

**BARRE UNIFIED UNION SCHOOL DISTRICT
SPECIAL BOARD MEETING**

December 16, 2021 at 5:30 p.m.

In-Person Option: BUUSD Central Office, 120 Ayers Street, Barre, VT 05641

Virtual Option: Click this link to join the meeting remotely:

Meeting ID: meet.google.com/vxi-arvi-mgb

Phone Numbers: (US)+1 929-777-4801 PIN: 769 689 006#

Please Note: If you attend the meeting remotely you must state your name for the record to satisfy the Open Meeting Law

AGENDA

- | | |
|------|---|
| 5:30 | 1. Call to Order |
| 5:35 | 2. Additions or Deletions with Motion to Approve the Agenda |
| 5:37 | 3. Comments for Items Not on the Agenda |
| | 3.1. Public Comment |
| | 3.2. Student Voice |
| 5:42 | 4. Consent Agenda |
| | 4.1. Meeting Minutes -December 2, 2021 |
| 5:44 | 5. Current Business |
| | 5.1. FY21 Audit Presentation |
| | 5.2. New Hires [ACTION] |
| | 5.3. Resign/Retire |
| | 5.4. FY23 Budget Development Draft 2 |
| | 5.5. Listening Session: Budget/School Education Financing 101 |
| 7:30 | 6. Old Business |
| | 6.1. Second and Final Reading Special Education (D7) (Required) [ACTION] |
| | 6.2. Rescind Policy D40 Special Education [ACTION] |
| | 6.3. COVID Update |
| 7:45 | 7. Reports |
| | 7.1. Superintendent Report |
| | 7.2. Building Report: BCEMS, BTMES, SHS, CVCC |
| 7:55 | 8. Other Business/Round Table |
| | 8.1. Board Seat Interviews |
| 8:15 | 9. Future Agenda Items |
| 8:25 | 10. Next Meeting Date: Regular Board Meeting, January 13, 2022 at 5:30 pm |
| 8:30 | 11. Executive Session |
| | 11.1. Ratification of the Teacher Collective Bargaining Agreement |
| | 11.2. BUUSD Open BC Seat Candidate Review |
| | 12. Adjournment |

PARKING LOT OF ITEMS

- SHS Foundation Report (TBD)
- Annual Assessment Report (January/February)
- Surplus Funds
- Changes in Articles of Agreement (Wrong Articles on State Website; Town Clerks piece)
- Evaluation: Staffing, Enrollment, Facilities, etc.
- Building Capacity at each building
- Critical Race Theory
- Anti-Racism Policy
- Legal Counsel Review - Policy (B20) Personnel Recruitment, Selection, Appointment and Background Check
- Use of Facilities: Consistent Fee Schedule and Rental Application Form
- Negotiations/Personnel Committee

MEETING NORMS

1. Keep the best interest of the school and children in mind, while balancing the needs of the taxpayers
2. Make decisions based on clear information
3. Honor the board's decisions
4. Keep meetings short and on time
5. Stick to the agenda
6. Keep remarks short and to the point
7. Everyone gets a chance to talk before people take a second turn
8. Respect others and their ideas

DRAFT

BARRE UNIFIED UNION SCHOOL DISTRICT SPECIAL BOARD MEETING

BUUSD Central Office and Via Video Conference – Google Meet
December 2, 2021 - 5:30 p.m.

MINUTES

BOARD MEMBERS PRESENT:

Sonya Spaulding (BC) – Chair
Alice Farrell (BT) – Vice Chair – arrived at 5:41 p.m.
Guy Isabelle (At-Large) - Clerk
Gina Akley (BT)
Renee Badeau (BT)
Tim Boltin (BC)
Sarah Pregent (BC)
Abigayle Smith (BC)

BOARD MEMBERS ABSENT:

Chris Parker (BT)

ADMINISTRATORS PRESENT:

Chris Hennessey, Superintendent
Jody Emerson, Director Central Vermont Career Center
Carol Marold, Director of Human Resources

GUESTS PRESENT:

Venus Dean	Marissa Greene	Josh Howard	Joseph Kill	Prudence Krasofski
Marcy Kreitz	Terri Reil	Rachael Van Vliet	Porter Walbridge, Jr.	

As the meeting was held via video conferencing, a roll-call vote was taken for each action item. Each Board Member was individually polled and voted to approve all motions that are listed as unanimously approved.

1. Call to Order

The Chair, Mrs. Spaulding, called the Thursday, December 2, 2021, Special meeting to order at 5:32 p.m., which was held at the BUUSD Central Office and via video conference.

Mrs. Spaulding provided an overview of the Meeting Norms and protocols for engaging with the Board.

2. Additions and/or Deletions to the Agenda

Add 11.1 Personnel – Status of Employment (under Executive Session)

On a motion by Mr. Isabelle, seconded by Mr. Boltin, the Board unanimously voted to approve the Agenda as amended. Mrs. Farrell was not present for the vote.

3. Public Comment for Items Not on the Agenda

3.1 Public Comment

Rachael Van Vliet, addressed the Board, speaking on behalf of the Barre Educators' Association. Ms. Van Vliet read a prepared statement, which included commentaries from various staff members, advising of the many challenges of the school year and on-going needs. The lack of capacity to serve students is a major stressor. Other items include; challenges posed by quarantine requirements, loss of staff, and the inability to hire and retain staff. BEA Members request support from the Board and community members, to assist with dealing with the many challenges the District is facing.

A community member expressed concern that although more money is spent each year, students are not showing the necessary improvements, and that he believes a different approach is necessary.

3.2 Student Voice

None.

DRAFT

4. Consent Agenda

4.1 Approval of Minutes – November 11, 2021 Regular Meeting

On a motion by Mr. Isabelle, seconded by Mrs. Akley, the Board unanimously voted to approve the Minutes of the November 11, 2021 Regular Meeting. Mrs. Farrell was not present for the vote.

5. Current Business

5.1 New Hires

The resumes and BUUSD Notification of Employment Status Forms for Marty McMahon (CVCC – part-time Literacy Interventionist) and Angelique Marie Fairbrother (SHS – Technology Integration Specialist) were distributed. Mr. Hennessey advised regarding the difficulty hiring personnel outside of the traditional hiring season. The hiring process is now going year-round. Mr. Hennessey lauded administrators for expediting the hiring process, as the District competes with other districts to fill positions. Mr. Hennessey provided an overview of the candidates. In response to a question regarding hiring personnel from other districts (in the middle of the school year), Mr. Hennessey advised that the pandemic has changed operating procedures between districts. Currently, given the staffing shortages, districts are trying to meet the needs of professional staff, and are making accommodations to assist with keeping professionals in the field of education. Superintendents hold much discussion prior to any individual changing districts. There is much ‘behind the scenes’ work. It was noted that the AOE is also making accommodations by loosening certification requirements.

On a motion by Mr. Isabelle, seconded by Mrs. Pregent, the Board unanimously voted to approve the hiring of Marty McMahon and Angelique Fairbrother.

5.2 Resignations/Retirements

No letters of resignation were presented.

Mr. Hennessey advised that the Superintendent’s Report contains names of recent resignations. He will discuss these resignations under Agenda Item 7.1. (Jim Ferland – SHS Assistant Principal, Viviana Hardy BTMES Spanish Teacher, and Erica Gongloff, BTMES Pre-k Interventionist).

5.3 First Reading Special Education Policy (D7)

A copy of the policy was distributed. Ms. Smith provided a brief overview of this required policy, whose adoption is required by 01/15/2022. Once this policy has been adopted, local Policy D40 should be rescinded.

On a motion by Mrs. Farrell, seconded by Mrs. Pregent, the Board unanimously voted to approve the First Reading of the Special Education Policy (D7).

5.4 Enrollment/Home Study Report

Two reports were distributed; ‘District Enrollment/Staffing – for December 2021’, and the ‘Home Study Report (AOE provided data)’. Mr. Hennessey advised regarding a ‘glitch’ with middle school numbers (total # of TA teachers, vs. total # of core instructors). This item has been fixed and should not occur on future reports. Mr. Isabelle queried regarding how the District’s home study counts compare with those from other districts. Mrs. Farrell queried regarding whether or not new enrollees are coming from out of state. Mr. Hennessey will look into the number of transfers from out of state. Discussion was held regarding how often this report should be presented to the Board. Mrs. Spaulding requested that comparison data be provided, so that the Board will have a clear picture of the overall change since the start of the academic year. It was agreed that this report will be presented at the January meeting, at which time the Board may wish to begin receiving the report quarterly rather than monthly.

5.5 Superintendent/Administrator Evaluation Process

A document titled ‘Professional Standards for Educational Leaders’ was distributed.

A document titled ‘BUUSD Admin Evaluation Feedback Survey Distribution Lists’ was distributed.

Mrs. Spaulding provided an overview of the evaluation process for the Superintendent, which includes input from numerous individuals throughout the District. Feedback is required by the last day before Winter Break. Mrs. Gilbert will post a link for individuals to submit feedback. It was noted that the Superintendent’s evaluation is always completed prior to Town Meeting Day, so that all Board Members the Superintendent has worked under, can provide feedback. Mr. Hennessey advised regarding Administrator evaluations, including past practices and his proposed change to be implemented due to COVID. Mr. Hennessey has been working with a consultant regarding a ‘pandemic related approach’ to evaluations. Mr. Hennessey would like evaluations to be powerful and authentic. It is anticipated that administrator evaluations will start in early December and be completed before the February Break. This year’s evaluation will focus on four of the ten Professional Standards listed in the distributed documentation. The four standards are; #3 – Equity and Cultural Responsiveness, #5 – Community of Care and Support for Students, #7 – Professional Community for Teachers and Staff, and #8 – Meaningful Engagement of Families and Community. Input was provided by Board and community members, including questions relating to identifying if positions are necessary, and concern that the proposed evaluation process does not focus enough on student achievement, the need to identify measurable student achievement standards, the possibility of having student achievement reflected in salary increases, belief that the evaluation process is a growth and improvement process, rather than a punitive process, belief that the evaluation process has improved greatly over the years, a suggestion to add a portion of the Strategic

DRAFT

Plan to the evaluation form, and whether or not a structured Action Plan is being developed to address gaps. It was noted that this year's evaluation process is a 'pandemic approach', and there may be a different process next year. Mrs. Spaulding requested input on the Superintendent Evaluation Process. Mrs. Spaulding will ask Mrs. Gilbert to move forward with sending out the email which will include a link to the evaluation form. It was noted that Board Members will be submitting meaningful feedback for individuals that they interact with. Feedback is due before the December Break.

6. Old Business

6.1 Second and Final Reading Responsible Computer Internet & Network Use Policy (D3)

Copies of the draft policy and the existing BUUSD policy (Acceptable Use of Electronic Resources & The Internet Policy) were distributed. It was noted that the District currently has a policy in place (D3), but this version from the VSBA reflects more current language.

On a motion by Mr. Isabelle, seconded by Mr. Boltin, the Board unanimously voted to approve the Second and Final Reading of the Responsible Computer Internet & Network Use Policy (D3), and agreed to adopt said policy.

6.2 Substitute Rate Recommendation

An untitled/undated document listing Substitute categories and pay rates was distributed.

Mr. Hennessey advised that Mrs. Perreault drafted the document included in the packet. Mr. Hennessey strongly recommends increasing day substitute rates to \$135.00 (\$18.00 per hour). Recruitment of daily and permanent substitutes is one of the District's largest struggles. Ms. Badeau reported that another school in the state increases substitute pay for each additional day they work in one week. In response to a query regarding long term substitute rates, it was noted that long term substitutes (e.g. filling a maternity leave) already receive a higher rate of pay. Permanent substitutes also have a higher rate of pay and are eligible for benefits. In response to a query, Mr. Hennessey advised that he is looking to keep day sub pay at an hourly rate, rather than change it to a daily rate. It is not known if the proposed rate will increase the number of substitutes. It was noted that substitutes deal with the increasing behavioral issues, and, given the nature of their work, have more exposure to COVID. These factors may also be impacting recruitment and retention. Mr. Isabelle noted the high number of job openings in general, many of which also offer sign-on bonuses and starting pay of \$19.00 per hour. It was noted that the figures provided by the Business Manager should be lower. The figures were calculated based on 190 days, though substitutes only work student days, a maximum of 180 days per year. The increase to \$18/hourly amounts to an increase of \$5,400 annually for each substitute working 180 days per year. In response to a query, it was noted that permanent substitutes have been receiving a higher rate than day substitutes, and also receive benefits. Those rates could also be 'tweaked' if necessary. A query was posed regarding whether or not the amount listed as the Current Hourly Rate for permanent subs includes benefits. Mr. Hennessey noted that part of last year's surplus, as well as this year's projected surplus, is due to lack of substitutes. It was noted that in the past, the Board has not approved substitute pay rates. The Substitute Policy, under the Implementation Section, advised that the Superintendent shall set the substitute rate each year. In the most recent version of the policy, the Implementation Section was removed, therefore the part of the policy where the Board dictated who sets the rates, has 'disappeared' and is no longer defined in policy. It was cautioned that this is one of the dangers of removing Implementation Sections from policies.

On a motion by Mrs. Farrell, seconded by Mr. Isabelle, the Board unanimously voted that they support the Superintendent's recommendation to increase the Daily Substitute rate, as presented, to \$18.00 per hour.

6.3FY23 Budget

There were no budget documents included in the packet. Mrs. Spaulding advised that administrators are currently working on Draft 2, which will be presented to the Finance Committee on 12/07/21. Mrs. Spaulding encourages everyone to attend, whether to provide feedback, or just to become more informed about the budget process. The Thursday, 12/16/21 Board meeting will include a public listening session, which will include receiving community feedback and comments. A community member believes many in the community are questioning a budget increase, when there is such a large surplus. A community member queried regarding a personnel matter relating to an administrator who has left the District. Mr. Hennessey advised that there will be a lot of promotion of the FY23 Budget, and strongly encouraged students and community members to attend the Public Listening Session. The District has received the Yield Amount (from the State), but is still waiting to receive the CLA and number of equalized pupils.

6.4 Committee Structure Update

A document titled 'Community members on BUUSD school board committee guidelines revised 11/22/21' was distributed.

Mrs. Spaulding advised regarding the amended version that was included in the packet and queried regarding whether or not the Board would like to create a policy on this matter. A Board Member queried regarding any existing policy relating to Board Members being assigned to Committees. Mrs. Akley believes it should be codified, but is undecided on whether that should be in policy or some other way. Clarification was provided regarding the length of terms, and the number of terms an individual can serve. Terms will end on Town Meeting day, and there are no term limits. Small amendments to paragraphs 3 and 4 were requested to help clarify terms and limits. It was agreed that the information included in this document be added to the Board Engagement document.

DRAFT

On a motion by Mr. Isabelle, seconded by Mr. Boltin, the Board unanimously voted to approve the Community Members on BUUSD School Board Committees Guidelines as amended and agreed to have the information added to the Board Engagement document.

6.5 Community Involvement Event Update

Due to increased numbers of COVID in the community, this meeting was postponed. Mrs. Spaulding will advise the Board when it is rescheduled.

6.6 COVID Update

Community members queried regarding implementation of Test to Stay, and about services for students who test positive and/or are in quarantine due to exposure. Mr. Hennessey advised regarding two topics addressed in the Superintendent's Report, including selection of a Volunteer Coordinator (Linda Rodriguez), and the delay in Test to Stay resulting from high exposure counts and lack of staffing. It is hoped that coordination of volunteers will assist with implementation of Test to Stay (approximately 20 volunteers per day), as well as assistance with contact tracing, lunch duties, and morning check-ins. Acquisition of enough test kits remains a concern. There is concern that case counts may rise due to the Thanksgiving and Christmas Breaks. The vaccination clinics have been very successful. Line lists are expected to drop dramatically once more students (ages 5 – 11) are vaccinated. It was noted that COVID cases in Vermont are hitting record highs. A Board Member queried regarding assistance that can be provided to employees who have reached or almost reached the end of their sick leave days, due to quarantine rules.

7. Reports

7.1 Superintendent Report

The Superintendent's Report for December 2, 2021 was distributed.

Mr. Hennessey highlighted his visit to Veronica Eldred's 2nd grade classroom, and encourages Board Members to visit the schools and connect with students and staff. The District is dealing with some very large struggles related to staffing. There are 3 resignations noted in the Superintendent's Report, two of which are based on 'complete burn-out'; Jim Ferland (Assistant Principal at SHS), and BTMES Spanish Teacher, Viviana Hardy. Erica Gongloff is leaving because she has had an opportunity to work for a district much closer to her home. It was determined that the pre-school program is not understaffed and Mr. Hennessey was able to work with the other district to allow them to hire her. Ms. Hardy resigned effective 11/22/21, as the current situation was not working well for her. Jim Ferland, who is a highly respected, incredibly talented educator, resigned because he believes he has reached a point where he is no longer able to do the job, and do it well, to serve the needs of students. The District has respectfully accommodated his resignation. These resignations are a very serious matter and are occurring throughout the state. Mr. Hennessey reiterated the importance of carefully choosing the language we use, and the support we need to show to staff, faculty and leadership, in order to get through this year. We need to make sure we are there for our staff and leadership team. Mr. Hennessey is finding that a majority of his time is spent 'taking care' of students and staff. Staff are being stretched too thin, and aren't able to take the normal proactive measures to stop little issues from turning into large issues.

7.2 Communications Committee

Minutes from the 11/04/21 meeting were distributed. Mrs. Farrell had nothing to add.

The next meeting is Thursday, December 9, 2021 at 5:30 p.m. at the BUUSD Central Office, and via video conference.

7.3 Finance Committee

Minutes from the November 2, 2021 meeting were distributed.

Mrs. Pregent provided a brief overview of the meeting which focused mainly on budget development, and also included discussion of the FY22 Expense Report, the ESSER application, and the Green School Initiative.

The next meeting is Tuesday, December 7, 2021 at 5:30 p.m. at the BUUSD Central Office, and via video conference.

7.4 Facilities & Transportation Committee

Minutes from the November 8, 2021 meeting were distributed.

Mr. Isabelle provided an overview of the meeting which included discussion on; electric buses (expected soon), and use of ESSER funds for facilities purposes.

The Monday, December 13, 2021 meeting has been cancelled. The next meeting date is to be determined.

7.5 Policy Committee

Minutes from the November 15, 2021 meeting were distributed.

Board Members should review the minutes and contact Ms. Parker with any questions.

The next meeting is Monday, December 20, 2021 at 5:30 p.m. at the BUUSD Central Office, and via video conference.

7.6 Curriculum Committee

Minutes from the November 16, 2021 meeting were distributed.

DRAFT

Ms. Badeau provided a brief overview of the meeting, which included discussion with the Curriculum Team, including plans for moving forward. Great Schools Partnership will continue to work with the District on curriculum improvements and staff development.

The next meeting is Tuesday, January 25, 2022 at 5:30 p.m. at the BUUSD Central Office, and via video conference.

7.7 Negotiations Committee

Mrs. Akley advised that negotiations are still in progress. The next mediation session is scheduled for Monday, December 6, 2021. No other meetings have been scheduled at this time.

8. Other Business/Round Table

Mr. Isabelle expressed his frustration that no one from the SHS football team received even an honorable mention for the Division II All-star Team. Mr. Isabelle thanked the Board for working on the initiative for creating a process to bring community members onto Committees. Mr. Isabelle thanked Mr. Hennessey for providing up to date reporting on the status of events, expressed his appreciation that Linda Rodriguez is assisting with the evaluation process, and expressed his disappointment over the loss of Jim Ferland, who 'wears the SHS heart on his sleeve'. Mr. Ferland has been a wonderful supporter of students and his departure is a large loss for SHS.

Mrs. Pregent echoed some of her previous comments, and advised that in consideration of the mid-year resignations, believes everyone should show more kindness towards our teachers and staff, and all those who are doing the best they can in these unprecedented times.

Ms. Badeau echoed the sentiments expressed by Mrs. Isabelle and Mrs. Pregent.

Ms. Smith has reached the decision that she needs to resign from her position as BUUSD Board Member. Shortly after her election to the Board, she was offered a career opportunity that required her to enter an accelerated internship program, and she no longer has the time needed to dedicate herself to the Board. This will be Ms. Smith's last Board Meeting.

Mrs. Farrell queried regarding whether or not the Board can assist students, parents, and teachers, in overcoming the challenging behavior issues.

Mrs. Spaulding expressed regret over the resignation of Ms. Smith, noting appreciation for the time and effort she has given to the Board. Ms. Smith was thanked for her service to the District and wished the best of luck in her new position.

Mrs. Spaulding expressed regret over the loss of Mr. Ferland, she wishes him the best in the future and thanks him for his service to the District. Mrs. Spaulding advised that the SHS production of the play Alice In Wonderland is being presented this evening and again on Friday and Saturday (12/02/21 through 12/04/21).

Mr. Hennessey will be attending the SHS play on Friday night.

9. Future Agenda Items

- Second and Final Reading of Special Education Policy (D7)
- Rescind Policy D40 (after Policy D7 is adopted)
- FY23 Budget Development, including a Budget Listening Session
- COVID Update
- Open Barre City Board Seat
- SHS Foundation Report (to be determined)
- FY21 Draft Audit (to be determined)

The SEA Financial Analysis will be discussed at next Tuesday's Finance Committee Meeting.

10. Next Meeting Date

Special Board Meeting, Thursday, December 16, 2021 at 5:30 p.m. at the BUUSD Central Office and via video conference. This meeting is primarily dedicated to discussion of the Draft FY23 Budget, including public input.

11. Executive Session as Needed

11.1 Personnel – Status of Employment

A personnel issue, Status of Employment, was proposed for discussion in Executive Session.

On a motion by Mrs. Pregent, seconded by Mrs. Akley, the Board unanimously voted to enter into Executive Session, with Mr. Hennessey in attendance, at 7:42 p.m. under the provisions of 1 VSA section 313 to discuss the item proposed for discussion.

DRAFT

The remaining information was provided by the Board Clerk.

On a motion by Mrs. Akley, seconded by Mrs. Pregent, the Board unanimously voted to exit Executive Session at 8:06 p.m.

12. Adjournment

On a motion by Mr. Boltin, seconded by Mrs. Farrell, the Board unanimously voted to adjourn at 8:07 p.m.

Respectfully submitted,

Andrea Poulin

**Mudgett
Jennett &
Krogh-Wisner, P.C.**
Certified Public Accountants #435

_____, 2021

The Board of Education
Barre Unified Union School District #97

In connection with audit engagements, we are required by auditing standards generally accepted in the United States of America to communicate certain matters with those charged with governance. The term “those charged with governance” means the persons with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity, for example the Board of Education (the Board) or a designated Board officer or committee. This communication is provided in connection with our audit of the financial statements of the Barre Unified Union School District #97 (the District) as of and for the year ended June 30, 2021.

These standards require us to communicate with you any matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. They also set the expectation that our communication will be two way, and that the Board or their designee will communicate with us matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing, and extent of audit procedures.

This letter summarizes those matters which we are required by professional standards to communicate to you in your oversight responsibility for the District’s financial reporting process.

Auditor’s Responsibility under Professional Standards

Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States were described in our arrangement letter dated April 19, 2021. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

An Overview of the Planned Scope and Timing of the Audit

The scope of the audit was also described in our arrangement letter dated April 19, 2021. The audit was conducted from September through December 2021; our exit conference with management was held on December 9, 2021; drafts of the financial statements and reports were provided to management in December, 2021.

Accounting Policies and Practices

- **Preferability of Accounting Policies and Practices**

Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

- **Adoption of, or Change in, Accounting Policies**

Management and the Board have ultimate responsibility for the appropriateness of the accounting policies used by the District.

- **Significant or Unusual Transactions**

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

- **Management's Judgments and Accounting Estimates**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. The significant accounting estimates reflected in the District's 2021 financial statements are depreciation expense the State of Vermont's estimates of the District's pension expense, pension deferrals, and net pension liability for the Vermont Municipal Employees' Retirement System; and the State of Vermont's estimates of the District's share of pension and OPEB expenses for teachers in the Vermont State Teachers' Retirement System.

Audit Adjustments

During the audit we proposed 13 adjustments to the general ledger balances provided for audit. Management also provided 10 adjustments to adjust additional items that were identified by management during the audit.

Management accepted the proposed adjustments and those changes are reflected in the 2021 financial statements. The significant effects of these adjustments were to (1) adjust beginning fund balances, (2) adjust interfund balances at June 30, 2021, (3) adjust capital asset and depreciation amounts, (4) adjust long-term liability balances, (5) adjust Capital Projects Fund activity relating to a bond for the year ended June 30, 2021, (6) adjust deferred pension expense, deferred pension credits, net pension liability, and net pension expense for the Vermont Municipal Employees' Retirement System, and (7) adjust the State of Vermont on-behalf pension and OPEB expenses for the Vermont State Teachers' Retirement System for the year ended June 30, 2021.

Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are not aware of any consultations that management may have had with other accountants about accounting or auditing matters.

Barre Unified Union School District #97

_____, 2021

Page 3

Significant Issues Discussed with Management

We have discussed the District's accounting for a bond that was entered into during the year ended June 30, 2021. We discussed accounting matters relating to long-term obligations as well as assets and related depreciation. We discussed with management the accounting and reporting relating to a \$1 million transfer from the General Fund to the Capital Projects Fund for the Spaulding Educational Alternatives facility project.

We have also discussed accounting matters relating to the District's estimates and audit adjustments.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in working with management during the audit.

Material Weaknesses

We identified no material weaknesses in the District's system of internal control over financial reporting during our audit of the financial statements.

Certain Written Communications between Management and Our Firm

Management provided written representations in connection with the audit in a letter to our firm dated _____, 2021. A copy of the letter is available upon your request.

This report is intended solely for the information and use of the Board and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this letter. We appreciate the opportunity to be of service to the District.

Very truly yours,
Mudgett, Jennett & Krogh-Wisner, P.C.

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

**FINANCIAL STATEMENTS
JUNE 30, 2021
AND
INDEPENDENT AUDITOR'S REPORTS**

BARRE UNIFIED UNION SCHOOL DISTRICT #97**JUNE 30, 2021****TABLE OF CONTENTS**

	<u>Page(s)</u>
Independent Auditor's Report.....	1 - 2
Management's Discussion and Analysis.....	3 - 9
Basic Financial Statements:	
Government-wide Financial Statements -	
Government-wide Statement of Net Position.....	10 - 11
Government-wide Statement of Activities	12
Fund Financial Statements -	
Balance Sheet - Governmental Funds	13 - 15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16 - 18
Statement of Revenues and Expenditures - Budget and Actual - General Fund	19 - 20
Statement of Revenues and Expenditures - Budget and Actual - Central Vermont Career Center Fund.....	21
Statement of Net Position - Proprietary Funds.....	22
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.....	23
Statement of Cash Flows - Proprietary Funds.....	24
Statement of Net Position - Fiduciary Funds	25
Notes to Financial Statements.....	26 - 39
Supplementary Schedules:	
Schedule 1 - Schedule of District's Proportionate Share of Net Pension Liability - VMERS	40
Schedule 2 - Schedule of District's Contributions - VMERS	40
Compliance Reports:	
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 <i>Government Auditing Standards</i>	41 - 42
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by Uniform Guidance.....	43 - 44
Schedule of Expenditures of Federal Awards	45
Notes to Schedule of Expenditures of Federal Awards.....	46
Schedule of Findings and Questioned Costs	47
Status of Prior Audit Findings.....	47

Mudgett
Jennett &
Krogh-Wisner, P.C.
Certified Public Accountants #435

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, 2021, 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, 2021, 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 _____, 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

**BARRE UNIFIED UNION SCHOOL DISTRICT #97
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

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, 2021. 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, 2021, are as follows:

- The financial statements as of June 30, 2021 reflect the government-wide net position increase of approximately \$3,246,428. The net position of governmental activities increased \$3,245,745, the business-type activities decreased \$3,010, and the component unit increased by \$3,693.
- Government-wide revenues totaled \$67.1 million. General revenues accounted for \$35.9 million or 53.5 percent of total revenues. Program revenues in the form of charges for services, grants, contributions, and other sources accounted for \$31.2 million or 46.5 percent of total revenues.
- The District had \$63.8 million in expenses related to governmental activities; \$31.2 million of these expenses were offset by program-specific charges for services, grants, contributions, and other sources. General revenues (primarily taxes and subsidies) of \$35.9 million were sufficient in funding the remaining cost of programs which increased net position by \$3,245,745.
- Among the governmental funds, the General Fund and the Central Vermont Career Center Fund had \$59.9 million in revenues and \$56.8 million in expenditures. These two funds also had \$1 million in net other financing uses (consisting of transfers out and an insurance recovery). The General Fund's fund balance increased by \$2,112,403. The Central Vermont Career Center Fund's fund balance decreased by \$22,126.

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 10, 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 15 and 18.
- *Proprietary Funds* - Proprietary funds (described on pages 22 through 24) 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 25. 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, 2021 and June 30, 2020, respectively.

	<u>2021</u>	<u>2020</u>	<u>Net Change</u>
Assets			
Current assets	\$ 8,938,209	\$ 4,899,745	\$ 4,038,464
Noncurrent assets	<u>16,349,394</u>	<u>14,245,882</u>	<u>2,103,512</u>
Total Assets	<u>25,287,603</u>	<u>19,145,627</u>	<u>6,141,976</u>

	<u>2021</u>	<u>2020</u>	<u>Net Change</u>
Deferred outflows of resources	<u>1,420,871</u>	<u>481,415</u>	<u>939,456</u>
Liabilities			
Current liabilities	3,889,451	3,337,134	552,317
Noncurrent liabilities	<u>6,334,214</u>	<u>3,553,365</u>	<u>2,780,849</u>
Total Liabilities	<u>10,223,665</u>	<u>6,890,499</u>	<u>3,333,166</u>
Deferred inflows of resources	<u>741,836</u>	<u>239,998</u>	<u>501,838</u>
Net Position			
Net investment in capital assets	11,396,533	11,535,276	(138,743)
Restricted	3,059,812	2,113,641	946,171
Unrestricted	<u>1,286,628</u>	<u>(1,152,372)</u>	<u>2,439,000</u>
Total Net Position	\$ <u>15,742,973</u>	\$ <u>12,496,545</u>	\$ <u>3,246,428</u>

The District's net position consists of \$11.4 million invested in capital assets (such as buildings, and land). The restricted net position of \$3.1 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 net position of \$1.3 million is primarily made up of unassigned amounts in the General Fund.

The results of this year's operations as a whole are reported in the statement of activities on page 12. 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>2021</u>	<u>2020</u>	<u>Net Change</u>
Expenses			
Education - General	\$ 54,319,164	\$ 49,725,649	\$ 4,593,515
Education - Career Center	2,651,933	2,595,644	56,289
Grants	5,792,364	3,321,897	2,470,467
Food service	914,991	1,234,586	(319,595)
Other programs	11,560	99,103	(87,543)
Adult education	4,798	46,270	(41,472)
Component unit	-	3,253	(3,253)
Interest	<u>141,442</u>	<u>166,212</u>	<u>(24,770)</u>
Total Expenses	<u>63,836,252</u>	<u>57,192,614</u>	<u>6,643,638</u>

	<u>2021</u>	<u>2020</u>	<u>Net Change</u>
Program Revenues			
Grants and Contributions	29,467,864	22,018,199	7,449,665
Charges for Services	1,571,501	1,650,703	(79,202)
Other	183,855	401,116	(217,261)
Total Program Revenues	<u>31,223,220</u>	<u>24,070,018</u>	<u>7,153,202</u>
General Revenues			
Education Spending Grant	35,732,119	32,689,276	3,042,843
Interest income	127,341	146,370	(19,029)
Total General Revenues	<u>35,859,460</u>	<u>32,835,646</u>	<u>3,023,814</u>
Total Revenues	<u>67,082,680</u>	<u>56,905,664</u>	<u>10,177,016</u>
Change in Net Position	\$ <u>3,246,428</u>	\$ <u>(286,950)</u>	\$ <u>3,533,378</u>

The table above shows that total revenues were more total expenses for the District as a whole by \$3,246,428 for the year ended June 30, 2021. 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 54.8% 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 \$25.7 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 \$4,798. These costs were partially offset by state grant funding of \$1,788. The building trades operation had a mostly completed house included in its inventory that totaled \$43,954 at June 30, 2021.

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 \$67.1 million, and expenditures of \$66.1 million. The net change in fund balance for the year was an increase of \$3,501,959. 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 \$2,112,403 to a balance of \$1,814,807. The District had budgeted to utilize \$200,000 in prior year fund balance. The positive variance is attributed to total expenditures falling significantly below estimates.

Nonspendable fund balance in the amount of \$8,910 corresponds with the prepaid expenditure amount included in assets. Restricted fund balance in the amount of \$1,769,477 is the fund balance for the Central Vermont Career Center Fund, Grant Funds, Food Service Fund, Afterschool Program Fund and Capital Projects Fund. The District's voters have committed \$317,605 for future capital projects and \$957,962 for tax stabilization. Remaining Board assigned fund balance of \$422,054 related to the Spaulding Educational Alternatives project that was ongoing at June 30, 2021, and \$600,000 was assigned for June 30, 2022 year ending budgeted expenditures. The District reported a remaining unassigned fund balance of \$1,214,807.

Long-term Debt

As of June 30, 2021, the District had an obligation to repay debt of \$4,952,861. The District is indebted to the Vermont Municipal Bond Bank for 2021 series 2 and 2021 series 1 bonds which mature in December 2021, and December 2036, respectively. The two other notes mature in August 2028, and July 2026, respectively.

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 19 through 21 of this report.

Total General Fund revenue from all sources was \$399,650 lower than budgeted. Expenditures were \$2,297,879 lower than budgeted. The end result is that the District added \$2,112,403 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 related expenditures.
- Interest revenue exceeded the anticipated budget by \$72,231. This resulted from interest generated by the District's positive cash balance.
- Special education expenses were less than anticipated due to a decrease in anticipated salaries, wages and benefits due to staffing shortages. In spite of advertising consistently, finding special education professionals and support staff was difficult.

The Central Vermont Career Center Fund's revenues were less than expenditures in FY21 and caused a decrease in fund balance for the year of \$22,126. 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 below:

- Revenues:

The Central Vermont Career Center Fund's revenue was below budget by \$52,270 due to a decrease in program revenues and state salary assistance reduction. Programs such as culinary and automotive did not provide services to the public due to COVID-19 therefore, this resulted in a decrease in revenue.

Intergovernmental - State: This was \$25,190 lower than the budget but due to decreased activity in the program overall.

- Expenditures:

Operation and maintenance of buildings: This area shows the largest variance of \$20,443. The majority of the difference was due to program updates.

The District's combined fund balance for the General Fund and Central Vermont Career Center Fund at June 30, 2021 was \$1,973,561.

The District's Future

The District has one of the lowest per pupil spending compared to other schools in Vermont. 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. 1944d, 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 \$54,164 in FY21 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. Barre received Coronavirus Relief Funds and ESSER funding which helped to supply our staff and students with PPE as well as resources to learn remotely. The District remains committed to providing students and staff with the resources that will provide them a quality education.

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. In addition, the District is utilizing ARP ESSER funds to upgrade HVAC systems in all three school buildings over the next 2 years.

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, 2021
(Page 1 of 2)

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental</u>	<u>Business-type</u>	<u>Totals</u>	<u>Spaulding</u>
	<u>Activities</u>	<u>Activities</u>		<u>High School</u>
				<u>Foundation, LTD.</u>
ASSETS:				
Current assets -				
Cash and cash equivalents	\$ 5,953,331	\$ -	\$ 5,953,331	\$ 14,768
Restricted cash	665,994	-	665,994	-
Accounts receivable	2,251,902	-	2,251,902	-
Inventory	8,910	43,954	52,864	-
Due from (to) other activities	(34,396)	33,746	(650)	-
Total current assets	<u>8,845,741</u>	<u>77,700</u>	<u>8,923,441</u>	<u>14,768</u>
Noncurrent assets -				
Capital assets	43,866,034	-	43,866,034	-
less - accumulated depreciation	(27,516,640)	-	(27,516,640)	-
Total noncurrent assets	<u>16,349,394</u>	<u>-</u>	<u>16,349,394</u>	<u>-</u>
Total assets	<u>25,195,135</u>	<u>77,700</u>	<u>25,272,835</u>	<u>14,768</u>
DEFERRED OUTFLOWS				
OF RESOURCES:				
Deferred pension expense	<u>1,420,871</u>	<u>-</u>	<u>1,420,871</u>	<u>-</u>
LIABILITIES:				
Current liabilities -				
Accounts payable	836,809	-	836,809	-
Accrued expenses	2,709,135	-	2,709,135	-
Current portion - Long-term debt	289,042	-	289,042	-
Accrued interest	54,465	-	54,465	-
Total current liabilities	<u>3,889,451</u>	<u>-</u>	<u>3,889,451</u>	<u>-</u>
Noncurrent liabilities -				
Accrued compensated absences	176,277	-	176,277	-
Net pension liability	1,494,118	-	1,494,118	-
Long-term debt	4,663,819	-	4,663,819	-
Total noncurrent liabilities	<u>6,334,214</u>	<u>-</u>	<u>6,334,214</u>	<u>-</u>
Total liabilities	<u>10,223,665</u>	<u>-</u>	<u>10,223,665</u>	<u>-</u>

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, 2021
(Page 2 of 2)

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental</u>	<u>Business-type</u>		<u>Spaulding</u>
	<u>Activities</u>	<u>Activities</u>	<u>Totals</u>	<u>High School</u>
				<u>Foundation, LTD.</u>
DEFERRED INFLOWS				
OF RESOURCES:				
Deferred pension credits	727,854	-	727,854	-
Unavailable grants	8,982	5,000	13,982	-
Total deferred inflows of resources	736,836	5,000	741,836	-
NET POSITION:				
Net investment in capital assets	11,396,533	-	11,396,533	-
Restricted	3,045,044	-	3,045,044	14,768
Unrestricted	1,213,928	72,700	1,286,628	-
Total net position	\$ 15,655,505	\$ 72,700	\$ 15,728,205	\$ 14,768

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, 2021

	<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>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>	<u>Component Unit Spaulding High School Foundation, LTD.</u>
FUNCTIONS/PROGRAMS:								
Governmental activities -								
Education - General	\$ 54,319,164	\$ 20,495,096	\$ 399,557	\$ 47,359	\$ (33,377,152)	\$ -	\$ (33,377,152)	\$ -
- Career Center	2,651,933	1,917,988	1,149,473	10,705	426,233	-	426,233	-
Grants	5,792,364	5,939,465	-	125,791	272,892	-	272,892	-
Food service	914,991	1,109,834	22,471	-	217,314	-	217,314	-
Other programs	11,560	-	-	-	(11,560)	-	(11,560)	-
Interest	141,442	-	-	-	(141,442)	-	(141,442)	-
Total governmental activities	<u>63,831,454</u>	<u>29,462,383</u>	<u>1,571,501</u>	<u>183,855</u>	<u>(32,613,715)</u>	<u>-</u>	<u>(32,613,715)</u>	<u>-</u>
Business-type activities -								
Adult education	4,798	1,788	-	-	-	(3,010)	(3,010)	-
Building trades	-	-	-	-	-	-	-	-
Total business-type activities	<u>4,798</u>	<u>1,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,010)</u>	<u>(3,010)</u>	<u>-</u>
Total primary government	\$ <u>63,836,252</u>	\$ <u>29,464,171</u>	\$ <u>1,571,501</u>	\$ <u>183,855</u>	<u>(32,613,715)</u>	<u>(3,010)</u>	<u>(32,616,725)</u>	<u>-</u>
Component unit	\$ -	\$ 3,693	\$ -	\$ -	-	-	-	3,693
GENERAL REVENUES - EDUCATION SPENDING GRANT					35,732,119	-	35,732,119	-
- INTEREST INCOME					127,341	-	127,341	-
					<u>35,859,460</u>	<u>-</u>	<u>35,859,460</u>	<u>-</u>
CHANGE IN NET POSITION					3,245,745	(3,010)	3,242,735	3,693
NET POSITION, July 1, 2020, RESTATED					<u>12,409,760</u>	<u>75,710</u>	<u>12,485,470</u>	<u>11,075</u>
NET POSITION, June 30, 2021					\$ <u>15,655,505</u>	\$ <u>72,700</u>	\$ <u>15,728,205</u>	\$ <u>14,768</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, 2021
(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	\$ 5,944,935	\$ -	\$ -	\$ 8,396	\$ -	\$ -	\$ -	\$ 5,953,331
Restricted cash	665,994	-	-	-	-	-	-	665,994
Inventory	-	-	-	8,910	-	-	-	8,910
Accounts receivable	2,006,569	800	-	244,533	-	-	-	2,251,902
Due from other funds	<u>-</u>	<u>175,893</u>	<u>698,718</u>	<u>217,425</u>	<u>75,108</u>	<u>1,596,995</u>	<u>957,962</u>	<u>3,722,101</u>
Total assets	\$ <u>8,617,498</u>	\$ <u>176,693</u>	\$ <u>698,718</u>	\$ <u>479,264</u>	\$ <u>75,108</u>	\$ <u>1,596,995</u>	\$ <u>957,962</u>	\$ <u>12,602,238</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY								
LIABILITIES:								
Accounts payable	\$ 349,690	\$ 4,784	\$ 215,501	\$ 75,492	\$ -	\$ 191,342	\$ -	\$ 836,809
Accrued expenditures	2,695,980	13,155	-	-	-	-	-	2,709,135
Due to other funds	<u>3,756,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,756,497</u>
Total liabilities	<u>6,802,167</u>	<u>17,939</u>	<u>215,501</u>	<u>75,492</u>	<u>-</u>	<u>191,342</u>	<u>-</u>	<u>7,302,441</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, 2021
(Page 2 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
FUND EQUITY:								
Fund balances -								
Nonspendable	-	-	-	8,910	-	-	-	8,910
Restricted	-	158,754	474,759	394,862	75,108	665,994	-	1,769,477
Committed	-	-	-	-	-	317,605	957,962	1,275,567
Assigned	600,000	-	-	-	-	422,054	-	1,022,054
Unassigned	<u>1,214,807</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,214,807</u>
Total fund balance								
(deficit)	<u>1,814,807</u>	<u>158,754</u>	<u>474,759</u>	<u>403,772</u>	<u>75,108</u>	<u>1,405,653</u>	<u>957,962</u>	<u>5,290,815</u>
 Total liabilities, deferred inflows of resources and fund equity	 \$ <u><u>8,617,498</u></u>	 \$ <u><u>176,693</u></u>	 \$ <u><u>698,718</u></u>	 \$ <u><u>479,264</u></u>	 \$ <u><u>75,108</u></u>	 \$ <u><u>1,596,995</u></u>	 \$ <u><u>957,962</u></u>	 \$ <u><u>12,602,238</u></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, 2021
(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	\$ 5,290,815
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	43,866,034
Accumulated depreciation	(27,516,640)
Long-term liabilities not due and payable in the current period are not reported in the funds.	
Accrued compensated absences	(176,277)
Long-term debt	(4,952,861)
Accrued interest on long-term debt	(54,465)
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	1,420,871
Deferred pension credits	(727,854)
Net pension liability	<u>(1,494,118)</u>
Net position of governmental activities - Government-wide Statement of Net Position	\$ <u>15,655,505</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, 2021

(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>
REVENUES:								
Education spending grant	\$ 35,732,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,732,119
Intergovernmental -								
State	20,311,472	1,917,988	391,024	17,872	-	-	-	22,638,356
Federal	76,456	-	5,548,441	1,091,962	-	-	-	6,716,859
Local -								
Tuition	218,545	1,149,436	-	-	-	-	-	1,367,981
Charges for services	181,012	37	-	22,471	-	-	-	203,520
E-rate	107,168	-	-	-	-	-	-	107,168
Interest	127,231	-	-	-	-	110	-	127,341
Other	43,379	10,705	125,791	-	-	-	-	179,875
Total revenues	<u>56,797,382</u>	<u>3,078,166</u>	<u>6,065,256</u>	<u>1,132,305</u>	<u>-</u>	<u>110</u>	<u>-</u>	<u>67,073,219</u>
EXPENDITURES:								
Salaries	24,322,064	1,585,136	2,713,100	-	-	-	-	28,620,300
Benefits	18,128,608	382,616	745,720	-	-	-	-	19,256,944
Professional services	2,752,986	43,070	486,906	794,134	-	6,872	-	4,083,968
Purchased services	5,479,185	109,801	248,399	15	-	-	-	5,837,400
Supplies and materials	1,475,206	420,843	1,151,342	84,609	-	55	-	3,132,055
Facilities	758,240	110,467	446,897	12,562	-	4,633	-	1,332,799
Miscellaneous	-	-	-	2,087	-	-	-	2,087
Capital outlay	615,544	184,387	213,212	-	-	2,396,168	-	3,409,311
Capital lease - Principal	-	-	-	-	-	-	-	-
- Interest	-	-	-	-	-	-	-	-

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, 2021

(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	243,511	40,120	-	-	-	-	-	283,631
- Interest	123,809	13,658	-	-	-	5,164	-	142,631
Total expenditures	<u>53,899,153</u>	<u>2,890,098</u>	<u>6,005,576</u>	<u>893,407</u>	<u>-</u>	<u>2,412,892</u>	<u>-</u>	<u>66,101,126</u>
EXCESS OF REVENUES OR (EXPENDITURES)	<u>2,898,229</u>	<u>188,068</u>	<u>59,680</u>	<u>238,898</u>	<u>-</u>	<u>(2,412,782)</u>	<u>-</u>	<u>972,093</u>
OTHER FINANCING SOURCES (USES):								
Proceeds from long-term debt	-	-	-	-	-	2,525,886	-	2,525,886
Insurance recovery	3,980	-	-	-	-	-	-	3,980
Transfers in (out)	<u>(789,806)</u>	<u>(210,194)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(785,826)</u>	<u>(210,194)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,525,886</u>	<u>-</u>	<u>2,529,866</u>
NET CHANGE IN FUND BALANCES	2,112,403	(22,126)	59,680	238,898	-	1,113,104	-	3,501,959
FUND BALANCES, (DEFICIT), JULY 1, 2020, RESTATED	<u>(297,596)</u>	<u>180,880</u>	<u>415,079</u>	<u>164,874</u>	<u>75,108</u>	<u>292,549</u>	<u>957,962</u>	<u>1,788,856</u>
FUND BALANCES, JUNE 30, 2021	\$ <u>1,814,807</u>	\$ <u>158,754</u>	\$ <u>474,759</u>	\$ <u>403,772</u>	\$ <u>75,108</u>	\$ <u>1,405,653</u>	\$ <u>957,962</u>	\$ <u>5,290,815</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, 2021
(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	\$ 3,501,959
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	3,409,311
Depreciation	(1,305,799)
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	(2,525,886)
Payments on long-term debt	283,631
(Increase)/decrease in accrued interest on long-term debt	1,189
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	24,372
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>(143,032)</u>
Change in net position of governmental activities - Government-wide Statement of Activities	\$ <u><u>3,245,745</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, 2021

(Page 1 of 2)

	<u>Budgeted Amounts</u>		Actual	Variance
	<u>Original</u>	<u>Final</u>	(Budgetary Basis)	Over (Under)
REVENUES:				
Tuition	\$ 210,000	210,000	\$ 218,545	\$ 8,545
Fund balance appropriation	200,000	200,000	-	(200,000)
Charges for services	17,000	17,000	181,012	164,012
Education spending grant	36,034,440	36,034,440	35,732,119	(302,321)
Intergovernmental - State	8,498,528	8,498,528	8,144,408	(354,120)
- Federal	-	-	76,456	76,456
E-rate	-	-	107,168	107,168
Interest	55,000	55,000	127,231	72,231
Other	15,000	15,000	43,379	28,379
Total revenues	<u>45,029,968</u>	<u>45,029,968</u>	<u>44,630,318</u>	<u>(399,650)</u>
EXPENDITURES:				
Direct instruction	16,116,075	15,216,075	14,728,428	(487,647)
Special education	10,329,431	10,329,431	9,752,503	(576,928)
Vocational education	915,645	915,645	893,414	(22,231)
Athletics	596,743	596,743	477,446	(119,297)
Co-curricular	166,000	166,000	118,047	(47,953)
Guidance services	987,914	987,914	989,508	1,594
Health services	461,345	461,345	428,596	(32,749)
Psychological services	1,238,033	1,238,033	1,068,320	(169,713)
Behavioral services	-	-	55,762	55,762
Speech pathology and audiology services	878,409	878,409	830,831	(47,578)
Occupational therapy	246,154	246,154	202,127	(44,027)
Other support services	118,632	118,632	166,435	47,803
Instruction and curriculum development	656,917	556,917	485,481	(71,436)
Library and media services	501,560	501,560	376,845	(124,715)
Board of education	366,640	366,640	332,166	(34,474)
Executive administration	274,951	274,951	373,889	98,938
Office of the principal	1,907,526	1,907,526	1,765,059	(142,467)
Other support services	821,945	821,945	649,794	(172,151)
Fiscal services	588,602	588,602	501,775	(86,827)
Public information services	84,804	84,804	83,490	(1,314)
Personnel services	246,862	246,862	234,800	(12,062)
Administrative technology services	1,246,572	1,246,572	1,295,146	48,574
Operation and maintenance of buildings	4,123,902	4,123,902	4,029,614	(94,288)
Transportation	1,757,826	1,757,826	1,525,293	(232,533)
Debt service - capital construction	297,480	297,480	294,513	(2,967)

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, 2021

(Page 2 of 2)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Over (Under)</u>
EXPENDITURES (CONTINUED):				
Debt service - other	<u>100,000</u>	<u>100,000</u>	<u>72,807</u>	<u>(27,193)</u>
Total expenditures	<u>45,029,968</u>	<u>44,029,968</u>	<u>41,732,089</u>	<u>(2,297,879)</u>
 EXCESS OF REVENUES OR (EXPENDITURES)	 -	 1,000,000	 2,898,229	 1,898,229
 OTHER FINANCING SOURCES (USES):				
Insurance recovery	-	-	3,980	3,980
Transfers in (out), net	-	<u>(1,000,000)</u>	<u>(789,806)</u>	<u>(210,194)</u>
Total other financing sources (uses):	<u>-</u>	<u>(1,000,000)</u>	<u>(785,826)</u>	<u>(214,174)</u>
 NET CHANGE IN FUND BALANCE	 \$ <u>-</u>	 \$ <u>-</u>	 \$ <u>2,112,403</u>	 \$ <u>2,112,403</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, 2021

	Original and Final <u>Budget</u>	Actual (Budgetary Basis) <u>Basis)</u>	Variance Over (Under) <u>(Under)</u>
REVENUES:			
Tuition	\$ 1,169,258	\$ 1,149,436	\$ (19,822)
Charges for services	18,000	37	(17,963)
Intergovernmental - State	1,943,178	1,917,988	(25,190)
Other	<u>-</u>	<u>10,705</u>	<u>10,705</u>
Total revenues	<u>3,130,436</u>	<u>3,078,166</u>	<u>(52,270)</u>
EXPENDITURES:			
Special education	77,389	75,683	(1,706)
Vocational education	1,776,789	1,764,204	(12,585)
Guidance services	69,664	72,202	2,538
Health services	28,465	25,356	(3,109)
Other improvement instruction services	2,730	2,669	(61)
Library and media services	28,975	22,257	(6,718)
Office of the principal	560,086	557,770	(2,316)
Administrative technology services	49,000	65,698	16,698
Operation and maintenance of buildings	270,924	250,481	(20,443)
Debt service - capital construction	51,000	49,131	(1,869)
Debt service - other	<u>7,500</u>	<u>4,647</u>	<u>(2,853)</u>
Total expenditures	<u>2,922,522</u>	<u>2,890,098</u>	<u>(32,424)</u>
EXCESS OF REVENUES OR (EXPENDITURES)	207,914	188,068	(19,846)
OTHER FINANCING SOURCES (USES):			
Transfers in (out), net	<u>(207,914)</u>	<u>(210,194)</u>	<u>2,280</u>
Total other financing sources (uses):	<u>(207,914)</u>	<u>(210,194)</u>	<u>2,280</u>
NET CHANGE IN FUND BALANCE	\$ <u>-</u>	\$ <u>(22,126)</u>	\$ <u>22,126</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, 2021

	<u>Adult Education Fund</u>	<u>Building Trades Fund</u>	<u>Totals Proprietary Funds</u>
ASSETS:			
Current assets -			
Due from other funds	\$ 70,547	\$ -	\$ 70,547
Inventory	<u>-</u>	<u>43,954</u>	<u>43,954</u>
Total assets	<u>70,547</u>	<u>43,954</u>	<u>114,501</u>
LIABILITIES:			
Current liabilities -			
Due to other funds	<u>-</u>	<u>36,801</u>	<u>36,801</u>
Total liabilities	<u>-</u>	<u>36,801</u>	<u>36,801</u>
DEFERRED INFLOWS OF RESOURCES:			
Deposit received on house	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total deferred inflows of resources	<u>-</u>	<u>5,000</u>	<u>5,000</u>
NET POSITION:			
Unrestricted	<u>70,547</u>	<u>2,153</u>	<u>72,700</u>
Total net position	\$ <u>70,547</u>	\$ <u>2,153</u>	\$ <u>72,700</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, 2021

	Adult Education <u>Fund</u>	Building Trades <u>Fund</u>	Totals Proprietary <u>Funds</u>
OPERATING REVENUES:			
Intergovernmental - State	\$ 1,788	\$ -	\$ 1,788
Total operating revenues	<u>1,788</u>	<u>-</u>	<u>1,788</u>
OPERATING EXPENSES:			
Salaries	4,317	-	4,317
Employee benefits	31	-	31
Supplies and materials	450	-	450
Total operating expenses	<u>4,798</u>	<u>-</u>	<u>4,798</u>
CHANGE IN NET POSITION	(3,010)	-	(3,010)
NET POSITION, July 1, 2020	<u>73,557</u>	<u>2,153</u>	<u>75,710</u>
NET POSITION, June 30, 2021	\$ <u><u>70,547</u></u>	\$ <u><u>2,153</u></u>	\$ <u><u>72,700</u></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, 2021

	Adult Education <u>Fund</u>	Building Trades <u>Fund</u>	Totals Proprietary <u>Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 964	\$ -	\$ 964
Cash provided from state grants	1,788	-	1,788
Cash paid to suppliers for goods and services	(450)	4,147	3,697
Cash paid to employees for services	<u>(4,348)</u>	<u>-</u>	<u>(4,348)</u>
Net cash provided (used) by operating activities	<u>(2,046)</u>	<u>4,147</u>	<u>2,101</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Increase (decrease) in balance due to/from the General Fund	<u>2,046</u>	<u>(4,147)</u>	<u>(2,101)</u>
Net cash provided (used) by noncapital financing activities	<u>2,046</u>	<u>(4,147)</u>	<u>(2,101)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (CASH OVERDRAFT)	-	-	-
CASH, AND CASH EQUIVALENTS (CASH OVERDRAFT), July 1, 2020	<u>-</u>	<u>-</u>	<u>-</u>
CASH, AND CASH EQUIVALENTS (CASH OVERDRAFT), June 30, 2021	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (3,010)	\$ -	\$ (3,010)
(Increase) decrease in accounts receivable	964	-	964
(Increase) decrease in inventory	-	(853)	(853)
Increase (decrease) in deferred inflows	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Net cash provided (used) by operating activities	\$ <u>(2,046)</u>	\$ <u>4,147</u>	\$ <u>2,101</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, 2021

	<u>Agency Funds</u>
ASSETS:	
Cash and cash equivalents	\$ 338,873
Due from other funds	<u>650</u>
Total assets	<u>\$ 339,523</u>
LIABILITIES:	
Amounts held as agent for others	<u>\$ 339,523</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, 2021

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, 2021

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, 2021

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, 2021

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, 2021 of \$176,277 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, 2021

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, 2021, \$1,735 of the District's deposits were uninsured and uncollateralized.

3. Capital assets:

Capital asset activity for the year ended June 30, 2021 has been detailed below.

	Balance <u>June 30, 2020</u>		<u>Additions</u>		<u>Retirements</u>		Balance <u>June 30, 2021</u>
Governmental activities -							
Capital assets, not depreciated:							
Land	\$ 604,595	\$	-	\$	-	\$	604,595
Construction in progress	<u>-</u>		<u>2,396,168</u>		<u>-</u>		<u>2,396,168</u>
Total capital assets, not depreciated	<u>604,595</u>		<u>2,396,168</u>		<u>-</u>		<u>3,000,763</u>

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

3. Capital assets (continued):

	Balance <u>June 30, 2020</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2021</u>
Capital assets, depreciated:				
Land improvements	32,349	-	-	32,349
Buildings and improvements	34,458,506	557,005	-	35,015,511
Equipment and fixtures	4,962,959	432,063	-	5,395,022
Vehicles	272,414	24,075	-	296,489
Software	125,900	-	-	125,900
Total capital assets, depreciated	<u>39,852,128</u>	<u>1,013,143</u>	<u>-</u>	<u>40,865,271</u>
Less accumulated depreciation for:				
Land improvements	29,709	1,617	-	31,326
Buildings and improvements	21,680,096	1,002,744	-	22,682,840
Equipment and fixtures	4,174,223	282,118	-	4,456,341
Vehicles	200,913	19,320	-	220,233
Software	125,900	-	-	125,900
Total accumulated depreciation	<u>26,210,841</u>	<u>1,305,799</u>	<u>-</u>	<u>27,516,640</u>
Total capital assets, depreciated, net	<u>13,641,287</u>	<u>(292,656)</u>	<u>-</u>	<u>13,348,631</u>
Capital assets, net	\$ <u>14,245,882</u>	\$ <u>2,103,512</u>	\$ <u>-</u>	\$ <u>16,349,394</u>

Depreciation expense of \$1,305,799 in the governmental activities was allocated to expenses of the education function (\$1,284,215), and food service (\$21,584) programs based on capital assets assigned to those functions.

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, 2021 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds -		
General Fund	\$ -	\$ 3,756,497
Central Vermont Career Center Fund	175,893	-
Grant Funds	698,718	-
Food Service Fund	217,425	-
Afterschool Program Fund	75,108	-
Capital Projects Fund	1,596,995	-
Tax Stabilization Fund	957,962	-
	<u>3,722,101</u>	<u>3,756,497</u>

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

4. Interfund receivable and payable balances (continued):

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Proprietary funds -		
Adult Education Fund	70,547	-
Building Trades Fund	<u>-</u>	<u>36,801</u>
	<u>70,547</u>	<u>36,801</u>
Fiduciary funds -		
Agency Funds	<u>650</u>	<u>-</u>
	\$ <u>3,793,298</u>	\$ <u>3,793,298</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, 2021 were as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental funds -		
General Fund	\$ 210,194	\$ 1,000,000
Central Vermont Career Center Fund	-	210,194
Capital Projects Fund	<u>1,000,000</u>	<u>-</u>
	\$ <u>1,210,194</u>	\$ <u>1,210,194</u>

Transfers to the General Fund from the Central Vermont Career Center Fund totaling \$210,194 relate to a budgeted assessment. Lastly, transfers to the Capital Projects Fund from the General Fund totaling \$1,000,000 relate to a board approved transfer to fund the Spaulding Education Alternatives facility project overrun.

6. Long-term obligations:

Long-term obligations activity for the year ended June 30, 2021 was as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
Governmental activities -					
Long-term debt	\$ 2,710,606	\$ 2,525,886	\$ 283,631	\$ 4,952,861	\$ 289,042
Accrued interest on long-term debt	55,654	-	1,189	54,465	54,465
Accrued compensated absences	200,649	-	24,372	176,277	-
Net pension liability	<u>926,153</u>	<u>567,965</u>	<u>-</u>	<u>1,494,118</u>	<u>-</u>
	\$ <u>3,893,062</u>	\$ <u>3,093,851</u>	\$ <u>309,192</u>	\$ <u>6,677,721</u>	\$ <u>343,507</u>

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

7. Debt:

Short-term - During the year, the District borrowed and repaid \$4,344,939 on a \$4,344,939 line of credit in the form of a 1.79% revenue anticipation note which matured in June 2021. Interest related to this note was \$77,454.

In July 2021 the District borrowed \$3,916,204 on a \$3,916,204 line of credit in the form of a 1.79% revenue anticipation note which matures in June 2022.

7. Debt (continued):

Long-term - Outstanding long-term debt as of June 30, 2021 is as follows:

Governmental activities -

Notes from direct borrowings:

Vermont Municipal Bond Bank - 2001 Series 1 (refunded by 2021 Series 2), various interest rates. Annual principal payments ranging from \$20,000 to \$25,000. Matures December 2021.	\$ 20,000
Capital improvement note payable, interest at 2.45%, matures August 2028.	1,822,861
Capital improvement note payable, interest at 2.49%, matures July 2026.	360,000
Vermont Municipal Bond Bank - 2021 Series 1, various interest rates. Annual principal payments of \$183,333. Matures December 2036.	<u>2,750,000</u>
	<u>\$ 4,952,861</u>

Long-term debt activity for the year ended June 30, 2021 are as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities -					
Notes from direct borrowings:					
VMBB 21 Series 2	\$ 40,000	\$ -	\$ 20,000	\$ 20,000	\$ 20,000
Note payable, 2.45%	2,026,492	-	203,631	1,822,861	209,042
Note payable, 2.49%	420,000	-	60,000	360,000	60,000
VMBB 21 Series 1	<u>224,114</u>	<u>2,525,886</u>	<u>-</u>	<u>2,750,000</u>	<u>-</u>
	<u>\$ 2,710,606</u>	<u>\$ 2,525,886</u>	<u>\$ 283,631</u>	<u>\$ 4,952,861</u>	<u>\$ 289,042</u>

Debt service requirements to maturity are detailed on the following page.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

7. Debt (continued):

Long-term (continued) -

Fiscal year -	<u>Governmental Activities</u>	
	<u>Notes from Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 289,042	\$ 108,353
2023	457,497	91,308
2024	462,744	83,637
2025	468,119	75,611
2026	473,626	67,208
2027-2031	1,701,830	209,669
2032-2036	916,665	80,020
2037-2041	<u>183,338</u>	<u>2,222</u>
	<u>\$ 4,952,861</u>	<u>\$ 718,028</u>

The Vermont Municipal Bond Bank (VMBB) has refunded the 2001 Series 1, and 2002 Series 1 which resulted in interest savings of \$28,600 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, 2021.

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	\$ 56,797,382	\$ 53,899,153
On-behalf payments -		
VSTRS pension	(8,299,673)	(8,299,673)
VSTRS OPEB	<u>(3,867,391)</u>	<u>(3,867,391)</u>
Budget basis	<u>\$ 44,630,318</u>	<u>\$ 41,732,089</u>

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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.

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 \$1,044,552, \$1,027,947, and \$963,994 to the System in 2021, 2020 and 2019, 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	\$	51,092,996
VSTRS net pension expenditure	\$	8,299,673

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

9. Pension plans (continued):

Vermont Municipal Employees' Retirement System (continued) -

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 3.0% (Group A), 5.375% (Group B), 10.5% (Group C) or 11.85% (Group D) of their annual covered salary, and the District is required to contribute 4.5% (Group A), 6.0% (Group B), 7.75% (Group C) or 10.35% (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, 2021, 2020 and 2019 were \$120,570, \$120,273 and \$102,567, respectively. The amounts contributed were equal to the required contributions for each year.

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 0.59062% proportionate share of VMERS.

Districts's share of VMERS net pension liability	\$ 1,494,118
Deferred outflows of resources - Deferred pension expense	\$ 1,420,871
Deferred inflows of resources - Deferred pension credits	\$ 727,854

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 Empower Retirement. 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, 2021, there are 199 plan members from the District.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

9. Pension plans (continued):

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

Funding policy: The District pays all costs accrued each year for the Plan. Total contributions for the year ended June 30, 2021 were \$518,795 by the employees and \$129,299 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.

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 (\$34,482,968) and OPEB expense (\$3,867,391) as determined by an

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

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

actuarial valuation. The liability was measured as of June 30, 2020 for the reporting period of June 30, 2021.

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 2.21% discount rate used to calculate future costs would increase the District's share of OPEB liability to \$40,838,978, while an increase of 1% would reduce the District's share of OPEB liability to \$29,414,947. A decrease of 1% in the current healthcare cost trend rate would reduce the District's share of OPEB liability to \$28,603,033, while an increase of 1% would increase the District's share of OPEB liability to \$42,251,032.

Collective OPEB Plan liability and expense: The Plan consists of 184 participating employers. The Plan's collective net OPEB liability is \$1,259,400,309 and total OPEB expense for the year is \$126,685,678.

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	2.21%
Inflation rate	2.00%
Healthcare cost trend rates	6.925% Non-Medicare 6.140% Medicare
Retiree Contributions	Equal to health trend
Mortality tables	Various PubT-2010, and PubNS-2010 tables using Scale MP-2019
Actuarial cost method	Projected Unit Credit
Asset valuation method	Market value

11. Restatements:

The District has restated beginning fund balance in the General Fund from a deficit of \$313,296 to a deficit of \$297,596 due to a subsequent accrual of a tuition payment relating to the year ended June 30, 2020 and the accrual of a state grant relating to the year ended June 30, 2020.

The District has restated beginning fund balance in the Grant Funds from \$432,764 to \$415,079 due to a subsequent deferral of certain grant funds at June 30, 2020.

The District has restated beginning fund balance in the Food Service Fund from \$179,471 to \$164,874 due to a subsequent correction of certain grant activity.

For the reasons outlined above the District has restated beginning net position of the governmental activities from \$12,426,342 to \$12,409,760.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

12. Fund balances:

The Capital Projects Fund reported restricted fund balance of \$665,994 relating to unspent bond funds for the Spaulding Educational Alternatives facility project that was ongoing at June 30, 2021. The Capital Projects Fund also reported \$317,605 in voter committed fund balance for future capital projects. Lastly, the Capital Projects Fund reported remaining Board assigned fund balance of \$422,054 for the Spaulding Educational Alternatives facility at June 30, 2021. A board approved transfer totaling \$1,000,000 from the General Fund to the Capital Projects Fund was done for the year ended June 30, 2021 to fund a project overrun relating to the Spaulding Educational Alternatives facility.

The General Fund reported Board assigned fund balance of \$600,000 at June 30, 2021 to be carried forward and used to offset budgeted expenditures for the year ending June 30, 2022.

13. Subsequent events:

The District has evaluated subsequent events through _____, 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
VMERS
JUNE 30, 2021**

Schedule 1

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.5906%	0.5338%	0.4341%	0.4872%	0.5262%	0.5270%	0.5275%
District's proportionate share of the net pension liability	\$ 1,494,118	\$ 926,153	\$ 610,788	\$ 590,319	\$ 677,252	\$ 406,308	\$ 48,139
District's covered payroll	\$ 2,158,848	\$ 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	69.209%	38.850%	30.679%	48.431%	48.109%	28.527%	3.514%
VMERS net position as a percentage of the total pension liability	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
VMERS
JUNE 30, 2021**

Schedule 2

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	\$ 120,570	\$ 120,273	\$ 102,567	\$ 65,976	\$ 79,571	\$ 79,981	\$ 73,669
Contributions in relation to the contractually required contribution	<u>120,570</u>	<u>120,273</u>	<u>102,567</u>	<u>65,976</u>	<u>79,571</u>	<u>79,981</u>	<u>73,669</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
District's covered payroll	\$ 2,158,848	\$ 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	5.585%	5.045%	5.152%	5.413%	5.652%	5.615%	5.378%

DRAFT December 9, 2021

Mudgett
Jennett &
Krogh-Wisner, P.C.
Certified Public Accountants #435

**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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated _____.

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

Mudgett
Jennett &
Krogh-Wisner, P.C.
Certified Public Accountants #435

**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, 2021. 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, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Montpelier, Vermont

BARRE UNIFIED UNION SCHOOL DISTRICT #97
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

<u>Federal Grantor/Pass-through Grantor 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				
National School Lunch Program	10.555	4456U0972100	\$ -	\$ 82,242
Summer Food Service Program for Children	10.559	4455U0972100	-	940,734
Total Child Nutrition Cluster			-	1,022,976
Child and Adult Care Food Program	10.558	4453U0972100	-	4,501
Child and Adult Care Food Program	10.558	4454U0972100	-	64,486
Total Child and Adult Care Food Program			-	68,987
Fresh Fruit and Vegetable Program	10.582	4449U0972100	-	60,748
Total U.S. Department of Agriculture			-	1,152,711
U.S. Department of Education:				
Passed through Vermont Agency of Education -				
Special Education Cluster (IDEA)				
Special Education Grants to States	84.027	4226U0972101	-	768,804
Special Education Preschool Grants	84.173	4228U0972101	-	21,996
Total Special Education Cluster (IDEA)			-	790,800
Title I Grants to Local Educational Agencies	84.010	4250U0972101	-	1,499,220
Career and Technical Education -				
Basic Grants to States	84.048	4318U0972101	-	219,397
Education for Homeless Children and Youth	84.196	4265U0972101	-	12,176
Supporting Effective Instruction State Grants	84.367	4651U0972101	-	203,595
Student Support and Academic Enrichment Program	84.424	4570U0972101	-	239,772
Education Stabilization Fund	84.425	4590U0972101	-	888,951
Education Stabilization Fund	84.425	4591U0972101	-	339,480
Education Stabilization Fund	84.425	4597U0972101	-	52,087
Total Education Stabilization Fund			-	1,280,518
Total U.S. Department of Education			-	4,245,478
U.S. Department of the Defense:				
Direct -				
Junior ROTC - Salary Assistance	12.U01	N/A	-	76,456
Total U.S. Department of Defense			-	76,456
U.S. Department of the Treasury:				
Passed through Vermont Agency of Education -				
Coronavirus Relief Fund	21.019	4592U0972100	-	1,006,772
Coronavirus Relief Fund	21.019	4596U0972101	-	235,442
Total U.S. Department of the Treasury			-	1,242,214
Total federal award expenditures			\$ -	\$ 6,716,859

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, 2021

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, 2021. 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, 2021**

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 Agriculture:*
CFDA 10.559 - Summer Food Service Program for Children
CFDA 10.555 - National School Lunch Program
- *U.S. Department of Education:*
CFDA 84.425 - Education Stabilization Fund
- *U.S. Department of the Treasury:*
CFDA 21.019 - Coronavirus Relief Fund

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, 2021.

C. Audit Findings - Federal Awards:

There were no audit findings identified for the year ended June 30, 2021.

**STATUS OF PRIOR AUDIT FINDINGS
AS OF JUNE 30, 2021**

There are no prior audit findings applicable to this auditee.

BUUSD BUDGET 2022-23 - DRAFT 2, 12-6-21
Comparative Tax Rate Calculations

	FY2022	FY2023		Tax rate with CLA at 100%- Comparative purposes only!	
BUUSD BUDGET 2022-2023					
Total BUUSD Expenses	49,947,503	53,254,319	6.62%	53,254,319	6.62%
Less Local Revenues	13,290,528	15,662,385		15,662,385	
Education Spending	36,656,975	37,591,934		37,591,934	
Equalized Pupils-Frz 2/26/21 (LAST YR #)	2,390.52	2,390.52		2,390.52	
Education Spending per Equalized Pupil	15,334	15,725	2.55%	15,725	2.55%
State-wide Avg. FY22 \$17,207					
EdSpend/ \$12,937 (property yield)	135.498%	121.554%		121.554%	
Homestead Equalized Tax Rate (LAST YR)	1.00	1.00		1.00	
Equalized Tax Rate	1.3550	1.2155		1.2155	
District's Equalized Pupil %	100%	100%		100%	
Equalized Rate to be assessed by city	1.3550	1.2155		1.2155	
District's CLA (LAST YR #)	94.97%	94.97%		100.00%	
Barre City Homestead Rate	1.4267	1.2799	(0.15)	1.2155	(0.21)

	FY2022	FY23		Tax rate with CLA at 100%	
Total BUUSD Expenses including grant funds	49,947,503	53,254,319	6.62%	53,254,319	6.62%
Less Local Revenues including grant funds	13,290,528	15,662,385		15,662,385	
Education Spending	36,656,975	37,591,934		37,591,934	
Equalized Pupils-Frz 2/26/21 (LAST YR)	2,390.52	2,390.52		2,390.52	
Education Spending per Equalized Pupil	15,334	15,725	2.55%	15,725	2.55%
State-wide Avg. FY22 \$17,207					
EdSpend/ \$11,317 (property yield)	135.498%	121.554%		121.554%	
Homestead Equalized Tax Rate	1.00	1.00		1.00	
Equalized Tax Rate	1.3550	1.2155		1.2155	
District's Equalized Pupil %	100%	100%		100%	
Equalized Rate to be assessed by town	1.3550	1.2155		1.2155	
District's CLA	110.26%	110.26%		100.00%	
Barre Town Homestead Rate	1.2289	1.1024	(0.13)	1.2155	(0.01)

12/6/2021

BUUSD FY23 BUDGET INFORMATION -- 12/7/21 REVISED

**BUUSD DRAFT 2: \$47,254,319, 1.95% or \$901,817
ADD \$6,000,000 in state and federal grants: \$53,254,319**

Shall the voters of the Barre Unified Union School District approve the school board to expend \$53,254,319, (includes grants) which is the amount the school board has determined to be necessary for the ensuing fiscal year? It is estimated that this proposed budget, if approved, will result in education spending of \$???? per equalized pupil. This projected spending per equalized pupil is ???% higher than spending for the current year.

Pending currently are the Dec. 1 tax rate calculation components:

- Tax Commissioners announced YIELD-See letter dated 12/1/21-\$12,937 AOE Calculation-Equalized Pupil Count
- CLA-Common Level of Appraisal

BUUSD DRAFT 1: \$46,941,657, 1.27% or \$589,156

CVCC DRAFT 2: \$3,512,050, 5.42%, \$180,608

CVCC DRAFT 1: \$3,489,727, 4.75% or \$158,285

There have been significant variances over the past 2 years in salary/benefit lines. Based on these actuals, we have made adjustments in salary schedule placements, wages, and benefit plan options (HRA/HSA/CASH IN LIEU).

DRAFT 2 Adjustments:

- 1) Dental Premiums-increase 4%, \$8,850
- 2) Add 1 math Interventionist to BT, \$75,000
- 3) Add field trip transportation, \$50,000 (\$25K for BC/BT)
- 4) Add 2 SEA BIs for additional support/student enrollment, \$50,000
- 5) Add Special Education contracted services and tuition to independent schools, added \$144,000 (4%) to account for annual contract increases
- 6) Add \$7,000 to SHS Athletic helpers
- 7) Increase athletic coaches (all team to have assist coaches), \$95,500
- 8) Reduce SEA supply line, \$10,000
- 9) Reduce SHS Guidance contracted services, \$24,000
- 10) Reduce SHS Travel/Conf. Lines, \$5,900
- 11) Reduce miscellaneous benefit lines based on actuals, \$12,289

DRAFT 1- DISTRICT-WIDE, increase 1.27%, \$589,156

- 1) Salary/Wage increases, 3%-5%
- 2) Increase to wood chips/heating fuel based on market value
- 3) Increase permanent substitute positions across the district, this model has proven to be beneficial to students and staff
- 4) Health Ins. premiums, 10% increase (VEHI reports this is a “safe” assumption) and adjustment for HRA/HSA based on actual utilization

BARRE CITY ELEMENTARY & MIDDLE SCHOOL

- 1) Increased ESL teacher to full time, \$20,000
- 2) Reduced Reading Recovery teacher, \$35,000
- 3) Add 1 FTE Behavior Specialist, using ESSER II
- 4) Add field trip transportation, \$25,000

BARRE TOWN MIDDLE & ELEMENTARY SCHOOL

- 1) Add 1 math Interventionist, \$75,000
- 2) Add field trip transportation, \$25,000
- 3) Add 1.0 FTE Behavior Interventionist for SSC Support (GE need), using ESSER II

SPAULDING HIGH SCHOOL

- 1) Add assistant coaches for all sports, ~~\$199,000~~, ~~\$65,000~~, \$95,500
- 2) Add .25 FTE ELL, based on student needs, using ESSER II
- 3) New kiln in art, \$10,000
- 4) Increase from school-year to full-time support in Principal office, \$15,000
- 5) Add annual revitalization of Auditorium, \$10,000

SPECIAL EDUCATION/SEA

- 1) TBH 10 Paras, 3 BIs, 2 SLPs
- 2) Use ESSER funding to expand services at SEA to 7th & 8th grade students-1 special educator, 1 counselor, 2 support staff, consider lease of a bus

CVCC

- 1) Misc. adjustments to supplies to accommodate clothing allowance in each program
- 2) Increase Supplies for Pre-tech \$20,000, Cosmo \$7,000, HVAC \$5,000, ACA&ASMT \$7,000

**BARRE UNIFIED UNION SCHOOL DISTRICT # 097
POLICY**

CODE: D 7

1ST READING: 12/2/2021

2ND READING: 12/16/2021

ADOPTED:

SPECIAL EDUCATION

Policy

It is the policy of the Barre Unified Union School District (BUUSD) to meet the needs of students with disabilities, as defined in federal and state law and regulations, and to provide a free and appropriate public education (FAPE) to these students in the least restrictive environment that will allow all students to benefit educationally.

The Agency of Education (AOE), as the State Education Agency (SEA), is responsible for the overall provision of a Free Appropriate Public Education (FAPE) to eligible Vermont students with disabilities and does this through the implementation of the Individuals with Disabilities Education Act (IDEA).

The BUUSD will use the guidelines developed by the Vermont Agency of Education in its most current edition of the *Vermont Special Education Procedures and Practices Manual (Manual)* regarding special education issues. The Manual is designed to assist Vermont school districts in understanding the provisions of the Individuals with Disabilities Education Improvement Act (IDEA) and meeting its requirements.

The Manual can be found on the Vermont Agency of Education's website.

**BARRE UNIFIED UNION SCHOOL DISTRICT # 097
POLICY**

CODE: D 40

**1ST READING: 5/9/2019
2ND READING: 6/13/2019
ADOPTED: 6/13/2019**

Special Education

1. POLICY

It is the policy of the Barre Unified Union School District (BUUSD) to meet the needs of students with disabilities as defined in federal and state law and regulations and to provide a free and appropriate public education (FAPE) to these students in the least restrictive environment that will allow all students to benefit educationally.

Link to the State Special Education Guide:

http://education.vermont.gov/documents/educ_sped_guide.pdf

Barre Town Middle & Elementary School



Building Report December 16, 2021

Electric Buses: The two district electric buses have arrived in Vermont and we're fine tuning a few details as it relates to the hook ups at BTMES. We are eager and excited to have these in our BUUSD fleet of buses!

Hour of Code: We recently participated in the Hour of Code. Hour of Code is a worldwide celebration of computer science over the week of 12/6-12/17. This year BUUSD celebrated Hour of Code week over the course of two weeks (12/6-12/17) to allow teachers more time to fit it in.

The tech team put together an [online resource](#) for teachers to be able to do Hour of Code with all of their students in just a few clicks of a mouse (with little to no prep!). This site has activities curated to fit each grade level's needs from K-8

These activities can be done in any class you teach because computer science is tied to all content areas.

Name a Snowplow Contest: The winning name for the Barre Town Snowplow is SNOW DESTROYER! We were lucky enough to get a visit from the district plow. Mrs. DiCicco's second grade class, along with Principal Nye and Assistant Principal Mills, helped us celebrate the new name and signage. Be on the lookout for SNOW DESTROYER as you travel Routes 302 and 110!



Veterans Day Parade: Our 7th grade band members accompanied Mrs. Tarwater in our first marching performance in two years. The students were amazing representatives of BTMES and we are so thankful to the community for cheering them on!

YMCA: The after school program at BTMES will be taking a brief pause from December 6-22 as the YMCA transitions on-site directors. The after school program will be up and running when school resumes on Monday, January 3, 2022.



Barre City Elementary & Middle School

Hayden Coon, PK-4 Principal
Pierre Laflamme, 5-8 Principal
Office (802) 476-6541
Fax (802) 476-1492

50 Parkside Terrace
Barre, VT 05641

Olivia Kane, PK-8 Assistant Principal
Counselors (802) 476-7889
Nurse (802) 479-6920
Health Office Fax (802) 477-1650

Dear Barre Unified Union School District Board,

By the time you are receiving this report, it is likely that BCEMS will have surpassed 100 Covid-19 cases during the 2021-2022 school year. As you have seen in the reports, we have experienced over 40 cases in the course of a month's time. Although we can report that we are still seeing very low transmission numbers here at school, the high case numbers have caused significant disruption in learning for our students.

Since the start of school, we have had over 5,000 absences that were related to Covid-19. This number represents students asked to quarantine by the school, as well as students who have had to quarantine due to a contact outside of school. This number does not include another 2,500 absences coded under "parent excused". Many of these parent excuses absences are related to having symptoms that are similar to covid. In all, we have seen nearly 10,000 absences so far this year, meaning the average student has missed roughly 12 days of school which is about 20% of our school days thus far.

We have worked hard to ensure that our line lists remain as short as possible given the circumstances. This has been achieved through things like lunch in the classrooms, masks at large group recess, and vigilant record keeping of our teachers and interventionists. Despite the high number of cases and absences, we continue to see minimal evidence of transmission here at school as evidenced by a very low positivity rate amongst students testing after a contact.

All of this lost learning has had an impact on our students and their learning. We are seeing significant challenges for students from all backgrounds that includes an increase in student misbehavior, a decrease in student learning outcomes and significant impacts on student performance. These inconsistencies have had an impact on teachers and classrooms as often they have only part of their class present, and keeping students on pace is proving extraordinarily challenging. Our teachers, special educators and interventionists continue to work with students to keep students on track, but it is becoming increasingly challenging as we navigate an achievement gap that has widened significantly since March 2020.

"A Rock Solid Education for A lifetime of Discovery"



Barre City Elementary & Middle School

Hayden Coon, PK-4 Principal
Pierre Laflamme, 5-8 Principal
Office (802) 476-6541
Fax (802) 476-1492

50 Parkside Terrace
Barre, VT 05641

Olivia Kane, PK-8 Assistant Principal
Counselors (802) 476-7889
Nurse (802) 479-6920
Health Office Fax (802) 477-1650

All of this said, we are proud that BCEMS has remained open everyday to serve as many students as possible. In early December we hosted the Ronald McDonald Dental Van which served many students with dental check ups, cleanings and some fillings. BCEMS also hosted a vaccine clinic over four days, 2 in mid-November and 2 in early December, in which over 300 children were vaccinated. We have so far hosted school picture day twice, but due to the number of students out on these days, many students have missed both opportunities. We are working with our vendor to set up a spring picture day as well.

We appreciate all of the support from our families, staff and greater community to help us through this. We are hopeful that there will be changes soon and will continue to work to

Respectfully submitted,

Hayden and Pierre

"A Rock Solid Education for A lifetime of Discovery"



Spaulding High School

155 Ayers Street, Suite 1
Barre, VT 05641-4300

Phone: 802-476-4811

Fax: 802-479-4535

Website: www.spauldinghs.org

Principal
Brenda Waterhouse

Assistant Principal
Luke Aither

Principal's Report – December, 2021

Athletics:

- Winter season is here! Please see our [Athletic Calendar](#) for events.
- The winter sports and activity [expectations](#) were shared with our community earlier this fall, but might be of interest to review. We are consistent with other schools in these expectations and everyone's focus is on having a full and safe season!
- Because we recognize that safety concerns may preclude some spectators from attending, we will be offering most of our home games via cvtsport.net.

Students & Community:

- Please see the attached Newsletters ([November 1](#), [November 8](#), [November 15](#), [November 22](#), [November 29](#), [December 6](#)).
- SHS' fall performance of *Alice in Wonderland* was a huge success! We were unsure we were even going to be able to have spectators, but were fortunate to have approximately 400 people attend and appreciate the talent and joy of our local thespians.
- The SHS Senior class presents the Winter Festival and Talent Show! Join us for a fun night of games, sketches and talent show acts. The show will be on Friday, December 17th at 7 PM in the SHS Auditorium. Tickets are by donation and masks are required.
- **Student of the Week:** Students recognized by staff and/or peers for their achievements and/or contributions: Max Hebert, Cordell Akers, Madison Ashe, Orianna rouleau, Henri Smith, Eleanor Steinman, Meredith Kerin, Carter Reaves, Haley MacAuley, Carson Lewis, Madeleine Frost, Wyatt McMichael, Hope Farnsworth, Kacie Audet, Gracie Martin and Ella Lewis.
- **Athlete of the Week:** Students recognized by coaches and/or peers for their athletic achievements and/or contributions: Rebecca McKelvey, Andrew Trottier, Zoe Tewksbury, The Field Hockey Team and Football Team.
- **Artist of the Week:** This is a new recognition for those that contribute through their art: Ronan Kelly, *The Roll Tide Baby!* Singers, Kathryn Harding, Josh Samaniego, Melanie Ferrant, Lilith McNeil, Mayzee Scichitano, Camden Simpson, Charlotte Brault, Paige Allen, Phillip Maurice, Charlotte Young and Zach Benoit.
- **Staff of the Week:** Staff recognized by peers and/or students for their efforts and/or contributions: Heather Stalling, Barb Strong, Jim Willis, Nasser Abdel-Fatah, John Bushnell, Schuyler Chambers, Danny Boone, Katie Whitcomb, Nora Duane, Jan Zemba, Laurie Berryman, Bobby Booth, Ashley Kellett and Natalie Soffen.



“CTE supports and prepares students to be engaged members of a diverse society and the workforce through rigorous, safe, and experiential learning communities.”

DIRECTOR CTE BYTES:

A message from the Director: A huge thank you to Scott Griggs for his many years of service to the Central VT Career Center both as a teacher and an assistant director. He will begin a well-earned retirement at the closing of this school year. We have begun the work of building a hiring committee in seeking the next Assistant Director. In addition, a team of folks has begun working on our Comprehensive Local Needs Assessment (CLNA) which is required for our continued federal Perkins funding and requires gathering and analyzing CVCC data from the past 3 years. The [Regional Advisory Board \(RAB\)](#) meets Monday, December 13th, they will be treated to presentations from Automotive Technology and Plumbing and Heating before discussing the CVCC budget.

Governance: The Agency of Education provided feedback on the committee's report regarding a governance shift. As a result of that work, members of the committee will be meeting with the State Board of Education on December 15th to present our proposal for the development of a new Central VT Career Center School District.

Administrative Team (Kara, Laurie, Sarah): Open House - See link in Program Highlights- Invitations were limited due to the pandemic but we were pleased to host nearly 180 students and their families and a handful of legislators at our Fall Open House. Thanks to the Building Trades crew for supplying Adirondack chairs for our raffle and silent auction. We were able to raise over \$900 for the CVCC scholarship fund! Quarter 1 came to a successful conclusion which we celebrated on November 22nd recognizing students for their achievements thus far. See the WORLD for award recipients.

ALUMNI SPOTLIGHT:

Automotive Technology: Students in automotive were visited by a CVCC alum, Ethan Howes, who shared his story of success - he works on suspension for a Nascar Xfinity cup team.



PROGRAM HIGHLIGHTS:

Baking and Culinary Arts: Students hosted a dinner for legislators and administrators' presentation on governance and the potential for funding a future new building.

Building Trades: Students in building trades spent 4 days at BTMES building structures for the garden program. They have built picnic tables and Adirondack chairs this year as well.

Digital Media Arts II: DMA II created a [video tour](#) of CVCC as a way of providing information to those who were unable to attend our open house due to the limited invitation of this year's event.

Exploratory Tech: Students have begun their program shadows. All students visit all CVCC programs to get an understanding of what each program is all about.

Emergency Services: Students assisted SHS students with hosting the blood drive and are looking forward to a visit from a CVCC alum on December 20th - stay tuned for more information.

Medical Professions: Students put together a fundraiser for Boston Children's Hospital and The Vermont Foodbank. They hand-crafted salves using organic beeswax and organic olive oil.

Staff Highlights: CVCC Welcomes a new Literacy Intervention instructor: Marty McMahon

Submitted by: CVCC Administrative Assistant

UPCOMING EVENTS: Inservice 01.18.2022

<https://cvtec.org/>

[CVCC facebook](#)

[CVCC youtube](#)

[CVCC instagram](#)

-----Original Message-----

From: michael deering [mailto:deeringii@me.com]

Sent: Friday, December 10, 2021 9:56 AM

To: Carol Dawes <cdawes@barrecity.org>

Subject: School Board seat

Good morning,

I hope you are having a great Friday. It has always been nice to have any kind of dealings with you in the past. Particularly in helping with my dog's registration process when my family and I had moved from Barre town to the city.

With that being said I am interested in an interview with the school board on December 16th. I would like to fill the seat that opened up. Please let me know what I need to do before the meeting as well as to prepare for it? I appreciate all you do for our community and I would love to continue that work in the school system being present.

Thank you for your time,

Michael Deering II

Sent from my iPad