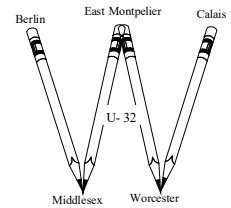


Washington Central Unified Union School District

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**WCUUSD Finance Committee
Meeting Agenda
12.13.22 8:30-9:30 AM
Central Office, 1130 Gallison Hill Rd. Montpelier
Via Video Conference**

Virtual Meeting Information

<https://tinyurl.com/5447byef>

Meeting ID: 844 8898 2515

Password: 857578

Dial by Your Location: 1-929-205-6099

- | | |
|--|-----------|
| 1. Call to Order | 4 minutes |
| 2. Approve Minutes of 11.8.22-pg.3 | |
| 3. Informational Reports | |
| 3.1. Monthly Reflections – pg. 5 | |
| 4. Discussion/Action | |
| 4.1. Review and Accept the Final FY 2021-22 Audit Report –pg.7 | |
| 4.2. FY 2022-23 Financial Update – pg.121 | |
| 4.3. Review and Discuss FY 2023-24 Budget Draft #2 – pg.123 | |
| 4.4. Prepare for Community Budget Forum, December 21,2022 | |
| 5. Future Agenda Items | |
| 5.1. Next Regular Meeting: January 10, 2023 | |
| 5.2. Review and Discuss FY 2023-24 Budget Draft # 3 | |
| 6. Adjourn | |

WCUUSD Board Norms - Adopted November 18, 2020

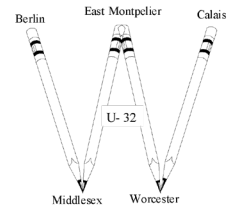
- **Public input** –Notify the community about public forums and opportunities for public comment at board meetings.
- **Community involvement during regular meetings of the board** – Every meeting will include at least one opportunity for public comment. Public comment is an opportunity for board members to listen and ask clarifying questions. If a board member feels a concern raised in public comment warrants further board discussion, they may request that the issue be added to a future agenda.
- **Community dialogue** – The board may periodically schedule community forums that allow for dialogue, questions and answers from the board or the district leadership team.
- **Stay on time** – Start and end on time. The chair may appoint a time-keeper.
- **All voices will be heard** – Every board member gets a chance to speak. Some topics warrant having each board member speak in turn to ensure full representation.
- **Reflection** –To allow time for reflection, the chair and agenda steering committee will plan time for complex or contentious issues to be discussed at more than one meeting before the board votes, except where a decision is urgent.
- **Announcements in reports** – Announcements from the administration will appear in the reports and not as discussion items.
- **Role of the board** – At the end of each board meeting reflect on whether the board remained focused on its policy-making and oversight role during the meeting, rather than operational details that are the responsibility of leadership team.
- **Respect each other** – Listen, allow others to be heard, share concerns, assume positive intentions, be present, celebrate successes.

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Meagan Roy
Interim Superintendent



**WCUUSD Finance Committee
Meeting Minutes Unapproved
11.8.22 8:30-9:30 a.m.
Central Office, 1130 Gallison Hill Rd., Montpelier
Via Video Conference**

Present: Flor Diaz Smith, Susanne Gann, Ursula Stanley, Meagan Roy, Mark Kline, Kari Bradley, Eric Andersen, Daniel Keeney

- 1. Call to Order: Flor Diaz Smith called the meeting to order at 8:33 a.m.** Flor asked to move 3.1 Monthly Reflections to the end of the meeting and after the action items. The group agreed to this change.
- 2. Approve Minutes of 10.11.22: Ursula Stanley motioned to approve the minutes. Kari and Eric seconded and the motion passed.**
- 3. Discussion/Action**
 - 3.1. Approve Use of Capital Funds for EMES Doors:** Susanne advised that EMES has 16 doors that have been ordered and they total \$7,609.48. They hit the \$5,000 threshold and are eligible to be used against the capital fund. She is asking for the committee to recommend that the board approve use of the capital funds specific to EMES. Daniel Keeney asked if there are plans to use more of the capital funds for the boiler upgrade. Susanne advised yes that is the plan. **Kari motioned to recommend to the board that \$7,609.48 be used against the capital fund for the EMES Doors. Ursula seconded and the motion passed.**
 - 3.2. Authorize Superintendent to Award Bids for Liquid Heating Fuels:** Ursula Stanley motioned to authorize the Superintendent to award bids for propane and # 2 Fuel Oil on behalf of Washington Central Unified Union School District. Eric seconded. The motion passed.
 - 3.3. Review and Discuss FY 2023-24 Budget Draft # 1:** Susanne provided a memo and a spreadsheet and gave an overview of the information provided. Meagan advised that the leadership team has been having lots of conversations surrounding enrollment, class size, and staffing. Meagan asked for input about what the committee would like to see in the presentation for the board meeting on November 16th. Ursula asked about whether there was a percentage that we strived for historically. She also asked with the budget parameter would we be able to do it with a level funding program. Meagan stated it would become a conversation about using resources and investing differently. There may be, out of conversations certain roles, programming, and interventions that we would like to preserve but we may need to look differently at other things. Kari Bradley stated that in the past have looked for 3% to 4 % increase or less as the target. Kari asked if that the top drivers in crafting the narrative are health care, salaries, technology, reduction in fund balance transfer and enrollment. Are those at the top of the list or is there something else. Susanne advised Special Education expenditures also. Kari asked if this is adequate funding for capital plan and technology hardening. Susanne advised we received a \$30k grant for technology and that with that we are developing a strong security plan for technology.

Meagan advised there will be an update from the School Safety report and there are recommendations for physical security to include capital purchases. There is money in our capital plan for security. She advised that the report has a lot of recommendations that don't have a cost associated as well. Kari stated that they will need to come up with a budget parameter and they will also need to keep in mind the cost per pupil. There was some discussion around the threshold penalty. Susanne advised on what it would mean as a parameter. Kari indicated that with inflation he suggested we stay within 6%. He suggested asking for a list of contingencies and ask that we stay below the excess spending threshold as some voters might ask that of us. There was some discussion around adding a creative parameter. Flor will draft a memo of proposed parameters for the Board packet.

4. Informational Reports

4.1. Monthly Reflections: Susanne provided a summary highlighting several things happening in the business office. She stated that prequalification statements for the U-32 ERU project were due November 7, 2022. The due date was extended to Friday November 11th and there will be a list of vendors for the Board meeting on November 16th. The Calais project scope and budget came in at \$475,000. The budget was \$250,000. Susanne will bring it to the board for consideration. Eric asked about making sure there is justification for the higher pricing. Meagan advised that increasing prices are being seen across the state.

5. Next Meeting Date and Future Agenda Items

- 5.1.** Next Regular Meeting: December 13, 2022
- 5.2.** Review and Accept the Final FY 2021-22 Audit Report
- 5.3.** FY 2022-23 Financial Update
- 5.4.** Review and Discuss FY 2023-24 Budget Draft # 2
- 5.5.** Prepare for Community Budget Forum December 21, 2022

6. Adjourn: The meeting was adjourned at 9:35 a.m.

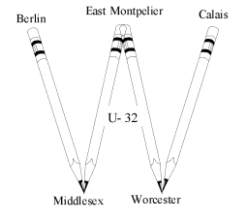
Respectfully Submitted,
Melissa Tuller
Administrative Assistant

Washington Central Unified Union School District

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Meagan Roy Ed.D.
Superintendent



TO: WCUUSD Finance Committee & School Board
FROM: Susanne D. Gann, WCUUSD Business Administrator
RE: Monthly Reflections
DATE: December 9, 2022

In November, Virginia Breer resigned her position as Senior Payroll and Cash Accountant, in order to accept a new position as the Assistant Director of Finance at the Washington Electric Cooperative. Virginia has worked for the Washington Central district since 2005, supporting the Fiscal Services Team and the entire organization. Her position changed and evolved through the years, but Virginia's dedication has remained constant, especially in her mission to ensure the employees of the school district are paid timely and accurately and have a high level of service and support for benefit administration. Virginia will be missed a great deal by everyone who has worked with her, but we wish her all the best in this new endeavor.

We have begun the search for Virginia's replacement. If you know someone that might be interested in learning more, please direct them to the district website, <https://www.wcsu32.org/Page/1304> or schoolspring.com.

Thomas Hamlin joined the Fiscal Services Team on December 5, 2022 as the new Accounts Payable Accountant for Washington Central Unified Union School District. Tom has served WCUUSD as the temporary Accounts Payable Accountant since October, has fit in very well with the Team and has helped to make Penny's transition to the Financial Accountant position a great deal smoother. Tom has a B.S. in Accounting from SUNY Plattsburgh and is excited about the opportunity to apply his knowledge to support the school district and continue to learn and grow in the process. Congratulations and welcome to the team, Tom!

Oil and propane bids have been placed on hold due to the volatility of the market. We are monitoring the market to be sure to choose to bid at the most opportune time. Holding off does mean that we do not have awarded numbers to use for the budget, so we have applied

Monthly Reflections

inflationary factors to the prices for the FY 2023-24 Budget. We will keep the Finance Committee and Board informed when we are able to move forward with the bid.

The ARP ESSER grant amendment was approved by the AOE November 30, 2022.

Capital Project Bid Schedule

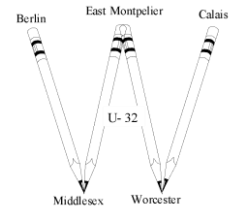
U-32 ERU	U-32 Parking Lot	Calais Pellet Boiler
Bid opening 12/29/22	Bid opening 2/7/23	Bid opening 1/24/23
Board awards bid 1/4/23	Board awards bid 2/15/23	Board awards bid 2/1/23

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Meagan Roy Ed.D.
Superintendent



TO: WCUUSD Finance Committee & School Board
FROM: Susanne Gann, WCUUSD Business Administrator
RE: Review and Approve the FY 2021-22 Final Audit Report
DATE: December 2, 2022

Summary: The FY 2021-22 Audited Financial Statements for the year ended June 30, 2022 are included in the Board packet along with a letter from RHR Smith. We have reviewed the audit, reconciled statements with our internal accounting software and accept the report as a complete and accurate report for the year.

The final page of the audit includes a Summary of the Auditor's Results reporting no material weaknesses or significant deficiencies in internal controls, no financial statement findings and no federal award findings to report.

Recommended Board Action: The Board accept the audited financial statements for the Washington Central Unified Union School District for the year ended June 30, 2022 from RHR Smith & Company.



Proven Expertise & Integrity

December 1, 2022

Board of Directors
Washington Central Unified Union School District
Montpelier, Vermont

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Washington Central Unified Union School District for the year ended June 30, 2022. 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 January 3, 2022. 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 Washington Central Unified Union 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 Washington Central Unified Union School District changed accounting policies related Governmental Accounting Standards Board (GASB Statement) No. 87, “Leases”, GASB Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period”, GASB Statement No. 91, “Conduit Debt Obligations”, GASB Statement No. 92, “Omnibus 2020”, GASB Statement No. 93, “Replacement of Interbank Offered Rates (paragraphs 4-11a)” and GASB Statement No. 97, “Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans” in 2022. There was no impact in the financial statements based on the cumulative effect of these accounting changes.

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, business-type activities, each major fund and the aggregate remaining fund information of the Washington Central Unified Union School District’s financial statements were:

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- ☐ 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
- ☐ Accrued compensation
- ☐ Retirement incentive
- ☐ 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 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 August 12, 2022.

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 Washington Central Supervisory Union’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 Washington Central Unified Union 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 Washington Central Unified Union School District in a separate letter dated August 12, 2022.

Other Matters

We applied certain limited procedures to the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions - Pensions, Schedule of Proportionate Share of the 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 Washington Central Supervisory Union and is not intended to be and should not be, used by anyone other than these specified parties.

Very Best,

A handwritten signature in cursive script that reads "RHR Smith & Company".

RHR Smith & Company, CPAs

Federal Compliance Audit

Washington Central Unified Union School District

June 30, 2022



Proven Expertise & Integrity

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

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JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Washington Central Unified Union School District
Montpelier, Vermont

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Washington Central Unified Union School District as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Washington Central Unified Union School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Washington Central Unified Union School District as of June 30, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Washington Central Unified Union School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Washington Central Unified Union School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit 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 Washington Central Unified Union School District's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Washington Central Unified Union School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and OPEB information on pages 5 through 13 and 71 through 76 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 Washington Central Unified Union School District's basic financial statements. 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 and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements. Such information 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. The 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 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 the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2022, on our consideration of the Washington Central Unified Union School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Washington Central Unified Union School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Washington Central Unified Union School District's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
December 1, 2022

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

(UNAUDITED)

The following management's discussion and analysis of the Washington Central Unified Union School District's financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the School District's financial statements.

Financial Statement Overview

The School District's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, pension and OPEB information and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the School District's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the School District's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above-mentioned financial statements have separate columns for the two different types of School District activities. The types of activities presented for the School District are:

- *Governmental activities* - The activities in this section are mostly supported by intergovernmental revenues (federal and state grants), support from the towns and charges for services. Most of the School District's basic services are reported in governmental activities, which include direct services, support services, fiscal services, operations and maintenance, transportation and program expenses.
- *Business-type activities* - These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. The activity for the School District includes the child care fund, the food service fund and the internal service funds.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the School District can be classified into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds: Most of the basic services provided by the School District are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the School District's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the School District.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the

governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The School District presents four columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The School District's major funds are the general fund, Medicaid fund and the construction fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the School District legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Proprietary Funds: The School District maintains two proprietary funds, the child care fund and the food service fund. These funds are used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the School District. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the School District's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Changes in Net Position - Fiduciary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, a Schedule of Proportionate Share of the Net Pension Liability, a Schedule of Contributions - Pensions, a Schedule of Proportionate Share of the Net OPEB Liability, a Schedule of Contributions - OPEB and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the School District's governmental and business-type activities. The School District's total net position for governmental activities increased by \$778,711 from \$28,305,051 to \$29,083,762. For business-type activities, the School District's total net position increased by \$61,988 from \$1,210,483 to \$1,272,471.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - ended the year for governmental activities with a balance of \$7,553,692. For business-type activities, the balance was \$319,984.

Table 1
Washington Central Unified Union School District
Net Position
June 30,

	Governmental Activities		Business-type Activities	
	2022	2021	2022	2021
Assets:				
Current Assets	\$ 9,309,964	\$ 8,752,507	\$ 357,794	\$ 228,834
Noncurrent Assets - Capital Assets	30,859,947	31,448,383	952,487	1,003,155
Total Assets	<u>40,169,911</u>	<u>40,200,890</u>	<u>1,310,281</u>	<u>1,231,989</u>
Deferred Outflows of Resources:				
Deferred Outflows Related to Pensions	1,320,887	1,431,282	-	-
Total Deferred Outflows of Resources	<u>1,320,887</u>	<u>1,431,282</u>	<u>-</u>	<u>-</u>
Liabilities:				
Current Liabilities	1,117,217	1,275,246	17,579	15
Noncurrent Liabilities	10,054,289	11,593,549	-	-
Total Liabilities	<u>11,171,506</u>	<u>12,868,795</u>	<u>17,579</u>	<u>15</u>
Deferred Inflows of Resources:				
Deferred Revenues	551,837	453,338	20,231	21,491
Deferred Inflows Related to Pensions	683,693	4,988	-	-
Total Deferred Inflows of Resources	<u>1,235,530</u>	<u>458,326</u>	<u>20,231</u>	<u>21,491</u>
Net Position:				
Net Investment in Capital Assets	21,306,298	20,998,603	952,487	1,003,155
Restricted	223,772	156,240	-	-
Unrestricted	7,553,692	7,150,208	319,984	207,328
Total Net Position	<u>\$ 29,083,762</u>	<u>\$ 28,305,051</u>	<u>\$ 1,272,471</u>	<u>\$ 1,210,483</u>

Revenues and Expenses

Revenues for the School District's governmental activities decreased by 8.45%, while total expenses decreased by 4.17%. The decrease in revenues was primarily due to decreases in operating grants and contributions from grants and contributions not restricted to specific programs. The largest decrease in expenses was in support services - instructional staff services, state on-behalf payments and program expenses.

Revenues for the School District's business-type activities increased by 3.92% while total expenses increased by 13.02%.

Table 2
Washington Central Unified Union School District
Changes in Net Position
For the Years Ended June 30,

	Governmental Activities		Business-type Activities	
	2022	2021	2022	2021
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 999,720	\$ 999,433	\$ 409,225	\$ 254,286
Operating grants and contributions	21,306,321	23,760,675	857,162	937,555
<i>General Revenues:</i>				
Grants and contributions not restricted to specific programs	32,609,678	35,252,488	-	-
Gain(loss) on capital assets	-	-	(5,634)	-
Miscellaneous	1,796,941	1,934,983	21,751	42,251
Total revenues	<u>56,712,660</u>	<u>61,947,579</u>	<u>1,282,504</u>	<u>1,234,092</u>
Expenses				
Direct services	18,267,451	18,045,742	-	-
Support services:				
Student and other support services	4,524,844	5,214,972	-	-
General administrative services	906,970	943,553	-	-
Area administrative services	2,514,354	2,486,206	-	-
Fiscal services	767,660	804,678	-	-
Operations and maintenance	2,957,133	2,716,119	-	-
Transportation	1,774,377	1,613,296	-	-
On-behalf payments	19,474,803	21,066,311	-	-
Program expenses	2,811,239	3,541,498	1,409,748	1,247,330
Interest on long-term debt	292,706	306,516	-	-
Unallocated depreciation	1,453,180	1,432,584	-	-
Total expenses	<u>55,744,717</u>	<u>58,171,475</u>	<u>1,409,748</u>	<u>1,247,330</u>
Excess (deficiency) of revenues over (under) expenses	<u>967,943</u>	<u>3,776,104</u>	<u>(127,244)</u>	<u>(13,238)</u>
Special and extraordinary items:				
Transfers	<u>(189,232)</u>	<u>(40,935)</u>	<u>189,232</u>	<u>40,935</u>
Total special and extraordinary items	<u>(189,232)</u>	<u>(40,935)</u>	<u>189,232</u>	<u>40,935</u>
Change in Net Position	778,711	3,735,169	61,988	27,697
Net Position - July 1	<u>28,305,051</u>	<u>24,569,882</u>	<u>1,210,483</u>	<u>1,182,786</u>
Net Position - June 30	<u>\$ 29,083,762</u>	<u>\$ 28,305,051</u>	<u>\$ 1,272,471</u>	<u>\$ 1,210,483</u>

Financial Analysis of the School District's Fund Statements

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

Table 3
Washington Central Unified Union School District
Fund Balances - Governmental Funds
June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General Fund:			
Nonspendable	\$ 21,523	\$ -	\$ 21,523
Assigned	1,701,006	2,483,345	(782,339)
Unassigned	536,364	850,242	(313,878)
Total General Fund	<u>\$ 2,258,893</u>	<u>\$ 3,333,587</u>	<u>\$ (1,074,694)</u>
Construction Fund:			
Committed	\$ 5,256,769	\$ 3,817,378	\$ 1,439,391
Total Construction Fund	<u>\$ 5,256,769</u>	<u>\$ 3,817,378</u>	<u>\$ 1,439,391</u>
Total Major Funds	<u>\$ 7,515,662</u>	<u>\$ 7,150,965</u>	<u>\$ 364,697</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 217,871	\$ 150,467	\$ 67,404
Permanent Funds:			
Restricted	5,901	5,773	128
Total Nonmajor Funds	<u>\$ 223,772</u>	<u>\$ 156,240</u>	<u>\$ 67,532</u>

The changes in the general fund, construction fund, medicaid fund and nonmajor funds occurred due to regular activity of operations.

Budgetary Highlights

There was no difference between the original and final budget for the general fund.

The general fund actual revenues were receipted under budgeted revenues by \$864,737. This was the result of all categories being receipted under budget except for charges for services.

The general fund actual expenditures exceeded budget by \$98,614. This was the result of support services - general administrative services and transfer to other funds exceeding budget with a partial offset from direct services.

Capital Asset and Long-Term Debt Activity

Capital Assets

As of June 30, 2022, the net book value of capital assets recorded by the School District by in the current year. This increase was due to net current year additions of \$895,351 less current year disposals of \$23,691 and current year depreciation expense of \$1,510,764.

Table 4
Washington Central Unified Union School District
Capital Assets (Net of Depreciation)
June 30,

	2022	2021
Land	\$ 6,000	\$ 6,000
Construction in progress	97,257	215,675
Land improvements	2,463,549	2,218,789
Buildings and improvements	27,194,853	27,799,522
Infrastructure	468,027	482,260
Furniture, equipment and software	1,513,876	1,657,668
Vehicles	68,872	71,624
Total	<u>\$ 31,812,434</u>	<u>\$ 32,451,538</u>

Debt

At June 30, 2022, the School District had \$9,553,649 in bonds and notes from direct borrowings payable versus \$10,449,780 in the prior fiscal year. Refer to Note 7 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

The School District has noted a subsequent event as a currently known fact. Refer to Note 24 of Notes to Financial Statements for more detailed information.

Economic Factors and Next Year's Budgets and Rates

The 2022-2023 budget could be impacted by the change in special education funding driven by the State of Vermont's passing of Act 173. Special education services will no longer be reimbursed to the school district. Instead, the district will receive a block grant for special education services. The reimbursement formula for extraordinary cost services also changed and is projected to offset decreases in revenue caused by the change to block grant funding. The full impact of this change will be dependent on actual special education services provided to students in 2022-2023.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School District at 1130 Gallison Hill Road, Montpelier, Vermont 05602.

STATEMENT A

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,868,782	\$ 28,051	\$ 7,896,833
Accounts receivable (net of allowance for uncollectible	707	61	768
Due from other governments	1,567,557	147,381	1,714,938
Inventory	-	33,696	33,696
Prepaid items	21,523	-	21,523
Internal balances	(148,605)	148,605	-
Total current assets	<u>9,309,964</u>	<u>357,794</u>	<u>9,667,758</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	103,257	-	103,257
Land improvements, buildings, building improvements			
and other assets net of accumulated depreciation	<u>30,756,690</u>	<u>952,487</u>	<u>31,709,177</u>
Total noncurrent assets	<u>30,859,947</u>	<u>952,487</u>	<u>31,812,434</u>
TOTAL ASSETS	<u>40,169,911</u>	<u>1,310,281</u>	<u>41,480,192</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>1,320,887</u>	<u>-</u>	<u>1,320,887</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,320,887</u>	<u>-</u>	<u>1,320,887</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 41,490,798</u>	<u>\$ 1,310,281</u>	<u>\$ 42,801,079</u>

STATEMENT A (CONTINUED)

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 103,893	\$ 17,579	\$ 121,472
Accrued expenses	42,233	-	42,233
Due to other governments	80,362	-	80,362
Current portion of long-term obligations	890,729	-	890,729
Total current liabilities	<u>1,117,217</u>	<u>17,579</u>	<u>1,134,796</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	8,703,804	-	8,703,804
Notes from direct borrowings payable	108,476	-	108,476
Accrued compensated absences	82,476	-	82,476
Net pension liability	1,159,533	-	1,159,533
Total noncurrent liabilities	<u>10,054,289</u>	<u>-</u>	<u>10,054,289</u>
TOTAL LIABILITIES	<u>11,171,506</u>	<u>17,579</u>	<u>11,189,085</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	551,837	20,231	572,068
Deferred inflows related to pensions	683,693	-	683,693
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,235,530</u>	<u>20,231</u>	<u>1,255,761</u>
NET POSITION			
Net investment in capital assets	21,306,298	952,487	22,258,785
Restricted: Nonmajor special revenue fund	217,871	-	217,871
Nonmajor permanent fund	5,901	-	5,901
Unrestricted	7,553,692	319,984	7,873,676
TOTAL NET POSITION	<u>29,083,762</u>	<u>1,272,471</u>	<u>30,356,233</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 41,490,798</u>	<u>\$ 1,310,281</u>	<u>\$ 42,801,079</u>

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - type Activities	Total
Governmental activities:							
Direct services	\$ 18,267,451	\$ 999,720	\$ -	\$ -	\$ (17,267,731)	\$ -	\$ (17,267,731)
Support services:							
Student and other support services	4,524,844	-	-	-	(4,524,844)	-	(4,524,844)
General administrative services	906,970	-	-	-	(906,970)	-	(906,970)
Area administrative services	2,514,354	-	-	-	(2,514,354)	-	(2,514,354)
Fiscal services	767,660	-	-	-	(767,660)	-	(767,660)
Operations and maintenance	2,957,133	-	-	-	(2,957,133)	-	(2,957,133)
Transportation	1,774,377	-	-	-	(1,774,377)	-	(1,774,377)
Program expenses	2,811,239	-	1,831,518	-	(979,721)	-	(979,721)
On-behalf payments	19,474,803	-	19,474,803	-	-	-	-
Interest on long-term debt	292,706	-	-	-	(292,706)	-	(292,706)
Unallocated depreciation (Note 5)*	1,453,180	-	-	-	(1,453,180)	-	(1,453,180)
Total governmental activities	55,744,717	999,720	21,306,321	-	(33,438,676)	-	(33,438,676)
Business-type activities:							
Child care	418,474	341,171	88,184	-	-	10,881	10,881
Food service	991,274	68,054	768,978	-	-	(154,242)	(154,242)
Total business-type activities	1,409,748	409,225	857,162	-	-	(143,361)	(143,361)
Total government	\$ 57,154,465	\$ 1,408,945	\$ 22,163,483	\$ -	(33,438,676)	(143,361)	(33,582,037)

STATEMENT B (CONTINUED)
WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense) revenue	<u>(33,438,676)</u>	<u>(143,361)</u>	<u>(33,582,037)</u>
General revenues:			
Grants and contributions not restricted to specific programs	32,609,678	-	32,609,678
Gain(loss) on capital assets	-	(5,634)	(5,634)
Miscellaneous	1,796,941	21,751	1,818,692
Total general revenues	<u>34,406,619</u>	<u>16,117</u>	<u>34,422,736</u>
Transfers	<u>(189,232)</u>	<u>189,232</u>	<u>-</u>
Change in net position	778,711	61,988	840,699
NET POSITION - JULY 1	<u>28,305,051</u>	<u>1,210,483</u>	<u>29,515,534</u>
NET POSITION - JUNE 30	<u>\$ 29,083,762</u>	<u>\$ 1,272,471</u>	<u>\$ 30,356,233</u>

See accompanying independent auditor's report and notes to financial statements.

STATEMENT C

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Construction Fund	Medicaid Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,922,803	\$ 5,262,554	\$ -	\$ -	\$ 7,185,357
Accounts receivable (net of allowance for uncollectibles)	707	-	-	-	707
Due from other governments	714,118	-	-	853,439	1,567,557
Prepaid items	21,523	-	-	-	21,523
Due from other funds	754,541	-	372,410	373,424	1,500,375
TOTAL ASSETS	\$ 3,413,692	\$ 5,262,554	\$ 372,410	\$ 1,226,863	\$ 10,275,519
LIABILITIES					
Accounts payable	\$ 26,485	\$ 5,785	\$ -	\$ 71,623	\$ 103,893
Accrued expenses	42,233	-	-	-	42,233
Due to other governments	80,362	-	-	-	80,362
Due to other funds	1,003,219	-	-	754,541	1,757,760
TOTAL LIABILITIES	1,152,299	5,785	-	826,164	1,984,248
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue	2,500	-	372,410	176,927	551,837
TOTAL DEFERRED INFLOWS OF RESOURCES	2,500	-	372,410	176,927	551,837
FUND BALANCES					
Nonspendable	21,523	-	-	-	21,523
Restricted	-	-	-	223,772	223,772
Committed	-	5,256,769	-	-	5,256,769
Assigned	1,701,006	-	-	-	1,701,006
Unassigned	536,364	-	-	-	536,364
TOTAL FUND BALANCES	2,258,893	5,256,769	-	223,772	7,739,434
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,413,692	\$ 5,262,554	\$ 372,410	\$ 1,226,863	\$ 10,275,519

See accompanying independent auditor's report and notes to financial statements.

STATEMENT D

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

	Total Governmental Funds
	<hr/>
Total Fund Balances	\$ 7,739,434
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	30,859,947
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	1,320,887
Long-term obligations shown below are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bonds payable	(9,437,178)
Notes from direct borrowings payable	(116,471)
Accrued compensated absences	(86,817)
Retirement incentive	(145,019)
Net pension liability	(1,159,533)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(683,693)
Internal service fund net position is added to governmental activities	<hr/> 792,205
Net position of governmental activities	<hr/> <u>\$ 29,083,762</u>

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Construction Fund	Medicaid Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Intergovernmental revenues	\$ 35,259,317	\$ -	\$ 266,018	\$ 1,565,500	\$ 37,090,835
Charges for services	999,720	-	-	-	999,720
Interest income	224,206	19,646	-	128	243,980
Miscellaneous revenues	317,907	-	-	161,218	479,125
TOTAL REVENUES	<u>36,801,150</u>	<u>19,646</u>	<u>266,018</u>	<u>1,726,846</u>	<u>38,813,660</u>
EXPENDITURES					
Current:					
Direct services	18,266,508	-	-	-	18,266,508
Support services:					
Student and other support services	4,524,844	-	-	-	4,524,844
General administrative services	906,970	-	-	-	906,970
Area administrative services	2,514,354	-	-	-	2,514,354
Fiscal services	767,660	-	-	-	767,660
Operations and maintenance	2,957,133	-	-	-	2,957,133
Transportation	1,774,377	-	-	-	1,774,377
On-behalf payments	2,649,639	-	-	-	2,649,639
Program expenses	-	-	266,018	1,659,197	1,925,215
Debt service:					
Principal	927,136	-	-	-	927,136
Interest	292,706	-	-	-	292,706
Capital outlay	-	805,255	-	-	805,255
TOTAL EXPENDITURES	<u>35,581,327</u>	<u>805,255</u>	<u>266,018</u>	<u>1,659,197</u>	<u>38,311,797</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,219,823</u>	<u>(785,609)</u>	<u>-</u>	<u>67,649</u>	<u>501,863</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	119,598	2,225,000	-	359,850	2,704,448
Transfers (out)	(2,414,115)	-	-	(359,967)	(2,774,082)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,294,517)</u>	<u>2,225,000</u>	<u>-</u>	<u>(117)</u>	<u>(69,634)</u>
NET CHANGE IN FUND BALANCES	(1,074,694)	1,439,391	-	67,532	432,229
FUND BALANCES - JULY 1, RESTATED	<u>3,333,587</u>	<u>3,817,378</u>	<u>-</u>	<u>156,240</u>	<u>7,307,205</u>
FUND BALANCES - JUNE 30	<u>\$ 2,258,893</u>	<u>\$ 5,256,769</u>	<u>\$ -</u>	<u>\$ 223,772</u>	<u>\$ 7,739,434</u>

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 432,229</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	882,801
Capital asset disposals	(18,057)
Depreciation expense	<u>(1,453,180)</u>
	<u>(588,436)</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>(110,395)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	<u>896,131</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>(678,705)</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	5,336
Retirement incentive	259,421
Net pension liability	<u>523,400</u>
	<u>788,157</u>
Internal service fund activity is classified as a governmental activity in the Statement of Activities	<u>39,730</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 778,711</u></u>

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2022

	Enterprise Funds			Internal Service Funds		
	Child Care	Food Service	Total	Dental Plan	HRA Plan	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 24,067	\$ 3,984	\$ 28,051	\$ -	\$ 683,425	\$ 683,425
Accounts receivable (net of allowance for uncollectibles)	-	61	61	-	-	-
Due from other governments	-	147,381	147,381	-	-	-
Inventory	-	33,696	33,696	-	-	-
Due from other funds	107,647	40,958	148,605	123,678	(14,898)	108,780
Total current assets	131,714	226,080	357,794	123,678	668,527	792,205
Noncurrent assets:						
Capital assets:						
Building improvements	-	1,236,283	1,236,283	-	-	-
Equipment	-	556,866	556,866	-	-	-
Vehicles	-	18,689		-	-	-
Less: accumulated depreciation	-	(859,351)	(859,351)	-	-	-
Total noncurrent assets	-	952,487	952,487	-	-	-
TOTAL ASSETS	\$ 131,714	\$ 1,178,567	\$ 1,310,281	\$ 123,678	\$ 668,527	\$ 792,205
LIABILITIES						
Current liabilities:						
Accounts payable	\$ -	\$ 17,579	\$ 17,579	\$ -	\$ -	\$ -
Total current liabilities	-	17,579	17,579	-	-	-
TOTAL LIABILITIES	-	17,579	17,579	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	20,231	20,231	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	20,231	20,231	-	-	-
NET POSITION						
Net investment in capital assets	-	952,487	952,487	-	-	-
Unrestricted	131,714	188,270	319,984	123,678	668,527	792,205
TOTAL NET POSITION	131,714	1,140,757	1,272,471	123,678	668,527	792,205
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 131,714	\$ 1,178,567	\$ 1,310,281	\$ 123,678	\$ 668,527	\$ 792,205

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Enterprise Funds			Internal Service Funds		
	Child Care	Food Service	Total	Dental Plan	HRA Plan	Total
OPERATING REVENUES						
Intergovernmental	\$ 88,184	\$ 768,978	\$ 857,162	\$ -	\$ -	\$ -
Charges for services	341,171	68,054	409,225	-	-	-
Miscellaneous	-	21,751	21,751	264,305	802,165	1,066,470
TOTAL OPERATING REVENUES	<u>429,355</u>	<u>858,783</u>	<u>1,288,138</u>	<u>264,305</u>	<u>802,165</u>	<u>1,066,470</u>
OPERATING EXPENSES						
Salaries	325,990	420,789	746,779	-	-	-
Benefits	63,701	133,272	196,973	-	-	-
Professional services	5,143	1,198	6,341	205,673	704,639	910,312
Repairs	-	9,600	9,600	-	-	-
Supplies and food	5,140	368,831	373,971	1,100	1,100	2,200
Depreciation	-	57,584	57,584	-	-	-
Other	18,500	-	18,500	1,996	-	1,996
TOTAL OPERATING EXPENSES	<u>418,474</u>	<u>991,274</u>	<u>1,409,748</u>	<u>208,769</u>	<u>705,739</u>	<u>914,508</u>
OPERATING INCOME (LOSS)	<u>10,881</u>	<u>(132,491)</u>	<u>(121,610)</u>	<u>55,536</u>	<u>96,426</u>	<u>151,962</u>
NONOPERATING REVENUES (EXPENSES)						
Interest Income	-	-	-	3,300	4,066	7,366
Gain(loss) on capital assets	-	(5,634)	(5,634)	-	-	-
Transfers in	40,000	149,232	189,232	-	-	-
Transfers (out)	-	-	-	(42,371)	(77,227)	(119,598)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>40,000</u>	<u>143,598</u>	<u>183,598</u>	<u>(39,071)</u>	<u>(73,161)</u>	<u>(112,232)</u>
CHANGES IN NET POSITION	50,881	11,107	61,988	16,465	23,265	39,730
NET POSITION - JULY 1	<u>80,833</u>	<u>1,129,650</u>	<u>1,210,483</u>	<u>107,213</u>	<u>645,262</u>	<u>752,475</u>
NET POSITION - JUNE 30	<u>\$ 131,714</u>	<u>\$ 1,140,757</u>	<u>\$ 1,272,471</u>	<u>\$ 123,678</u>	<u>\$ 668,527</u>	<u>\$ 792,205</u>

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Enterprise Funds			Internal Service Funds		
	Child Care	Food Service	Total	Dental Plan	HRA Plan	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 341,171	\$ 99,186	\$ 440,357	\$ 264,305	\$ 802,165	\$ 1,066,470
Intergovernmental receipts	88,184	661,128	749,312	-	-	-
Internal activity - receipts (payments) from/to other funds	(35,288)	4,478	(30,810)	(16,465)	36,798	20,333
Payments to employees	(389,691)	(554,061)	(943,752)	-	-	-
Payments to suppliers	(28,783)	(345,334)	(374,117)	(208,769)	(705,739)	(914,508)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(24,407)	(134,603)	(159,010)	39,071	133,224	172,295
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest income	-	-	-	3,300	4,066	7,366
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	-	-	3,300	4,066	7,366
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES						
Purchases of capital assets	-	(12,550)	(12,550)	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	-	(12,550)	(12,550)	-	-	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in (out)	40,000	149,232	189,232	(42,371)	(77,227)	(119,598)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	40,000	149,232	189,232	(42,371)	(77,227)	(119,598)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	15,593	2,079	17,672	-	60,063	60,063
CASH AND CASH EQUIVALENTS - JULY 1	8,474	1,905	10,379	-	623,362	623,362
CASH AND CASH EQUIVALENTS - JUNE 30	\$ 24,067	\$ 3,984	\$ 28,051	\$ -	\$ 683,425	\$ 683,425
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ 10,881	\$ (132,491)	\$ (121,610)	\$ 55,536	\$ 96,426	\$ 151,962
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	-	57,584	57,584	-	-	-
Changes in operating assets and liabilities:						
(Increase) decrease in accounts receivable	-	9,381	9,381	-	-	-
(Increase) decrease in due from other governments	-	(106,590)	(106,590)	-	-	-
(Increase) decrease in inventory	-	(5,169)	(5,169)	-	-	-
(Increase) decrease in prepaid items	-	21,900	21,900	-	-	-
(Increase) decrease in due from other funds	(35,288)	4,478	(30,810)	(16,465)	36,798	20,333
(Decrease) increase in accounts payable	-	17,564	17,564	-	-	-
(Decrease) increase in deferred revenue	-	(1,260)	(1,260)	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (24,407)	\$ (134,603)	\$ (159,010)	\$ 39,071	\$ 133,224	\$ 172,295

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2022

	Private-Purpose Trust Funds <u>Total</u>
ASSETS	
Due from other governments	<u>\$ 80,362</u>
TOTAL ASSETS	<u><u>\$ 80,362</u></u>
LIABILITIES	
Accounts payable	<u>\$ -</u>
TOTAL LIABILITIES	<u><u>\$ -</u></u>
NET POSITION	
Restricted - held in trust	<u>\$ 80,362</u>
TOTAL NET POSITION	<u><u>\$ 80,362</u></u>

See accompanying independent auditor's report and notes to financial statements.

STATEMENT K

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Private-Purpose Trust Funds <u>Total</u>
ADDITIONS	
Revenues:	
Miscellaneous	\$ 1,350
Total contributions	<u>1,350</u>
Investment earnings:	
Income earned	<u>1,891</u>
Total investment earnings, net	<u>1,891</u>
Total additions	<u>3,241</u>
DEDUCTIONS	
Supplies	695
Miscellaneous	<u>4,460</u>
Total deductions	<u>5,155</u>
CHANGE IN NET POSITION	(1,914)
NET POSITION - JULY 1	<u>82,276</u>
NET POSITION - JUNE 30	<u>\$ 80,362</u>

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Washington Central Unified Union School District was incorporated under the laws in the State of Vermont. The School District operates under the Board of Directors-superintendent form of government and provides the following services: direct services, support services, fiscal services, operations and maintenance, transportation and program expenses.

The School District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The School District's combined financial statements include all accounts and all operations of the School District. We have determined that the School District has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

Implementation of New Accounting Standards

During the year ended June 30, 2022, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 87 "Leases". The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial*

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 91 "Conduit Debt Obligations". The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 92 "Omnibus 2020." The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 93 "Replacement of Interbank Offered Rates (paragraphs 4-11a)". The primary objectives of paragraphs 4-11a concern hedging derivative instruments (specifically exceptions to termination of hedge accounting, modifications to hedged items, probability of expected transactions and appropriate benchmark interest rates). The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency and comparability of reported information. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 97 "Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". The

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

The School District's basic financial statements include both government-wide (reporting the School District as a whole) and fund financial statements (reporting the School District's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The School District's dental plan, HRA plan, child care fund and food service fund are categorized as business-type activities. All other activities of the School District are categorized as governmental.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net position is reported in three parts - net investment in capital assets; restricted net position and unrestricted net position. The School District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the School District's functions and business-type activities (instruction, administration, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The School District does not allocate indirect costs. All costs are charged directly to the corresponding departments.

The government-wide focus is more on the sustainability of the School District as an entity and the change in the School District's net position resulting from the current year's activities.

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the School District are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the School District:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the School District:

Major Funds:

- a. The General Fund is the general operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Construction Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment. The sources of revenues include bond proceeds and interfund transfers.
- c. The Medicaid Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Primary revenues sources are intergovernmental revenues.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonmajor Funds:

- d. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- e. Permanent Funds are used to account for assets held by the School District pursuant to a trust agreement. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the School District:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.
- b. Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the School District on a cost-reimbursement basis. Because the principal users of the internal services are the School District's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The School District's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, payments made by the State of Vermont to the Vermont State Retirement System for teachers and certain other school employees are reported as offsetting revenues and expenditures of the general fund.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues per budgetary basis	\$ 34,271,109
Add: On-behalf payments	<u>2,649,639</u>
Total GAAP basis	<u>\$ 36,920,748</u>
Expenditures per budgetary basis	\$ 35,345,803
Add: On-behalf basis	<u>2,649,639</u>
Total GAAP basis	<u>\$ 37,995,442</u>

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. The annual school budget is the planning management tool, which delineates the District's educational priorities and programs and forms the basis for voter review and approval of the budget according to applicable State of Vermont education finance laws.
2. The Board budget process includes input from School District administration and staff, educational priorities for the next school year, along with public hearings, which include the Board of Directors and the general public.
3. The budget document itself is based upon the most current funding information available along with the projection of current revenues and expenditures for the next year. At the conclusion of the budget process, a final budget is approved by the Board of Directors.

Deposits and Investments

The School District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the School District's policy to value investments at fair value. None of the School District's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be a cash equivalent. The School District Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Money market mutual funds

The Washington Central Unified Union School District has no formal investment policy but instead follows the State of Vermont Statutes.

Receivables

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2022. Accounts receivable netted with allowances for uncollectible accounts were \$1,715,706 for the year ended June 30, 2022.

Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption and are valued at cost which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method). Inventory of the Food Service Fund consists of supplies and food.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Estimated useful lives are as follows:

Land improvements	20 - 50 years
Buildings and improvements	20 - 50 years
Infrastructure	20 - 50 years
Machinery, furniture and equipment	3 - 50 years
Vehicles	3 - 25 years

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, notes from direct borrowings payable, accrued compensated absences, retirement incentives and net pension liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

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

OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, information about the fiduciary net position of the Vermont State Teachers' Retirement System (VSTRS) Plan and additions to/deductions from the VSTRS OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by VSTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

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

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the School District. The inhabitants of the School District through School District meetings are the highest level of decision-making authority of the School District. Commitments may be established, modified or rescinded only through a School District meeting vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is given through Vermont Statutes Annotated Title 16 §567 and is expressed by the Board of Directors.

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the School District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the School District considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the School District meeting vote has provided otherwise in its commitment or assignment actions.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District currently has one type of this item, deferred outflows related to pensions. This item is reported in the statement of net position.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred revenues qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions qualifies for reporting in this category as well. This item is reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided, operating or capital grants and contributions, including special assessments).

Operating/Nonoperating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The School District does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the School District's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits:

The School District's investment policies, which follow state statutes, authorize the School District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all School District funds.

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the School District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The School District does not have a policy covering custodial credit risk.

At June 30, 2022, the School District's cash balance of \$7,896,833 was comprised of bank deposits of \$8,871,441. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the School District's cash balance. Of these bank deposits, \$250,000 was fully insured by federal depository insurance and consequently was not exposed to custodial credit risk. The remaining balance of \$8,621,441 was collateralized with securities held by the financial institution in the School District's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 90,721
Repurchase agreement	8,780,720
	<u>\$ 8,871,441</u>

Investments:

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

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2022, the School District had no investments.

Credit risk - Statutes for the State of Vermont authorize the School District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The School District does not have an investment policy on credit risk. Generally, the School District invests excess funds in savings accounts and various insured certificates of deposit.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2022 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General fund	\$ 754,541	\$ 1,003,219
Medicaid fund	372,410	-
Enterprise funds	148,605	-
Internal service fund	108,780	-
Nonmajor special revenue funds	367,523	754,541
Nonmajor permanent funds	5,901	-
	<u>\$ 1,757,760</u>	<u>\$ 1,757,760</u>

The result of amounts owed between funds are considered to be in the course of normal operations by the District. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2022 consisted of the following:

	Transfers From	Transfers To
General fund	\$ 2,414,115	\$ 119,598
Construction fund	-	2,225,000
Enterprise funds	-	189,232
Internal service funds	119,598	-
Nonmajor special revenue funds	359,967	359,850
	<u>\$ 2,893,680</u>	<u>\$ 2,893,680</u>

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2022:

	Balance, 7/1/21	Additions	Disposals	Balance 6/30/22
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Construction in progress	215,675	97,257	(215,675)	97,257
	<u>221,675</u>	<u>97,257</u>	<u>(215,675)</u>	<u>103,257</u>
Depreciated assets:				
Land improvements	2,924,509	363,552	-	3,288,061
Buildings and improvements	49,050,977	401,702	-	49,452,679
Infrastructure	587,043	-	-	587,043
Furniture, equipment and software	3,415,200	217,047	(153,315)	3,478,932
Vehicles	234,226	18,918	-	253,144
	<u>56,211,955</u>	<u>1,001,219</u>	<u>(153,315)</u>	<u>57,059,859</u>
Less: accumulated depreciation	<u>(24,985,247)</u>	<u>(1,453,180)</u>	<u>135,258</u>	<u>(26,303,169)</u>
	<u>31,226,708</u>	<u>(451,961)</u>	<u>(18,057)</u>	<u>30,756,690</u>
Net governmental capital assets	<u>\$ 31,448,383</u>	<u>\$ (354,704)</u>	<u>\$ (233,732)</u>	<u>\$ 30,859,947</u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Balance 7/1/21	Additions	Disposals	Balance 6/30/22
<u>Business-type activities:</u>				
Depreciated assets:				
Buildings and improvements	\$ 1,236,283	\$ -	\$ -	\$ 1,236,283
Furniture, equipment and software	561,367	12,550	(17,051)	556,866
Vehicles	18,689	-	-	18,689
	1,816,339	12,550	(17,051)	1,811,838
Less: accumulated depreciation	(813,184)	(57,584)	11,417	(859,351)
Net business-type capital assets	<u>\$ 1,003,155</u>	<u>\$ (45,034)</u>	<u>\$ (5,634)</u>	<u>\$ 952,487</u>
<u>Current year depreciation:</u>				
Direct services				<u>\$ 1,453,180</u>
Total governmental activities depreciation				1,453,180
Business-type activities - food service				57,584
Total depreciation expense				<u>\$ 1,510,764</u>

NOTE 6 - SHORT TERM DEBT

On July 1, 2021 Washington Central Unified Union School District issued a tax/revenue anticipation note to provide liquidity for the governmental operations financed by property taxes. The tax/revenue anticipation note allowed for principal draws of up to \$9,924,185 with interest at 2.10% per annum and will mature on June 30, 2022. The note was paid in full by June 30, 2022 and interest expense for the note was \$207,837.

	Balance, 7/1/21	Additions	Reductions	Balance, 6/30/22
Tax/revenue anticipation note	<u>\$ -</u>	<u>\$ 9,924,185</u>	<u>\$ (9,924,185)</u>	<u>\$ -</u>

NOTE 7 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2022:

	Balance, 7/1/21	Additions	Deletions	Balance, 6/30/22	Current Year Portion
Bonds payable	\$ 10,325,551	\$ -	\$ (888,373)	\$ 9,437,178	\$ 733,374
Notes from direct borrowings payable	124,229	-	(7,758)	116,471	7,995
	<u>\$ 10,449,780</u>	<u>\$ -</u>	<u>\$ (896,131)</u>	<u>\$ 9,553,649</u>	<u>\$ 741,369</u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of the bonds and notes from direct borrowings payable as of June 30, 2022:

Bonds payable:

\$500,000 Community Bank, NA Qualified School Construction Bond due in one principal installment of \$500,000 in March of 2027 with a fixed interest rate at 1.00% annum payable semi-annually through March of 2027. Deposits of \$26,000 remitted annually into a sinking fund through March of 2027. Interest of 1.00% annum, applied to the sinking fund balance, payable semi-annually into the sinking fund through March of 2027. The sinking fund balance is irrevocably pledged to secure the principal payment of the bond at maturity. The annual deposit amount of \$26,000 will be increased to \$31,000 as of March 2020.	\$ 500,000
\$2,997,476 Community Bank, NA bond payable, with principal payments due in annual installments of \$149,874. Fixed interest rate of 2.99% paid semi-annually. The bond matures on December 31, 2036.	2,248,107
\$8,170,000 Community Bank, NA bond payable, with principal payments due in annual installments of \$408,500 and a principal pre-payment of \$79,429 in December of 2014 and a final principal payment of \$329,071 due in June of 2033. Interest at a fixed rate of 3.04% paid semi-annually. The bond matures June of 2033.	4,414,071
\$3,500,000 Community Bank, NA bond payable, with principal payments due in annual installments of \$175,000. Interest at a fixed rate of 2.75% paid semi-annually. The bond matures in December of 2034.	2,275,000
Total bonds payable	<u>\$ 9,437,178</u>

Notes from direct borrowings payable:

\$81,340 Vermont Municipal Bond Bank Vermont Environmental Protection Agency Drinking Water State Revolving Fund note payable, due in annual principal, interest and administrative fee installments of \$3,787 through April of 2037. Interest of 1.00% and administrative fees of 2.00% payable annually through September of 2037. In fiscal year 2017, \$25,000 of the principal balance of the loan was forgiven. Proceeds were originally borrowed for a municipal water connection project.	\$ 45,208
\$26,504 Vermont Environmental Protection Agency note payable, due in annual principal, interest and administrative fee installments of \$101. Interest at a fixed rate of 1.00% and an administrative fee of 2.00% is charged per annum. In fiscal year 2009, an ARRA Subsidy for \$25,000 was received and applied towards the principal amount due. The note matures in January of 2033.	936
\$57,612 Vermont Environmental Protection Agency note payable, due in annual principal, interest and administrative fee installments of \$3,872. Interest at a fixed rate of 1.00% and an administrative fee of 2.00% is charged per annum. In fiscal year 2014, an ARRA Subsidy for \$25,000 was received and applied towards the principal amount due. The note matures in January of 2033.	35,830
\$55,468 Vermont Environmental Protection Agency note payable, due in annual principal, interest and administrative fee installments of \$3,728. Interest at a fixed rate of 1.00% and an administrative fee of 2.00% is charged per annum. On March 3, 2014 the note payable was amended, reducing the principal amount by \$22,660 and \$73,527, to reflect loan forgiveness and an ARRA subsidy, respectively. The proceeds from the note were used to finance a water project. The note matures on January 1, 2033.	34,497
Total notes from direct borrowings payable	<u>\$ 116,471</u>
Total bonds and notes payable	<u>\$ 9,553,649</u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding bonds and notes from direct borrowing principal and interest requirements for the following fiscal years ending June 30:

Year Ending June 30,	Bonds Payable		Notes from Direct Borrowings Payable		Total Debt
	Principal	Interest	Principal	Interest	
2023	\$ 733,374	\$ 266,570	\$ 7,995	\$ 2,804	\$ 1,010,743
2024	733,373	245,335	8,234	2,618	989,560
2025	733,374	223,304	8,482	2,427	967,587
2026	733,373	201,433	8,736	2,229	945,771
2027	1,233,374	179,720	8,998	2,026	1,424,118
2028-2032	3,666,869	548,422	49,205	6,803	4,271,299
2033-2037	1,603,441	98,972	24,821	1,744	1,728,978
	<u>\$ 9,437,178</u>	<u>\$ 1,763,756</u>	<u>\$ 116,471</u>	<u>\$ 20,651</u>	<u>\$ 11,338,056</u>

All bonds payable and notes from direct borrowings payable are direct obligations of the School District, for which its full faith and credit are pledged. The School District is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the School District.

NOTE 8 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2022 is as follows:

	Balance, 7/1/21	Additions	Deletions	Balance, 6/30/22	Current Year Portion
Accrued compensated absences	\$ 92,153	\$ -	\$ (5,336)	\$ 86,817	\$ 4,341
Retirement incentive	404,440	-	(259,421)	145,019	145,019
Net pension liability	1,682,933	479,266	(1,002,666)	1,159,533	-
Total	<u>\$ 2,179,526</u>	<u>\$ 479,266</u>	<u>\$ (1,267,423)</u>	<u>\$ 1,391,369</u>	<u>\$ 149,360</u>

Please see Notes 9, 10 and 18 for detailed information on each of the other long-term obligations.

NOTE 9 - ACCRUED COMPENSATED ABSENCES

The School District's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term obligations in the government-wide

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 9 - ACCRUED COMPENSATED ABSENCES (CONTINUED)

financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2022, the School District's liability for compensated absences is \$86,817.

NOTE 10 - RETIREMENT INCENTIVE

The Board of the School District is offering an early retirement incentive to eligible support staff and teacher/professional staff who elect to resign effective June 30, 2022. This program is offered to individuals with at least 15 years of full or part-time service by July 1, 2020 and a combination of age plus years of service at the School District must equal 70 or more by July 1, 2020. The incentive is a cash payout of 50% of the final year base contract salary to be paid out in 3 equal annual installments. The retirement incentive includes 12 months of single health insurance coverage in the Gold CDHP Health Plan at the regular member's share of the premium or for teachers, receive 20% of the member's share of the single health insurance premium for the VSTRS health insurance program or for support staff, receive 20% of the member's share of the single health insurance premium in an alternative health insurance plan or Medicare. As of June 30, 2022, the School District's liability for the retirement incentive is \$145,019.

NOTE 11 - OPERATING LEASES

A summary of the outstanding operating leases payable is as follows:

Washington Central UUSD leases a postage meter from Quadient Leasing, under a lease agreement dated November 5, 2020. The lease term is for 39 months ending in January of 2024. Monthly payments are \$40.	760
Washington Central UUSD leases a postage meter from Quadient Leasing, under a lease agreement dated November 12, 2020. The lease term is for 63 months ending in January of 2026. Monthly payments are \$146.	<u>6,294</u>
	<u>\$ 7,054</u>

Future minimum lease payments at June 30, 2022, are as follows:

Year Ending June 30:	
2023	\$ 2,236
2024	2,036
2025	1,757
2026	<u>1,025</u>
Total lease payments	<u>\$ 7,054</u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - NET INVESTMENT IN CAPITAL ASSETS

At June 30, 2022, the School District had the following net investments in capital assets:

	Governmental	Business-Type
Investment in capital assets	\$ 57,163,116	\$ 1,811,838
Accumulated depreciation	(26,303,169)	(859,351)
Outstanding capital related debt	<u>(9,553,649)</u>	<u>-</u>
	<u>\$ 21,306,298</u>	<u>\$ 952,487</u>

NOTE 13 - RESTRICTED NET POSITION AND RESTRICTED FUND BALANCE

At June 30, 2022, the School District had the following restricted net position and restricted fund balance:

Nonmajor special revenue fund:	
Student activities	\$ 217,871
Nonmajor permanent fund:	
Music - Bellemeur fund	<u>5,901</u>
	<u>\$ 223,772</u>

NOTE 14 - NONSPENDABLE FUND BALANCE

At June 30, 2022, the School District had the following nonspendable fund balance:

General fund:	
Prepaid items	<u>\$ 21,523</u>

NOTE 15 - COMMITTED FUND BALANCE

At June 30, 2022, the School District had the following committed fund balance:

Construction fund	<u>\$ 5,256,769</u>
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WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 16 - ASSIGNED FUND BALANCE

At June 30, 2022, the School District had the following assigned fund balance:

General fund:

Reserved for technology equipment	\$ 357,928
Reserved for fiscal software and related costs	309,000
Reserved for early retirement	145,019
Reserved for EMES classroom teacher	91,699
Reserved for equity services	88,750
Reserved for targeted fund balance	708,610
	<u>\$ 1,701,006</u>

NOTE 17 - FINANCIAL INFORMATION

The detailed budget to actual report can be found on Schedules 1, A and B.

NOTE 18 - DEFINED BENEFIT PENSION PLANS

VERMONT STATE TEACHERS' RETIREMENT SYSTEM

Plan Description

All of the teachers employed by the School District participate in the Vermont State Teachers' Retirement System ("VSTRS"), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, covering nearly all public day school and nonsectarian private Union teachers and administrators as well as Teachers in schools and teacher training institutions within and supported by the State of Vermont that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2020 (the most recent period available), the retirement system consisted of 23,436 participating members.

The plan was established effective July 1, 1947 and is governed by *Title 16, V.S.A. Chapter 55*. Subsequent Vermont state legislation, *Act 74*, which became effective on July 1, 2010, contained numerous changes to the plan benefits available to current and future members, as well as a change in access to health care coverage after retirement, resulting from a multi-party agreement to provide sustainability of quality pension and retiree health benefits for Vermont teachers.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

The general administration and responsibility for formulating administrative policy and procedures of the retirement System for its members and their beneficiaries is vested in the Board of Trustees consisting of six members. They are the Secretary of Education (ex-officio), the State Treasurer (ex-officio), the Commissioner of Financial Regulation (ex-officio), two members and one alternate elected by active members of the System under rules adopted by the Board and one retired member and one alternate elected by the board of directors of Association of Retired Teachers of Vermont. The Chair is elected by the Board and acts as executive officer of the Board.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service. The Vermont State Agency of Administration issues a publicly available Annual Comprehensive Financial Report that includes financial statements and required supplementary information for the VSTRS. That report may be viewed on the State's Department of Finance and Management website at: [Annual Comprehensive Financial Report | Department of Finance and Management \(vermont.gov\)](#).

Benefits Provided

The VSTRS provides retirement and disability benefits, annual cost-of-living adjustments, health care and death benefits to plan members and beneficiaries. There are two levels of contributions and benefits in the System: Group A - for public school teachers employed within the State of Vermont prior to July 1, 1981 and elected to remain in Group A; and Group C - for public school teachers employed within the State of Vermont on or after July 1, 1990. Group C also includes those teachers hired prior to July 1, 1990 and were in Group B on July 1, 1990. When *Act 74* became effective on June 30, 2010, Group C was further bifurcated into Groups #1 and #2. Group #1 contains members who were at least 57 years of age or had at least 25 years of service and Group #2 contains members who were less than 57 years of age and had less than 25 years of service.

Benefits available to each group are based on average final compensation (AFC) and years of creditable service and are summarized below:

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

VSTRS	Group A	Group C – Group # 1	Group C – Group # 2
Normal service retirement eligibility (no reduction)	Age 60 or 30 years of service	Age 62 or with 30 years of service	Age 65 or when the sum of age and service equals 90
Average Final Compensation (AFC)	Highest 3 consecutive years, including unused annual leave, sick leave and bonus/incentives	Highest 3 consecutive years, excluding all payments for anything other than service actually performed	Highest 3 consecutive years, excluding all payments for anything other than service actually performed
Benefit formula - normal service retirement	1.67% x creditable service x AFC	1.25% x service prior to 7/1/90 x AFC + 1.67% x service after 7/1/90 x AFC	1.25% x service prior to 7/1/90 x AFC + 1.67% x service after 7/1/90 x AFC, 2.0% after attaining 20 years
Maximum Benefit Payable	100% of AFC	53.34% of AFC	60% of AFC
Post-Retirement COLA	Full CPI, up to a maximum of 5% after 12 months of retirement; minimum of 1%	50% CPI, up to a maximum of 5% after 12 months of retirement or with 30 years; minimum of 1%	50% CPI, up to a maximum of 5%, minimum of 1% after 12 months of normal retirement or age 65
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Early Retirement Reduction	Actuarial reduction	6% per year from age 62	Actuarial reduction

Other post-employment benefits are available to all plan members include the following:

VSTRS	Group A	Group C – Group # 1	Group C – Group # 2
Medical Benefits	Health subsidy based on member's service credit	Health subsidy based on member's service credit	Health subsidy based on member's service credit
Dental	Members pay full premium	Members pay full premium	Members pay full premium

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Contributions

VSTRS is a cost-sharing public employee retirement system with one exception: all risks and costs are not shared by the School District but are the liability of the State of Vermont. VSTRS is funded through State and employee contributions and trust fund investment earnings; and the School District has no legal obligation for paying benefits. Required contributions to the System are made by the State of Vermont based upon a valuation report prepared by the System's actuary, which varies by plan group. The Vermont State Teachers Retirement System estimates the contributions on behalf of the School District's employees included in the teacher's retirement plan which approximates \$2,691,861 or 19.28% of total payroll for employees covered under the plan.

Employee contribution rates by plan group follow:

VSTRS	Group A	Group C – Group # 1	Group C - Group # 2
Employee Contributions	5.5% of gross salary; contributions stop after 25 years of creditable service	5.0% of gross salary	5.0% of gross salary with 5 or more years of service as of 7/1/14; 6.0% of gross salary if less than 5 years of service as of 7/1/14

Employee contributions totaled \$748,661 during the year and were paid by the School District to the State of Vermont. The School District has no other liability under the plan. The School District's total payroll for all employees covered under this plan was \$13,742,939 for the year ended June 30, 2022. Beginning in 2016, school districts that pay for teachers with federal dollars are required to include costs of pensions in the federal grant, lowering the liability for the State. Federally funded pension costs reimbursed to the State by the Supervisory Union for the fiscal year ending June 30, 2022 were \$164,969. The Supervisory Union's total payroll for all federally funded employees covered under this plan was \$855,653 for the year ended June 30, 2022.

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost sharing, multi-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. The plan was established effective July 1, 1975 and

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

is governed by Title 24, V.S.A. Chapter 125. It is designed for persons employed on a regular basis by a school district or by a supervisory union for no fewer than 1,040 hours in a year and for no fewer than 30 hours a week for the school year, as defined in 16 V.S.A. § 1071 or for no fewer than 1,040 hours in a year and for no fewer than 24 hours a week year-round; provided, however, that if a person who was employed on a regular basis by a school district as either a special education or transportation employee and who was transferred to and is working in a supervisory union in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) and if that person is also employed on a regular basis by a school district within the supervisory union, then the person is an "employee" if these criteria are met by the combined hours worked for the supervisory union and school district. The term shall also mean persons employed on a regular basis by a municipality other than a school district for no fewer than 1,040 hours in a year and for no fewer than 24 hours per week, including persons employed in a library at least one-half of whose operating expenses are met by municipal funding. For the year ended June 30, 2020 (the most recent data available), the retirement system consisted of 15,548 participating members.

The general administration and responsibility for formulating administrative policy and procedures of the Retirement System for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system and two employer representatives - one elected by the governing bodies of participating employers of the system and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Schools and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Annual Comprehensive Financial Report. That report may be viewed on the State's Department of Finance and Management website at: [Annual Comprehensive Financial Report | Department of Finance and Management \(vermont.gov\)](https://www.vermont.gov/finance/annual-comprehensive-financial-report).

Benefits Provided

The pension plan is divided into four membership groups:

- Group A - general employees whose legislative bodies have not elected to become a member of Group B or Group C
- Groups B and C - general employees whose legislative bodies have elected to become members of Group B or Group C

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

- Group D - sworn police officers, firefighters and emergency medical personnel

The School District participates in Groups A and B. Benefits available to each group are based on average final compensation (AFC) and years of creditable service and are summarized below:

VMERS	Group A	Group B	Group C	Group D
Normal service retirement eligibility	Age 65 with 5 years of service or age 55 with 35 years of service	Age 62 with 5 years of service or age 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years
Normal service retirement eligibility	Age 65 with 5 years of service or age 55 with 35 years of service	Age 62 with 5 years of service or age 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years
Benefit formula - normal service Retirement (no reduction)	1.4% x creditable service x AFC	1.7% x creditable service x AFC + previous service; 1.4% x Group A service x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC; 2.5% x Group C service x AFC
Benefit formula - normal service Retirement (no reduction)	1.4% x creditable service x AFC	1.7% x creditable service x AFC + previous service; 1.4% x Group A service x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC; 2.5% x Group C service x AFC
Maximum Benefit Payable	60% of AFC	60% of AFC	50% of AFC	50% of AFC
Post-Retirement COLA	50% of CPI, up to 2% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

VMERS	Group A	Group B	Group C	Group D
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	N/A	Age 50 with 20 years of service
Early Retirement Reduction	6% per year from age 65 **	6% per year from age 62 **	N/A	No reduction

** - A special early retirement factor of 3% per year only for municipal police officers who have attained age 60

Members of all groups may qualify for vested deferred allowance, disability allowances and death benefit allowance subject to meeting various eligibility requirements. Benefits are based on AFC and service.

Contributions

Title 24 VSA Chapter 125 of Vermont Statutes grants the authority to the Retirement Board to annually review the amount of municipalities' contributions as recommended by the actuary of the retirement system in order to achieve and preserve the financial integrity of the fund and to certify the rates of contributions payable by employers. The Board of Trustees also certifies the rates of contribution payable by employees. Contribution rates for each group as of July 1, 2021 are as follows:

VMERS	Group A	Group B	Group C	Group D
Employee Contributions	3.250% of gross salary	5.625% of gross salary	10.750% of gross salary	12.100% of gross salary
Employer Contributions	4.750% of gross salary	6.250% of gross salary	8.000% of gross salary	10.600% of gross salary

Employee contributions are withheld pre-income tax by the School District and are remitted to the State of Vermont. Such withholdings for the year ended June 30, 2022 totaled \$191,226. The School District contributed \$213,566 for the year ended June 30, 2022. The School District's total payroll for the year ended June 30, 2022 for all employees covered under this plan was \$3,440,065.

Pension Liabilities

VSTRS Plan

The State is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of member employers.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Therefore, these employers are considered to be in a special funding situation as defined in GASB No. 68 and the State is treated as a nonemployer to VSTRS. Since the School District does not contribute directly to VSTRS, no net pension liability was recorded at June 30, 2022. The State's portion of the collective net pension liability that was associated with the School District was as follows:

District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the District	<u>33,165,771</u>
Total	<u>\$ 33,165,771</u>

The State of Vermont's proportionate share of the net pension liability associated with the School District is equal to the collective net pension liability, actuarially measured as of June 30, 2021, multiplied by the School District's proportionate share percentage. The School District's proportionate share percentage was based on its reported salaries to the total reported salaries for all participating employers. At June 30, 2021, the School District's proportion was 1.95612% which was an increase of 0.14284% from its proportion measured as of June 30, 2020.

VMERS Plan

At June 30, 2022, the School District reported a liability of \$1,159,533 for its proportionate share of the net pension liabilities for each plan. The net pension liabilities were measured as of June 30, 2021 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of June 30, 2020. The School District's proportion of the net pension liabilities were based on a projection of the School District's long-term share of contributions to each pension plan relative to the projected contributions of all participating towns, actuarially determined.

At June 30, 2021, the School District's proportion was 0.78781% for VMERS, which was an increase of 0.12255% from its proportion measured as of June 30, 2020 for VMERS.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the School District recognized total pension

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

expense of \$10,993,482 and revenue of \$10,993,482 for support provided by the State of Vermont for the VSTRS plan. In the same period, the School District recognized pension expense of \$265,700 for the VMERS plan. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	VSTRS		VMERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ 216,116	\$ 683,693
Changes of assumptions	-	-	183,282	-
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	707,923	-
Contributions subsequent to the measurement date	-	-	213,566	-
Total	\$ -	\$ -	\$ 1,320,887	\$ 683,693

\$213,566 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	VSTRS	VMERS
Plan year ended June 30:		
2022	\$ -	\$ 221,607
2023	-	194,957
2024	-	149,384
2025	-	(142,321)
2026	-	-
Thereafter	-	-

Significant Actuarial Assumptions and Methods

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using the actuarial assumptions outlined below.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Investment Rate of Return: For both plans, 7.00%, net of pension plan investment expenses, including inflation.

Inflation: For both plans, 2.30%.

Salary Increases: For the VSTRS plan, increases ranging from 3.30% to 10.50%. For the VMERS plan, varying, service-based rates from 0-10 years of service, then a single rate of 4.50% (includes assumed inflation rate of 2.30%) for all subsequent years.

Deaths After Retirement:

The VSTRS plan's mortality rates were based on historical and current demographic data, adjusted to reflect health characteristics of the underlying groups and estimated future experience and professional judgment. The mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

- *Pre-Retirement:* PubT-2010 Teacher Employee Amount-Weighted Table with generational projection using scale MP-2019
- *Retiree Healthy Post-Retirement:* PubT-2010 Teacher Healthy Retiree Amount-Weighted Table with generational projection using scale MP- 2019
- *Disabled Post-Retirement:* PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with generational projection using scale MP-2019

The VMERS plan's mortality rates for pre-retirement, healthy retirees and disabled retirees for Groups A, B, C and D were based on historical and current demographic data, adjusted to reflect health characteristics of the underlying groups and estimated future experience and professional judgment. The mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Pre-Retirement:

- Groups A/B/C - 40% PubG-2010 General Employee Amount-Weighted below-median and 60% of PubG-2010 General Employee Amount-Weighted, with generational projection using Scale MP-2019.
- Group D - PubG-2010 General Employee Amount-Weighted above-median, with generational projection using scale MP-2019.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Healthy Post-Retirement - Retirees:

- Groups A/B/C - 104% of 40% PubG-2010 General Healthy Retiree Amount-Weighted below-median and 60% of PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2019.

- Group D - PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2019.

Disabled Post-Retirement:

- All Groups - PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with generational projection using Scale MP-2019.

Inactive Members: For both plans, valuation liability equals 100% of accumulated contributions. Inactive who are vested immediately become Deferred Members and the liabilities for all Deferred Members are based on the accrued benefit.

Future Administrative Expenses: No provisions were made for the VSTRS plan as Systems expenses are paid for by the State. For the VMERS plan, an expense adjustment based on actual expenses for the previous year is reflected in the development of recommended employer contribution levels.

Unknown Data for Participants: For both plans, they are the same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

Percent Married: For both plans, 85% of male members are assumed to be married. 35% of female members for the VSTRS plan and 50% of female members for the VMERS plan are assumed to be married.

Spouse's Age: For both plans, husbands are assumed to be three years older than their wives.

Cost-of-Living Adjustments: Adjustments for both plans are assumed to occur on January 1 following one year of retirement. For the VSTRS plan this occurs at the rate of 2.40% per annum for Group A members and 1.35% per annum for Group C members (beginning at age 62 for Group C members who elect reduced early retirement). The January 1, 2021 and January 1, 2022 COLAs are 0.00% and 4.60%, respectively, for group A and 1.00% and 2.30%, respectively, for group C. For the VMERS plan, this occurs at the rate of 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members (beginning Normal Retirement eligibility age for members

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

who elect reduced early retirement, at age 62 for Group A, B and D members who receive a disability retirement benefit and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2021 COLA is 0.40% for all groups. The January 1, 2022 COLA is 2.00% for Group A members and 2.30% for Group B, C and D members.

Actuarial Cost Method: For both plans is the Entry Age Actuarial Cost Method. Entry age is the age at date of employment or, if date is unknown, current age minus years of service. Normal Cost and Accrued Actuarial Liability are calculated on an individual basis and are allocated by salary, with Normal Cost determined using the plan of benefits applicable to each participant.

For the VSTRS plan, the *asset valuation method* used equals the preliminary asset value plus 20% of the difference between the market and preliminary asset values. The preliminary asset value is equal to the previous year's asset value (for valuation purposes) adjusted for contributions less benefit payments and expenses and expected investment income. If necessary, a further adjustment is made to ensure that the valuation assets are within 20% of the market value.

A smoothing *asset valuation method* was used for funding purposes in the VMERS plan, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. Then value of assets for actuarial purposes may not differ from the market value of assets by more than 20%.

The *long-term expected rate of return* on both plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class. These best estimate ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2021 are summarized in the following table:

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Passive Global Equities	24.00%	5.05%
Active Global Equities	5.00%	5.05%
US Equity - Large Cap	4.00%	4.00%
US Equity - Small/Mid Cap	3.00%	4.50%
Non-US Developed Market Equities	7.00%	5.50%
Non-US Equity - Small Cap	0.00%	0.00%
Emerging Markets Debt	4.00%	3.00%
Core Bonds	19.00%	0.00%
Private and Alternative Credit	10.00%	4.75%
US TIPS	3.00%	-0.50%
Core Real Estate	4.00%	3.75%
Non-Core Real Estate	4.00%	5.75%
Private Equity	10.00%	6.75%
Infrastructure/Farmland	3.00%	4.25%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for the VSTRS plan and the VMERS plan. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.00% for both the VSTRS and VMERS plans, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
<u>VSTRS:</u>			
Discount rate	6.00%	7.00%	8.00%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
<u>VMERS:</u>			
Discount rate	6.00%	7.00%	8.00%
District's proportionate share of the net pension liability	\$ 2,291,884	\$ 1,159,533	\$ 228,410

Pension Plan Fiduciary Net Position

The schedule of employer allocations and schedule of pension amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of the VSTRS and VMERS or their participating employers. VSTRS and VMERS do not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Annual Comprehensive Financial Report (CAFR). That report can be viewed on the State's Department of Finance and Management website at: [Annual Comprehensive Financial Report | Department of Finance and Management \(vermont.gov\)](https://www.vermont.gov/finance/annual-comprehensive-financial-report).

NOTE 19 - DEFINED CONTRIBUTION PLAN

Plan Description

The School District offers its employees a defined contribution plan created in accordance with Internal Revenue Code Section 403(b). At June 30, 2022, there were 51 plan members. The plan is administered by TD Wealth Management.

Funding Policy

Plan provisions and contribution requirements are established and may be amended by the Board of Directors. Under the 403 Plan, the School District is required to contribute 6.25% of a participant's earnings for the plan year, with no required match from the participant, one time per year, after the end of the fiscal year and no later than September 30, of the next year. For the year ended June 30, 2022, the School District contribution to this plan was \$88,193.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - DEFINED CONTRIBUTION PLAN (CONTINUED)

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in School District contributions and earnings on School District contributions after completion of 12 months of creditable service with the School District. Non-vested School District contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. There were no forfeitures of non-vested contributions for the year ended June 30, 2022.

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

VERMONT STATE TEACHERS' RETIREMENT SYSTEM

Plan Description

The Vermont State Teachers' Retirement System provides postemployment benefits to eligible VSTRS employees who retire from the System through a cost-sharing, multiple-employer postemployment benefit (OPEB) 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 system for those covered classes is a condition of employment. During the year ended June 30, 2020, the Plan consisted of 7,094 retired members or beneficiaries currently receiving benefits and 9,996 active members.

Vermont Statute Title 16 Chapter 55 assigns the authority to VSTRS to establish and amend the benefits 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 Board of Trustees, which consists of the Secretary of Education (ex-officio), the State Treasurer (ex-officio), the Commissioner of Financial Regulation (ex-officio), two trustees and one alternate who are members of the system (each elected by the system under rules adopted by the Board) and one trustee and one alternate who are retired members of the system receiving retirement benefits (who are elected by the Association of Retired Teachers of Vermont).

All assets of the Plan are held in a single trust and are available to pay OPEB benefits to all members. The Vermont State Agency of Administration issues a publicly available Annual Comprehensive Financial Report that includes financial statements and required supplementary information for the VSTRS. That report may be viewed on the State's Department of Finance and Management website at: [Annual Comprehensive Financial Report | Department of Finance and Management \(vermont.gov\)](#).

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Benefits Provided

VSTRS retirees and their spouses are eligible for medical, prescription drug and dental benefits on a lifetime basis if the retiree is eligible for pension benefits, as described in the Notes to Financial Statements for Defined Benefit Plan(s).

Contributions

Varying levels of contributions are required from retirees and spouses for medical and prescription drug coverage at the following premium subsidy rates:

	Retiree Subsidy		Spouse Subsidy*	
Retired before June 30, 2010	At least ten years of service-80% of premium Less than ten years of service-0% of premium		0% of premium	
Retired after June 30, 2010	10 years or more of service at June 30, 2010 - 80% of premium		Years of service at June 30, 2010 - 80% of premium if meet the following years of service at retirement requirement:	
	Less than 10 years of service at June 30, 2010:			
	Less than 15 years at retirement	0% of premium	Less than 15 years at retirement	0% of premium
	15-19.99 years at retirement	60% of premium	15-19.99 years at retirement	60% of premium
	20-24.99 years at retirement	70% of premium	20-24.99 years at retirement	70% of premium
	25 years or more at retirement	80% of premium	25 years or more at retirement	80% of premium

* Spouses of retirees who do not meet the requirements for an 80% subsidy can receive unsubsidized coverage

Premium Reduction Option: Participants retiring on or after January 1, 2007 with a VSTRS premium subsidy have a one-time option to reduce the VSTRS subsidy percentage during the retiree's life so that a surviving spouse may continue to receive the

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

same VSTRS subsidy for the spouse's lifetime. If the retiree elects the joint and survivor pension option but not the Premium Reduction Option, spouses are covered for the spouse's lifetime but pay 100% of the plan premium after the retiree's death.

Retirees pay full cost of dental benefits.

OPEB Liabilities

The State is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of member employers. Therefore, these employers are considered to be in a special funding situation as defined in GASB No. 75 and the State is treated as a nonemployer to VSTRS. Since the School District does not contribute directly to VSTRS, no net OPEB liability was recorded at June 30, 2022. The State's portion of the collective net OPEB liability that was associated with the School District was as follows:

District's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the District	<u>24,364,326</u>
Total	<u>\$ 24,364,326</u>

The State of Vermont's proportionate share of the net OPEB liability associated with the School District is equal to the collective net OPEB liability, actuarially measured as of June 30, 2021, multiplied by the School District's proportionate share percentage. The School District's proportionate share percentage was based on its reported salaries to the total reported salaries for all participating employers. At June 30, 2021, the School District's proportion was 1.91005% which was an increase of 0.08291% from its proportion measured as of June 30, 2020.

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

For the year ended June 30, 2022, the School District recognized total OPEB expense of \$5,831,682 and revenue of \$5,831,682 for support provided by the State of Vermont for the Plan. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	VSTRS OPEB Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
Total	<u>\$ -</u>	<u>\$ -</u>

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

	VSTRS OPEB Plan
Plan year ended June 30:	
2022	\$ -
2023	-
2024	-
2025	-
2026	-
Thereafter	-

Discount Rate

The discount rate is the single rate of return, that when applied to all projected benefit payments, results in an actuarial present value that is the sum of the actuarial present value of projected benefit payments projected to be funded by plan assets using a long term rate of return and the actuarial present value of projected benefit payments that are not included in (1) using a yield or index rate for 20 year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The sensitivity of net OPEB liability to changes in discount rate are as follows:

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
VSTRS OPEB Plan:			
Discount rate	1.20%	2.20%	3.20%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -

Healthcare Trend Rate

Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The trend rate assumptions were developed using Segal's internal guidelines, which are established each year using data sources such as the 2020 Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the S&P Dow Jones Indices, consulting firms and brokers and CPI statistics published by the Bureau of Labor Statistics. The sensitivity of net OPEB liability to changes in healthcare trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2020, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

Amortization

The total OPEB liability of this Plan is amortized on a closed 30-year period. The amortization method is a level percent of payroll method. As of July 1, 2021, there is 27 years remaining on the amortization period.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Asset Valuation Method

The Asset Valuation Method used is market value as of the measurement date.

The long-term expected rate of return on OPEB plan investments are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation, long-term expected rates of return for each major asset class and expected inflation, as of June 30, 2021, are summarized below:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Passive Global Equities	24.00%	5.05%
Active Global Equities	5.00%	5.05%
US Equity - Large Cap	4.00%	4.00%
US Equity - Small/Mid Cap	3.00%	4.50%
Non-US Developed Market Equities	7.00%	5.50%
Emerging Markets Debt	4.00%	3.00%
Core Bonds	19.00%	0.00%
Private and Alternative Credit	10.00%	4.75%
US TIPS	3.00%	-0.50%
Core Real Estate	4.00%	3.75%
Non-Core Real Estate	4.00%	5.75%
Private Equity	10.00%	6.75%
Infrastructure/Farmland	3.00%	4.25%
Total	100.00%	

Assumptions

The actuarial assumptions used to calculate the actuarially determined contribution rates can be found in the Report on the Actuarial Valuation of Post-Retirement Benefits of the Vermont State Teachers' Retirement System Prepared as of June 30, 2016 completed by Buck Consulting. As of June 30, 2021, they are as follows:

Discount Rate	2.20%
Salary Increase Rate	Varies by age

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Non-Medicare	6.700% graded to 4.50% over 10 years
Medicare	6.000% graded to 4.50% over 11 years
Retiree Contributions	Equal to health trend
Pre-retirement Mortality	PubT-2010 Teacher Employee Headcount- Weighted Table with generational projection using scale MP-2019
Post-retirement Mortality	Retirees: PubT-2010 Teacher Healthy Retiree Headcount-Weighted Table Spouses: 109 % of the Pub-2010 Contingent Survivor Headcount-Weighted Table, both Retirees and Spouses with generational projection using scale MP-2019

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2021 with the following exceptions:

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period remaining was twenty-seven years as of July 1, 2021. For the fiscal year ended June 30, 2021, the discount rate was decreased from 2.21% to 2.20%.

OPEB Plan Fiduciary Net Position

The schedule of employer allocations and schedule of OPEB amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of VSTRS or their participating employers. VSTRS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Annual Comprehensive Financial Report. That report can be viewed on the State's Department of Finance and Management website at: [Annual Comprehensive Financial Report | Department of Finance and Management \(vermont.gov\)](#).

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 21 - RISK MANAGEMENT

The School 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, students and guests; as well as natural disasters for which the School District either carries commercial insurance, participates in a public entity risk pool or is effectively self-insured. There have been no significant reductions in coverage from the prior year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the School District.

The School District is a member of the Vermont School Boards Association. The Association has set up two insurance Trusts; Vermont School Boards Insurance Trust, Inc. (VSBIT) for worker compensation, multi-line intermunicipal school program and unemployment compensation program and the Vermont Education Health Initiative (VEHI) for medical benefits. VSBIT and VEHI are nonprofit corporations formed to provide insurance and risk management programs for Vermont School Districts and is owned by the participating School Districts. The Trusts are not licensed insurance carriers and members are not protected by the Vermont Insurance Guaranty Association.

To provide insurance coverage, VEHI has established a self-funded fully insured program in conjunction with Blue Cross and Blue Shield (BCBS). A portion of member contributions is used to purchase reinsurance and to fund a reserve required by the reinsurance. Contributions in excess of claims requirements, reserve fund requirements, reinsurance and administrative costs are returned to participants. The pooling agreement does not permit the pool to make additional assessments to its members.

Multi-Line Intermunicipal School Program provides coverage for property; inland marine and boiler and machinery; crime; commercial general liability; automobile/garagekeepers; and educators legal liability. Annual contributions are based upon appropriate rates applicable to each member; such rates are set based on recommendations of a qualified actuary, plus a proportionate share of all operational and administrative cost including excess reinsurance premiums incurred by the trust. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VSBIT is unable to meet its required obligations, the program will be terminated with each member assessed their proportionate share of the deficit.

NOTE 22 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the School District's financial position.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 22 - CONTINGENCIES (CONTINUED)

The School District participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the School District's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 23 - COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the School District's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

NOTE 24 - SUBSEQUENT EVENT

On July 1, 2022 Washington Central Unified Union School District issued a tax/revenue anticipation note to provide liquidity for the governmental operations financed by property taxes. The tax/revenue anticipation note allowed for principal draws of up to \$8,313,020 with interest at 1.45% per annum and will mature on June 30, 2023.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pensions
- Schedule of Proportionate Share of the Net OPEB Liability
- Schedule of Contributions - OPEB
- Notes to Required Supplementary Information

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 3,333,587	\$ 3,333,587	\$ 3,333,587	\$ -
Resources (Inflows):				
Intergovernmental:				
State revenues	33,308,915	33,389,513	32,609,678	(779,835)
Charges for services	908,468	908,468	999,720	91,252
Interest income	283,755	229,238	224,206	(5,032)
Miscellaneous	220,213	345,029	317,907	(27,122)
Transfers from other funds	263,598	263,598	119,598	(144,000)
Amounts Available for Appropriation	<u>38,318,536</u>	<u>38,469,433</u>	<u>37,604,696</u>	<u>(864,737)</u>
Charges to Appropriations (Outflows):				
Direct services	19,597,043	19,306,499	18,266,508	1,039,991
Support services:				
Student and other support services	4,615,417	4,696,864	4,524,844	172,020
General administrative services	711,813	886,434	906,970	(20,536)
Area administrative services	2,516,640	2,527,060	2,514,354	12,706
Fiscal services	786,087	781,346	767,660	13,686
Operations and maintenance	2,963,117	2,968,381	2,957,133	11,248
Transportation	1,657,557	1,943,330	1,774,377	168,953
Debt service:				
Principal	927,136	927,136	927,136	-
Interest	296,024	296,024	292,706	3,318
Transfers to other funds	914,115	914,115	2,414,115	(1,500,000)
Total Charges to Appropriations	<u>34,984,949</u>	<u>35,247,189</u>	<u>35,345,803</u>	<u>(98,614)</u>
Budgetary Fund Balance, June 30	<u>\$ 3,333,587</u>	<u>\$ 3,222,244</u>	<u>\$ 2,258,893</u>	<u>\$ (963,351)</u>
Utilization of assigned fund balance	<u>\$ -</u>	<u>\$ 111,343</u>	<u>\$ -</u>	<u>\$ (111,343)</u>

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015
<u>VSTRS:</u>								
Proportion of the net pension liability District's proportionate share of the net pension liability	1.96%	1.81%	1.85%	2.52%	1.96%	1.78%	1.59%	1.05%
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District Total	<u>33,165,771</u> <u>\$ 33,165,771</u>	<u>35,379,511</u> <u>\$ 35,379,511</u>	<u>28,873,426</u> <u>\$ 28,873,426</u>	<u>26,891,231</u> <u>\$ 26,891,231</u>	<u>27,250,562</u> <u>\$ 27,250,562</u>	<u>22,608,616</u> <u>\$ 22,608,616</u>	<u>18,837,133</u> <u>\$ 18,837,133</u>	<u>17,213,598</u> <u>\$ 17,213,598</u>
Covered payroll	\$ 14,167,688	\$ 13,225,466	\$ 12,712,780	\$ 12,033,737	\$ 12,133,702	\$ 11,579,824	\$ 8,854,073	\$ 10,040,259
Proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	58.83%	50.00%	54.96%	54.81%	53.98%	55.31%	58.22%	64.02%
<u>VMERS:</u>								
Proportion of the net pension liability	0.79%	0.67%	0.39%	0.36%	0.37%	0.37%	0.33%	0.28%
Proportionate share of the net pension liability	\$ 1,159,533	\$ 1,682,933	\$ 677,286	\$ 510,283	\$ 444,252	\$ 472,604	\$ 253,954	\$ 25,564
Covered payroll	\$ 2,952,439	\$ 2,436,173	\$ 1,419,292	\$ 1,253,308	\$ 1,176,437	\$ 1,101,000	\$ 931,000	\$ 717,914
Proportionate share of the net pension liability as a percentage of its covered payroll	39.27%	69.08%	47.72%	40.71%	37.76%	42.92%	27.28%	3.56%
Plan fiduciary net position as a percentage of the total pension liability	89.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - PENSIONS
LAST 10 FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015
<u>VSTRS:</u>								
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 13,742,939	\$ 14,167,688	\$ 13,225,466	\$ 12,712,780	\$ 12,033,737	\$ 12,133,702	\$ 11,579,824	\$ 8,854,073
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>VMERS:</u>								
Contractually required contribution	\$ 213,566	\$ 175,157	\$ 137,878	\$ 74,468	\$ 72,450	\$ 59,882	\$ 55,813	\$ 46,046
Contributions in relation to the contractually required contribution	(213,566)	(175,157)	(137,878)	(74,468)	(72,450)	(59,882)	(55,813)	(46,046)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,440,065	\$ 2,952,439	\$ 2,436,173	\$ 1,419,292	\$ 1,253,308	\$ 1,176,437	\$ 1,101,000	\$ 931,000
Contributions as a percentage of covered payroll	6.21%	5.93%	5.66%	5.25%	5.78%	5.09%	5.07%	4.95%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
LAST 10 FISCAL YEARS*

	2022	2021	2020	2019	2018	2017
<u>VSTRS OPEB Plan:</u>						
Proportion of the net OPEB liability	1.91%	1.83%	1.92%	1.84%	1.87%	0.78%
School District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the School District	24,364,326	23,011,027	19,958,444	17,519,695	17,350,212	-
Total	<u>\$ 24,364,326</u>	<u>\$ 23,011,027</u>	<u>\$ 19,958,444</u>	<u>\$ 17,519,695</u>	<u>\$ 17,350,212</u>	<u>\$ -</u>
Covered payroll	\$ 14,167,688	\$ 13,225,466	\$ 12,712,780	\$ 12,033,737	\$ 12,133,702	\$ 11,579,824
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.13%	0.69%	0.03%	-2.85%	-2.94%	0.00%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

	2022	2021	2020	2019	2018	2017
<u>VSTRS OPEB Plan:</u>						
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 13,742,939	\$ 14,167,688	\$ 13,225,466	\$ 12,712,780	\$ 12,033,737	\$ 12,133,702
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

Changes of Assumptions

VSTRS Pension Plan:

There have been no changes in actuarial assumptions since the last measurement date.

VMERS Pension Plan:

There have been no changes in actuarial assumptions since the last measurement date.

VSTRS OPEB Plan:

The discount rate was decreased from 2.21% to 2.20%.

The per capita valuation-year claims and retiree contribution rates were updated.

Future male retirees were assumed to be two years older than their spouses, decreased from three years.

See accompanying independent auditor's report and notes to financial statements.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues
- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Intergovernmental revenues:				
State revenue:				
Education spending grant	\$ 27,535,603	\$ 27,535,603	\$ 27,535,603	\$ -
Tech center grant	256,688	256,688	256,688	-
Small schools grant	171,302	171,302	171,302	-
Special education mainstream block grant	568,420	568,420	568,420	-
Special education reimbursement	3,039,841	3,094,275	2,790,149	(304,126)
Extraordinary reimbursement	626,289	652,453	431,093	(221,360)
State placed reimbursements	373,790	373,790	144,928	(228,862)
Early essential education	105,049	105,049	105,049	-
Transportation reimbursement	615,933	615,933	588,781	(27,152)
Other	16,000	16,000	17,665	1,665
Charges for services:				
Tuition	908,468	908,468	999,720	91,252
Interest income	283,755	229,238	224,206	(5,032)
Miscellaneous:				
Special education	76,371	76,371	69,408	(6,963)
Other receipts	143,842	268,658	248,499	(20,159)
Transfers from other funds	263,598	263,598	119,598	(144,000)
Amounts Available for Appropriation	<u>\$ 34,984,949</u>	<u>\$ 35,135,846</u>	<u>\$ 34,271,109</u>	<u>\$ (864,737)</u>

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Direct services:				
Instructional services	\$ 12,506,668	\$ 12,335,999	\$ 12,017,726	\$ 318,273
Special education	6,366,673	6,242,588	5,537,811	704,777
Co-curricular	723,702	727,912	710,971	16,941
Total direct services	<u>19,597,043</u>	<u>19,306,499</u>	<u>18,266,508</u>	<u>1,039,991</u>
Support services:				
Support services students	2,261,001	2,240,505	2,140,896	99,609
Other support services	2,354,416	2,456,359	2,383,948	72,411
Total support services	<u>4,615,417</u>	<u>4,696,864</u>	<u>4,524,844</u>	<u>172,020</u>
General administration:				
Board of education	207,338	219,798	255,510	(35,712)
Office of the superintendent	504,475	666,636	651,460	15,176
Total general administration	<u>711,813</u>	<u>886,434</u>	<u>906,970</u>	<u>(20,536)</u>
Area administration:				
Office of the principal	2,116,809	2,117,605	2,115,838	1,767
Special area administrative services	399,831	409,455	398,516	10,939
Fiscal services	786,087	781,346	767,660	13,686
Total area administration	<u>3,302,727</u>	<u>3,308,406</u>	<u>3,282,014</u>	<u>26,392</u>
Operations and maintenance	<u>2,963,117</u>	<u>2,968,381</u>	<u>2,957,133</u>	<u>11,248</u>
Construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation	<u>1,657,557</u>	<u>1,943,330</u>	<u>1,774,377</u>	<u>168,953</u>
Debt service:				
Principal	927,136	927,136	927,136	-
Interest	296,024	296,024	292,706	3,318
Total debt service	<u>1,223,160</u>	<u>1,223,160</u>	<u>1,219,842</u>	<u>3,318</u>
Transfer to other funds	<u>914,115</u>	<u>914,115</u>	<u>2,414,115</u>	<u>(1,500,000)</u>
TOTAL DEPARTMENTAL OPERATIONS	<u>\$ 34,984,949</u>	<u>\$ 35,247,189</u>	<u>\$ 35,345,803</u>	<u>\$ (98,614)</u>

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Due from other governments	\$ 853,439	\$ -	\$ 853,439
Due from other funds	367,523	5,901	373,424
TOTAL ASSETS	<u>\$ 1,220,962</u>	<u>\$ 5,901</u>	<u>\$ 1,226,863</u>
LIABILITIES			
Accounts payable	\$ 71,623	\$ -	\$ 71,623
Due to other funds	754,541	-	754,541
TOTAL LIABILITIES	<u>826,164</u>	<u>-</u>	<u>826,164</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	176,927	-	176,927
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>176,927</u>	<u>-</u>	<u>176,927</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	217,871	5,901	223,772
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>217,871</u>	<u>5,901</u>	<u>223,772</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,220,962</u>	<u>\$ 5,901</u>	<u>\$ 1,226,863</u>

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 1,565,500	\$ -	\$ 1,565,500
Interest income	-	128	128
Other	161,218	-	161,218
TOTAL REVENUES	<u>1,726,718</u>	<u>128</u>	<u>1,726,846</u>
EXPENDITURES			
Other	<u>1,659,197</u>	-	<u>1,659,197</u>
TOTAL EXPENDITURES	<u>1,659,197</u>	<u>-</u>	<u>1,659,197</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>67,521</u>	<u>128</u>	<u>67,649</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	359,850	-	359,850
Transfers (out)	<u>(359,967)</u>	-	<u>(359,967)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(117)</u>	<u>-</u>	<u>(117)</u>
NET CHANGE IN FUND BALANCES	67,404	128	67,532
FUND BALANCES - JULY 1	<u>150,467</u>	<u>5,773</u>	<u>156,240</u>
FUND BALANCES - JUNE 30	<u>\$ 217,871</u>	<u>\$ 5,901</u>	<u>\$ 223,772</u>

See accompanying independent auditor's report and notes to financial statements.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT
 COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2022

	Title IV	COVID Education	IDEA-B Formula Grant	IDEA-B Preschool	Title I
ASSETS					
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Schoolwide Program and Admin	ARP ESSER	Title I - SI	COVID Homeless
ASSETS				
Due from other governments	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	117,097	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 117,097</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	-	117,097	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>117,097</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 117,097</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE E (CONTINUED)

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Fresh Fruit and Vegetables	Student Activities	Rowland Foundation Grant	EPSDT Revenues	Local Standard Board Grant
ASSETS					
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	218,841	-	31,076	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 218,841</u>	<u>\$ -</u>	<u>\$ 31,076</u>	<u>\$ -</u>
LIABILITIES					
Accounts payable	\$ -	\$ 970	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>970</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue	-	-	-	31,076	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,076</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	217,871	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>217,871</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 218,841</u>	<u>\$ -</u>	<u>\$ 31,076</u>	<u>\$ -</u>

SCHEDULE E (CONTINUED)

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Title IIA	COVID Vaccination	Misc Grants	Total
ASSETS				
Due from other governments	\$ -	\$ -	\$ 853,439	\$ 853,439
Due from other funds	-	509	-	367,523
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 509</u>	<u>\$ 853,439</u>	<u>\$ 1,220,962</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 70,653	\$ 71,623
Due to other funds	-	-	754,541	754,541
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>825,194</u>	<u>826,164</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	-	509	28,245	176,927
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>509</u>	<u>28,245</u>	<u>176,927</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	217,871
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,871</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 509</u>	<u>\$ 853,439</u>	<u>\$ 1,220,962</u>

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	<u>Title IV</u>	<u>COVID Education</u>	<u>IDEA-B Formula Grant</u>	<u>IDEA-B Preschool</u>	<u>Title I</u>
REVENUES					
Intergovernmental	\$ 9,329	\$ 12,395	\$ 431,646	\$ 6,480	\$ 325,058
Other	-	-	-	-	-
TOTAL REVENUES	<u>9,329</u>	<u>12,395</u>	<u>431,646</u>	<u>6,480</u>	<u>325,058</u>
EXPENDITURES					
Other	<u>9,329</u>	<u>12,395</u>	<u>431,646</u>	<u>6,480</u>	<u>551</u>
TOTAL EXPENDITURES	<u>9,329</u>	<u>12,395</u>	<u>431,646</u>	<u>6,480</u>	<u>551</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>324,507</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(324,507)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(324,507)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Schoolwide Program and Admin	ARP ESSER	Title I - SI	COVID Homeless
REVENUES				
Intergovernmental	\$ -	\$ 504,028	\$ 90,499	\$ 15,706
Other	-	-	-	-
TOTAL REVENUES	-	504,028	90,499	15,706
EXPENDITURES				
Other	359,850	504,028	90,499	15,706
TOTAL EXPENDITURES	359,850	504,028	90,499	15,706
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(359,850)	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	359,850	-	-	-
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	359,850	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - JULY 1	-	-	-	-
FUND BALANCES - JUNE 30	\$ -	\$ -	\$ -	\$ -

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Fresh Fruit and Vegetables	Student Activities	Rowland Foundation Grant	EPSDT Revenues	Local Standard Board Grant
REVENUES					
Intergovernmental	\$ 12,361	\$ -	\$ -	\$ 13,641	\$ 705
Other	-	113,033	48,185	-	-
TOTAL REVENUES	<u>12,361</u>	<u>113,033</u>	<u>48,185</u>	<u>13,641</u>	<u>705</u>
EXPENDITURES					
Other	<u>12,244</u>	<u>45,629</u>	<u>48,185</u>	<u>13,641</u>	<u>705</u>
TOTAL EXPENDITURES	<u>12,244</u>	<u>45,629</u>	<u>48,185</u>	<u>13,641</u>	<u>705</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>117</u>	<u>67,404</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	(117)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(117)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	67,404	-	-	-
FUND BALANCES - JULY 1	<u>-</u>	<u>150,467</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ 217,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Title IIA	COVID Vaccination	Misc Grants	Total
REVENUES				
Intergovernmental	\$ 117,296	\$ 8,731	\$ 17,625	\$ 1,565,500
Other	-	-	-	161,218
TOTAL REVENUES	<u>117,296</u>	<u>8,731</u>	<u>17,625</u>	<u>1,726,718</u>
EXPENDITURES				
Other	81,953	8,731	17,625	1,659,197
TOTAL EXPENDITURES	<u>81,953</u>	<u>8,731</u>	<u>17,625</u>	<u>1,659,197</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>35,343</u>	<u>-</u>	<u>-</u>	<u>67,521</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	359,850
Transfers (out)	(35,343)	-	-	(359,967)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(35,343)</u>	<u>-</u>	<u>-</u>	<u>(117)</u>
NET CHANGE IN FUND BALANCES	-	-	-	67,404
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,467</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,871</u>

See accompanying independent auditor's report and notes to financial statements.

Permanent Funds

Permanent funds are used to account for assets held by the Washington Central Unified Union School District that are legally restricted and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the School District or its students. These funds have been established for the provision and/or maintenance of various funds.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2022

	Music- Bellemeur Fund	Total
ASSETS		
Due from other funds	\$ 5,901	\$ 5,901
TOTAL ASSETS	<u>\$ 5,901</u>	<u>\$ 5,901</u>
LIABILITIES		
Accounts payable	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	5,901	5,901
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	<u>5,901</u>	<u>5,901</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,901</u>	<u>\$ 5,901</u>

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Music- Bellemeur Fund	Total
REVENUES		
Interest income	\$ 128	\$ 128
TOTAL REVENUES	<u>128</u>	<u>128</u>
EXPENDITURES		
Other	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	128	128
FUND BALANCES - JULY 1	<u>5,773</u>	<u>5,773</u>
FUND BALANCES - JUNE 30	<u>\$ 5,901</u>	<u>\$ 5,901</u>

See accompanying independent auditor's report and notes to financial statements.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities' column of the government-wide statement of net position.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2022

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment, Software and Vehicles	Infrastructure	Total
Direct Services	\$ -	\$ -	\$ 362,739	\$ -	\$ 362,739
S.S. - Students	-	-	7,654	-	7,654
S.S. - Staff	-	-	2,000,685	-	2,000,685
S.S. - General Admin	-	-	41,696	-	41,696
S.S. - Area Admin	-	-	57,572	-	57,572
Operations and Maintenance	103,257	52,740,740	1,261,730	587,043	54,692,770
Food Service	-	1,236,283	575,555	-	1,811,838
Total General Capital Assets	103,257	53,977,023	4,307,631	587,043	58,974,954
Less: Accumulated Depreciation	-	(24,318,621)	(2,724,883)	(119,016)	(27,162,520)
Net General Capital Assets	\$ 103,257	\$ 29,658,402	\$ 1,582,748	\$ 468,027	\$ 31,812,434

See accompanying independent auditor's report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2022

	General Capital Assets 7/1/21 (Restated)	Additions	Deletions	General Capital Assets 6/30/22
Direct Services	\$ 362,739	\$ -	\$ -	\$ 362,739
S.S. - Students	7,654	-	-	7,654
S.S. - Staff	1,821,219	179,466	-	2,000,685
S.S. - General Admin	41,696	-	-	41,696
S.S. - Area Admin	57,572	-	-	57,572
Operations and Maintenance	53,925,539	767,231	-	54,692,770
Food Service	1,816,339	12,550	(17,051)	1,811,838
Total General Capital Assets	58,032,758	959,247	(17,051)	58,974,954
Less: Accumulated Depreciation	(25,798,431)	(1,510,764)	146,675	(27,162,520)
Net General Capital Assets	<u>\$ 32,234,327</u>	<u>\$ (551,517)</u>	<u>\$ 129,624</u>	<u>\$ 31,812,434</u>

See accompanying independent auditor's report and notes to financial statements.

Federal Compliance Description

Federal compliance includes financial information and reports that are required in accordance with Government Auditing Standards and/or the Uniform Guidance in accordance with 2 CFR § 515. Such financial information and reports include:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- 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
- Independent Auditor's Report on Compliance or Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-through Grantor Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Education				
Passed through State of Vermont - Agency of Education and Cultural Services:				
Title I - Grants to Local Education Agencies	84.010A	05100-4250U0922201	325,058	-
Title I - Grants to Local Education Agencies	84.010A	05100-4255U0922201	90,499	-
			<u>415,557</u>	<u>-</u>
Special Education Cluster (IDEA):				
IDEA-B Flow Through	84.027A	05100-4266U0922201	431,646	-
IDEA-B Part B Section 619	84.173A	05100-4228U0922201	6,480	-
Subtotal Special Education Cluster (IDEA)			<u>438,126</u>	<u>-</u>
Title IIA - Supporting Effective Instruction	84.367A	05100-4651U0922201	117,296	-
Student Support and Academic Enrichment	84.424	05100-4570U0922201	9,329	-
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economy Security Act ARP				
	84.425U	05100-4599U0922101	504,029	-
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economy Security Act ARP				
	84.425U	05100-4604U0922202	15,706	-
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economy Security Act ARP				
	84.425U	N/A	8,731	-
			<u>528,466</u>	<u>-</u>
Total U.S. Department of Education			<u>1,508,774</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed through State of Vermont - Agency of Education and Cultural Services:				
Child Care and Development Block Grant	93.575	05100-4651U0922201	17,625	-
Total U.S. Department of Health and Human Services			<u>17,625</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 1,526,399</u>	<u>\$ -</u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Washington Central Unified Union School District under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the 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 Washington Central Unified Union School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the Washington Central Unified Union School District.

2. Summary of Significant Accounting Policies

- a. 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 and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b. The U.S. Department of Education (USED) has delegated to the State of Vermont Agency of Education the authority to issue indirect cost rates to all Local Education Agencies (LEAs) based on a plan approved by the USED. Therefore, the Washington Central Unified Union School District does not use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.



Proven Expertise & Integrity

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*

Board of Directors
Washington Central Unified Union School District
Montpelier, Vermont

We have audited, in accordance with generally accepted auditing standards 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, business-type activities, each major fund and the aggregate remaining fund information of Washington Central Unified Union School District as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise Washington Central Unified Union School District's basic financial statements and have issued our report thereon dated December 1, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Washington Central Unified Union School 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 Washington Central Unified Union School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Washington Central Unified Union School 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 entity'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.

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www.rhrsmith.com

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 Washington Central Unified Union School 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*. We noted certain other matters that we reported to management of the Washington Central Unified Union School District in a separate letter dated August 12, 2022.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
December 1, 2022



Proven Expertise & Integrity

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

Board of Directors
Washington Central Unified Union School District
Montpelier, Vermont

Report on Compliance for Each Major Federal Program

We have audited Washington Central Unified Union School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Washington Central Unified Union School District's major federal programs for the year ended June 30, 2022. Washington Central Unified Union School 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 the federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Washington Central Unified Union School 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 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 Washington Central Unified Union School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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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 Washington Central Unified Union School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Washington Central Unified Union School District 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, 2022.

Report on Internal Control Over Compliance

Management of Washington Central Unified Union School 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 Washington Central Unified Union School 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 Washington Central Unified Union School 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.

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 communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine

Vermont Registration No. 092.0000697

December 1, 2022

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued : Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐yes ☒no
- Significant deficiency(ies) identified? ☐yes ☒no
- Noncompliance material to financial statements noted? ☐yes ☒no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐yes ☒no
- Significant deficiency(ies) identified? ☐yes ☒no

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 2 CFR 200.516(a)? ☐yes ☒no

Identification of major programs:

<u>AL Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.425U	Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act ARP

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

Auditee qualified as low-risk auditee? ☒yes ☐no

Section II - Financial Statement Findings

None

Section III - Federal Awards Findings and Questioned Costs

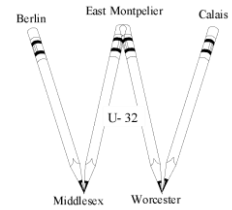
None

Washington Central Unified Union School District

WCUUSD exists to nurture and inspire in all students the passion, creativity and power to contribute to their local and global communities.

1130 Gallison Hill Road
Montpelier, VT 05602
Phone (802) 229-0553
Fax (802) 229-2761

Meagan Roy Ed.D.
Superintendent



TO: WCUUSD Finance Committee & School Board
FROM: Susanne D. Gann, WCUUSD Business Administrator
RE: FY 2022-23 Financial Update
DATE: December 9, 2022

General Fund Balance Summary: The beginning fund balance reserved for the operation of the school district was \$2,258,893. The District previously reserved \$666,928 for technology equipment and fiscal software. The district currently projects an increase in fund balance of \$296,766 from FY 2022-23 operations. When the FY 2022-23 budget was prepared, the District had planned to utilize \$325,468 of fund balance, anticipating a decrease in the fund balance.

The total unassigned / unallocated fund balance is anticipated to be \$1,563,262, which is \$839,877 beyond the target of 2% of the current year's budget (\$723,385).

The positive impact on the bottom line is directly related to the difficulty filling positions and hiring substitute personnel, which we know places significant strain on the entire system, especially the humans in the buildings.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND PROJECTIONS AS OF DECEMBER 9, 2022
FOR THE YEAR ENDED JUNE 30, 2023

	Amount Increase / (Decrease)
CHANGES IN REVENUES	
Tuition	\$ 44,292
Interest Income	\$ (59,549)
TOTAL REVENUE CHANGES	\$ (15,257)
CHANGES IN EXPENDITURES	
Salaries & Benefits	\$ 384,282
Preschool Tuition	\$ (7,778)
Heating Fuel (oil, propane, wood chips, wood pellets)	\$ (64,481)
TOTAL EXPENDITURE CHANGES	\$ 312,023
PROJECTED NET CHANGE IN FUND BALANCE IN FY 2022-23	\$ 296,766

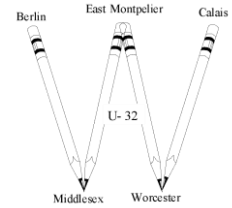
BEGINNING FUND BALANCE AS OF JULY 1, 2022	\$ 2,258,893
Previously reserved for Technology Equipment	\$ (357,928)
Previously reserved for Fiscal Software & Related Costs	\$ (309,000)
TOTAL BEGINNING FUND BALANCE - AVAILABLE FOR OPERATIONS	\$ 1,591,965
PROJECTED NET CHANGE IN FUND BALANCE IN FY 2022-23	\$ 296,766
PROJECTED ENDING FUND BALANCE - JUNE 30, 2023	\$ 1,888,730
RESERVE ITEMS FOR FY 2022 - 23 BUDGET	
Offset Early Retirement Final Year Expense	\$ (145,019)
Offset EMES Classroom Teacher (1.0 FTE)	\$ (91,699)
Offset Equity Scholar in Residence	\$ (88,750)
TOTAL RESERVE ITEMS FOR FY 2022 - 23 BUDGET	\$ (325,468)
TOTAL UNASSIGNED / UNALLOCATED FUND BALANCE	\$ 1,563,262
FUND BALANCE TARGET (2% OF CURRENT YEAR BUDGET)	\$ (723,385)
AMOUNT AVAILABLE BEYOND THE 2% TARGET	\$ 839,877

Washington Central Unified Union School District

WCUUSD exists to nurture and inspire in all students the passion, creativity and power to contribute to their local and global communities.

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Meagan Roy Ed.D.
Superintendent



TO: WCUUSD Finance Committee & School Board
FROM: Meagan Roy, Superintendent
Susanne Gann, WCUUSD Business Administrator
RE: FY 24 General Fund Budget Draft #2
DATE: December 9, 2022

Review: On November 16, 2022 the School Board received a level-service budget for FY 2023-24 along with data that compared current District-wide levels to the Education Quality Standard (EQS) requirements for class sizes, administration, nursing, counseling and library/media services.

Draft #1 Summary – Draft #1 included anticipated changes in the following areas:

1. Current staffing salaries and benefits plus estimated increases.
2. Benefits for Early Retirement have been removed, as FY 23 was the final year of the plan.
3. Current Special Ed student needs for out of district placements, transportation and other services.
4. Current contracts for auditors and insurance plus estimates for inflation.
5. Transportation based upon last year's award.
6. Debt service payments updated per the debt service schedule.
7. Capital Fund transfer increased based upon an amount identified when developing the multi-year capital improvement plan.
8. Funding includes request to provide current software programs and continued cybersecurity strengthening efforts.
9. Grant funding is no longer available in FY 24 for the 1.0 RISE position (Title IV) at U-32, .5 Instructional Coach at Doty (School Improvement Grant) and the 1.0 District Psychologist (ARP ESSER IDEA Grant).
10. The ARP ESSER grant is fully allocated. Funds are currently obligated for full-time nursing, school counselor staff in all buildings and interventions in FY 23 and budgeted in FY 24. The balance of the funds has been allocated to the Indoor Air Quality project at U-32 to replace 7 ERUs.

The increase in the local education spending for Budget Draft #1 was 9.71% from \$28,821,017 in FY 2022-23 to \$31,619,027 in FY 2023-24.

School Board Parameters: The School Board established the following parameters to help guide the second draft of the budget.

1. Continue to offer and further develop the Multi-Layered System of Supports (MLSS) to all students across all schools and provide professional development for teachers.
2. An initiative to achieve significant improvement in math and/or literacy proficiency for students on an Individualized Education Plan (IEP) and/or who qualify for Free and Reduced Lunch. Identify an appropriate scope for the initiative given the current circumstances and consider what resources would be needed for success.
3. Under a penalty threshold based on past statutory requirements, which is currently suspended through FY 29 (\$22,204).
4. Bring proposals that bring Local Education spending increase under 6%
5. Develop contingency plans for expenditure reductions if the tax rate is not favorable
6. Be creative, and identify new ways to structure the system, considering the experience, opportunities and outcomes for students.

Update: The Leadership Team has considered these parameters along with priorities identified through the community forum and a staff survey. The Team continued to use Education Quality Standards (EQS), Equitable Distribution of Resources and Student Needs to center the discussions to develop options for budget Draft #2. The following information will be included in Draft #2:

Draft #2 Summary will provide:

1. Updates to current staff salary and benefits, based upon new hire information.
2. The final horizontal salary signups that were due December 1.
3. Changes in projected student needs for special education services.
4. Updates to the special ed revenues based on Act 173 funding calculations.
5. Tax rate estimates using December 1 letter from the tax commissioner and the current year CLA information.

Next Steps:

- The School Board provides guidance on:
 - changes presented in Budget Draft #2.
 - possible uses of fund balance to reduce the Net Budget Increase and Net Education Spending.
- Staff will prepare Budget Draft #3:
 - based upon board guidance.
 - revenue and tax updates received from the AOE in December.
- The School Board continues to work to inform and engage the community in the budget process.