

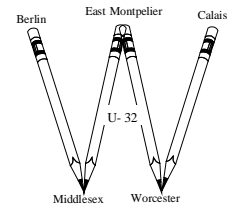
# Washington Central Unified Union School District

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



**WCUUSD Finance Committee  
Meeting Agenda  
12.14.21 8:30-9:30 AM  
Central Office, 1130 Gallison Hill Rd. Montpelier  
Via Video Conference**

**Virtual Meeting Information**

**<https://tinyurl.com/yckw4h6h>**

**Meeting ID: 846 4739 8000**

**Password: 983447**

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

1. Call To Order
2. Approve Minutes of 11.16.21 – pg. 3
3. Informational Reports
  - 3.1. Monthly Reflections – pg. 5
  - 3.2. Energy Project Consultant and Net Metering Contracts Review and Approval – pg. 7
  - 3.3. Allowable Tuition for FY 20 and FY 21 – pg. 8
  - 3.4. Smart Goal – pg. 9
4. Discussion/Action
  - 4.1. Auto Floor Scrubber Lease for U-32 – pg. 13
  - 4.2. FY 21 Audit Report Review/Approve – pg. 14
  - 4.3. FY 23 General Fund Budget Draft # 2 – pg. 130
    - 4.3.1. Draft # 2 Budget
    - 4.3.2. Requests for New/Expanded Services
  - 4.4. Review Tax Information
    - 4.4.1. Tax Commissioner Letter – pg. 141
    - 4.4.2. FY 23 Tax Rate Projections – pg. 145
  - 4.5. Review Town meeting Items
    - 4.5.1. Town Meeting Warning – Draft – pg. 149
    - 4.5.2. School Board Member Vacancies – pg. 152
    - 4.5.3. Town Report/Annual Report Format

5. Next Meeting Date and Future Agenda Items
  - 5.1. Next Meeting January 11, 2022
  - 5.2. Clerk of the Works and Architecture Design Contract Approval
  - 5.3. FY 23 General Fund Budget Draft # 3
  - 5.4. FY 23 Tax Rate Projections
  - 5.5. Extent of Board Involvement/Best Uses/Future Uses of Funds
  - 5.6. Articulating purpose of the Finance Committee
6. Adjourn

**WCUUSD Board Norms - Adopted November 18, 2020**

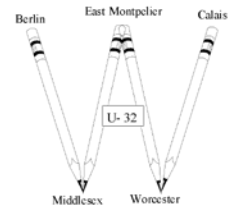
- **Public input** –Notify the community about public forums and opportunities for public comment at board meetings.
- **Community involvement during regular meetings of the board** – Every meeting will include at least one opportunity for public comment. Public comment is an opportunity for board members 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.

# Washington Central Unified Union School District

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Jennifer Miller-Arsenault  
Interim Superintendent



## **WCUUSD Finance Committee Meeting Minutes Unapproved 11.16.21 8:30-9:30 a.m. Central Office, 1130 Gallison Hill Rd., Montpelier Via Video Conference**

**Committee Members Present:** Flor Diaz Smith, Chris McVeigh, Kari Bradley, Susanne Gann, Jennifer Miller-Arsenault, Scott Thompson, Bill Ford, John Hemmelgarn (Black River Design), Steven Dellinger-Pate

1. **Call to Order:** Flor Diaz Smith called the meeting to order at 8:30 a.m.
2. **Approve Minutes of 10.19.21, 11.9.21:** Chris McVeigh motioned to approve the minutes. Scott Thompson seconded. The motion passed unanimously.
3. **Informational Reports:**
  - 3.1. **Monthly Reflection:** Susanne went over the priorities for the month to include open enrollment, a meeting with the new FSA/MSA provider, an administrative support meeting that included some training, and the NEMRC accounting server has been transferred to the cloud with a few bumps mostly around password entering. Matt Kittredge sent the announced tuition bills out. Allowable tuition for FY 20 was received. The AOE is a full year late which resulted in refunds to districts who send their students here. Staff received the first draft of the annual audit report. This information will be presented in December when we have a final draft. The employee contract updates are done which allowed personnel projections to be completed.
  - 3.2. **Quarterly Fund Balance Update:** The fund balance update was complete which resulted in the additional savings of \$171,623.00 primarily due to the difference between budgeted and new hire benefit selections. This improves the fund balance to \$1,468,571 beyond the 2% target.
4. **Discussion/Action:**
  - 4.1. **FY 23 Capital Improvement Project Plan Review and Approval:**

Scott Thompson motioned to recommended on behalf of the finance committee that the board authorize the Superintendent to complete bidding for the projects listed on the WCUUSD Capital Improvement Project Plan, FY 22-23 budget column, for a total estimated cost of \$1,533, 863. Chris McVeigh seconded and the motion passed unanimously. John Hemmelgarn of Black River Design gave an overview of the projects. The projects included are U-32 roof repair, air handling unit updates, window replacement at U-32, bathroom partitions to be replaced at U-32, downstairs restrooms at U-32, Softball dugouts, scoreboard, Berlin elementary ADA access to rear exits, handicapped restroom at Rumney, Rumney counters and sinks, Doty door hardware to meet security standards, and Calais kindergarten ventilation. Bill Ford gave an overview in regards to the security card system he is working with Chris O'Brien on this project. John advised this amount included the gender neutral

bathrooms at U-32. Susanne confirmed that the 20k for the Calais project is included in this amount. Chris asked about contingency planning for these projects due to increased costs. John advised he is basing his proposal based on what he has seen in the last few months plus a 10% contingency. **The motion passed unanimously.**

**4.2. Energy Project Consultant and Net Metering Contracts Review and Approval:** Scott Thompson motioned to recommend that the board authorize the Superintendent to sign a limited contract with Jeff Forward, Forward thinking Consultants LLC, at a rate of \$100 /hour not to exceed \$2000.00 for identifying the right net metering partners for WCUUSD . Kari seconded and the motion passed. Flor advised there are talks with Robby at Kingsbury to extend the contract for 18 months. Kari motioned to recommend that the board authorize the Superintendent to sign a one-month extension to the current net metering agreement with Kingsbury Hydro Electric. Chris seconded and the motion passed.

**4.3. Auto Floor Scrubber for U-32 – Lease Award:** Scott Thompson motioned on behalf of the finance committee to recommend that the board authorize the Superintendent to sign a 36 month lease agreement with HillYard and All Lines leasing Company for \$971.22/month for 2 Trident ride-on auto scrubbers and 1 Trident walk behind auto scrubber, with the option to purchase the equipment for \$1.00 at the end of the lease. Chris seconded and the motion passed.

**4.4. Transportation Bid Award:** Scott Thompson motioned to recommend on behalf of the finance committee to award the bid to First Student based on the options with direction for selecting diesel or electric buses. Kari made a motion to amend that we recommend diesel because we cannot afford electric. Scott suggested maybe piloting an electric bus to see how it works before making a final decision. Susanne advised that First Students' proposal was a pilot proposal with only three electric buses, which would not be available until the third year. The motion passed unanimously.

**4.5. Copier Bid Award:** Scott Thompson motioned on behalf of the finance committee to recommend that the board award the copier and printer bid to SymQuest with Konica Minolta copiers and printers and the board approve and authorize the Superintendent to sign the proposed tax-exempt lease with M.S.T. Government Leasing, LLC for the purpose of leasing, refinancing, and funding photocopy equipment leases including consultant fees and related costs of issuances of such leases in an amount not to exceed \$183,517.21 and an annual interest rate of 3.290% through August 1, 2025. Kari seconded and the motion passed.

**4.6. FY 23 General Fund Budget Draft #1:** Susanne advised a level service budget has been provided and she gave an overview of some of the highlights of the budget. She advised the transportation bid is not included in this. She went over next steps in the budget process. Scott asked about changes in the election process and if we should plug them into our budget timeline. Flor advised that we would talk with the District Clerk again to follow up on this. Kari asked if we are thinking about our insurance policies, specifically around cybersecurity. Jen advised we go out to bid every year and that it is on our radar.

**4.7. Budget Training for School Board Members:** Susanne advised this is an outline of the training she will be providing. It is modeled after training done by Lori in the past.

## **5. Next Meeting Date and Future Agenda Items**

**5.1.** Next Meeting December 14, 2021

**5.2.** FY 21 Audit Report Review/Approve

**5.3.** FY 23 General Fund Budget Draft #2

**5.4.** Review Town Meeting/Annual Report Format

**5.5.** Clerk of the Works Contract and Architecture Design Contract Approval

**5.6.** Extent of Board Involvement/Best Uses/Future Uses of Funds

**5.7.** Articulating purpose of the Finance Committee

## **6. Adjourn: The meeting adjourned by consensus at 9:32 a.m.**

## Washington Central Unified Union School District

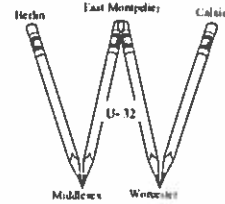
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Jennifer Miller-Arsenault  
Interim Superintendent



**TO: WCUUSD Finance Committee & School Board**  
**FROM: Susanne D. Gann, WCUUSD Business Administrator**  
**RE: Monthly Reflections**  
**DATE: December 10, 2021**

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The allowable tuition report for the prior fiscal year is published by the AOE November 1<sup>st</sup>. When the district receives this information, Matt Kittredge reconciles the AOE's report with our financial information to ensure that it agrees with our expectations. The FY 20 and FY 21 Allowable Tuition reports were both received this year, due to delays at the AOE. Thank you to Matt for his hard work reconciling these amounts.

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The monthly grant reimbursement report is due to the AOE on the 15<sup>th</sup>. Matt Kittredge submits these reports to the AOE, which results in receiving reimbursement from the AOE for YTD expenditures on grants. Matt does a thorough job each month verifying that our report only includes expenditures allocated in each of the budgets, and when errors are found, he follows up and makes adjustments as necessary in the accounting software. Thank you again, Matt.

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The Special Education Expenditure Report for the period ending October 31 is due to the AOE on November 15<sup>th</sup> each year. The total expenditures for the first four months of the year are reported to the AOE, with detailed worksheets for extraordinary cost (over \$60,000) and state-placed students. Renee Bates diligently tracks expenses by student for both of these categories, which makes this report significantly easier to complete. This report is what our first AOE reimbursement payment for the fiscal year is based upon. Thank you, Renee for all that you do to keep Special Education Reports on track.

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The AOE teacher/staff survey is an annual report due December 1<sup>st</sup> each year to collect detailed salary and benefit information on all employees of school districts within the state. WCUUSD has completed and submitted the required report as mandated. The

## Monthly Reflections

resulting salary survey statistics are used across the state in a variety of ways. Thank you to Carla Messier for the many hours spent ensuring that we report employees accurately.

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There are a lot of moving parts and pieces that go into developing a budget. The entire Central Office Team provide data, information or complete work that helps us to complete the puzzle. Thank you to Matt, Penny, Virginia, Carla, Renee, Michelle and Melissa for all you do to help us deliver the budget to the board. Your efforts are greatly appreciated. A special thanks to Lori Bibeau who has made herself available for training and advice during the development, and has been a source for historical documents and worksheets.

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The FY 2020-2021 Annual Audit Report from RHR Smith & Company is complete. Thank you to Matt Kittredge for all of his efforts to reconcile our general ledger with the financial reports provided by the auditors.

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The deadline to return open enrollment documents to Virginia Breer was November 19, 2021. Each year there are always some stragglers that miss the deadline and some outreach is required to place employees in the correct plans. Virginia's communication with staff plus the coordination with our insurance vendors and the changes needed in the payroll software are very time-consuming. Thank you, Virginia for all of your efforts to keep employee coverage up-to-date as we enter the New Year.

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## Washington Central Unified Union School District

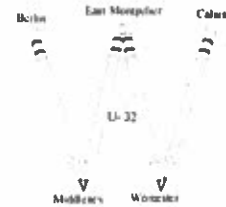
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Jennifer Miller-Arsenault  
Acting Superintendent



**TO: WCUUSD Finance Committee & School Board**  
**FROM: Chris O'Brien, Director of Facilities**  
**RE: Net Metering Contracts and Energy Project Consultant Update**  
**DATE: December 6, 2021**

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**Review:** The Board authorized the Superintendent to sign a limited contract with Jeff Forward, Forward Thinking Consultants LLC, at a rate of \$100/Hour, not to exceed \$2,000 for identifying the right net metering partners for WCUUSD.

The board also authorized the Superintendent to sign a one-month extension to the current net metering agreement with Kingsbury Hydro Electric.

**Update:** The Superintendent has signed the limited contract with Jeff Forward, Forward Thinking Consultants LLC. Jeff has been looking at our electrical bills from GMP and WEC to understand what credits we have in place and how they influence our electric bills.

Jeff reached out to Robby Porter from Kingsbury Hydro Electric and they both thought that a two- month extension to our current contract would be fair and allow Jeff enough time to determine the best path forward for the district as it pertains to net metering. The board had approved a one month extension per Robby's request but after talking to Jeff they decided two months would work better, (due to holidays), and it will still allow Robby six months to find another off taker in the case we don't renew the contract with Kingsbury Hydro Electric.

**Recommended Board Actions:** No recommended board actions at this time.

## Washington Central Unified Union School District

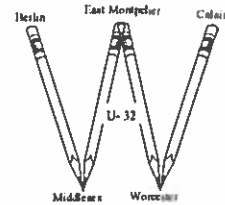
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Jennifer Miller-Arsenault  
Interim Superintendent



**TO: WCUUSD Finance Committee & School Board**  
**FROM: Susanne D. Gann, WCUUSD Business Administrator**  
**RE: Allowable Tuition for FY 20 and FY 21**  
**DATE: December 10, 2021**

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**Summary:** The AOE published the Allowable Tuition reports for FY 20 and FY 21 in November and staff has reconciled those calculations with our own and accept them as correct. FY 20 resulted in an overcharge and FY 21 resulted in an undercharge.

### FY 2019-2020

Per FTE Overcharge (Refund Due) = \$985.00  
#FTE Students = 56.28  
Total of Adjustment Bills = \$55,435.80

### FY 2020-2021

Per FTE Undercharge = \$559  
#FTE Students = 48.41  
Total of Adjustment Bills = \$27,061.19

**Net Impact:** This results in a reduction in tuition revenue of \$28,374.6. The district currently projects tuition revenue for FY 22 to be \$951,827. The budget was \$908,468. The difference between these is \$43,359, which is more than enough to offset the adjustment.



## Long Term Goal Draft October 2021

Proposed SMART Goal	<i>School Board complete 5 year Long-Term capital plan in two phases, immediate needs by December and final plan by May 2022</i>
Specific	<ul style="list-style-type: none"> <li>• What will be accomplished? <i>The Finance committee will work with the Facilities Director and have an understanding of Capital needs to share with the School Board.</i></li> <li>• What actions will we take? <i>Review of summer 2022 work and yearly review of Long-Term Capital plan spreadsheet and incorporate the energy consultant and building consultant findings.</i></li> <li>• Who needs to be involved to achieve the goal? <i>Finance Committee, Chris, Bill Ford, Jen, Susanne and Architects and Engineers as needed.</i></li> <li>• Why is this a goal? <i>We will be taking care of our schools and most importantly the building environment is an important factor in improving educational outcomes. Being Proactive not reactive. Planning ahead and being prudent with our resources.</i></li> </ul>
Measurable	<ul style="list-style-type: none"> <li>• What data will measure the goal? <i>Completion of Summer 2022 work and setting a yearly review of capital plan as we start to plan for a future 25 year Capital Plan. Prioritize the master list of Capital improvements from 2019.</i></li> <li>• What will success look like? <i>We will monitor, projects will be done on time and we would have a schedule of work needed. Our Facilities Director and his team would be proactive instead of reactive.</i></li> <li>• How much?</li> <li>• How well?</li> </ul>

Achievable	<ul style="list-style-type: none"> <li>• Is the goal doable? <i>Yes, we have no option.</i></li> <li>• Do we have the necessary skills and resources? <i>Yes, we have already completed a list of needs and we can partner with engineers, architects and mechanical engineers. With the support of Chris and his team plus Bill Ford and Central Office staff.</i></li> <li>• If not, can we attain the skills and resources?</li> <li>• What is the motivation for this goal? <i>Taking care of the community assets and taking care of the building environment around our kids and staff.</i></li> </ul>
Relevant	<ul style="list-style-type: none"> <li>• How does the goal align with the broader goals of the school district? It aligns well with our desire to have long term planning and be proactive and not reactive to the needs of our District.</li> <li>• Why is the result important? <i>In order to plan and stay in budget and plan for a future bond vote or best utilization of our buildings.</i></li> <li>• Why are we setting this goal now? We need to take care of our Schools and Central Office. <i>Esser Funds might also be available for construction.</i></li> </ul>
Time-Bound	<ul style="list-style-type: none"> <li>• What is the timeframe for accomplishing the goal? Done by May 2022</li> <li>• How will we know that we are making progress? <i>We will have work done on time and we can review reports from the Facilities Director. We will stop putting fires out and move into being more proactive.</i></li> <li>• Is the deadline realistic? <i>yes</i></li> </ul>
Desired Outcome	<i>Board understanding of the overall Long Term 5 Year Capital plan with a system in place for monitoring by May 2022 plus an understanding of the capital investment needed in our buildings.</i>
Proposed Goal	<i>Board understanding of the overall Long Term 5 Year Capital plan with a system in place for monitoring by May 2022</i>

Specific	<ul style="list-style-type: none"> <li>• What will be accomplished? Updated list of work needed and future capital plans needs spreadsheet. Realistic plan of the needs of the district.</li> <li>• What actions will we take? <i>Partner with the Facilities Director and Finance Committee to present a plan.</i></li> <li>• Who needs to be involved to achieve the goal? <i>School Board, Chris, Susanne, Bill Ford, Jen</i></li> <li>• Why is this a goal? <i>Long Term Planning</i></li> </ul>
Measurable	<ul style="list-style-type: none"> <li>• What data will measure the goal? Completed, On budget, on time per master list. (The cost of doing something vs doing nothing)</li> <li>• What will success look like? Preventative and proactive maintenance vs reactive.</li> <li>• How well? More stability, well coordinated responses to needs. More manageable.</li> </ul>
Achievable	<ul style="list-style-type: none"> <li>• Is the goal doable? <i>Yes</i></li> <li>• Do we have the necessary skills and resources? <i>Yes but we will need some help from experts in the field too.</i></li> <li>• If not, can we attain the skills and resources?</li> <li>• What is the motivation for this goal? <i>We need to know how much money we should be setting aside for capital improvements and to properly maintain and budget.</i> More stability, well coordinated responses to needs. More manageable.</li> <li>• </li> </ul>
Relevant	<ul style="list-style-type: none"> <li>• How does the goal align with the broader goals of the school district? <i>We need to plan and long term we don't have infinite resources we need to be proactive.</i></li> <li>• Why is the result important? For the future of our district and to be responsible with the different towns assets.</li> <li>• Why are we setting this goal now? We have the resources and a Facilities Director. Is long overdue.</li> </ul>

Time-Bound	<ul style="list-style-type: none"> <li>• What is the timeframe for accomplishing the goal? <i>Planning complete by May 2022</i></li> <li>• How will we know that we are making progress? We will have a plan on hand that we can monitor and not just have on a binder. We will have the conversations necessary and our buildings will speak for themselves too.</li> <li>• Is the deadline realistic? <i>For the capital plan it is. It will be revised every year and the work will be ongoing.</i></li> </ul>
Desired Outcome	

[From University of California SMART Goals: A How to Guide](#)

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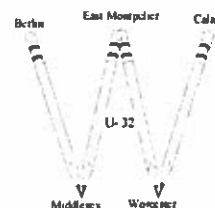
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Jennifer Miller-Arsenault  
Interim Superintendent



**TO: WCUUSD Finance Committee & School Board**  
**FROM: Susanne Gann, WCUUSD Business Administrator**  
**Chris O'Brien, Director of Facilities**  
**RE: Automatic Floor Scrubber Lease for U32**  
**DATE: December 10, 2021**

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**Review:** In November the board moved to authorize the Superintendent to sign a 36-month lease agreement with Hillyard and AllLines Leasing Company for \$971.22/month for 2 Trident ride-on auto scrubbers and 1 Trident walk behind auto scrubber, with the option to purchase the equipment for \$1 at the end of the lease.

**Update:** Staff was informed by Hillyard that our sales person had incorrectly quoted that the lease payment included maintenance costs. The lease company that Hillyard utilizes has also changed from AllLines Leasing to First Western Equipment Finance. For these reasons, we did another comparison of the quotes provided, which are below. Hillyard continues to have the most competitive price for this lease, including maintenance expenses.

Company/Lease Description	Current Year Impact	Long-term Impact
Hillyard/First Western Equipment Finance – 36 month lease \$1,038.19/month plus \$150 one-time document fee	\$6,230	\$37,375
Nitco/Alt Leasing – 48 month lease \$1,165.33 per month	\$6,992	\$55,936
Foley/North Star Leasing – 36 month lease \$1,075/month	\$6,450	\$38,700

**Recommended Board Action:** The board move to authorize the Superintendent to sign a 36-month lease agreement for \$1,038.19/month plus \$150 one-time document fee for 2 Trident ride-on auto scrubbers and 1 Trident walk behind auto scrubber, with the option to purchase the equipment for \$1 at the end of the lease.

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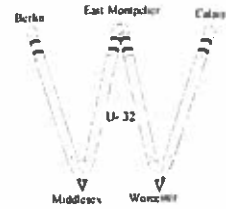
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Jennifer Miller-Arsenault  
Interim Superintendent



**TO: WCUUSD Finance Committee & School Board**  
**FROM: Susanne Gann, WCUUSD Business Administrator**  
**RE: FY 21 Audit Report Review/Approve**  
**DATE: December 10, 2021**

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**Summary:** The FY 21 Audited financial statements for the year ended June 30, 2021 are included in the packet. We have reviewed it, reconciled statements with our internal accounting software and accept the report as a complete and accurate report for the year.

**Recommended Board Action:** The board move to accept the audited financial statements for Washington Central Unified Union School District for the year ended June 30, 2021 from RHR Smith & Company .



Proven Expertise & Integrity

December 10, 2021

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, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 17, 2021. 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. 84, "*Fiduciary Activities*", GASB Statement No. 90, "*Majority Equity Interests*" and GASB Statement No. 93, "*Replacement of Interbank Offered Rates (paragraphs 4-11a)*" in 2021. The student activity fund was determined to no longer be considered a fiduciary activity and is now reported in the nonmajor special revenue funds.

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

3 Old Orchard Road, Buxton, Maine 04093  
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609  
[www.rhrsmith.com](http://www.rhrsmith.com)

- ☐ 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 31, 2021.



*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the 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 November 15, 2021.

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,

*RHR Smith & Company*

RHR Smith & Company, CPAs



*Proven Expertise & Integrity*

November 15, 2021

School Board  
Washington Central Unified Union School District  
1130 Gallison Hill Road  
Montpelier Vermont 05602

### **MANAGEMENT LETTER**

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Washington Central Unified Union School District as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the School District's internal control. We did so to determine our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for expressing our opinion on the effectiveness of the School District's internal control over financial reporting or compliance.

Management is responsible for the selection and use of appropriate accounting policies and procedures. The significant account policies and procedures practiced by the School District are described in Note 1 of Notes to Financial Statements. In performing our test work and other auditing procedures, we noted no transactions of the School District for the above-mentioned year end audited, for which there was a lack of authoritative guidance or consensus or deviation from best practice.

This report is intended solely for the information and use of the School Board, management and others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

These matters do not modify our opinion on the financial statements for the year ended June 30, 2021, where we expressed an unmodified opinion on our independent auditors' report dated December 10, 2021.

We would like to thank Susanne, Lori, Virginia, Matt and all of the staff at the Washington Central Unified Union School District for their cooperation throughout this audit process.

If there are any questions regarding this letter, please do not hesitate to call.

Very Best,

A handwritten signature in black ink that reads "RHR Smith &amp; Company".

RHR Smith & Company, CPAs

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## Federal Compliance Audit

# **Washington Central Unified Union School District**

June 30, 2021



*Proven Expertise & Integrity*

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

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JUNE 30, 2021

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying 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, 2021 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.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Washington Central Unified Union School District as of June 30, 2021 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.

### Other Matters

#### *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 4 through 12 and 70 through 78 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.

#### *Other 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.

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 the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 10, 2021, on our consideration of the Washington Central Unified Union School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the 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 10, 2021

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**(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, 2021. 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 three 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 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 \$3,735,169 from \$24,569,882 to \$28,305,051. For business-type activities, the School District's total net position increased by \$27,697 from \$1,182,786 to \$1,210,483.

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 \$7,150,208. For business-type activities, the balance was \$207,328.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2021</b>	<b>2020 (Restated)</b>	<b>2021</b>	<b>2020</b>
<b>Assets:</b>				
Current Assets	\$ 8,752,507	\$ 7,694,719	\$ 228,834	\$ 270,506
Noncurrent Assets - Capital Assets	31,448,383	29,651,118	1,003,155	940,771
Total Assets	<u>40,200,890</u>	<u>37,345,837</u>	<u>1,231,989</u>	<u>1,211,277</u>
<b>Deferred Outflows of Resources:</b>				
Deferred Outflows Related to Pensions	1,431,282	320,758	-	-
Total Deferred Outflows of Resources	<u>1,431,282</u>	<u>320,758</u>	<u>-</u>	<u>-</u>
<b>Liabilities:</b>				
Current Liabilities	1,275,246	1,489,202	15	22
Noncurrent Liabilities	11,593,549	11,204,208	-	-
Total Liabilities	<u>12,868,795</u>	<u>12,693,410</u>	<u>15</u>	<u>22</u>
<b>Deferred Inflows of Resources:</b>				
Deferred Revenues	453,338	390,963	21,491	28,469
Deferred Inflows Related to Pensions	4,988	12,340	-	-
Total Deferred Inflows of Resources	<u>458,326</u>	<u>403,303</u>	<u>21,491</u>	<u>28,469</u>
<b>Net Position:</b>				
Net Investment in Capital Assets	20,998,603	18,305,425	1,003,155	940,771
Restricted	156,240	5,577	-	-
Unrestricted	7,150,208	6,258,880	207,328	242,015
Total Net Position	<u>\$ 28,305,051</u>	<u>\$ 24,569,882</u>	<u>\$ 1,210,483</u>	<u>\$ 1,182,786</u>

### Revenues and Expenses

Revenues for the School District's governmental activities increased by 52.37%, while total expenses increased by 53.93%. The increase in revenues was primarily due to increases in operating grants and contributions from on-behalf payments. The largest increase in expenses was in state on-behalf payments.

Revenues for the School District's business-type activities decreased by 11.01% while total expenses decreased by 9.65%.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Revenues</b>				
<i>Program Revenues:</i>				
Charges for services	\$ 999,433	\$ 1,081,930	\$ 254,286	\$ 569,821
Operating grants and contributions	23,760,675	5,129,964	937,555	779,769
<i>General Revenues:</i>				
Grants and contributions not restricted to specific programs	35,252,488	32,333,546	-	-
Miscellaneous	1,934,983	2,110,103	42,251	37,182
Total revenues	<u>61,947,579</u>	<u>40,655,543</u>	<u>1,234,092</u>	<u>1,386,772</u>
<b>Expenses</b>				
Direct services	18,045,742	18,137,169	-	-
Support services:				
Instructional staff services	5,214,972	4,123,471	-	-
General administrative services	943,553	736,467	-	-
Area administrative services	2,486,206	2,299,148	-	-
Fiscal services	804,678	822,304	-	-
Operations and maintenance	2,716,119	2,503,023	-	-
Transportation	1,613,296	1,440,043	-	-
On-behalf payments	21,066,311	3,887,832	-	-
Program expenses	3,541,498	2,237,288	1,247,330	1,380,594
Interest on long-term debt	306,516	319,509	-	-
Unallocated depreciation	1,432,584	1,283,498	-	-
Total expenses	<u>58,171,475</u>	<u>37,789,752</u>	<u>1,247,330</u>	<u>1,380,594</u>
Excess (deficiency) of revenues over (under) expenses	<u>3,776,104</u>	<u>2,865,791</u>	<u>(13,238)</u>	<u>6,178</u>
Special and extraordinary items:				
Transfers	(40,935)	(110,002)	40,935	110,002
Equity transfer	-	21,814,093	-	1,066,606
Total special and extraordinary items	<u>(40,935)</u>	<u>21,704,091</u>	<u>40,935</u>	<u>1,176,608</u>
Change in Net Position	3,735,169	24,569,882	27,697	1,182,786
Net Position - July 1	<u>24,569,882</u>	<u>-</u>	<u>1,182,786</u>	<u>-</u>
Net Position - June 30	<u>\$ 28,305,051</u>	<u>\$ 24,569,882</u>	<u>\$ 1,210,483</u>	<u>\$ 1,182,786</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, 2021**

	<u>2021</u>	<u>2020</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General Fund:			
Nonspendable	\$ -	\$ 1,209	\$ (1,209)
Assigned	2,483,345	3,176,243	(692,898)
Unassigned	850,242	-	850,242
Total General Fund	<u>\$ 3,333,587</u>	<u>\$ 3,177,452</u>	<u>\$ 156,135</u>
Construction Fund:			
Committed	\$ 3,817,378	\$ 2,573,393	\$ 1,243,985
Total Construction Fund	<u>\$ 3,817,378</u>	<u>\$ 2,573,393</u>	<u>\$ 1,243,985</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 150,467	\$ 128,026	\$ 22,441
Permanent Funds:			
Restricted	5,773	5,577	196
Total Nonmajor Funds	<u>\$ 156,240</u>	<u>\$ 133,603</u>	<u>\$ 22,637</u>

The changes in the general fund, construction 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 exceeded budgeted revenues by \$1,542,681. This was mainly a result of intergovernmental - state revenues.

The general fund actual expenditures exceeded budget by \$1,386,546. This was the result of all expense categories exceeding budget with the exception of direct services, transportation and debt service - interest.

## Capital Asset and Long-Term Debt Activity

### Capital Assets

As of June 30, 2021, 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 \$3,361,730 less current year disposals of \$12,892 and current year depreciation expense of \$1,489,189.

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

	<b>2021</b>	<b>2020</b> <b>(Restated)</b>
Land	\$ 6,000	\$ 6,000
Construction in progress	215,675	130,406
Land improvements	2,218,789	1,326,205
Buildings and improvements	27,799,522	27,094,350
Infrastructure	482,260	496,495
Furniture, equipment and software	1,657,668	1,466,531
Vehicles	71,624	71,902
Total	<u>\$ 32,451,538</u>	<u>\$ 30,591,889</u>

### Debt

At June 30, 2021, the School District had \$10,449,780 in bonds and notes from direct borrowings payable versus \$11,345,693 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 outbreak of COVID-19 has been declared a pandemic and led to a national state of emergency in the United States. Refer to Note 1 of Notes to Financial Statements for more detailed information.

At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the School District. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the School District.

The School District has noted a subsequent event as a currently known fact. Refer to Note 23 of Notes to Financial Statements for more detailed information.

### **Economic Factors and Next Year's Budgets and Rates**

The 2021 - 2022 budget could be severely impacted by the reduction of funding from the State.

### **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, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8,255,006	\$ 10,379	\$ 8,265,385
Accounts receivable (net of allowance for uncollectible	5,169	9,442	14,611
Due from other governments	610,127	40,791	650,918
Inventory	-	28,527	28,527
Prepaid items	-	21,900	21,900
Internal balances	(117,795)	117,795	-
Total current assets	<u>8,752,507</u>	<u>228,834</u>	<u>8,981,341</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	221,675	-	221,675
Land iprovements, buildings, building improvements			
and other assets net of accumulated depreciation	<u>31,226,708</u>	<u>1,003,155</u>	<u>32,229,863</u>
Total noncurrent assets	<u>31,448,383</u>	<u>1,003,155</u>	<u>32,451,538</u>
TOTAL ASSETS	<u>40,200,890</u>	<u>1,231,989</u>	<u>41,432,879</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>1,431,282</u>	-	<u>1,431,282</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,431,282</u>	-	<u>1,431,282</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 41,632,172</u>	<u>\$ 1,231,989</u>	<u>\$ 42,864,161</u>

STATEMENT A (CONTINUED)

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF NET POSITION  
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 33,674	\$ 15	\$ 33,689
Accrued expenses	123,539	-	123,539
Due to other governments	82,276	-	82,276
Current portion of long-term obligations	1,035,757	-	1,035,757
Total current liabilities	<u>1,275,246</u>	<u>15</u>	<u>1,275,261</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	9,437,177	-	9,437,177
Notes from direct borrowings payable	116,467	-	116,467
Accrued compensated absences	87,545	-	87,545
Retirement incentive	269,427	-	269,427
Net pension liability	1,682,933	-	1,682,933
Total noncurrent liabilities	<u>11,593,549</u>	<u>-</u>	<u>11,593,549</u>
TOTAL LIABILITIES	<u>12,868,795</u>	<u>15</u>	<u>12,868,810</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	453,338	21,491	474,829
Deferred inflows related to pensions	4,988	-	4,988
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>458,326</u>	<u>21,491</u>	<u>479,817</u>
NET POSITION			
Net investment in capital assets	20,998,603	1,003,155	22,001,758
Restricted: Nonmajor special revenue fund	150,467	-	150,467
Nonmajor permanent fund	5,773	-	5,773
Unrestricted	7,150,208	207,328	7,357,536
TOTAL NET POSITION	<u>28,305,051</u>	<u>1,210,483</u>	<u>29,515,534</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 41,632,172</u>	<u>\$ 1,231,989</u>	<u>\$ 42,864,161</u>

See accompanying independent auditors' report and notes to financial statements.

## WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

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	\$ 18,045,742	\$ 999,433	\$ -	\$ -	\$ (17,046,309)	\$ -	\$ (17,046,309)
Support services:							
Instructional staff services	5,214,972	-	-	-	(5,214,972)	-	(5,214,972)
General administrative services	943,553	-	-	-	(943,553)	-	(943,553)
Area administrative services	2,486,206	-	-	-	(2,486,206)	-	(2,486,206)
Fiscal services	804,678	-	-	-	(804,678)	-	(804,678)
Operations and maintenance	2,716,119	-	-	-	(2,716,119)	-	(2,716,119)
Transportation	1,613,296	-	-	-	(1,613,296)	-	(1,613,296)
Program expenses	3,541,498	-	2,694,364	-	(847,134)	-	(847,134)
On-behalf payments	21,066,311	-	21,066,311	-	-	-	-
Interest on long-term debt	306,516	-	-	-	(306,516)	-	(306,516)
Unallocated depreciation (Note 5)*	1,432,584	-	-	-	(1,432,584)	-	(1,432,584)
Total governmental activities	58,171,475	999,433	23,760,675	-	(33,411,367)	-	(33,411,367)
Business-type activities:							
Child care	305,164	219,698	88,555	-	-	3,089	3,089
Food service	942,166	34,588	849,000	-	-	(58,578)	(58,578)
Total business-type activities	1,247,330	254,286	937,555	-	-	(55,489)	(55,489)
Total government	\$ 59,418,805	\$ 1,253,719	\$ 24,698,230	\$ -	(33,411,367)	(55,489)	(33,466,856)

\*This amount excludes the depreciation that is included in the direct expenses of the various programs.

STATEMENT B (CONTINUED)

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense) revenue	<u>(33,411,367)</u>	<u>(55,489)</u>	<u>(33,466,856)</u>
General revenues:			
Grants and contributions not restricted to specific programs	35,252,488	-	35,252,488
Miscellaneous	<u>1,934,983</u>	<u>42,251</u>	<u>1,977,234</u>
Total general revenues	<u>37,187,471</u>	<u>42,251</u>	<u>37,229,722</u>
Transfers	<u>(40,935)</u>	<u>40,935</u>	<u>-</u>
Change in net position	3,735,169	27,697	3,762,866
NET POSITION - JULY 1, RESTATED	<u>24,569,882</u>	<u>1,182,786</u>	<u>25,752,668</u>
NET POSITION - JUNE 30	<u>\$ 28,305,051</u>	<u>\$ 1,210,483</u>	<u>\$ 29,515,534</u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT C

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2021

	General Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,814,266	\$ 3,817,378	\$ -	\$ 7,631,644
Accounts receivable (net of allowance for uncollectibles)	5,169	-	-	5,169
Due from other governments	479,559	-	130,568	610,127
Due from other funds	54,139	-	490,627	544,766
<b>TOTAL ASSETS</b>	<b>\$ 4,353,133</b>	<b>\$ 3,817,378</b>	<b>\$ 621,195</b>	<b>\$ 8,791,706</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 33,674	\$ -	\$ -	\$ 33,674
Accrued expenses	123,539	-	-	123,539
Due to other governments	82,276	-	-	82,276
Due to other funds	737,535	-	54,139	791,674
<b>TOTAL LIABILITIES</b>	<b>977,024</b>	<b>-</b>	<b>54,139</b>	<b>1,031,163</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	42,522	-	410,816	453,338
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>42,522</b>	<b>-</b>	<b>410,816</b>	<b>453,338</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	156,240	156,240
Committed	-	3,817,378	-	3,817,378
Assigned	2,483,345	-	-	2,483,345
Unassigned	850,242	-	-	850,242
<b>TOTAL FUND BALANCES</b>	<b>3,333,587</b>	<b>3,817,378</b>	<b>156,240</b>	<b>7,307,205</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 4,353,133</b>	<b>\$ 3,817,378</b>	<b>\$ 621,195</b>	<b>\$ 8,791,706</b>

See accompanying independent auditors' 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, 2021

	Total Governmental Funds
Total Fund Balances	\$ 7,307,205
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	31,448,383
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	1,431,282
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	(10,325,551)
Notes from direct borrowings payable	(124,229)
Accrued compensated absences	(92,153)
Retirement incentive	(404,440)
Net pension liability	(1,682,933)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(4,988)
Internal service fund net position is added to governmental activities	<u>752,475</u>
Net position of governmental activities	<u>\$ 28,305,051</u>

See accompanying independent auditors' 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, 2021

	General Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Intergovernmental revenues	\$ 37,944,349	\$ -	\$ 2,694,364	\$ 40,638,713
Charges for services	999,433	-	-	999,433
Interest income	267,254	16,610	196	284,060
Miscellaneous revenues	215,153	29,394	100,849	345,396
TOTAL REVENUES	<u>39,426,189</u>	<u>46,004</u>	<u>2,795,409</u>	<u>42,267,602</u>
EXPENDITURES				
Current:				
Direct services	17,742,577	-	-	17,742,577
Support services:				
Instructional staff services	5,214,972	-	-	5,214,972
General administrative services	943,553	-	-	943,553
Area administrative services	2,486,206	-	-	2,486,206
Fiscal services	804,678	-	-	804,678
Operations and maintenance	2,716,119	-	-	2,716,119
Construction services	815,699	-	-	815,699
Transportation	1,613,296	-	-	1,613,296
On-behalf payments	2,691,861	-	-	2,691,861
Program expenses	-	-	2,771,837	2,771,837
Debt service:				
Principal	926,910	-	-	926,910
Interest	306,516	-	-	306,516
Capital outlay	-	2,008,541	-	2,008,541
TOTAL EXPENDITURES	<u>36,262,387</u>	<u>2,008,541</u>	<u>2,771,837</u>	<u>41,042,765</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,163,802</u>	<u>(1,962,537)</u>	<u>23,572</u>	<u>1,224,837</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	238,855	3,206,522	344,490	3,789,867
Transfers (out)	(3,246,522)	-	(345,425)	(3,591,947)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,007,667)</u>	<u>3,206,522</u>	<u>(935)</u>	<u>197,920</u>
NET CHANGE IN FUND BALANCES	156,135	1,243,985	22,637	1,422,757
FUND BALANCES - JULY 1, RESTATED	<u>3,177,452</u>	<u>2,573,393</u>	<u>133,603</u>	<u>5,884,448</u>
FUND BALANCES - JUNE 30	<u>\$ 3,333,587</u>	<u>\$ 3,817,378</u>	<u>\$ 156,240</u>	<u>\$ 7,307,205</u>

See accompanying independent auditors' 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, 2021

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 1,422,757</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	2,925,060
Capital asset disposals	(12,892)
Depreciation expense	<u>(1,432,555)</u>
	<u>1,479,613</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>1,110,524</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>895,913</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>7,352</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	(10,954)
Retirement incentive	(404,440)
Net pension liability	<u>(1,005,647)</u>
	<u>(1,421,041)</u>
Internal service fund activity is classified as a governmental activity in the Statement of Activities	
	<u>(77,601)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 3,417,517</u>

See accompanying independent auditors' report and notes to financial statements.

## WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
JUNE 30, 2021

	Enterprise Funds			Internal Service Funds		
	Child Care	Food Service	Total	Dental Plan	HRA Plan	Total
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 8,474	\$ 1,905	\$ 10,379	\$ -	\$ 623,362	\$ 623,362
Accounts receivable (net of allowance for uncollectibles)	-	9,442	9,442	-	-	-
Due from other governments	-	40,791	40,791	-	-	-
Inventory	-	28,527	28,527	-	-	-
Prepaid items	-	21,900	21,900	-	-	-
Due from other funds	72,359	45,436	117,795	107,213	21,900	129,113
Total current assets	80,833	148,001	228,834	107,213	645,262	752,475
Noncurrent assets:						
Capital assets:						
Building improvements	-	1,236,283	1,236,283	-	-	-
Equipment	-	561,367	561,367	-	-	-
Vehicles	-	18,689		-	-	-
Less: accumulated depreciation	-	(813,184)	(813,184)	-	-	-
Total noncurrent assets	-	1,003,155	1,003,155	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 80,833</b>	<b>\$ 1,151,156</b>	<b>\$ 1,231,989</b>	<b>\$ 107,213</b>	<b>\$ 645,262</b>	<b>\$ 752,475</b>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ -	\$ 15	\$ 15	\$ -	\$ -	\$ -
Total current liabilities	-	15	15	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>15</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred revenue	-	21,491	21,491	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>21,491</b>	<b>21,491</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>						
Net investment in capital assets	-	1,003,155	1,003,155	-	-	-
Unrestricted	80,833	126,495	207,328	107,213	645,262	752,475
<b>TOTAL NET POSITION</b>	<b>80,833</b>	<b>1,129,650</b>	<b>1,210,483</b>	<b>107,213</b>	<b>645,262</b>	<b>752,475</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 80,833</b>	<b>\$ 1,151,156</b>	<b>\$ 1,231,989</b>	<b>\$ 107,213</b>	<b>\$ 645,262</b>	<b>\$ 752,475</b>

See accompanying independent auditors' 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, 2021

	Enterprise Funds			Internal Service Funds		
	Child Care	Food Service	Total	Dental Plan	HRA Plan	Total
OPERATING REVENUES						
Intergovernmental	\$ 88,555	\$ 849,000	\$ 937,555	\$ -	\$ -	\$ -
Charges for services	219,698	34,588	254,286	-	-	-
Miscellaneous	9,936	32,315	42,251	278,238	1,017,253	1,295,491
TOTAL OPERATING REVENUES	318,189	915,903	1,234,092	278,238	1,017,253	1,295,491
OPERATING EXPENSES						
Salaries	245,195	431,480	676,675	-	-	-
Benefits	51,454	194,515	245,969	-	-	-
Professional services	327	5,290	5,617	238,183	902,054	1,140,237
Repairs	-	11,024	11,024	-	-	-
Supplies and food	3,645	234,140	237,785	1,100	1,100	2,200
Depreciation	-	56,605	56,605	-	-	-
Other	4,543	9,112	13,655	1,836	-	1,836
TOTAL OPERATING EXPENSES	305,164	942,166	1,247,330	241,119	903,154	1,144,273
OPERATING INCOME (LOSS)	13,025	(26,263)	(13,238)	37,119	114,099	151,218
NONOPERATING REVENUES (EXPENSES)						
Interest Income	-	-	-	3,300	6,736	10,036
Transfers in	40,000	935	40,935	-	-	-
Transfers (out)	-	-	-	(164,599)	(74,256)	(238,855)
TOTAL NONOPERATING REVENUES (EXPENSES)	40,000	935	40,935	(161,299)	(67,520)	(228,819)
CHANGES IN NET POSITION	53,025	(25,328)	27,697	(124,180)	46,579	(77,601)
NET POSITION - JULY 1	27,808	1,154,978	1,182,786	231,393	598,683	830,076
NET POSITION - JUNE 30	\$ 80,833	\$ 1,129,650	\$ 1,210,483	\$ 107,213	\$ 645,262	\$ 752,475

See accompanying independent auditors' report and notes to financial statements.

## WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	Enterprise Funds			Internal Service Funds		
	Child Care	Food Service	Total	Dental Plan	HRA Plan	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 229,634	\$ 64,497	\$ 294,131	\$ 278,238	\$ 1,017,253	\$ 1,295,491
Intergovernmental receipts	88,555	1,107,910	1,196,465	-	-	-
Internal activity - receipts (payments) from/to other funds	(44,551)	(169,512)	(214,063)	124,180	(19)	124,161
Payments to employees	(296,649)	(625,995)	(922,644)	-	-	-
Payments to suppliers	(8,515)	(257,824)	(266,339)	(241,119)	(903,154)	(1,144,273)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(31,526)	119,076	87,550	161,299	114,080	275,379
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest income	-	-	-	3,300	6,736	10,036
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	-	-	3,300	6,736	10,036
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES						
Purchases of capital assets	-	(118,989)	(118,989)	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	-	(118,989)	(118,989)	-	-	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in (out)	40,000	935	40,935	(164,599)	(74,256)	(238,855)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	40,000	935	40,935	(164,599)	(74,256)	(238,855)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,474	1,022	9,496	-	46,560	46,560
CASH AND CASH EQUIVALENTS - JULY 1	-	883	883	-	576,802	576,802
CASH AND CASH EQUIVALENTS - JUNE 30	\$ 8,474	\$ 1,905	\$ 10,379	\$ -	\$ 623,362	\$ 623,362
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ 13,025	\$ (26,263)	\$ (13,238)	\$ 37,119	\$ 114,099	\$ 151,218
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	-	56,605	56,605	-	-	-
Changes in operating assets and liabilities:						
(Increase) decrease in accounts receivable	-	(2,406)	(2,406)	-	-	-
(Increase) decrease in due from other governments	-	265,888	265,888	-	-	-
(Increase) decrease in inventory	-	1,749	1,749	-	-	-
(Increase) decrease in due from other funds	(44,551)	(45,436)	(89,987)	124,180	(19)	124,161
(Decrease) increase in accounts payable	-	(7)	(7)	-	-	-
(Decrease) increase in due to other funds	-	(124,076)	(124,076)	-	-	-
(Decrease) increase in deferred revenue	-	(6,978)	(6,978)	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (31,526)	\$ 119,076	\$ 87,550	\$ 161,299	\$ 114,080	\$ 275,379

See accompanying independent auditors' report and notes to financial statements.

## WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
JUNE 30, 2021

	Private-Purpose Trust Funds <u>Total</u>
ASSETS	
Due from other governments	<u>\$          82,276</u>
TOTAL ASSETS	<u>\$          82,276</u>
LIABILITIES	
Accounts payable	<u>\$                  -</u>
TOTAL LIABILITIES	<u>\$                  -</u>
NET POSITION	
Restricted - held in trust	<u>\$          82,276</u>
TOTAL NET POSITION	<u>\$          82,276</u>

See accompanying independent auditors' 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, 2021

	Private-Purpose Trust Funds <u>Total</u>
ADDITIONS	
Revenues:	
Miscellaneous	\$ 1,050
Total contributions	<u>1,050</u>
Investment earnings:	
Income earned	<u>2,487</u>
Total investment earnings, net	<u>2,487</u>
Total additions	<u>3,537</u>
DEDUCTIONS	
Supplies	471
Miscellaneous	<u>3,799</u>
Total deductions	<u>4,270</u>
CHANGE IN NET POSITION	(733)
NET POSITION - JULY 1	<u>83,009</u>
NET POSITION - JUNE 30	<u>\$ 82,276</u>

See accompanying independent auditors' report and notes to financial statements.



WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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.

**COVID-19 Outbreak**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization and led to a national state of emergency in the United States. The State of Maine, along with other state and local governments, declared states of emergency and issued multiple public health emergency orders that severely restrict movement and limit businesses and activities to essential functions. These actions and effects of COVID-19 have disrupted economic activity at all levels and impacted the processes and procedures for almost all businesses, including municipal and quasi-municipal entities.

In response to the health crisis created by COVID-19 since early March, the Governor of Vermont issued multiple executive orders and declarations to protect the public health in an effort to reduce community spread of the virus and protect citizens. These measures have included, among others, closing or restricting access to certain business and activities, issuing a "stay at home" directive for most citizens, restricting nonessential travel and limiting movement of all persons in Vermont to those necessary to obtain or provide essential services or activities. See Executive Order 01-20 and its addendums. The state of emergency expired on June 15, 2021.

***Impact on and Results of Operations***

In accordance with Executive Order 1, issued by the Governor of Vermont on July 29, 2020, all public schools were opened for in person or remote classroom instruction on, but not prior to, September 8, 2020. The District chose to use various electronic

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

platforms of remote learning to comply with the Governor's order to support the continuity of learning.

*Impact on Finances*

The District does not currently anticipate any additional FY 2021 expenditures due to COVID-19 that would not be covered by existing resources including authorized Coronavirus, Aid, Relief and Economic Security ("CARES") Act, American Rescue Plan Act ("ARPA") funding and applicable Federal and/or State programs.

*Expected Federal/State Support*

The District may have to take action to meet certain requirements to receive any additional Federal or State funding for budgetary or economic relief related to the challenges presented by COVID-19. However, the District expects that if those actions are necessary, that the District would qualify and satisfy the various conditions required to receive applicable Federal or State funds.

*Conclusion*

The ongoing effects of COVID-19, including the financial impact to the District, may change significantly as events and circumstances evolve locally, nationally and worldwide. At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the District. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the District.

**Implementation of New Accounting Standards**

During the year ended June 30, 2021, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 84 "Fiduciary Activities". This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2)

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

investment trust funds, (3) private-purpose trust funds and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval or condition is required to be taken or met by the beneficiary to release the assets. Management reclassified the student activity accounts from fiduciary funds to special revenue funds.

Statement No. 90 "Majority Equity Interests". This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. 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.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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.

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.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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 includes bond proceeds and interfund transfers.

Nonmajor Funds:

- c. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- d. 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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Revenues per budgetary basis	\$ 36,973,183
Add: On-behalf payments	<u>2,691,861</u>
Total GAAP basis	<u>\$ 39,665,044</u>
Expenditures per budgetary basis	\$ 36,817,048
Add: On-behalf basis	<u>2,691,861</u>
Total GAAP basis	<u>\$ 39,508,909</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.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 deposits and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- 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, 2021. Accounts receivable netted with allowances for uncollectible accounts were \$665,529 for the year ended June 30, 2021.



WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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.

**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.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

**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.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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.

**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.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2021, the School District's cash balance of \$8,265,385 was comprised of bank deposits of \$9,239,009. 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 \$8,989,009 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	\$ 105,178
Repurchase agreement	9,133,831
	<u>\$ 9,239,009</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.

At June 30, 2021, 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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2021 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General fund	\$ 54,139	\$ 737,535
Enterprise funds	117,795	-
Internal service fund	129,113	-
Nonmajor special revenue funds	484,854	54,139
Nonmajor permanent funds	5,773	-
	<u>\$ 791,674</u>	<u>\$ 791,674</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.

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2021 consisted of the following:

	Transfers From	Transfers To
General fund	\$ 3,246,522	\$ 238,855
Construction fund	-	3,206,522
Enterprise funds	-	40,935
Internal service funds	238,855	-
Nonmajor special revenue funds	345,425	344,490
	<u>\$ 3,830,802</u>	<u>\$ 3,830,802</u>

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2021:

	Balance, 7/1/20 (Restated)	Additions	Disposals	Balance 6/30/21
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Construction in progress	130,406	191,918	(106,649)	215,675
	<u>136,406</u>	<u>191,918</u>	<u>(106,649)</u>	<u>221,675</u>
Depreciated assets:				
Land improvements	1,929,046	995,463	-	2,924,509
Buildings and improvements	47,434,392	1,616,585	-	49,050,977
Infrastructure	587,043	-	-	587,043
Furniture, equipment and software	3,056,107	545,424	(186,331)	3,415,200
Vehicles	234,226	-	-	234,226
	<u>53,240,814</u>	<u>3,157,472</u>	<u>(186,331)</u>	<u>56,211,955</u>
Less: accumulated depreciation	<u>(23,726,102)</u>	<u>(1,432,584)</u>	<u>173,439</u>	<u>(24,985,247)</u>
	<u>29,514,712</u>	<u>1,724,888</u>	<u>(12,892)</u>	<u>31,226,708</u>
Net governmental capital assets	<u>\$ 29,651,118</u>	<u>\$ 1,916,806</u>	<u>\$ (119,541)</u>	<u>\$ 31,448,383</u>
<u>Business-type activities:</u>				
Depreciated assets:				
Buildings and improvements	\$ 1,162,501	\$ 73,782	\$ -	\$ 1,236,283
Furniture, equipment and software	534,849	26,518	-	561,367
Vehicles	-	18,689	-	18,689
	<u>1,697,350</u>	<u>118,989</u>	<u>-</u>	<u>1,816,339</u>
Less: accumulated depreciation	<u>(756,579)</u>	<u>(56,605)</u>	<u>-</u>	<u>(813,184)</u>
Net business-type capital assets	<u>\$ 940,771</u>	<u>\$ 62,384</u>	<u>\$ -</u>	<u>\$ 1,003,155</u>
<u>Current year depreciation:</u>				
Direct services				\$ 1,432,584
Total governmental activities depreciation				<u>1,432,584</u>
Business-type activities - food service				56,605
Total depreciation expense				<u>\$ 1,489,189</u>

NOTE 6 - SHORT TERM DEBT

On July 1, 2020 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 \$9,959,282 with interest at 2.10% per annum and will mature on June 30, 2021. The note was paid in full by June 30, 2021 and interest expense for the note was \$208,284.



WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 6 - SHORT TERM DEBT (CONTINUED)

	Balance, 7/1/20	Additions	Reductions	Balance, 6/30/21
Tax/revenue anticipation note	\$ -	\$ 9,959,282	\$ (9,959,282)	\$ -

NOTE 7 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2021:

	Balance, 7/1/20	Additions	Deletions	Balance, 6/30/21	Current Year Portion
Bonds payable	\$ 11,213,926	\$ -	\$ (888,375)	\$ 10,325,551	\$ 888,374
Notes from direct borrowings payable	131,767	-	(7,538)	124,229	7,762
	<u>\$ 11,345,693</u>	<u>\$ -</u>	<u>\$ (895,913)</u>	<u>\$ 10,449,780</u>	<u>\$ 896,136</u>

The following is a summary of the bonds payable as of June 30, 2021:

\$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.	2,397,980
\$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.	4,822,571
\$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.	2,450,000
\$1,860,000, Vermont Municipal Bond Bank Refunding Bond 2010 Series 4, due in principal installments of \$155,000 through December 2021. Fixed interest rate of 4.683% payable semi-annually through December 2021, with savings allocations ranging from \$11,783 to \$47,810 rebated through November 2018. The proceeds from the bond were used for school building improvements.	<u>155,000</u>
Total bonds payable	<u>\$ 10,325,551</u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of the notes from direct borrowings payable as of June 30, 2021:

\$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.	\$ 47,568
\$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.	1,004
\$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.	38,546
\$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.	<u>37,111</u>
Total notes from direct borrowings payable	<u>\$ 124,229</u>
Total bonds and notes payable	<u>\$ 10,449,780</u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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	
2022	888,374	292,296	7,762	2,985	\$ 1,191,417
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
2027-2031	4,166,869	661,882	47,772	7,914	4,884,437
2032-2036	2,186,940	160,739	31,575	2,548	2,381,802
2037-2041	149,874	4,494	3,673	110	158,151
	<u>\$ 10,325,551</u>	<u>\$ 2,056,053</u>	<u>\$ 124,229</u>	<u>\$ 23,635</u>	<u>\$ 12,529,468</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, 2021 is as follows:

	Balance, 7/1/20	Additions	Deletions	Balance, 6/30/21	Current Year Portion
Accrued compensated absences	\$ 81,199	\$ 10,954	\$ -	\$ 92,153	\$ 4,608
Retirement incentive	-	404,440	-	404,440	135,013
Net pension liability	677,286	1,180,804	(175,157)	1,682,933	-
Total	<u>\$ 758,485</u>	<u>\$ 1,596,198</u>	<u>\$ (175,157)</u>	<u>\$ 2,179,526</u>	<u>\$ 139,621</u>

Please see Notes 9, 10 and 16 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, 2021

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, 2021, the School District's liability for compensated absences is \$92,153.

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, 2021. 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, 2021, the School District's liability for the retirement incentive is \$92,153.

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 May 27, 2016. The lease term is for 60 months ending in May of 2021. The lease was extended in 2021 for 12 months and now expires in May of 2022. Monthly payments are \$133.	\$ 1,466
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.	1,240
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>8,051</u>
	<u>\$ 10,757</u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 11 - OPERATING LEASES (CONTINUED)

Future minimum lease payments at June 30, 2021, are as follows:

Year Ending June 30:	
2022	\$ 3,702
2023	2,236
2024	2,036
2025	1,757
2026	1,026
Total lease payments	<u>\$ 10,757</u>

NOTE 12 - RESTRICTED NET POSITION AND RESTRICTED FUND BALANCE

At June 30, 2021, the School District had the following restricted net position and restricted fund balance:

Nonmajor special revenue fund:	
Student activities	\$ 150,467
Nonmajor permanent fund:	
Music - Bellemeur fund	5,773
	<u>\$ 156,240</u>

NOTE 13 - COMMITTED FUND BALANCE

At June 30, 2021, the School District had the following committed fund balance:

Construction fund	<u>\$ 3,817,378</u>
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NOTE 14 - ASSIGNED FUND BALANCE

At June 30, 2021, 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	491,638
Reserved for COVID 19	190,004
Reserved for equity services	79,184
Reserved for paraeducators	105,981
Reserved for student transportation	241,000
Reserved for targeted fund balance	708,610
	<u>\$ 2,483,345</u>

# WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

### NOTE 15 - FINANCIAL INFORMATION

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

### NOTE 16 - 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, 2019 (the most recent period available), the retirement system consisted of 22,951 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.

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 Comprehensive Annual 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 \(vermont.gov\)](https://www.vermont.gov/finance/annual-report).

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

**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:

<b>VSTRS</b>	<b>Group A</b>	<b>Group C – Group # 1</b>	<b>Group C – Group # 2</b>
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% for each year prior to age 62	Actuarial reduction

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

<b>VSTRS</b>	<b>Group A</b>	<b>Group C – Group # 1</b>	<b>Group C – Group # 2</b>
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

**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 19.00% of total payroll for employees covered under the plan.

Employee contribution rates by plan group follow:

<b>VSTRS</b>	<b>Group A</b>	<b>Group C – Group # 1</b>	<b>Group C - Group # 2</b>
Employee Contributions	5.5% of gross salary; contributions stop after 25 years of creditable service	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	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 \$765,849 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 \$14,167,688 for the year ended June 30, 2021. 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



WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

reimbursed to the State by the Supervisory Union for the fiscal year ending June 30, 2021 were \$441,186. The Supervisory Union's total payroll for all federally funded employees covered under this plan was \$2,322,033 for the year ended June 30, 2021.

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 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, 2019 (the most recent data available), the retirement system consisted of 14,755 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 Comprehensive Annual

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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 \(vermont.gov\)](#).

**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
- 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:

<b>VMERS</b>	<b>Group A</b>	<b>Group B</b>	<b>Group C</b>	<b>Group D</b>
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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

<b>VMERS</b>	<b>Group A</b>	<b>Group B</b>	<b>Group C</b>	<b>Group D</b>
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
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, 2020 are as follows:

<b>VMERS</b>	<b>Group A</b>	<b>Group B</b>	<b>Group C</b>	<b>Group D</b>
Employee Contributions	3.000% of gross salary	5.375% of gross salary	10.500% of gross salary	11.850% of gross salary
Employer Contributions	4.500% of gross salary	6.000% of gross salary	7.750% of gross salary	10.350% of gross salary

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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, 2021 totaled \$155,542. The School District contributed \$175,157 for the year ended June 30, 2021. The School District's total payroll for the year ended June 30, 2021 for all employees covered under this plan was \$2,952,439.

**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. 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, 2021. The State's portion of the collective net pension liability that was associated with the School District was as follows:

Union's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Union		<u>35,379,511</u>
Total	\$	<u>35,379,511</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, 2020, 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, 2020, the School District's proportion was 1.81328% which was a decrease of 0.03684% from its proportion measured as of June 30, 2019.

*VMERS Plan*

At June 30, 2021, the School District reported a liability of \$1,682,933 for its proportionate share of the net pension liabilities for each plan. The net pension liabilities were measured as of June 30, 2020 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of June 30, 2019. The

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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, 2020, the School District's proportion was 0.27586% for VMERS, which was an increase of 0.27586% from its proportion measured as of June 30, 2019 for VMERS.

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

For the year ended June 30, 2021, the School District recognized total pension expense of \$11,814,104 and revenue of \$11,814,104 for support provided by the State of Vermont for the VSTRS plan. In the same period, the School District recognized pension revenue of \$112,229 for the VMERS plan. At June 30, 2021, 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	\$ -	\$ -	\$ 151,567	\$ 4,988
Changes of assumptions	-	-	225,628	-
Net difference between projected and actual earnings on pension plan investments	-	-	160,958	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	717,972	-
Contributions subsequent to the measurement date	-	-	175,157	-
Total	\$ -	\$ -	\$ 1,431,282	\$ 4,988

\$175,157 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	VSTRS	VMERS
Plan year ended June 30:		
2021	\$ -	\$ 328,917
2022	-	335,237
2023	-	312,733
2024	-	274,250
2025	-	-
Thereafter	-	-

**Significant Actuarial Assumptions and Methods**

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using the actuarial assumptions outlined below.

*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 used 98% of RP-2006 White Collar Employee Table with generational projection using scale SSA-2017, 98% of RP-2006 White Collar Annuitant Table with generational projection using scale SSA-2017 for healthy and RP-2006 Disabled Mortality Table with generational projection using scale SSA-2017 for disabled post-retirement.

Mortality rates for pre-retirement, healthy retirees and disabled retirees in the VMERS plan for Groups A, B, C and D were based on variations of RP-2006 Tables with generational improvement using Scale SSA-2017 as follows:

Pre-retirement - Groups A, B and C, 98% of RP-2006 tables, blended with a 60% Blue Collar Employee and 40% Healthy Employee and Group D with 100 % of RP-2006 Blue Collar Employee

Healthy Retiree - Groups A, B and C with 98% of RP-2006 tables, blended with a 60% Blue Collar Annuitant and 40% Healthy Annuitant and Group D with a Blue Collar Annuitant Table

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Disabled Retiree - All Groups with a RP-2006 Disabled Mortality Table

*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, 2020 and January 1, 2021 COLAs are 1.60% and 0.00%, respectively, for Group A and 1.00% and 1.00%, 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 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, 2020 and January 1, 2021 COLAs are 0.80% and 0.40%, respectively, for all groups.

*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.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	29.00%	7.07%
US Equity - Large Cap	4.00%	6.19%
US Equity - Small/Mid Cap	3.00%	6.93%
Non-US Equity - Large Cap	5.00%	7.01%
Non-US Equity - Small Cap	2.00%	7.66%
Emerging Markets Debt	4.00%	3.66%
Core Bonds	20.00%	0.39%
Private and Alternative Credit	10.00%	6.03%
US TIPS	3.00%	-0.20%
Core Real Estate	5.00%	4.06%
Non-Core Real Estate	3.00%	6.43%
Private Equity	10.00%	11.27%
Infrastructure/Farmland	2.00%	5.44%



WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

**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:

	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	\$ 2,571,180	\$ 1,682,933	\$ 952,093

**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 Comprehensive Annual 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).

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 17 - 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, 2021, 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 6.0% 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, 2021, the School District contribution to this plan was \$110,665.

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, 2021.

NOTE 18 - 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, 2019, the Plan consisted of 6,878 retired members or beneficiaries currently receiving benefits and 9,862 active members.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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 Comprehensive Annual 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**

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:

	<b>Retiree Subsidy</b>	<b>Spouse Subsidy*</b>
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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	Retiree Subsidy		Spouse Subsidy*	
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 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, 2021. The State's portion of the collective net OPEB liability that was associated with the School District was as follows:

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

District's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Supervisory Union		<u>23,011,027</u>
Total	\$	<u>23,011,027</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, 2020, 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, 2020, the School District's proportion was 1.82714% which was a decrease of 0.09046% from its proportion measured as of June 30, 2019.

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

For the year ended June 30, 2021, the School District recognized total OPEB expense of \$6,560,346 and revenue of \$6,560,346 for support provided by the State of Vermont for the Plan. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	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>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

	<u>VSTRS OPEB Plan</u>
Plan year ended June 30:	
2021	\$ -
2022	-
2023	-
2024	-
2025	-
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:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
VSTRS OPEB Plan:			
Discount rate	1.21%	2.21%	3.21%
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:

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	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.

*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, 2020, are summarized below:

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large cap equity	20.00%	7.25%
International equity	15.00%	9.00%
Emerging international equity	5.00%	11.25%
Core bonds	60.00%	2.50%
Inflation		2.00%
Total	<u>100.00%</u>	

*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, 2020, they are as follows:

Discount Rate	2.21%
Salary Increase Rate	Varies by age
Non-Medicare	6.925% graded to 4.50% over 11 years
Medicare	6.14% graded to 4.50% over 12 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, 2020 with the following exceptions:



WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

*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-eight years as of July 1, 2020. For the fiscal year ended June 30, 2020, the discount rate was decreased from 3.50% to 2.21%.

**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 Comprehensive Annual 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 \(vermont.gov\)](https://www.vermont.gov/finance/annual-report).

NOTE 19 - 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.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 19 - RISK MANAGEMENT (CONTINUED)

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 20 - 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.

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.

On June 2, 2021, the United States Court of Appeals ruled to invalidate the State of Vermont's prohibition on the use of public funds for tuition to religious schools. In addition, the Vermont Board of Education has determined that Districts may pay tuition at the allowable rate to religiously affiliated schools in fiscal year 2022. There have been no lawsuits or claims to date that management has been made aware of concerning fiscal year 2021 tuition payments. However, management believes that any potential future liabilities concerning fiscal year 2021 tuition payments would not have a materially adverse impact on the School District's financial position.

# WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

### NOTE 21 - 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 22 - RESTATEMENT

The net position of the governmental activities and the governmental funds have both been restated at July 1, 2020 to account for the reclassification of funds from fiduciary to governmental as required by the implementation of GASB Statement No. 84, "Fiduciary Activities". The beginning governmental activities net position and the beginning special revenue funds were both restated by \$128,026. The resulting restatements increased governmental activities net position from \$24,441,856 to \$24,569,882 and increased special revenue funds total fund balance from \$0 to \$125,026.

### NOTE 23 - SUBSEQUENT EVENT

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.

## 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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 3,177,452	\$ 3,177,452	\$ 3,177,452	\$ -
Resources (Inflows):				
Intergovernmental:				
State revenues	33,726,602	33,726,602	35,252,488	1,525,886
Charges for services	1,094,311	1,094,311	999,433	(94,878)
Interest income	283,755	283,755	267,254	(16,501)
Miscellaneous	325,834	325,834	215,153	(110,681)
Transfers from other funds	-	-	238,855	238,855
Amounts Available for Appropriation	<u>38,607,954</u>	<u>38,607,954</u>	<u>40,150,635</u>	<u>1,542,681</u>
Charges to Appropriations (Outflows):				
Direct services	20,301,953	20,301,953	17,742,577	2,559,376
Support services:				
Instructional staff services	4,701,842	4,701,842	5,214,972	(513,130)
General administrative services	762,606	762,606	943,553	(180,947)
Area administrative services	2,373,931	2,373,931	2,486,206	(112,275)
Fiscal services	802,223	802,223	804,678	(2,455)
Operations and maintenance	2,672,104	2,672,104	2,716,119	(44,015)
Construction services	-	-	815,699	(815,699)
Transportation	1,678,882	1,678,882	1,613,296	65,586
Debt service:				
Principal	926,910	926,910	926,910	-
Interest	314,414	314,414	306,516	7,898
Transfers to other funds	<u>895,637</u>	<u>895,637</u>	<u>3,246,522</u>	<u>(2,350,885)</u>
Total Charges to Appropriations	<u>35,430,502</u>	<u>35,430,502</u>	<u>36,817,048</u>	<u>(1,386,546)</u>
Budgetary Fund Balance, June 30	<u>\$ 3,177,452</u>	<u>\$ 3,177,452</u>	<u>\$ 3,333,587</u>	<u>\$ 156,135</u>

See accompanying independent auditors' 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\*

	2021	2020	2019	2018	2017	2016	2015
<u>VSTRS:</u>							
Proportion of the net pension liability	1.81%	1.85%	2.52%	1.96%	1.78%	1.59%	1.05%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	35,379,511	28,873,426	26,891,231	27,250,562	22,608,616	18,837,133	17,213,598
Total	<u>\$ 35,379,511</u>	<u>\$ 28,873,426</u>	<u>\$ 26,891,231</u>	<u>\$ 27,250,562</u>	<u>\$ 22,608,616</u>	<u>\$ 18,837,133</u>	<u>\$ 17,213,598</u>
Covered payroll	\$ 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%
Plan fiduciary net position as a percentage of the total pension liability	50.00%	54.96%	54.81%	53.98%	55.31%	58.22%	64.02%
<u>VMERS:</u>							
Proportion of the net pension liability	0.67%	0.39%	0.36%	0.37%	0.37%	0.33%	0.28%
Proportionate share of the net pension liability	\$ 1,682,933	\$ 677,286	\$ 510,283	\$ 444,252	\$ 472,604	\$ 253,954	\$ 25,564
Covered payroll	\$ 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	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	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 auditors' report and notes to financial statements.

## WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - PENSIONS  
LAST 10 FISCAL YEARS\*

	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	\$ 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%
<u>VMERS:</u>							
Contractually required contribution	\$ 175,157	\$ 137,878	\$ 74,468	\$ 72,450	\$ 59,882	\$ 55,813	\$ 46,046
Contributions in relation to the contractually required contribution	(175,157)	(137,878)	(74,468)	(72,450)	(59,882)	(55,813)	(46,046)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 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	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 auditors' 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\*

	2021	2020	2019	2018	2017
<u>VSTRS OPEB Plan:</u>					
Proportion of the net OPEB liability	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	23,011,027	19,958,444	17,519,695	17,350,212	-
Total	<u>\$ 23,011,027</u>	<u>\$ 19,958,444</u>	<u>\$ 17,519,695</u>	<u>\$ 17,350,212</u>	<u>\$ -</u>
Covered payroll	\$ 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%
Plan fiduciary net position as a percentage of the total OPEB liability	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 auditors' report and notes to financial statements.



## WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - OPEB  
LAST 10 FISCAL YEARS\*

	2021	2020	2019	2018	2017
<u>VSTRS OPEB Plan:</u>					
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 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%

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

See accompanying independent auditors' report and notes to financial statements.

# WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2021

### **Changes of Assumptions**

#### VSTRS Pension Plan:

- The investment return assumption was lowered from 7.50% to 7.00%.
- The inflation assumption was lowered from 2.50% to 2.30%.
- The COLA assumption was lowered from 2.55% to 2.40% for Group A members and from 1.40% to 1.35% for Group C members.
- The mortality assumptions were updated as follows with generational projection using scale MP-2019:
  - Pre-Retirement: PubT-2010 Teacher Employee Table.
  - Healthy Post-Retirement - Retirees: PubT-2010 Teacher Healthy Retiree Table.
  - Healthy Post-Retirement - Beneficiaries: 109% of the Pub-2010 Contingent Survivor Table.
  - Disabled Retirees: PubNS-2010 Non-Safety Disabled Retiree Mortality Table.
- There were minor increases to the merit and seniority (and productivity) portion of individual salary increases for members between age 20-59 and minor decreases for members age 60 and older plus the revised inflation assumption.
- The active retirement assumptions were updated as follows:
  - For Group A and Group C-Grandfathered: One set of age-based rates for members eligible for unreduced benefits and one set of age-based rates for all other members.
  - For Group C-Non-grandfathered: A rate of 30% for members during the first year of unreduced eligibility, one set of age-based rates for members after the first year of unreduced eligibility and one set of age-based rates for all members.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2021

- The inactive retirement assumptions were updated as follows:
  - For Group A and Group C-Grandfathered: Add a rate of 10% from ERA for each year until NRA, then 100% at NRA.
  - Group C-Non grandfathered: A rate of 50% from age 62-69, then 100% at age 70.
- The liability load of accumulated contributions for Inactive Members was removed. Liabilities for Inactive Members are now based on 100% of the accumulated contributions. Inactive members who are vested immediately become Deferred Members and the liabilities for all Deferred members are based on accrued benefit.
- There were major reductions to all rates of termination.
- The disability retirement rates were increased by 5% for females and decreased by 10% for males.

VMERS Pension Plan:

- The investment return assumption was lowered from 7.50% to 7.00%.
- The inflation assumption was lowered from 2.50% to 2.30%.
- The COLA assumption was lowered from 1.15% to 1.10% for Group A members and from 1.30% to 1.20% for Groups B, C and D members.
- The mortality assumptions were updated as follows with generational projection using scale MP-2019:
  - Pre- Retirement - Groups A/B/C - 40% PubG-2010 General Employee below-median and 60% of PubG-2010 General Employee, Group D - PubG-2010 General Employee above-median
  - Healthy Post Retirement - Retirees - Groups A/B/C - 104% of 40% PubG-2010 General Healthy Retiree below-median and 60% of PubG-2010 General Healthy Retiree
  - Healthy Post-Retirement - Beneficiaries - Groups A/B/C - 70% Pub-2010 Contingent Survivor below-median and 30% of Pub-2010 Contingent Survivor. Group D - Pub-2010 Contingent Survivor.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2021

- Disabled Retirees - All Groups - PubNS-2010 Non-Safety Disabled Retiree Mortality Table.
- The salary scale assumption was revised for varying service based rates from 0-10 years of service, then a single rate of 2.20% for all subsequent years, plus revised inflation of 2.30%.
- The active retirement rates were updated as follows:
  - Group A - Decreased the rates throughout all ages.
  - Group B - For females, slightly decreased the rates at younger ages and then increase the rates at later ages. For males, slightly decreased the rates at most ages.
  - Group C - Simplified the assumption to a unisex table that more accurately aligns with the actual experience for both males and females.
  - Group D - For members with less than 20 years of service, increased the rates for ages 55-59.
- The inactive retirement assumption was updated to add a rate of 10% from early retirement age for each year until normal retirement age, then 100% at normal retirement age.
- The liability load of accumulated contributions for Inactive Members was removed. Liabilities for Inactive Members are now based on 100% of the accumulated contributions. Inactive Members who are vested immediately become Deferred Members and the liabilities for all Deferred Members are based on the accrued benefit.
- The termination rates were simplified for females to one set of slightly reduced rates for all females.

VSTRS OPEB Plan:

The discount rate was decreased from 3.50% to 2.21%.

The excise tax was repealed on December 20, 2020.

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2021

The assumed health trend rates were modified.

The assumed salary scale, mortality rates, disability rates, withdrawal rates and retirement rates were modified.

The percentage of terminated vested participants who are eligible for a subsidy assumed to elect coverage was decreased from 60% to 50%.

The percentage of current retirees who have not elected coverage and are eligible for a subsidy and have retired within the past year assumed to elect coverage was increased from 40% to 60%.

The percentage of future retirees who elect to continue their health coverage at retirement assumed to have an eligible spouse who also opts for health coverage was decreased from 60% to 40% for males and 50% to 25% for females.

See accompanying independent auditors' 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, 2021

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Intergovernmental revenues:				
State revenue:				
Education spending grant	\$ 27,875,728	\$ 27,875,728	\$ 27,039,577	\$ (836,151)
Tech center grant	262,162	262,162	262,162	-
Small schools grant	152,241	152,241	181,107	28,866
Special education mainstream block grant	564,217	564,217	564,217	-
Special education reimbursement	2,923,595	2,923,595	2,721,298	(202,297)
Extraordinary reimbursement	610,073	610,073	437,902	(172,171)
State placed reimbursements	602,980	602,980	328,380	(274,600)
Early essential education	115,184	115,184	115,184	-
Transportation reimbursement	604,422	604,422	615,982	11,560
Cares grant	-	-	2,963,051	2,963,051
Other	16,000	16,000	23,628	7,628
Charges for services:				
Tuition	1,094,311	1,094,311	999,433	(94,878)
Interest income	283,755	283,755	267,254	(16,501)
Miscellaneous:				
Special education	10,716	10,716	71,872	61,156
Other receipts	315,118	315,118	143,281	(171,837)
Transfers from other funds	-	-	238,855	238,855
Amounts Available for Appropriation	<u>\$ 35,430,502</u>	<u>\$ 35,430,502</u>	<u>\$ 36,973,183</u>	<u>\$ 1,542,681</u>

See accompanying independent auditors' report and notes to financial statements.

## WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Direct services:				
Instructional services	\$ 13,159,652	\$ 13,159,652	\$ 11,804,236	\$ 1,355,416
Special education	6,426,944	6,426,944	5,411,656	1,015,288
Co-curricular	715,357	715,357	526,685	188,672
Total direct services	<u>20,301,953</u>	<u>20,301,953</u>	<u>17,742,577</u>	<u>2,559,376</u>
Support services:				
Support services students	2,313,288	2,313,288	2,471,897	(158,609)
Support services instruction	2,388,554	2,388,554	2,743,075	(354,521)
Total support services	<u>4,701,842</u>	<u>4,701,842</u>	<u>5,214,972</u>	<u>(513,130)</u>
General administration:				
Board of education	207,935	207,935	252,262	(44,327)
Office of the superintendent	554,671	554,671	691,291	(136,620)
Total general administration	<u>762,606</u>	<u>762,606</u>	<u>943,553</u>	<u>(180,947)</u>
Area administration:				
Office of the principal	2,022,365	2,022,365	2,098,142	(75,777)
Special area administrative services	351,566	351,566	388,064	(36,498)
Fiscal services	802,223	802,223	804,678	(2,455)
Total area administration	<u>3,176,154</u>	<u>3,176,154</u>	<u>3,290,884</u>	<u>(114,730)</u>
Operations and maintenance	<u>2,672,104</u>	<u>2,672,104</u>	<u>2,716,119</u>	<u>(44,015)</u>
Construction services	<u>-</u>	<u>-</u>	<u>815,699</u>	<u>(815,699)</u>
Transportation	<u>1,678,882</u>	<u>1,678,882</u>	<u>1,613,296</u>	<u>65,586</u>
Debt service:				
Principal	926,910	926,910	926,910	-
Interest	314,414	314,414	306,516	7,898
Total debt service	<u>1,241,324</u>	<u>1,241,324</u>	<u>1,233,426</u>	<u>7,898</u>
Transfer to other funds	<u>895,637</u>	<u>895,637</u>	<u>3,246,522</u>	<u>(2,350,885)</u>
TOTAL DEPARTMENTAL OPERATIONS	<u>\$ 35,430,502</u>	<u>\$ 35,430,502</u>	<u>\$ 36,817,048</u>	<u>\$ (1,386,546)</u>

See accompanying independent auditors' report and notes to financial statements.



## WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Due from other governments	\$ 130,568	\$ -	\$ 130,568
Due from other funds	484,854	5,773	490,627
TOTAL ASSETS	<u>\$ 615,422</u>	<u>\$ 5,773</u>	<u>\$ 621,195</u>
LIABILITIES			
Due to other funds	\$ 54,139	\$ -	\$ 54,139
TOTAL LIABILITIES	<u>54,139</u>	<u>-</u>	<u>54,139</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	410,816	-	410,816
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>410,816</u>	<u>-</u>	<u>410,816</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	150,467	5,773	156,240
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>150,467</u>	<u>5,773</u>	<u>156,240</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 615,422</u>	<u>\$ 5,773</u>	<u>\$ 621,195</u>

See accompanying independent auditors' 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, 2021

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 2,694,364	\$ -	\$ 2,694,364
Interest income	-	196	196
Other	100,849	-	100,849
TOTAL REVENUES	<u>2,795,213</u>	<u>196</u>	<u>2,795,409</u>
EXPENDITURES			
Other	<u>2,771,837</u>	<u>-</u>	<u>2,771,837</u>
TOTAL EXPENDITURES	<u>2,771,837</u>	<u>-</u>	<u>2,771,837</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>23,376</u>	<u>196</u>	<u>23,572</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	344,490	-	344,490
Transfers (out)	<u>(345,425)</u>	<u>-</u>	<u>(345,425)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(935)</u>	<u>-</u>	<u>(935)</u>
NET CHANGE IN FUND BALANCES	22,441	196	22,637
FUND BALANCES - JULY 1, RESTATED	<u>128,026</u>	<u>5,577</u>	<u>133,603</u>
FUND BALANCES - JUNE 30	<u>\$ 150,467</u>	<u>\$ 5,773</u>	<u>\$ 156,240</u>

See accompanying independent auditors' 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, 2021

	Title IV	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>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<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>
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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2021

	Schoolwide Program and Admin	Title I - SI	Medicaid Reimb IEP	Best
ASSETS				
Due from other governments	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	312,433	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 312,433</u>	<u>\$ -</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	-	-	312,433	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>312,433</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>\$ -</u>	<u>\$ 312,433</u>	<u>\$ -</u>

SCHEDULE E (CONTINUED)

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2021

	Fresh Fruit and Vegetables	Student Activities	Rowland Foundation Grant	REAP	EPSDT Revenues
ASSETS					
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	150,467	-	-	21,954
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 150,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,954</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue	-	-	-	-	21,954
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,954</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	150,467	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>150,467</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 150,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,954</u>

SCHEDULE E (CONTINUED)

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2021

	Title IIA	ESSER	ESSER II	Misc Grants	Total
ASSETS					
Due from other governments	\$ -	\$ -	\$ -	\$ 130,568	\$ 130,568
Due from other funds	-	-	-	-	484,854
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,568</u>	<u>\$ 615,422</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ 54,139	\$ 54,139
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,139</u>	<u>54,139</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue	-	-	-	76,429	410,816
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,429</u>	<u>410,816</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	150,467
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,467</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,568</u>	<u>\$ 615,422</u>

See accompanying independent auditors' 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, 2021

	Title IV	IDEA-B Formula Grant	IDEA-B Preschool	Title I
REVENUES				
Intergovernmental	\$ 26,601	\$ 478,222	\$ 6,659	\$ 320,720
Other	-	-	-	-
TOTAL REVENUES	<u>26,601</u>	<u>478,222</u>	<u>6,659</u>	<u>320,720</u>
EXPENDITURES				
Other	<u>26,601</u>	<u>478,222</u>	<u>6,659</u>	<u>7,740</u>
TOTAL EXPENDITURES	<u>26,601</u>	<u>478,222</u>	<u>6,659</u>	<u>7,740</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>312,980</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(312,980)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(312,980)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - JULY 1, RESTATED	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<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, 2021

	Schoolwide Program and Admin	Title I - SI	Medicaid Reimb IEP	BEST
REVENUES				
Intergovernmental	\$ -	\$ 43,936	\$ 276,487	\$ 80
Other	-	-	-	-
TOTAL REVENUES	-	43,936	276,487	80
EXPENDITURES				
Other	344,490	43,936	276,487	80
TOTAL EXPENDITURES	344,490	43,936	276,487	80
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(344,490)	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	344,490	-	-	-
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	344,490	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - JULY 1, RESTATED	-	-	-	-
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, 2021

	Fresh Fruit and Vegetables	Student Activities	Rowland Foundation Grant	REAP	EPSDT Revenues
REVENUES					
Intergovernmental	\$ 12,650	\$ -	\$ -	\$ 65,892	\$ 12,671
Other	-	46,462	54,387	-	-
TOTAL REVENUES	<u>12,650</u>	<u>46,462</u>	<u>54,387</u>	<u>65,892</u>	<u>12,671</u>
EXPENDITURES					
Other	<u>11,715</u>	<u>24,021</u>	<u>54,387</u>	<u>65,892</u>	<u>12,671</u>
TOTAL EXPENDITURES	<u>11,715</u>	<u>24,021</u>	<u>54,387</u>	<u>65,892</u>	<u>12,671</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>935</u>	<u>22,441</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	<u>(935)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(935)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	22,441	-	-	-
FUND BALANCES - JULY 1, RESTATED	<u>-</u>	<u>128,026</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ 150,467</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, 2021

	Title IIA	ESSER	ESSER II	Misc Grants	Total
REVENUES					
Intergovernmental	\$ 81,754	\$ 243,331	\$ 1,108,477	\$ 16,884	\$ 2,694,364
Other	-	-	-	-	100,849
TOTAL REVENUES	<u>81,754</u>	<u>243,331</u>	<u>1,108,477</u>	<u>16,884</u>	<u>2,795,213</u>
EXPENDITURES					
Other	<u>50,244</u>	<u>243,331</u>	<u>1,108,477</u>	<u>16,884</u>	<u>2,771,837</u>
TOTAL EXPENDITURES	<u>50,244</u>	<u>243,331</u>	<u>1,108,477</u>	<u>16,884</u>	<u>2,771,837</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>31,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,376</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	344,490
Transfers (out)	<u>(31,510)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(345,425)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(31,510)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(935)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	22,441
FUND BALANCES - JULY 1, RESTATED	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,026</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,467</u>

See accompanying independent auditors' 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, 2021

	Music- Bellemeur Fund	Total
ASSETS		
Due from other funds	\$ 5,773	\$ 5,773
TOTAL ASSETS	<u>\$ 5,773</u>	<u>\$ 5,773</u>
LIABILITIES		
Accounts payable	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	5,773	5,773
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	<u>5,773</u>	<u>5,773</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,773</u>	<u>\$ 5,773</u>

See accompanying independent auditors' 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, 2021

	Music- Bellemeur Fund	Total
	<u>          </u>	<u>          </u>
REVENUES		
Interest income	\$ 196	\$ 196
TOTAL REVENUES	<u>196</u>	<u>196</u>
EXPENDITURES		
Other	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	196	196
FUND BALANCES - JULY 1	<u>5,577</u>	<u>5,577</u>
FUND BALANCES - JUNE 30	<u>\$ 5,773</u>	<u>\$ 5,773</u>

See accompanying independent auditors' 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, 2021

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment, Software and Vehicles	Infrastructure	Total
Direct Services	\$ 43,663	\$ 36,689,833	\$ 2,527,601	\$ -	\$ 39,261,097
S.S. - Students	-	1,101,892	-	-	1,101,892
S.S. - Staff	-	2,511,317	61,630	-	2,572,947
S.S. - General Admin	-	923,368	222,087	-	1,145,455
S.S. - Area Admin	-	1,302,831	49,804	-	1,352,635
Operations and Maintenance	178,012	9,446,245	679,636	587,043	10,890,936
Transportation	-	-	108,668	-	108,668
Food Service	-	1,236,283	580,056	-	1,816,339
Total General Capital Assets	221,675	53,211,769	4,229,482	587,043	58,249,969
Less: Accumulated Depreciation	-	(23,193,458)	(2,500,190)	(104,783)	(25,798,431)
Net General Capital Assets	\$ 221,675	\$ 30,018,311	\$ 1,729,292	\$ 482,260	\$ 32,451,538

See accompanying independent auditors' 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, 2021

	General Capital Assets 7/1/20	Additions	Deletions	General Capital Assets 6/30/21
Direct Services	\$ 38,346,586	\$ 1,091,864	\$ (177,353)	\$ 39,261,097
S.S. - Students	1,101,892	-	-	1,101,892
S.S. - Staff	2,578,049	-	(5,102)	2,572,947
S.S. - General Admin	1,145,455	-	-	1,145,455
S.S. - Area Admin	1,352,635	-	-	1,352,635
Operations and Maintenance	8,743,935	2,257,526	(110,525)	10,890,936
Transportation	108,668	-	-	108,668
Food Service	1,697,350	118,989	-	1,816,339
Total General Capital Assets	55,074,570	3,468,379	(292,980)	58,249,969
Less: Accumulated Depreciation	<u>(24,482,681)</u>	<u>(1,489,189)</u>	<u>173,439</u>	<u>(25,798,431)</u>
Net General Capital Assets	<u>\$ 30,591,889</u>	<u>\$ 1,979,190</u>	<u>\$ (119,541)</u>	<u>\$ 32,451,538</u>

See accompanying independent auditors' report and notes to financial statements.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021

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 Agriculture				
Passed through State of Vermont - Agency of Education and Cultural Services:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	4452U0922100	\$ 110,593	\$ -
National School Lunch Program	10.555	4456U0922100	13,403	-
National School Lunch Program	10.555	4450U0922100	399,540	-
Summer Food Service	10.559	4455S0322100	31,737	-
Subtotal Child Nutrition Cluster			555,273	-
Fresh Fruits and Vegetables	10.582	4449U0922100	12,650	-
Total U.S. Department of Agriculture			567,923	-
U.S. Department of the Treasury				
Passed through State of Vermont - Agency of Education and Cultural Services:				
Coronavirus Relief Fund	21.019	4592U0922100	2,374,691	-
Coronavirus Relief Fund	21.019	4592U0922100	13,146	-
Coronavirus Relief Fund	21.019	4596U0922101	80,901	-
			2,468,738	-
Passed through Efficiency Vermont:				
Coronavirus Relief Fund	21.019	4593U0922101	815,699	-
Total U.S. Department of the Treasury			3,284,437	-
U.S. Department of Education				
Passed through State of Vermont - Agency of Education and Cultural Services:				
Title I - Grants to Local Education Agencies	84.010	4250U0922101	320,720	-
Title I - Grants to Local Education Agencies	84.010	4255U0922101	43,936	-
			364,656	-
Special Education Cluster (IDEA):				
IDEA-B Flow Through	84.027	4226U0922001	478,222	-
IDEA-B Part B Section 619	84.173	4228U0922001	6,659	-
Subtotal Special Education Cluster (IDEA)			484,881	-
Rural Education	84.358	REAP	55,192	-
Rural Education	84.358	REAP	10,700	-
			65,892	-
Title IIA - Supporting Effective Instruction	84.367	4651U0922101	81,754	-
Student Support and Academic Enrichment	84.424	4570U0922101	26,601	-
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economy Security Act	84.425D	4599U0922101	243,331	-
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economy Security Act	84.425D	4597U0922101	1,108,477	-
			1,351,808	-
Total U.S. Department of Education			2,375,592	-
TOTAL FEDERAL ASSISTANCE			\$ 6,227,952	\$ -

# WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2021

### 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, 2021. 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.

### 3. Noncash Awards

The Washington Central Unified Union School District reports U.S. Department of Agriculture (USDA) Foods consumed on the Schedule at the fair value [or entitlement value]. The State of Vermont allocated USDA Foods to the respective program(s) that benefitted from the use of those USDA Foods.



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INDEPENDENT AUDITORS' 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, 2021 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 10, 2021.

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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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 November 15, 2021.

#### 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 10, 2021



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## INDEPENDENT AUDITORS' 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, 2021. 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, 2021.

### 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 10, 2021



WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2021

**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>
21.019	Coronavirus Relief Fund
84.425D	Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act

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**

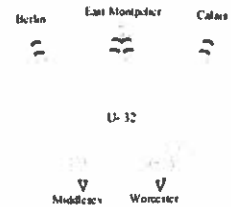
None

## 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.*

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Montpelier, VT 05602  
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Jennifer Miller-Arsenault  
Interim Superintendent



**TO: WCUUSD Finance Committee & School Board**  
**FROM: Susanne Gann, WCUUSD Business Administrator**  
**Jennifer Miller-Arsenault, Interim Superintendent**  
**RE: FY 23 General Fund Budget Draft #2 and Draft #2A**  
**DATE: December 10, 2021**

**Review:** On November 17, 2021 the School Board received a Level Service Budget for FY 23 that included:

1. Current staffing salaries plus estimates for inflation.
2. Health insurance increase of 5.2% based upon VEHI notification.
3. Dental insurance and HRA contribution level funded based upon prior board action.
4. VMERS employer contribution estimated increase of .25% (based upon past trends).
5. Early retirement projected calculations.
6. Current Special Ed student needs for out of district placements, transportation and other services.
7. Current contracts for auditors and insurance plus estimates for inflation.
8. Level budget non-payroll expenses.
9. Debt service payments updated per the debt service schedule.
10. Capital Fund transfer to include savings from U-32 bond payoff.

The expenditures of this budget increased 2.66% from \$34,984,949 to \$35,914,398. The School Board established parameters to help guide the second draft of the budget.

### **School Board Parameters:**

1. Social and Emotional Pillar: Students and staff
2. Multi-Layered System of Supports, including professional learning for teachers
3. Under a penalty threshold based on prior years (\$19,353)
4. Educational spending increase under 3%
5. Hardening for cybersecurity
6. Reinvigorate or boost one of our various initiatives:
  - a. Arts and music
  - b. Outdoor education
  - c. Farm-to-table
7. Contingency plan for expenditure reductions if the tax rate is not favorable

**Update:** The Leadership Team has considered these parameters along with priorities identified through multiple community forums and a staff survey. A common theme emerged when the Team prepared a crosswalk of the priorities of the Community, Staff and Leadership Team. The budget must prioritize caring for the wellbeing of our students, staff, community and buildings. With this common value and the needs of our students at the center of all of our discussions, we developed budget Draft #2.

**Draft #2 Summary:** Budget Draft #2 adjusts the level service budget to address:

1. The district's technology needs for software, equipment replacement and cybersecurity hardening.
2. Deferred replacement of building equipment and repairs and maintenance.
3. The increase in the transportation budget based upon the November award.
4. Updates to current staff salary and benefits.
5. The final horizontal salary signups that were due December 1.
6. Changes in student needs for special education services.
7. Updates to the special ed revenues based upon Act 173 funding calculations.
8. Grant fund use where available (ARP ESSER IDEA B funds for Psych Services).

### Expenditures

FY 2022 = \$34,984,949

FY 2023 = \$36,010,349

\$ Increase = \$1,025,400

% Difference = 2.93%

### Revenues

FY 2022 = \$7,192,658

FY 2023 = \$7,169,391

\$ Decrease = \$23,267

% Difference = -.003%

### Net Budget Increase

Net Expense Increase = \$1,025,400

Net Revenue Decrease = +\$ 23,267

Net Budget Increase = \$1,048,667

% Difference = 3.00% - \*Note: this is the percentage the district previously used as "Net Impact On Taxes". This compares the net budget increase to the prior year's expenditure budget.

### Net Education Spending

FY 2022 = \$27,792,291

FY 2023 = \$28,840,958

\$ Increase = \$1,048,667

% Difference = 3.77% - \*Note: this compares the net budget increase to the prior year's net education spending, which is what the tax rate is based upon.

## **FY 23 General Fund Budget Draft #2 and Draft #2A**

---

**Draft #2A Summary:** The Leadership Team has prioritized the following instructional program/service changes that address student and staff needs, specifically with Social and Emotional Learning (SEL) and Multi-layered System of Supports (MLSS) considerations in mind as outlined in the Implementation Plan and the Moving Forward Plan. Enrollment data, community forum feedback and responses from the staff survey were also considered when choosing which initiatives to bring to the school board.

Budget Draft #2A requests the board approve a budget that includes the following new/expanded services and proposed revenue offsets (not listed in any specific order):

1. U-32 Social Studies Teacher .60 FTE increase
2. CES/Berlin Music Teacher .10 FTE Increase
3. EMES Classroom Teacher 2.0 FTE Increase (1.0 FTE offset using fund balance)
4. EMES Music Teacher .20 FTE Increase
5. Doty Schoolwide Paraeducator .38 FTE Increase
6. CES Literacy Interventionist .50 FTE Increase (offset by using ARP ESSER grant funds)
7. U-32 RISE Educator 1.0 FTE Increase (offset by using Title IV Grant funds)

### **Expenditures**

FY 2022 = \$34,984,949

FY 2023 = \$36,405,851

\$ Increase = \$1,420,902

% Difference = 4.06%

### **Revenues**

FY 2022 = \$7,192,658

FY 2023 = \$7,395,168

\$ Increase = \$202,510

% Difference = +2.82%

### **Net Budget Increase**

Net Expense Increase = \$1,420,902

Net Revenue Increase = -\$ 202,510

Net Budget Increase = \$1,218,392

% Difference = 3.48% - \* Note: this is the percentage the district previously used as "Net Impact On Taxes". This compares the net budget increase to the prior year's expenditure budget.

### **Net Education Spending**

FY 2022 = \$27,792,291

FY 2023 = \$29,010,683

\$ Increase = \$1,218,392

% Difference = 4.38% - \*Note: this compares the net budget increase to the prior year's net education spending, which is what the tax rate is based upon.

**Other Programs/Services NOT Included:** The equity scholar in residence and additional capital fund transfers based upon reduction in debt service have not been requested. The Leadership Team also tabled requests for additional staff in food service at U-32, art at Berlin and Calais, a special educator at Berlin, IT network & support and pre-kindergarten expansion.

**Next Steps:**

- The School Board provides guidance on:
  - priorities identified by the Leadership Team in Budget Draft #2A.
  - any other programs/services not included in Budget Draft #2 or #2A.
  - 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 above.
  - 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.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT  
FY 2022-2023 BUDGET DRAFT #2  
COMPARATIVE SUMMARY

	BUDGET 2022	\$ INCREASE (DECREASE)	BUDGET % CHANGE	BUDGET 2023
<b>SALARIES AND BENEFITS</b>				
<u>Negotiated Items</u>				
Salary Estimate		\$777,903	2.22%	
Benefits Related to Salary Estimate		\$59,510	0.17%	
Health Insurance Premium Increase @ 5.2%		\$168,772	0.48%	
Subtotal Negotiated Items		\$1,006,185	2.88%	
<u>Other Staffing Changes</u>				
Staffing Changes FY 21-22 Savings in Salaries and Insurance due to new staff		-\$278,557	-0.80%	
Special Education Programs-Addl. Staffing 2.15 FTE's ESP		\$121,198	0.35%	
Subtotal Other Staffing Changes		-\$157,359	-0.45%	
<b>TOTAL SALARY &amp; BENEFITS</b>	<b>\$24,988,114</b>	<b>\$848,826</b>	<b>2.43%</b>	<b>\$25,836,940</b>
<b>NONSALARY ITEMS</b>				
Curriculum Services - travel		-\$500	0.00%	
Technology Services - primarily software, equipment & cybersecurity hardening		\$109,008	0.31%	
Board of Education - primarily legal		\$26,639	0.08%	
Superintendent Services - supplies, books & periodicals		-\$2,907	-0.01%	
Fiscal Services - primarily audit services		\$13,252	0.04%	
Fiscal Services - Interest expense on Short Term Debt		-\$54,517	-0.16%	
Operation of Plant Services - primarily equipment		\$97,044	0.28%	
Transportation Services - per new contract		\$25,293	0.07%	
Special Education Programs-Tuition & Prof Svcs		-\$11,009	-0.03%	
Technical Education Tuition - Draft #3		\$0	0.00%	
Food Service Program Fund Transfer - Draft #3		\$0	0.00%	
School-wide Expenses - Draft #3		\$0	0.00%	
<b>TOTAL NONSALARY ITEMS</b>	<b>\$8,048,675</b>	<b>\$202,302</b>	<b>0.58%</b>	<b>\$8,250,977</b>
<b>OTHER ITEMS</b>				
Debt Service-Bond Payment	\$1,223,160	-\$180,728	-0.52%	\$1,042,432
Capital Fund -Transfer	\$725,000	\$155,000	0.44%	\$880,000
<b>TOTAL OTHER ITEMS</b>	<b>\$1,948,160</b>	<b>-\$25,728</b>	<b>-0.07%</b>	<b>\$1,922,432</b>
<b>TOTAL EXPENSE CHANGES DRAFT #2</b>	<b>\$34,984,949</b>	<b>\$1,025,400</b>	<b>2.93%</b>	<b>\$36,010,349</b>
<b>REVENUE INCREASES (DECREASES)</b>				
Tuition Income - Additional 2 students		\$41,294	0.12%	
Investment Earnings - Interest Income		-\$54,517	-0.16%	
Special Education - Act 173 Revenues (no longer just reimbursements)		\$119,275	0.34%	
Special Education - State Placed Students		-\$239,179	-0.68%	
ARP ESSER IDEA B Grant		\$101,596	0.29%	
ARP ESSER IDEA B Preschool Grant		\$7,245	0.02%	
Fund Balance - Offset Early Retirement final year (\$144,000 to \$145,019)		\$1,019	0.00%	
Transportation Aid - Draft #3		\$0	0.00%	
<b>TOTAL REVENUE CHANGES DRAFT #2</b>	<b>\$7,192,658</b>	<b>-\$23,267</b>	<b>-0.32%</b>	<b>\$7,169,391</b>
<b>NET BUDGET INCREASE (DECREASE)</b>	<b>\$34,984,949</b>	<b>\$1,048,667</b>	<b>3.00%</b>	
<b>LOCAL EDUCATION SPENDING INCREASE</b>	<b>\$27,792,291</b>	<b>\$1,048,667</b>	<b>3.77%</b>	<b>\$28,840,958</b>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT  
FY 2022-2023 BUDGET DRAFT #2A  
COMPARATIVE SUMMARY

	BUDGET 2022	\$ INCREASE (DECREASE)	BUDGET % CHANGE	BUDGET 2023
<b>TOTAL EXPENSE CHANGES DRAFT #2</b>	<b>\$34,984,949</b>	<b>\$1,025,400</b>	<b>2.93%</b>	<b>\$36,010,349</b>
<b>REQUESTS FOR NEW/EXPANDED SERVICES</b>				
U-32 Social Studies Teacher .60 FTE		\$38,145	0.11%	
CES/Berlin Music Teacher .10 FTE		\$9,023	0.03%	
EMES Classroom Teachers 2.0 FTE		\$180,594	0.52%	
EMES Music Teacher 20 FTE		\$18,046	0.05%	
Doty Schoolwide Paraeducator .38 FTE		\$14,214	0.04%	
CES Literacy Interventionist .50 FTE		\$45,183	0.13%	
U-32 RISE Educator 1.0 FTE		\$90,297	0.26%	
<b>TOTAL OTHER ITEMS</b>		<b>\$395,502</b>	<b>1.13%</b>	
<b>COMBINED TOTAL EXPENSE CHANGES DRAFT #2 + #2A</b>	<b>\$34,984,949</b>	<b>\$1,420,902</b>	<b>4.06%</b>	<b>\$36,405,851</b>
<b>TOTAL REVENUE CHANGES DRAFT #2</b>	<b>\$7,192,658</b>	<b>-\$23,267</b>	<b>-0.07%</b>	<b>\$7,169,391</b>
<b>PROPOSED OFFSET TO NEW/EXPANDED SERVICES</b>				
Fund Balance - EMES Classroom Teacher 1.0 FTE		\$90,297	0.26%	
ARP ESSER Grant - Literacy Interventionist		\$45,183	0.13%	
Title IV Grant - U-32 RISE Educator 1.0 FTE		\$90,297	0.26%	
<b>TOTAL REVENUE OFFSET TO NEW/EXPANDED SERVICES</b>		<b>\$225,777</b>	<b>0.65%</b>	
<b>COMBINED TOTAL REVENUE CHANGES DRAFT #2 + #2A</b>	<b>\$7,192,658</b>	<b>\$202,510</b>	<b>2.82%</b>	<b>\$7,395,168</b>
<b>COMBINED NET BUDGET INCREASE (DECREASE) DRAFT #2 + #2A</b>	<b>\$34,984,949</b>	<b>\$1,218,392</b>	<b>3.48%</b>	
<b>LOCAL EDUCATION SPENDING INCREASE</b>	<b>\$27,792,291</b>	<b>\$1,218,392</b>	<b>4.38%</b>	<b>\$29,010,683</b>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT  
FY 2022-2023 DRAFT #2 BUDGET VS FY 2021-2022 BUDGET

	COVID-19	COVID-19					
DESCRIPTION	Actual 2020	Actual 2021	BUDGET 2022	PROJECTED 2022	BUDGET 2023	\$ Increase (Decrease)	% Increase (Decrease)
<b>REVENUES</b>							
TUITION-SCHOOL DISTRICTS & INDIVIDUALS	\$1,081,930	\$999,433	\$908,468	\$951,827	\$949,762	\$41,294	
INVESTMENT EARNINGS INTEREST	\$354,463	\$267,254	\$283,755	\$229,238	\$229,238	-\$54,517	
MISCELLANEOUS INCOME-OTHER	\$305,289	\$382,134	\$263,440	\$267,982	\$263,440	\$0	
EDUC. SPENDING REVENUES	\$27,091,430	\$27,301,739	\$27,792,291	\$27,792,291	\$28,840,958	\$1,048,667	
MISC STATE REIMBURSEMENTS-INCL. CRF- COVID-19	\$909,141	\$3,783,769	\$803,235	\$803,235	\$803,235	\$0	
SPED EXPENDITURE REIMBURSEMENT	\$4,321,332	\$4,238,853	\$4,789,760	\$4,789,761	\$4,778,697	-\$11,063	
<b>SUBTOTAL REVENUES</b>	<b>\$34,063,585</b>	<b>\$36,973,182</b>	<b>\$34,840,949</b>	<b>\$34,834,333</b>	<b>\$35,865,330</b>	<b>\$1,024,381</b>	
FUND BALANCE	\$1,941,291	\$0	\$144,000	\$144,000	\$145,019	\$1,019	
<b>TOTAL REVENUES</b>	<b>\$36,004,876</b>	<b>\$36,973,182</b>	<b>\$34,984,949</b>	<b>\$34,978,333</b>	<b>\$36,010,349</b>	<b>\$1,025,400</b>	<b>2.93%</b>
<b>EXPENSES</b>							
<b>INSTRUCTIONAL SERVICES</b>							
SALARIES	\$7,868,446	\$7,255,878	\$8,257,994	\$8,128,124	\$8,515,593	\$257,599	
MISCELLANEOUS BENEFITS	\$2,317,170	\$2,103,510	\$2,432,828	\$2,360,216	\$2,444,927	\$12,099	
TUITION REIMBURSEMENT	\$160,237	\$150,674	\$193,962	\$193,962	\$193,962	\$0	
PROFESSIONAL EDUCATION SVC	\$43,746	\$12,510	\$62,795	\$118,795	\$62,795	\$0	
TUITION TO OTHER SCHOOL DISTRICTS	\$475,755	\$498,773	\$516,390	\$516,390	\$516,390	\$0	
TRAVEL	\$10,585	\$744	\$14,100	\$14,100	\$14,100	\$0	
GENERAL SUPPLIES	\$195,450	\$214,030	\$240,913	\$245,455	\$240,913	\$0	
BOOKS AND PERIODICALS	\$26,504	\$41,930	\$56,484	\$64,484	\$64,484	\$8,000	
EQUIPMENT	\$6,223	\$15,229	\$49,901	\$41,901	\$41,901	-\$8,000	
DUES AND FEES	\$2,999	\$1,308	\$1,200	\$1,200	\$1,200	\$0	
<b>TOTAL INSTRUCTIONAL SERVICES</b>	<b>\$11,107,115</b>	<b>\$10,294,586</b>	<b>\$11,826,568</b>	<b>\$11,684,627</b>	<b>\$12,096,265</b>	<b>\$269,698</b>	<b>2.28%</b>
<b>PRESCHOOL PROGRAM</b>							
SALARIES	\$375,148	\$359,699	\$341,908	\$353,409	\$380,825	\$38,917	
MISCELLANEOUS BENEFITS	\$109,184	\$123,720	\$107,887	\$148,076	\$158,677	\$50,790	
TUITION REIMBURSEMENT	\$1,675	\$630	\$0	\$0	\$0	\$0	
PROFESSIONAL EDUCATION SVC	\$50,727	\$46,885	\$13,000	\$13,000	\$13,000	\$0	
TUITION TO PRIVATE SCHOOLS	\$180,066	\$165,688	\$148,512	\$148,512	\$148,512	\$0	
GENERAL SUPPLIES	\$11,932	\$5,052	\$7,715	\$7,715	\$7,715	\$0	
<b>TOTAL PRESCHOOL PROGRAM</b>	<b>\$728,732</b>	<b>\$701,674</b>	<b>\$619,022</b>	<b>\$670,712</b>	<b>\$708,729</b>	<b>\$89,707</b>	<b>14.49%</b>
<b>GUIDANCE SERVICES</b>							
SALARIES	\$745,719	\$737,502	\$722,337	\$699,901	\$727,681	\$5,344	
MISCELLANEOUS BENEFITS	\$245,850	\$254,830	\$255,213	\$235,276	\$227,187	-\$28,026	
TUITION REIMBURSEMENT	\$2,379	\$0	\$0	\$0	\$0	\$0	
PROFESSIONAL EDUCATION SVC	\$5,214	\$2,385	\$7,700	\$7,700	\$7,700	\$0	
TRAVEL	\$360	\$0	\$1,125	\$1,125	\$1,125	\$0	
GENERAL SUPPLIES	\$21,740	\$29,264	\$24,850	\$24,850	\$24,850	\$0	



WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT  
FY 2022-2023 DRAFT #2 BUDGET VS FY 2021-2022 BUDGET

	COVID-19		COVID-19				
DESCRIPTION	Actual 2020	Actual 2021	BUDGET 2022	PROJECTED 2022	BUDGET 2023	\$ Increase (Decrease)	% Increase (Decrease)
BOOKS AND PERIODICALS	\$450	\$331	\$1,010	\$1,010	\$1,010	\$0	
TOTAL GUIDANCE SERVICES	\$1,021,712	\$1,024,312	\$1,012,235	\$969,862	\$989,553	-\$22,682	-2.24%
<b>HEALTH SERVICES</b>							
SALARIES	\$323,018	\$331,121	\$348,269	\$342,141	\$353,271	\$5,002	
MISCELLANEOUS BENEFITS	\$128,100	\$143,631	\$149,455	\$152,955	\$168,598	\$19,143	
TUITION REIMBURSEMENT	\$4,100	\$2,978	\$0	\$0	\$0	\$0	
TECHNICAL SERVICES	\$120	\$0	\$550	\$550	\$550	\$0	
GENERAL SUPPLIES	\$3,993	\$5,478	\$7,135	\$7,135	\$7,135	\$0	
BOOKS AND PERIODICALS	\$496	\$1,567	\$845	\$845	\$845	\$0	
TOTAL HEALTH SERVICES	\$459,827	\$484,775	\$506,254	\$503,626	\$530,399	\$24,145	4.77%
<b>LIBRARY SERVICES</b>							
SALARIES	\$336,130	\$348,627	\$328,725	\$332,878	\$344,149	\$15,424	
MISCELLANEOUS BENEFITS	\$106,714	\$118,161	\$106,774	\$92,668	\$96,478	-\$10,296	
TUITION REIMBURSEMENT	\$2,968	\$5,956	\$1,300	\$1,300	\$1,300	\$0	
GENERAL SUPPLIES	\$10,895	\$18,949	\$15,895	\$15,895	\$15,895	\$0	
BOOKS AND PERIODICALS	\$43,545	\$41,551	\$52,108	\$52,108	\$52,108	\$0	
TOTAL LIBRARY SERVICES	\$500,252	\$533,244	\$504,802	\$494,849	\$509,930	\$5,128	1.02%
<b>CURRICULUM SERVICES</b>							
SALARIES	\$151,657	\$222,831	\$295,465	\$252,115	\$307,991	\$12,526	
MISCELLANEOUS BENEFITS	\$14,129	\$19,314	\$50,446	\$42,672	\$48,631	-\$1,815	
TUITION REIMBURSEMENT	\$4,602	\$7,137	\$13,000	\$13,000	\$13,000	\$0	
PURCHASED PROF & TECHNICAL SERVICES	\$583	\$38	\$0	\$79,184	\$0	\$0	
TRAVEL	\$988	\$379	\$2,500	\$2,500	\$2,000	-\$500	
GENERAL SUPPLIES	\$461	\$10,863	\$5,000	\$5,000	\$5,000	\$0	
BOOKS AND PERIODICALS	\$685	\$1,018	\$1,200	\$1,200	\$1,200	\$0	
DUES AND FEES	\$2,529	\$168	\$1,000	\$1,000	\$1,000	\$0	
TOTAL CURRICULUM SERVICES	\$175,634	\$261,748	\$368,611	\$396,671	\$378,822	\$10,211	2.77%
<b>INSTRUCTIONAL -RELATED TECHNOLOGY SVCS</b>							
SALARIES	\$467,477	\$445,098	\$530,764	\$537,040	\$547,476	\$16,712	
MISCELLANEOUS BENEFITS	\$97,058	\$79,565	\$111,723	\$96,766	\$101,632	-\$10,091	
TUITION REIMBURSEMENT	\$0	\$0	\$7,500	\$7,500	\$12,000	\$4,500	
TECHNOLOGY RELATED R&M	\$39,421	\$95,058	\$32,516	\$23,016	\$10,000	-\$22,516	
RENTALS AND LEASES-COPIER	\$31,742	\$17,599	\$50,700	\$23,100	\$68,524	\$17,824	
COMMUNICATIONS	\$111,555	\$128,768	\$131,500	\$131,500	\$131,500	\$0	
SUPPLIES-TECHN RELATED	\$28,331	\$23,200	\$36,300	\$36,300	\$10,000	-\$26,300	
SUPPLIES-TECHN RELATED-SOFTWARE	\$49,110	\$104,975	\$300,000	\$300,000	\$400,000	\$100,000	
EQUIPMENT/FINANCIAL SOFTWARE	\$403,684	\$486,016	\$280,000	\$280,000	\$320,000	\$40,000	
TOTAL INSTR REL-TECHNOLOGY SVCS	\$1,228,378	\$1,380,279	\$1,481,003	\$1,435,222	\$1,601,132	\$120,129	8.11%

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT  
FY 2022-2023 DRAFT #2 BUDGET VS FY 2021-2022 BUDGET

	COVID-19	COVID-19					
DESCRIPTION	Actual 2020	Actual 2021	BUDGET 2022	PROJECTED 2022	BUDGET 2023	\$ Increase (Decrease)	% Increase (Decrease)
BOARD OF EDUCATION SVCS.							
SALARIES	\$19,985	\$25,185	\$28,155	\$28,155	\$28,401	\$246	
MISCELLANEOUS BENEFITS	\$1,956	\$4,083	\$2,639	\$2,639	\$2,658	\$19	
OFFICIAL SVC TAX COLLECT.	\$10,639	\$7,558	\$0	\$0	\$0	\$0	
LEGAL SERVICES	\$42,815	\$74,683	\$25,850	\$25,850	\$58,749	\$32,899	
INSURANCE	\$95,651	\$100,795	\$101,829	\$101,829	\$106,933	\$5,105	
ADVERTISING	\$3,878	\$10,550	\$7,900	\$7,900	\$7,500	-\$400	
GENERAL SUPPLIES	\$17,870	\$18,956	\$25,200	\$25,200	\$19,000	-\$6,200	
DUES AND FEES	\$225	\$10,452	\$15,765	\$15,765	\$11,000	-\$4,765	
TOTAL BOARD OF EDUCATION SVCS.	\$193,019	\$252,262	\$207,338	\$207,338	\$234,241	\$26,904	12.98%
SUPERINTENDENT SERVICES							
SALARIES	\$347,704	\$286,918	\$319,097	\$468,323	\$344,281	\$25,184	
MISCELLANEOUS BENEFITS	\$126,552	\$111,952	\$113,521	\$134,674	\$128,107	\$14,586	
TUITION REIMBURSEMENT	\$3,528	\$34,100	\$11,000	\$11,000	\$11,000	\$0	
PURCHASED PROF & TECHNICAL SERVICES	\$9,049	\$55,719	\$21,200	\$21,200	\$21,200	\$0	
COMMUNICATIONS-POSTAGE	\$4,444	\$1,688	\$5,500	\$5,500	\$5,500	\$0	
PRINTING AND BINDING	\$0	\$189	\$1,500	\$1,500	\$1,500	\$0	
TRAVEL	\$6,309	\$4,415	\$4,000	\$4,000	\$7,000	\$3,000	
GENERAL SUPPLIES	\$18,618	\$10,937	\$19,857	\$19,857	\$15,000	-\$4,857	
BOOKS AND PERIODICALS	\$683	\$468	\$1,800	\$1,800	\$750	-\$1,050	
DUES AND FEES	\$5,150	\$7,680	\$7,000	\$7,000	\$7,000	\$0	
TOTAL SUPERINTENDENT SERVICES	\$522,037	\$514,066	\$504,475	\$674,854	\$541,338	\$36,863	7.31%
OFFICE OF THE PRINCIPAL							
SALARIES	\$1,332,742	\$1,384,657	\$1,454,637	\$1,456,628	\$1,479,029	\$24,392	
MISCELLANEOUS BENEFITS	\$447,133	\$502,793	\$527,214	\$517,635	\$562,702	\$35,488	
TUITION REIMBURSEMENT	\$11,764	\$7,417	\$22,000	\$22,000	\$22,000	\$0	
PURCHASED PROF & TECHNICAL SERVICES	\$27,705	\$6,592	\$11,800	\$11,800	\$11,800	\$0	
COMMUNICATIONS-POSTAGE	\$14,181	\$9,079	\$17,460	\$17,460	\$17,460	\$0	
TRAVEL	\$4,332	\$3,579	\$4,800	\$4,800	\$4,800	\$0	
GENERAL SUPPLIES	\$44,473	\$42,091	\$43,410	\$43,410	\$43,410	\$0	
DUES AND FEES	\$12,692	\$10,055	\$8,150	\$8,150	\$8,150	\$0	
TOTAL OFFICE OF THE PRINCIPAL	\$1,895,022	\$1,966,263	\$2,089,471	\$2,081,883	\$2,149,351	\$59,880	2.87%
FISCAL SERVICES							
SALARIES	\$368,142	\$354,107	\$359,558	\$399,519	\$375,495	\$15,937	
MISCELLANEOUS BENEFITS	\$114,456	\$133,826	\$111,254	\$121,657	\$150,193	\$38,939	
TUITION REIMBURSEMENT	\$4,855	\$375	\$6,000	\$6,000	\$12,000	\$6,000	
PURCHASED PROF & TECHNICAL SERVICES	\$30	\$83	\$5,500	\$5,500	\$11,500	\$6,000	
AUDITING SERVICES	\$47,300	\$39,685	\$36,800	\$36,800	\$42,102	\$5,302	

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT  
FY 2022-2023 DRAFT #2 BUDGET VS FY 2021-2022 BUDGET

	COVID-19		COVID-19					
DESCRIPTION	Actual 2020	Actual 2021	BUDGET 2022	PROJECTED 2022	BUDGET 2023	\$ Increase (Decrease)	% Increase (Decrease)	
TRAVEL	\$3,148	\$1,753	\$2,000	\$2,000	\$2,500	\$500		
GENERAL SUPPLIES	\$4,255	\$1,546	\$1,300	\$1,300	\$3,000	\$1,700		
DUES AND FEES	\$489	\$458	\$750	\$750	\$500	-\$250		
INTEREST ON SHORT-TERM DEBT	\$266,486	\$208,284	\$262,925	\$208,408	\$208,408	-\$54,517		
TOTAL FISCAL SERVICES	\$809,161	\$740,117	\$786,087	\$781,934	\$805,698	\$19,611	2.49%	
OPERATION AND MAINT.PLANT								
SALARIES	\$1,173,957	\$1,091,168	\$1,359,061	\$1,363,187	\$1,415,324	\$56,263		
MISCELLANEOUS BENEFITS	\$365,771	\$380,469	\$493,111	\$493,932	\$513,002	\$19,891		
UTILITY SERVICES	\$56,344	\$39,300	\$44,950	\$44,950	\$44,950	\$0		
CLEANING SERVICES	\$77,753	\$52,225	\$77,580	\$77,580	\$77,580	\$0		
REPAIR AND MAINTENANCE SERVICES &PROP	\$169,605	\$241,320	\$289,005	\$289,005	\$289,005	\$0		
TRAVEL/GAS &BOTTLED GAS	\$3,802	\$5,922	\$8,804	\$8,804	\$8,804	\$0		
GENERAL SUPPLIES	\$178,646	\$142,717	\$145,794	\$145,794	\$145,794	\$0		
ELECTRICITY	\$256,081	\$343,500	\$290,700	\$290,700	\$292,200	\$1,500		
OIL	\$97,408	\$85,962	\$123,896	\$123,896	\$125,440	\$1,544		
OTHER ENERGY-WOOD CHIPS / WOOD PELLETS	\$100,385	\$102,147	\$110,129	\$110,129	\$110,129	\$0		
EQUIPMENT	\$16,990	\$8,830	\$23,600	\$23,600	\$117,600	\$94,000		
TOTAL OPER. AND MAINT.PLANT	\$2,496,742	\$2,493,560	\$2,966,630	\$2,971,577	\$3,139,828	\$173,198	5.84%	
STUDENT TRANSPORTATION SV								
STUDENT TRANSPORTATION SV	\$1,285,046	\$1,476,321	\$1,539,560	\$1,787,445	\$1,564,852	\$25,293		
TOTAL STUDENT TRANSPORTATION SV	\$1,285,046	\$1,476,321	\$1,539,560	\$1,787,445	\$1,564,852	\$25,293	1.64%	
STUDENT TRANS-OTHER								
STUDENT TRANS-FIELD TRIPS	\$37,522	\$7,321	\$45,105	\$45,105	\$45,105	\$0		
TOTAL STUDENT TRANS-OTHER	\$37,522	\$7,321	\$45,105	\$45,105	\$45,105	\$0	0.00%	
DEBT SERVICE								
REDEMPTION OF PRINCIPAL	\$1,376,690	\$926,910	\$927,136	\$927,136	\$772,369	-\$154,767		
INTEREST LONG TERM DEBT	\$288,507	\$306,516	\$296,024	\$296,024	\$270,063	-\$25,961		
TOTAL DEBT SERVICE	\$1,665,197	\$1,233,426	\$1,223,160	\$1,223,160	\$1,042,432	-\$180,728	-14.78%	
FUND TRANSFER OUT								
FUND TRANSFER-CAPITAL	\$1,116,012	\$3,206,522	\$725,000	\$725,000	\$880,000	\$155,000		
FUND TRANSFER-FOOD SERVICE	\$109,403	\$0	\$149,115	\$149,115	\$149,115	\$0		
FUND TRANSFER-COMMUNITY CONNECTIONS	\$0	\$40,000	\$40,000	\$40,000	\$40,000	\$0		
TOTAL TRANSFER TO OTHER FUNDS	\$1,225,415	\$3,246,522	\$914,115	\$914,115	\$1,069,115	\$155,000	16.96%	
SUPPORT PROGRAMS-SPECIAL EDUCATION								
STATE PLACED STUDENT COSTS INCLUDES 504	\$363,250	\$221,360	\$270,000	\$270,000	\$168,132	-\$101,868		
SPECIAL EDUCATION PROGRAMS	\$3,646,400	\$3,678,054	\$4,301,233	\$4,249,317	\$4,381,764	\$80,531		
EXTRAORDINARY PROGRAM	\$1,266,998	\$1,316,830	\$1,529,214	\$1,529,214	\$1,723,199	\$193,985		

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT  
FY 2022-2023 DRAFT #2 BUDGET VS FY 2021-2022 BUDGET

	COVID-19		COVID-19				
DESCRIPTION	Actual 2020	Actual 2021	BUDGET 2022	PROJECTED 2022	BUDGET 2023	\$ Increase (Decrease)	% Increase (Decrease)
SUMMER PROGRAM	\$120,405	\$43,435	\$110,146	\$110,489	\$113,850	\$3,704	
ZENITH(WITHOUT CLASSROOM TEACHERS)	\$164,727	\$151,977	\$167,080	\$167,474	\$172,565	\$5,485	
PSYCHOLOGICAL SERVICES(INCL SUMMER PROG)	\$144,308	\$164,863	\$168,526	\$168,265	\$173,675	\$5,149	
SLP SERVICES	\$506,571	\$532,012	\$534,706	\$521,558	\$539,192	\$4,486	
OT SERVICES	\$26,894	\$22,945	\$28,780	\$28,831	\$30,032	\$1,252	
PT SERVICES	\$0	\$0	\$10,500	\$10,500	\$0	-\$10,500	
TRANSPORTATION(NOT SUMMER)	\$54,961	\$81,700	\$58,179	\$68,315	\$47,865	-\$10,314	
<b>TOTAL SUPPORT PROGRAMS-SPECIAL EDUCATION</b>	<b>\$6,294,514</b>	<b>\$6,213,176</b>	<b>\$7,178,364</b>	<b>\$7,123,963</b>	<b>\$7,350,274</b>	<b>\$171,910</b>	<b>2.39%</b>
<b>SPED ADMINISTRATION</b>							
SALARIES	\$256,087	\$296,732	\$298,730	\$298,281	\$307,735	\$9,005	
MISCELLANEOUS BENEFITS	\$77,744	\$68,225	\$71,785	\$83,282	\$86,924	\$15,139	
TUITION REIMBURSEMENT	\$4,561	\$1,555	\$7,000	\$8,500	\$7,000	\$0	
INSURANCE	\$3,500	\$3,500	\$3,500	\$3,500	\$3,700	\$200	
COMMUNICATIONS	\$4,775	\$4,775	\$4,775	\$4,775	\$4,775	\$0	
ADVERTISING	\$243	\$889	\$500	\$500	\$500	\$0	
TRAVEL	\$1,117	\$18	\$2,450	\$2,450	\$2,000	-\$450	
SUPPLIES	\$3,848	\$4,855	\$4,446	\$4,446	\$4,500	\$54	
SUPPLIES-SOFTWARE	\$5,654	\$5,940	\$6,000	\$6,000	\$6,000	\$0	
DUES AND FEES	\$610	\$1,575	\$645	\$645	\$645	\$0	
<b>TOTAL SPED ADMINISTRATION</b>	<b>\$358,139</b>	<b>\$388,064</b>	<b>\$399,831</b>	<b>\$412,379</b>	<b>\$423,779</b>	<b>\$23,948</b>	<b>5.99%</b>
<b>SUBTOTAL SPECIAL EDUCATION PROGRAMS</b>	<b>\$6,652,653</b>	<b>\$6,601,240</b>	<b>\$7,578,195</b>	<b>\$7,536,342</b>	<b>\$7,774,053</b>	<b>\$195,858</b>	<b>2.58%</b>
<b>ENGLISH LANGUAGE LEARNER</b>							
SALARIES	\$56,769	\$57,550	\$59,277	\$58,672	\$60,726	\$1,449	
MISCELLANEOUS BENEFITS	\$16,093	\$19,985	\$27,140	\$19,567	\$20,244	-\$6,896	
TUITION REIMBURSEMENT	\$0	\$53	\$1,000	\$1,000	\$1,000	\$0	
TRAVEL	\$1,373	\$85	\$1,000	\$1,000	\$1,000	\$0	
<b>TOTAL ENGLISH LANGUAGE LEARNER</b>	<b>\$74,235</b>	<b>\$77,673</b>	<b>\$88,417</b>	<b>\$80,239</b>	<b>\$82,970</b>	<b>-\$5,447</b>	<b>-6.16%</b>
<b>CO-CURRICULAR ACTIVITIES</b>							
MISCELLANEOUS EXPENSES	\$637,875	\$564,609	\$723,902	\$728,711	\$746,535	\$22,633	
<b>TOTAL COCURRICULAR ACTIVITIES</b>	<b>\$637,875</b>	<b>\$564,609</b>	<b>\$723,902</b>	<b>\$728,711</b>	<b>\$746,535</b>	<b>\$22,633</b>	<b>3.13%</b>
<b>COVID-19 EXPENSES-REIMBURSED BY CRF FUNDS</b>							
MISCELLANEOUS EXPENSES	\$111,847	\$2,963,051	\$0	\$0	\$0	\$0	
<b>TOTAL COVID-19 EXPENSES</b>	<b>\$111,847</b>	<b>\$2,963,051</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>
<b>TOTAL EXPENSES</b>	<b>\$32,827,421</b>	<b>\$36,817,049</b>	<b>\$34,984,949</b>	<b>\$35,188,271</b>	<b>\$36,010,349</b>	<b>\$1,025,399</b>	<b>2.93%</b>
	\$3,177,455	\$156,133	\$0	-\$209,938	\$0	\$1	



State of Vermont  
Department of Taxes  
133 State Street  
Montpelier, VT 05633-1401

Agency of Administration

December 1, 2021

Rep. Krowinski, Speaker of the House  
Sen. Balint, President Pro Tempore  
Vermont State House  
115 State Street  
Montpelier, VT 05633-0004

Dear Speaker Krowinski and President Pro Tempore Balint:

The Commissioner of the Vermont Department of Taxes, after consultation with the Agency of Education, the Secretary of Administration, and the Joint Fiscal Office, is required by 32 V.S.A. § 5402b to calculate and forecast a property dollar equivalent yield, an income dollar equivalent yield, and a non-homestead tax rate by December 1. This letter is submitted in fulfillment of the statutory obligation. The Department of Taxes, Department of Finance and Management, Agency of Education, and the Joint Fiscal Office prepared consensus forecasts on various components of the Education Fund Operating Statement for Fiscal Year (FY)2023 so that the required analysis could be performed. Many thanks go to these dedicated staff for demonstrating the collaboration and meticulousness necessary to publish this forecast.

**5402b(a)(2) Mandated Forecast**

In the statutorily mandated calculation and recommendation under 32 V.S.A. 5402b, the Commissioner must assume the following:

1. The homestead base tax rate is \$1.00 per \$100.00 of equalized education property value;
2. The applicable percentage under 32 V.S.A. 6066(a)(2) is 2.0;
3. The statutory reserves under 16 V.S.A. § 4026 are maintained at five percent; and
4. The percentage change in the average education tax bill applied to homestead property, non-homestead property, and taxpayers who claim a property tax credit is the same.



The FY23 columns in the table below would satisfy the statutorily mandated parameters of the recommendation. As required by statute, the second column labeled “Scenario A” assumes the roughly \$90 million in forecasted unreserved/unallocated funds from FY22 are applied towards lowering FY23 property tax rates, “Scenario B” assumes those funds are not applied.

<b>Homestead Yields and NHS Rate</b>	<b>FY2022 (for comparison)</b>	<b>FY2023 (Scenario A)</b>	<b>FY2023 (Scenario B)</b>
Homestead Property	\$11,317	\$13,846	\$12,937
Income	\$13,770	\$16,705	\$15,484
Non-homestead Property	\$1.612	\$1.385	\$1,482

### Average Rates

If the forecasted yields and rate in the table above were adopted, the average 2022-2023 (FY2023) equalized property tax rates would be as indicated in the table below.

	<b>FY2022 (for comparison)</b>	<b>FY2023 (Scenario A)</b>	<b>FY2023 (Scenario B)</b>
Homestead Property	\$1.523	\$1.308	\$1.400
Income	2.50%	2.19%	2.35%
Non-homestead Property	\$1.612	\$1.385	\$1.482

The Scenario A rates would lead to an average bill decrease of 8.9% for all payers, the Scenario B rates would lead to an average bill decrease of 2.5%.

### Education Spending Growth

On a per-pupil basis, the expected growth in spending is forecast to be 4.74% on average.

	<b>FY2022 (for comparison)</b>	<b>FY2023</b>	<b>Rate of Growth</b>
Total Education Spending (\$Millions) <sup>1</sup>	\$1,496.6	\$1,560.7	4.28%
Equalized Pupil Count	86,975	86,596 <sup>2</sup>	-0.4%
Average Equalized Per Pupil Spending	\$17,207	\$18,023	4.74%

<sup>1</sup> Projected total education spending for property tax rate purposes as defined by 16 V.S.A. § 4001 (6)

<sup>2</sup> FY23 equalized pupils are calculated in accordance with Act 154 (2020) limitation on average daily membership (ADM) declines

### **Key Considerations from the Administration's Point of View**

This forecast is calculated as prescribed in statute and with the information that is available to date. Because of this, there are always variables or uncertainties that might result in a different outcome than what is forecasted. For instance, the December 1 letter last year predicted an average nine percent increase in education property tax bills, in large part due to a forecasted decline in non-property tax revenues in the Education Fund that did not materialize. This year, we find ourselves in a very different situation, where if the full \$90 million was applied to lowering rates, we could lower bills by an average of nearly nine percent. This illustrates the high degree of uncertainty in the Education Fund and the economy as a whole because of the pandemic.

It's important to remember the property tax rate is only one piece of the property tax bill formula. Another important factor is the Common Level of Appraisal (CLA). The CLA is a mechanism that helps ensure uniform property values across the state. When fair market property values increase in a town, it decreases the town's CLA, which causes the town's tax rate on bills to increase. Given the increased value in real estate in Vermont this year, the CLA is expected to go down in many communities which means actual tax rates in those towns could be much higher than the forecasted statewide rate. Districts should be especially mindful this year when considering the potential tax impacts that lower CLAs may have on their member towns. Other variations from the forecasted statewide rate can also be expected because locally voted per pupil spending is still the primary driver of a town's tax rate.

The \$90 million in forecasted unreserved/unallocated funds from FY22 is primarily a result of higher-than-expected performance of the non-property tax revenues, the FY22 education property tax credits costing less than anticipated, enhanced surplus from FY21, and other prior year reversions. This forecasted surplus is one time money, which means we must be careful not to use it in ways that build ongoing costs which would need to be covered by future property taxes.

While school district budgeting is well underway, the Administration would also encourage school boards to be strategic in how they deploy the nearly \$400 million they received directly through federal Elementary and Secondary School Emergency Relief (ESSER) funds. This funding can be used for impactful initiatives like universal afterschool and summer programming, improving our education infrastructure and addressing learning loss – all critical priorities to give our kids the best possible education and opportunities from cradle to career. These short-term federal funds will not replace ongoing revenue needs, and we must be cautious, regardless of the funding source, to not create budget cliffs in one to three years when these surpluses and federal dollars are depleted.

With these factors in mind, and in consideration of this extremely rare opportunity to provide relief to Vermonters who have put so much into this system, the Governor and Administration would like to see half of the surplus, \$45 million, returned to property taxpayers. There is also an opportunity to address some of the ongoing and upcoming education and workforce pipeline issues with the remaining \$45 million, an opportunity that will likely have a positive effect on student experiences and outcomes into the future. Given our workforce shortage across all

sectors, the Governor would like to see the other \$45 million reinvested into our students and used for one time school capital construction costs that will directly enhance workforce development programs, such as enhancements to CTE centers. The Administration would welcome the opportunity to work with the Legislature and school boards to achieve these two objectives.

While the pandemic has created upheaval in so many areas of our society, the impact on our students – from an educational, social, and emotional perspective – has been among the most significant. That is why it remains so critical to help Vermont's children and families recover so they can thrive long into the future. I extend my thanks to the families, students, teachers, school boards, and support staff who have navigated this landscape with grace and a focus on the health and wellbeing of children.

Sincerely,



Craig Bolio  
Commissioner, Department of Taxes

cc: Kristin Clouser, Interim Secretary, Agency of Administration  
Daniel French, Secretary, Agency of Education  
Adam Greshin, Commissioner, Department of Finance and Management  
Rep. Janet Ancel  
Sen. Ann Cummings  
Rep. Kathryn Webb  
Sen. Brian Campion  
Catherine Benham, Joint Fiscal Office  
Jennifer Carbee, Office of Legislative Counsel

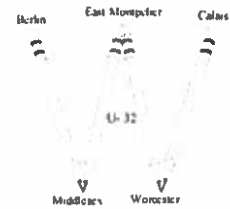


## Washington Central Unified Union School District

*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

Jennifer Miller-Arsenault  
Interim Superintendent



**TO: WCUUSD Finance Committee & School Board**  
**FROM: Susanne Gann, WCUUSD Business Administrator**  
**RE: FY 23 Tax Rate Projections and Tax Commissioner Letter**  
**DATE: December 10, 2021**

**Review:** Historically administration has provided the School Board with estimated tax rate information along with the December budget draft. Some key factors that impact the tax rate are still unknown at this time.

- Equalized pupils will not be available until December 15<sup>th</sup>.
- Common Level of Appraisal for each town is not available until December 31<sup>st</sup>.
- Property Yield Per \$1.00 Tax Rate may be adjusted after the legislative session.

For FY 2022-2023, the excess spending threshold is in its second year of a two-year moratorium, but the state has provided us the calculation that would have been utilized to develop the excess spending amount based upon the New England Economic Project cumulative price index as of November 18, 2021 (NEEP CPI).

**Update:** The December 1 letter from the Tax Commissioner provided some preliminary estimates for the property yield and tax rate based upon a 4.74% average expected growth in per pupil spending across the state. The Commissioner reported \$90 million in forecasted unreserved/unallocated funds from FY 2021-2022. The Governor and Administration would like to see half of this surplus, \$45 million, returned to property taxpayers and the other half reinvested into our students and used for one-time school capital construction costs.

**Summary:** Since there are still so many unknowns, this tax rate calculation uses the most conservative approach, assuming the legislature will not apply any of the funds to reduce the tax rate.

- The WCUUSD Equalized Pupils from FY 2021-2022 used to calculate the estimated tax rates.
- The local Common Level of Appraisal used to calculate the estimated tax rates are from the current year and will change in January.

## FY 23 Tax Rate Projections and Tax Commissioner Letter

- The Homestead Property Yield per \$1.00 tax rate used to calculate the estimated tax rate is \$12,937 (see the Tax Commissioner's December 1 letter).
- The State Excess Spending Per Equalized Pupil is \$19,977.

### FY 2022-2023 Budget Draft #2

Towns	Common Level of Appraisal*	Post Legislative Session Tax Rates FY 21-22	Estimated Tax Rates FY 22-23*	Increase (Decrease)
Berlin	108.77%	\$1.577	<b>\$1.432</b>	(\$0.145)
Calais	93.93%	\$1.826	<b>\$1.658</b>	(\$0.168)
East Montpelier	94.18%	\$1.822	<b>\$1.654</b>	(\$0.168)
Middlesex	95.89%	\$1.789	<b>\$1.624</b>	(\$0.165)
Worcester	99.55%	\$1.723	<b>\$1.564</b>	(\$0.159)

### FY 2022-2023 Budget Draft #2A

Towns	Common Level of Appraisal*	Post Legislative Session Tax Rates FY 21-22	Estimated Tax Rates FY 22-23*	Increase (Decrease)
Berlin	108.77%	\$1.577	<b>\$1.440</b>	(\$0.137)
Calais	93.93%	\$1.826	<b>\$1.668</b>	(\$0.158)
East Montpelier	94.18%	\$1.822	<b>\$1.663</b>	(\$0.159)
Middlesex	95.89%	\$1.789	<b>\$1.634</b>	(\$0.155)
Worcester	99.55%	\$1.723	<b>\$1.574</b>	(\$0.149)

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT  
FY 2022-2023 BUDGET DRAFT #2  
TAX RATE CALCULATION

Uses AOE Final Tax Information June 2021

How to Calculate Tax Rates

Uses AOE Final Tax Information June 2021		
<b>TOTAL BUDGETED EXPENDITURES</b>	<b>\$36,010,349</b>	<b>A</b>
<b>LESS OFFSETTING REVENUES-per State formula:</b>		
Interest Income	\$229,238	
Tuition-School Districts and Individuals	\$949,762	
Miscellaneous Income -Other	\$263,440	
Miscellaneous State Reimbursements	\$803,235	
Special Education Reimbursements	\$4,778,697	
Fund Balance	\$145,019	
<b>TOTAL OFFSETTING REVENUES</b>	<b>\$7,169,391</b>	<b>B</b>
<b>LOCAL EDUCATION SPENDING</b>	<b>\$28,840,958</b>	<b>A-B=C</b>
<b>EQUALIZED PUPILS-per state report February 2021 AOE</b>	<b>1431.50</b>	<b>D</b>
Two year average, HS weighted, .95112 state wtd-Information received Dec 15 each year by law		
<b>LOCAL SPENDING PER EQ PUPIL</b>	<b>\$20,147</b>	<b>C/D=E</b>
<b>Property Yield Per \$1.00 Tax Rate</b>	<b>\$12,937</b>	<b>F</b>
<b>Spending Adjustment</b>	<b>155.73%</b>	<b>E/F=G</b>
<b>Equalized Tax Rate \$1.00</b>	<b>\$1.5573</b>	
<b>Using Equalized Tax Rate Divide By Common Level of Appraisal</b>	<b>Common Level Of Appraisal(CLA)- December 31</b>	<b>FY22-23Tax Rate W/ CLA</b>
Berlin	108.77%	\$1.432
Calais	93.93%	\$1.658
East Montpelier	94.18%	\$1.654
Middlesex	95.89%	\$1.624
Worcester	99.55%	\$1.564

Final Information FY 21-22	Incr % Budget 23 vs Budget 22
\$34,984,949	2.93%
\$283,755	
\$908,448	
\$263,438	
\$803,236	
\$4,789,781	
\$144,000	
\$7,192,658	0.32%
\$27,792,291	3.77%
1431.50	0.00%
	Incr % Per Eq Pupil
\$19,415	3.77%
\$11,317	14.31%
	TAX INCR (DECR)
171.55%	
\$1.716	-\$0.158
FY21-22Tax Rate W/ CLA	Increase/ (Decrease)
\$1.577	-\$0.145
\$1.826	-\$0.168
\$1.822	-\$0.168
\$1.789	-\$0.165
\$1.723	-\$0.159

How to Calculate the Excess Spending Formula-Not Required for FY 2022-2023 Budget

<b>Excess Spending Formula</b>		
Debt Allocation-per formula	\$935,522	
Capital Fund Transfer pending AOE	\$0	
Special Education over \$60k-@5%	\$21,650	
New Teachers Retirement Assessment	\$107,669	
<b>Subtotal Reductions per Excess Spending Formula</b>	<b>\$1,064,841</b>	<b>H</b>
<b>Reduction Per Equalized Pupil</b>	<b>\$744</b>	<b>H/D=I</b>
<b>WCUUSD Excess Spending Per Equalized Pupil</b>	<b>\$19,404</b>	<b>E-I=J</b>
<b>State Excess Spending Amount Per Eq Pupil-Dec 15th</b>	<b>\$19,977</b>	<b>K</b>
<b>Amount away from Threshold Per Equalized Pupil</b>	<b>\$573</b>	<b>K-I=L</b>
<b>Amount away from Threshold (cut needed)</b>	<b>\$820,959</b>	<b>L*D=M</b>

\$1,116,994
\$0
\$21,753
\$129,892
\$1,268,639
\$886
\$18,529
\$18,789
\$260
\$372,802

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT  
FY 2022-2023 BUDGET DRAFT #2A  
TAX RATE CALCULATION

Uses AOE Final Tax Information June 2021

How to Calculate Tax Rates

Uses AOE Final Tax Information June 2021

<b>TOTAL BUDGETED EXPENDITURES</b>	<b>\$36,406,851</b>	<b>A</b>
<b>LESS OFFSETTING REVENUES-per State formula:</b>		
Interest Income	\$229,238	
Tuition-School Districts and Individuals	\$949,762	
Miscellaneous Income -Other	\$398,920	
Miscellaneous State Reimbursements	\$803,235	
Special Education Reimbursements	\$4,778,697	
Fund Balance	\$235,316	
<b>TOTAL OFFSETTING REVENUES</b>	<b>\$7,395,168</b>	<b>B</b>
<b>LOCAL EDUCATION SPENDING</b>	<b>\$29,010,683</b>	<b>A-B=C</b>
<b>EQUALIZED PUPILS-per state report February 2021 AOE</b>	<b>1431.50</b>	<b>D</b>
Two year average, HS weighted, .95112 state wtd-Information received Dec 15 each year by law		
<b>LOCAL SPENDING PER EQ PUPIL</b>	<b>\$20,266</b>	<b>C/D=E</b>
<b>Property Yield Per \$1.00 Tax Rate</b>	<b>\$12,937</b>	<b>F</b>
<b>Spending Adjustment</b>	<b>156.65%</b>	<b>E/F=G</b>
<b>Equalized Tax Rate \$1.00</b>	<b>\$1.6665</b>	
<b>Using Equalized Tax Rate Divide By Common Level of Appraisal</b>	<b>Common Level Of Appraisal(CLA)- December 31</b>	<b>FY22-23Tax Rate W/ CLA</b>
Berlin	108.77%	\$1.440
Calais	93.93%	\$1.668
East Montpelier	94.18%	\$1.663
Middlesex	95.89%	\$1.634
Worcester	99.55%	\$1.574

<b>Final Information FY 21-22</b>	<b>Incr % Budget 23 vs Budget 22</b>
\$34,984,949	4.06%
\$283,755	
\$908,448	
\$263,438	
\$803,236	
\$4,789,781	
\$144,000	
\$7,192,658	-2.82%
\$27,792,291	4.38%
1431.50	0.00%
	<b>Incr % Per Eq Pupil</b>
\$19,415	4.38%
\$11,317	14.31%
<b>TAX INCR (DECR)</b>	
171.55%	
\$1.716	-\$0.149
<b>FY21-22Tax Rate W/ CLA</b>	<b>Increase/ (Decrease)</b>
\$1.577	-\$0.137
\$1.826	-\$0.159
\$1.822	-\$0.158
\$1.789	-\$0.155
\$1.723	-\$0.150

How to Calculate the Excess Spending Formula-Not Required for FY 2022-2023 Budget

<b>Excess Spending Formula</b>		
Debt Allocation-per formula	\$935,522	
Capital Fund Transfer pending AOE	\$0	
Special Education over \$60k-@5%	\$21,650	
New Teachers Retirement Assessment	\$107,669	
<b>Subtotal Reductions per Excess Spending Formula</b>	<b>\$1,064,841</b>	<b>H</b>
<b>Reduction Per Equalized Pupil</b>	<b>\$744</b>	<b>H/D=I</b>
<b>WCUUSD Excess Spending Per Equalized Pupil</b>	<b>\$19,522</b>	<b>E-I=J</b>
<b>State Excess Spending Amount Per Eq Pupil-Dec 15th</b>	<b>\$19,977</b>	<b>K</b>
<b>Amount away from Threshold Per Equalized Pupil</b>	<b>\$455</b>	<b>K-I=L</b>
<b>Amount away from Threshold (cut needed)</b>	<b>\$651,234</b>	<b>L*D=M</b>

\$1,116,994
\$0
\$21,753
\$129,892
\$1,268,639
\$886
\$18,529
\$18,789
\$260
\$372,802

# DRAFT

## WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT WARNING

The legal voters of the Washington Central Unified Union School District, a municipal corporation consisting of the Towns of Berlin, Calais, East Montpelier, Middlesex, and Worcester, Vermont are hereby notified and warned to meet in their respective towns at the polling places hereinafter named on Wednesday March 2, 2022, to vote by Australian ballot on Articles 1 through 9 as outlined below. The polls will open beginning at 8:00 AM in Berlin; 7:00 AM in Calais; 7:00 AM in East Montpelier; 7:00 AM in Middlesex; and 10:00 AM in Worcester. The polls will close in all towns at 7:00 PM.

**ARTICLE 1.** To elect a Clerk for a term of one (1) year.

**ARTICLE 2.** To elect a Treasurer for a term of one (1) year.

**ARTICLE 3.** To elect a Moderator for a term of one (1) year.

**ARTICLE 4.** To elect the following School Directors:

Berlin	One (1) School Director	Three (3) Year Term
Calais	One (1) School Director	One (1) Year of a Three (3) Year Term
	One (1) School Director	Three (3) Year Term
East Montpelier	One (1) School Director	Three (3) Year Term
Middlesex	One (1) School Director	One (1) Years of a Three (3) Year Term
	One (1) School Director	Three (3) Year Term
Worcester	One (1) School Director	One (1) Year of a Three (3) Year Term
	One (1) School Director	Two (2) Years of a Three (3) Year Term
	One (1) School Director	Three (3) Year Term

**ARTICLE 5.** To fix the annual compensation of the Union School District officers.

Clerk \$500.00  
Treasurer \$6,600.00  
Directors \$1,000.00 each

**ARTICLE 6.** Shall the voters of the Washington Central Unified Union School District approve the school board to expend \$\_\_\_\_\_ which is the amount the school board has determined to be necessary for the ensuing fiscal year? It is estimated that this proposed budget, if approved will result in education spending of \$\_\_\_\_, \_\_\_\_\_per equalized pupil. This projected spending per equalized pupil is \_\_\_\_\_% higher than spending for the current year.

**ARTICLE 7.** Shall the School District authorize the Board of School Directors of Washington Central Unified Union School District to hold any audited fund balance as of June

30, 2022 in a reserve fund to be expended under the control and direction of the Board of School Directors for the purpose of operating the school?

**ARTICLE 8.** Shall the School District authorize the Board of School Directors to borrow money in anticipation of the receipt of revenues for the 2022-2023 school year?

**\*\*The Polling places are still being determined so these are subject to change**

**Polling Places and Times:**

Berlin Municipal Office in Berlin Corners - 8:00 AM-7:00 PM

Calais Town Hall in Calais – 7:00 AM – 7:00 PM

East Montpelier Elementary School in East Montpelier – 7:00 AM – 7:00PM

Middlesex Town Hall in Middlesex – 7:00 AM – 7:00 PM

Worcester Town Hall in Worcester - 10:00 AM – 7:00 PM

A virtual public hearing will take place at 6:30 PM on March 1, 2022 to provide information on the articles to be voted by Australian ballot at the municipalities' respective Town Meetings on Tuesday March 2, 2022. \_\_insert link \_\_\_\_\_Meeting ID: \_\_\_\_\_Password: \_\_\_\_\_Phone: 1-929-205-6099

Upon closing of the polls, the ballots shall be transported and delivered to the East Montpelier Office in the Town of East Montpelier and comingled and counted by members of the Boards of Civil Authority of several towns under the supervision of the Clerk of the Washington Central Unified Union School District.

The legal voters of Washington Central Unified Union School District are further notified that voter qualification, registration, and absentee voting relative to said annual meeting shall be as provided in Sections 553 and 706 (u) of Title 16, and Chapters 43, 51, and 55 of title 17, Vermont Statutes Annotated.

## SCHOOL DIRECTORS

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Flor Diaz Smith, Chair (East Montpelier)

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Kari Bradley, Vice-Chair (Calais)

---

Jonas Eno-Van Fleet, Clerk (Worcester)

---

Diane Nichols-Fleming (Berlin)

---

Vera Frazier (Berlin)

---

Ursula Stanley (Middlesex)

---

McKalyn Leclerc (Worcester)

---

Rosie Laquerre, Clerk

---

Jonathan Goddard (Berlin)

---

C. Scott Thompson (Calais)

---

Chris McVeigh (Middlesex)

---

Jill Olson (Middlesex)

---

Stephen Looke (East Montpelier)

---

Maggie Weiss (Calais)

---

Lindy Johnson (East Montpelier)

## Washington Central Unified Union School District

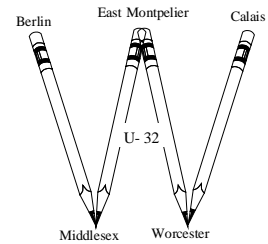
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*WCUUSD exists to nurture and inspire in all students the passion, creativity and power to contribute to their local and global communities.*

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

Jennifer Miller-Arsenault  
Interim Superintendent



TO: WCUUSD School Board Directors  
FROM: Rosie LaQuerre, School District Clerk  
DATE: December 8, 2021  
RE: Annual Meeting Planning

Holiday greetings to you! As you are aware, planning for the district's final budget and Annual Meeting are well underway. As your clerk, it seemed like a good time to remind you of the terms that are expiring as well as those seats that remain vacant. Those of you who were appointed in August need to run for the remainder of the term to continue your work after March 1. Here's a table that explains the terms and seats up for election.

Town	Incumbent	Term Length
Berlin	Jonathan Goddard	3
Calais	Maggie Weiss	1 of 3-year term
Calais	Scott Thompson	3
East Montpelier	Flor Diaz-Smith	3
Middlesex	Ursula Stanley	1 of 3- year term
Middlesex	Jill Olson	3
Worcester	McKalyn Leclerc	1 year of a 3 year term
Worcester	Vacant	2 of 3-year term
Worcester	Jonas Eno-Van Fleet	3

The Moderator, Treasurer and Clerk continue to be elected each year.

Petitions and Consent of Candidate forms will be available from me or your local Town Clerk's office for each seat on Wednesday, December 15. Petitions require 30 signatures or 1% of your town's voters, whichever is less. Should you have any questions, please contact me at [wcuusdc clerk@u32.org](mailto:wcuusdc clerk@u32.org) or by phone at 802-223-3313 X 201 (days) or 802-505-1774 (evenings).