from the District.

Funding policy: The District pays all costs accrued each year for the Plan. Total contributions for the year ended June 30, 2020 were \$560,994 by the employees and \$126,148 by the District.

10. Other postemployment benefit (OPEB) plan:

Retired Teachers' Health and Medical Benefit Fund -

Plan description: The District participates in the Retired Teachers' Health and Medical Benefit Fund of the Vermont State Teachers' Retirement System (VSTRS), which provides postemployment benefits to eligible retired employees through a cost-sharing, multiple-employer postemployment benefit plan (the Plan). The Plan covers nearly all public day school and nonsectarian private high school teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State that are controlled by the State Board of Education. Membership in the Plan for those covered classes is a condition of employment.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

10. Other postemployment benefits plan (OPEB) (continued):

Retired Teachers' Health and Medical Benefit Fund (continued) -

Vermont Statute Title 16 Chapter 55 assigns the authority to VSTRS to establish and amend the benefit provisions of the Plan and to establish maximum obligations of the plan members to contribute to the Plan. Management of the Plan is vested in the Vermont State Teachers' Retirement System's Board of Trustees, consisting of eight members. The Plan issues annual financial information which is available and may be reviewed at the State Treasurer's office, 109 State Street, Montpelier, Vermont, 05609-6200, by calling (802) 828-2305 or online at <http://www.vermonttreasurer.gov>.

Benefits provided and eligibility: The Plan provides medical and prescription drug benefits for plan members and their spouses; retirees pay the full cost of dental benefits. Benefits are based on the number of years of creditable service. Eligibility requirements are summarized below:

Group A - Public school teachers employed within the State of Vermont prior to July 1, 1981 and elected to remain in Group A qualify for retirement at the attainment of 30 years of service or age 55.

Group C - Public school teachers employed within the State of Vermont on or after July 1, 1990. Teachers hired before July 1, 1990 and were Group B members in service on July 1, 1990 are now Group C members, and qualify for benefits at the age of 65, or age plus creditable service equal to 90, or age 55 with 5 years of creditable service. Grandfathered participants are Group C members who were within five years of normal retirement eligibility as defined prior to July 1, 2010, and qualify for benefits at the attainment of age 62, or 30 years of service, or age 55 with 5 years of service.

Vesting and Disability - Five years of creditable service. Participants who terminate with 5 years of service under the age of 55 may elect coverage upon receiving pension benefits.

Total OPEB liability: The State of Vermont is a nonemployer contributing entity and is presently the sole entity required to contribute to the Plan. The District does not contribute to the Plan; therefore, no net OPEB liability needs to be recorded by the District. However, the District is required to report the District's share of the Plan's net OPEB liability (\$28,462,060) and OPEB expense (\$1,807,735) as determined by an actuarial's valuation. The liability was measured as of June 30, 2019 for the reporting period of June 30, 2020.

Sensitivity of the total OPEB liability: A change in assumptions can have a large effect on the estimated OPEB obligation. A decrease of 1% in the 3.5% discount rate used to calculate future costs would increase the District's share of OPEB liability to \$33,282,548, while an increase of 1% would reduce the District's share of OPEB liability to \$24,533,179. A decrease of 1% in the current healthcare cost trend rate would reduce the District's share of OPEB liability to \$23,998,086, while an increase of 1% would increase the District's share of OPEB liability to \$34,237,635.

Collective OPEB Plan liability and expense: The Plan consists of 184 participating employers. The Plan's collective net OPEB liability is \$1,040,752,841 and total OPEB expense for the year is \$51,225,319.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

10. Other postemployment benefits plan (OPEB) (continued):

Actuarial assumptions and other inputs: The total OPEB liability used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increase rate	Varies by age
Discount rate	3.50%
Inflation rate	2.75%
Healthcare cost trend rates	7.15%
Retiree Contributions	Equal to health trend
Mortality tables	Various RP-2006 tables using Scale SSA-2017
Actuarial cost method	Entry-age normal, level percentage of pay
Asset valuation method	Market value

11. Consolidation:

On November 30, 2018 the Vermont State Board of Education directed the Barre Supervisory Union (BSU), Barre City School District (BCSD), Barre Town School District (BTSD), and the Spaulding Union High School District/Central Vermont Career Center (SHS/CVCC) to merge into this District. The District became a legal entity pursuant to the provisions of 16 V.S.A. § 706g and has the power and responsibilities of a unified union school district in accordance with Chapter 11 of Title 16 of the Vermont Statutes Annotated.

The District became a fully operational supervisory district on July 1, 2019 as provided in its Articles of Agreement and all school-related real and personal property, and all associated debt were transferred and assumed by the District. The BSU, BCSD, BTSD, and SHS/CVCC ceased to exist as of June 30, 2019. Fund balances and net position amounts reported in these entities as of June 30, 2019 were merged into this District and are detailed on the following page.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

11. Consolidation (continued):

Governmental Funds		6/30/2019 Fund Balance
<u>Old Entity</u>	<u>Old Entity Fund Name</u>	<u>(Deficit)</u>
BSU	General Fund	\$ 38,096
BCSD	General Fund	(184,586)
BTSD	General Fund	168,383
SHS/CVCC	General Fund	(518,199)
	Reclassification to Grant Funds	8,522
	Correction of prior year balance sheet items	9,451
	Total District General Fund	<u>(478,333)</u>
SHS/CVCC	Central Vermont Career Center Fund	148,075
	Reclassification of deficits in programs that ended	(4,195)
	Total District Central Vermont Career Center Fund	<u>143,880</u>
BSU	Grant Funds	426,523
BCSD	Grant Funds	(2,591)
BTSD	Grant Funds	7,974
SHS/CVCC	Grant Funds	18,410
	Reclassification from General Fund	(8,522)
	Reclassification to Food Service Fund	(6,168)
	Reclassification to Afterschool Program Fund	(104,209)
	Correction of prior year balance sheet items	1,761
	Total District Grant Funds	<u>333,178</u>
BTSD	Food Service Fund	10,868
SHS/CVCC	Food Service Fund	(22,055)
	Reclassification from Grant Funds	6,168
	Total District Food Service Fund	<u>(5,019)</u>
	Reclassification from Grant Funds	104,209
	Total District Afterschool Program Fund	<u>104,209</u>
BSU	Capital Projects Fund	4,401
BCSD	Capital Projects Fund	166,131
BTSD	Capital Reserve Fund	39,657
SHS/CVCC	Capital Reserve Fund	107,384
	Total District Capital Projects Fund	<u>317,573</u>
BCSD	Tax Stabilization Fund	353,845
BTSD	Tax Stabilization Fund	41,315
SHS/CVCC	Tax Stabilization Fund	562,803
	Total District Tax Stabilization Fund	<u>957,963</u>

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

11. Consolidation (continued):

Proprietary Funds		6/30/2019
<u>Old Entity</u>	<u>Old Entity Fund Name</u>	<u>Net Position</u>
SHS/CVCC	Adult Education Fund	51,991
	Reclassification to Central Vermont Career Center Fund	4,195
	Total District Adult Education Fund	<u>56,186</u>
SHS/CVCC	Building Trades Fund	2,153
	Total District Building Trades Fund	<u>2,153</u>
 Government-Wide Activities		
<u>Old Entity</u>	<u>Old Entity Government-Wide Classification</u>	<u>Net Position</u>
BSU	Governmental Activities	669,273
BCSD	Governmental Activities	5,410,066
BTSD	Governmental Activities	1,753,620
SHS/CVCC	Governmental Activities	4,873,163
	Correction of prior year balance sheet items	11,211
	Reclassification to Business-type Activities	(4,195)
	Total District Governmental Activities	<u>12,713,138</u>
SHS/CVCC	Business-type Activities	54,144
	Reclassification from Governmental Activities	4,195
	Total District Business-Type Activities	<u>\$ 58,339</u>
SHS/CVCC	SHS Foundation - Component Unit	12,018
	Total District SHS Foundation - Component Unit	<u>\$ 12,018</u>

12. Deficit:

The General Fund has a deficit fund balance of \$313,296 at June 30, 2020. Management intends to recover this deficit by utilizing a portion of the fund balance in the Tax Stabilization Fund which was \$957,962 at June 30, 2020.

13. Subsequent events:

The District has evaluated subsequent events through December 31, 2020, the date on which the financial statements were available to be issued.

**BARRE UNIFIED UNION SCHOOL DISTRICT #97
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY**

Schedule 1

**VMERS
JUNE 30, 2020**

	June 30, <u>2020</u>	June 30, <u>2019</u>	June 30, <u>2018</u>	June 30, <u>2017</u>	June 30, <u>2016</u>	June 30, <u>2015</u>
District's proportion of the net pension liability	0.5338%	0.4341%	0.4872%	0.5262%	0.5270%	0.5275%
District's proportionate share of the net pension liability	\$ 926,153	\$ 610,788	\$ 590,319	\$ 677,252	\$ 406,308	\$ 48,139
District's covered payroll	\$ 2,383,926	\$ 1,990,900	\$ 1,218,892	\$ 1,407,752	\$ 1,424,312	\$ 1,369,761
District's proportionate share of the net pension liability as a percentage of its covered payroll	38.850%	30.679%	48.431%	48.109%	28.527%	3.514%
VMERS net position as a percentage of the total pension liability	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

SCHEDULE OF DISTRICT'S CONTRIBUTIONS

Schedule 2

**VMERS
JUNE 30, 2020**

	June 30, <u>2020</u>	June 30, <u>2019</u>	June 30, <u>2018</u>	June 30, <u>2017</u>	June 30, <u>2016</u>	June 30, <u>2015</u>
Contractually required contribution	\$ 120,273	\$ 102,567	\$ 65,976	\$ 79,571	\$ 79,981	\$ 73,669
Contributions in relation to the contractually required contribution	<u>120,273</u>	<u>102,567</u>	<u>65,976</u>	<u>79,571</u>	<u>79,981</u>	73,669
Contribution deficiency (excess)	\$ <u>-</u>	\$ -				
District's covered payroll	\$ 2,383,926	\$ 1,990,900	\$ 1,218,892	\$ 1,407,752	\$ 1,424,312	\$ 1,369,761
Contributions as a percentage of covered payroll	5.045%	5.152%	5.413%	5.652%	5.615%	5.378%

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Board of Education
Barre Unified Union School District #97

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Barre Unified Union School District #97 (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, and have issued our report thereon dated December 31, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of

our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Montpelier, Vermont
December 31, 2020

Melgett Bennett 9
Shosh-Nisa, P.L.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

The Board of Education
Barre Unified Union School District #97

Report on Compliance for Each Major Federal Program

We have audited the Barre Unified Union School District #97's (the District) compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Compliance Supplements* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Barre Unified Union School District #97 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-through Grantor <u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
U.S. Department of Agriculture:				
Passed through Vermont Agency of Education -				
Child Nutrition Cluster				
School Breakfast Program	10.553	4452U0972000	\$ -	\$ <u>165,582</u>
National School Lunch Program	10.555	4450U0972000	-	407,403
National School Lunch Program	10.555	4456U0972000	-	90,385
National School Lunch Program	10.555	4448U0972000	-	<u>2,576</u>
Total National School Lunch Program			-	500,364
Summer Food Service Program for Children	10.559	4455U0972000	-	<u>324,717</u>
Total Child Nutrition Cluster			-	990,663
Fresh Fruit and Vegetable Program	10.582	4449U0972000	-	<u>64,876</u>
Total U.S. Department of Agriculture			-	<u>1,055,539</u>
U.S. Department of Education:				
Passed through Vermont Agency of Education -				
Special Education Cluster (IDEA)				
Special Education Grants to States	84.027	4226U0972001	-	741,105
Special Education Grants to States	84.027	4226U0972001	-	5,071
Special Education Preschool Grants	84.173	4228U0972001	-	<u>22,069</u>
Total Special Education Cluster (IDEA)			-	<u>768,245</u>
Title I Grants to Local Educational Agencies	84.010	4250U0972001	-	1,288,408
Career and Technical Education -				
Basic Grants to States	84.048	4318U0972001	-	217,237
Education for Homeless Children and Youth	84.196	4265U0972001	-	14,105
Supporting Effective Instruction State Grants	84.367	4651U0972001	-	277,727
Student Support and Academic Enrichment Program	84.424	4570U0972001	-	<u>39,678</u>
Total U.S. Department of Education			-	<u>2,605,400</u>
U.S. Department of the Treasury:				
Passed through Vermont Agency of Education -				
Coronavirus Relief Fund	21.019	4592U0972100	-	59,729
Coronavirus Relief Fund	21.019	4593U0972101	-	<u>14,597</u>
Total U.S. Department of the Treasury			-	<u>74,326</u>
Total federal award expenditures			\$ -	\$ <u>3,735,265</u>

The accompanying notes are an integral part of this schedule.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020

1. Basis of presentation:

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the District.

2. Summary of significant accounting policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The District has elected not to use the 10 percent de minimis indirect cost rate as allowed in the Uniform Guidance.

**BARRE UNIFIED UNION SCHOOL DISTRICT #97
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

A. Summary of Auditor's Results:

Financial Statements -

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified? *None reported*

Noncompliance material to financial statements noted? *No*

Federal Awards -

Internal control over major programs:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified? *None reported*

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516 (a)? *No*

Identification of major programs:

- *U.S. Department of Education:*
 - CFDA 84.010 - Title I Grants to Local Educational Agencies*
 - CFDA 84.027 - Special Education Grants to States (Special Education Cluster)*
 - CFDA 84.173 - Special Education Preschool Grants (Special Education Cluster)*

Dollar threshold used to distinguish between type A and type B programs: *\$750,000*

Auditee qualified as low-risk auditee? *No*

B. Audit Findings - Financial Statements:

There were no audit findings identified for the year ended June 30, 2020.

C. Audit Findings - Federal Awards:

There were no audit findings identified for the year ended June 30, 2020.

**STATUS OF PRIOR AUDIT FINDINGS
AS OF JUNE 30, 2020**

There are no prior audit findings applicable to this auditee.