

AGENDA



Addison Central School District

Finance Committee

Committee Meeting

Wednesday, April 27, 2022, 10:30 am - 11:30 am

208 Charles Avenue, Middlebury, VT & Virtual Connection

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/88030053398>

Or One tap mobile :

US: 13126266799,,88030053398# or 16465588656,,88030053398#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: 1 312 626 6799 or 1 646 558

8656 or 1 301 715 8592 or 1 346 248 7799 or 1 720 707 2699 or 1 253 215 8782

Webinar ID: 880 3005 3398

International numbers available: <https://us06web.zoom.us/j/88030053398>

- A. Call to Order Upon Reaching a Quorum
- B. Introductions: Board Members, Administrators and Staff
- C. Select a Committee Chair
- D. Select a Meeting Recorder
- E. Approve the Agenda
- F. Public Comment
- G. Approve the Minutes of December 8, 2021
- H. Committee Discussion:
 - 1. Quarterly Report #3
 - 2. FY21 Final Audit
 - 3. Annual Finance Committee Timeline
- I. Other Business
- J. Set Next Meeting Date/Time
- K. Adjournment

MINUTES



Addison Central School District

Finance Committee

Committee Meeting

Wednesday, December 8, 2021, 10:30 am - 12:00 pm

208 Charles Avenue, Middlebury, VT & Virtual Connection

In Attendance

Barbara Wilson; James Malcolm; Victoria Jette

You are invited to a Zoom webinar.

When: Dec 8, 2021 10:30 PM Eastern Time

(US and Canada)

Please click the link below to join the
webinar:

<https://zoom.us/j/93273488595>

Or One tap mobile :

US: 13017158592,,93273488595# or 13126266799,,93273488595#

Or Telephone:

Dial(for higher quality, dial a number

based on your current location):

US: 1 301 715 8592 or 1 312 626 6799 or 1 646 558 8656 or 1 253 215 8782 or 1 346 248 7799 or 1 669 900 9128

Webinar ID: 932 7348 8595

International numbers available: <https://zoom.us/u/ada3qyNd8e>

A. Call to Order Upon Reaching a Quorum

Meeting called to order at 10:34 AM.

B. Introduction: Board Members, Administrators and Staff

Administrators: Peter Burrows, Superintendent; Logan Price, Business Manager

C. Approve the Agenda

Approved

D. Public Comment

None

E. Recommendation to Approve the Minutes of November 18, 2021

Approved

F. Discussion:

1. Budget Development FY23

Discussion of FY 23 budget development led by Logan Price and Peter Burrows. A budget environment sheet distributed by Logan Price. Important issues; There is no threshold for spending this year. Wages and salaries which make up more than $\frac{3}{4}$ of budget are estimated at 4% increase. Both contracts have been settled.

Health insurance premiums estimated to increase 10% although final settlement from state negotiations not completed.

Annual tax commissioner letter dated 12/1/21 proposes a property tax yield of \$12,937 up 14.3 % from last year because of increased value of real estate. The CLA and how much of the surplus in the Education Fund will be utilized is unclear at this time.

Act 173 and how special education will be funded is also unclear although it seems to the administration that ACSD will not be markedly affected this year, either positively or negatively.

Discussed fund balance of \$2,323,000. The committee felt none should be used for revenue as was done last year with the threshold in place. We should put it in the Capital Reserve Fund. The committee also felt that the money held in the Health Reserve Fund should also be transferred to the Capital Reserve Fund as the need for that separate fund is no longer present.

G. Next Committee Meeting Date/Time

H. Adjournment

Meeting adjourned at 11:40 AM.

Respectfully submitted,
James Malcolm, Recorder

Addison Central School District
FY22 Quarter 3 Financial Report Summary - Unaudited General Fund Activity
as of 3/31/2022

		FY22 Revised		Projected	Difference
		Budget	YTD Actual	Year End	
Revenues	Local	1,177,682	460,905	1,028,748	(148,934)
	State - Other	3,915,366	2,790,450	3,915,366	-
	Prior year fund balance	550,000	550,000	550,000	-
	State Education Funding	32,306,119	26,693,206	32,306,119	-
	Total Revenues	37,949,167	30,494,561	37,800,233	(148,934)
Expenditures	Student Instruction	27,972,195	18,458,906	26,352,965	1,619,231
	Universal Pre-K	523,328	387,675	464,032	59,296
	Technical Center Tuition	1,189,696	712,404	1,183,655	6,040
	Transportation	1,064,286	770,042	1,091,930	(27,644)
	Facilities	3,279,782	2,682,273	3,437,251	(157,469)
	Technology	1,138,035	878,934	1,139,573	(1,538)
	District Office Administration	1,691,456	1,306,691	1,676,951	14,505
	PD & Curriculum	603,976	368,361	496,943	107,034
	Debt Service	176,413	176,413	176,413	-
	Contingency	310,000	2,000	3,000	307,000
	Total Expenditures	37,949,167	25,743,699	36,022,713	1,926,454
	Special Articles		623,744	623,744	
					FY22 Est GF
					Net Activity
					Less Special
					Articles
					1,153,776

Notes

Fewer tuition students than budgeted

Less staff and health insurance cost than budgeted, including an uncertainty contingency considering new available health plans options for support staff
Less students in PreK programs than budgeted

Unanticipated regular education student transport required
High fuel, supply, and repair costs

Staff member that was budgeted here is being expensed to Student Instruction

See attached chart



February 23, 2022

Board of Directors
Addison Central School District
49 Charles Avenue
Middlebury, Vermont 05753

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Addison Central School District for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 3, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Addison Central School District are described in Note 1 of Notes to Financial Statements. All significant transactions have been recognized in the financial statements in the proper period.

As described in Note 1 of Notes to Financial Statements, the Addison Central School District changed accounting policies related Governmental Accounting Standards Board (GASB Statement) No. 84, "*Fiduciary Activities*", GASB Statement No. 90, "*Majority Equity Interests*" and GASB Statement No. 93, "*Replacement of Interbank Offered Rates (paragraphs 4-11a)*" in 2021. Management determined the student activity funds needed to be reclassified from the fiduciary funds to nonmajor special revenue funds.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the governmental activities, each major fund and the aggregate remaining fund information of the Addison Central School District's financial statements were:

- ☐ Fair value of investments
- ☐ Depreciation expense which is based on the estimated useful lives of capital assets
- ☐ Pension and OPEB related assets, liabilities and expenses which are based on actuarial valuations
- ☐ Deferred revenues

Management's process for determining the above estimates is based on firm concepts and reasonable assumptions of both historical and future events. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are reflected in the deposits and investments, capital assets, other long-term obligations and fund balance footnotes.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial and communicate them to the appropriate level of management. A schedule of any uncorrected misstatements has been presented to management with the management representation letter. We did not identify or propose any adjustments of misstatements as a result of audit procedures that were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 15, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Addison Central School District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Addison Central School District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

However, we noted certain other matters that we reported to management of the Addison Central School District in a separate letter dated January 26, 2022.

Other Matters

We applied certain limited procedures to the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund and Certain Special Revenue and Private Purpose Trust Funds, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions - Pensions, Schedule of Changes in Net OPEB Liability, Schedule of Contributions - OPEB and Notes to Required Supplementary Information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements, capital asset schedules and schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the

financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the Addison Central School District and is not intended to be and should not be, used by anyone other than these specified parties.

Very Best,

RHR Smith & Company

RHR Smith & Company, CPAs