

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

**FINANCIAL STATEMENTS
JUNE 30, 2023
AND
INDEPENDENT AUDITOR'S REPORTS**

BARRE UNIFIED UNION SCHOOL DISTRICT #97

JUNE 30, 2023

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditor’s Report.....	1 - 3
Management’s Discussion and Analysis.....	4 - 10
Basic Financial Statements:	
Government-wide Financial Statements -	
Government-wide Statement of Net Position.....	11 - 12
Government-wide Statement of Activities.....	13
Fund Financial Statements -	
Balance Sheet - Governmental Funds.....	14 - 16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	17 - 19
Statement of Revenues and Expenditures - Budget and Actual - General Fund.....	20 - 21
Statement of Net Position - Proprietary Funds.....	22
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.....	23
Statement of Cash Flows - Proprietary Funds.....	24
Statement of Net Position - Fiduciary Funds.....	25
Statement of Changes in Net Position - Fiduciary Funds.....	26
Notes to Financial Statements.....	27 - 41
Supplementary Schedules:	
Schedule 1 - Schedule of District’s Proportionate Share of Net Pension Liability - VMERS.....	42
Schedule 2 - Schedule of District’s Contributions - VMERS.....	42
Compliance Reports:	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	43 - 44
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	45 - 47
Schedule of Expenditures of Federal Awards.....	48 - 49
Notes to Schedule of Expenditures of Federal Awards.....	50
Schedule of Findings and Responses.....	51 - 52
Status of Prior Audit Findings.....	52

INDEPENDENT AUDITOR'S REPORT

The Board of Education
Barre Unified Union School District #97

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Barre Unified Union School District #97 (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023, on our consideration of the District's internal control over financial reporting; on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements; and on other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Montpelier, Vermont
December 13, 2023

Melgett Jenett 9
Shosh-Nisa, P.L.

**BARRE UNIFIED UNION SCHOOL DISTRICT #97
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

The management's discussion and analysis (MD&A) of Barre Unified Union School District #97 (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the independent auditor's letter, the basic financial statements, the notes to the financial statements, and the supplementary information to enhance their understanding of the District's financial performance.

Effective July 1, 2022 the Central Vermont Career Center became its own District, now referred to as the Central Vermont Career Center School District (CVCCSD). As a result, the District's Board no longer serves as the governance body for the CVCCSD. The program continues to exist and serve students on the Spaulding High School campus. A Facilities Use and Related Services Agreement was initiated and remains in place until such time as the program relocates.

Financial Highlights

Key financial highlights for the year ended June 30, 2023, are as follows:

- The financial statements as of June 30, 2023 reflect the government-wide net position increase of approximately \$3,892,670. The net position of governmental activities increased \$3,904,739, the business-type activities net position did not change, and the component unit net position decreased by \$12,069.
- Government-wide revenues totaled \$67.8 million. General revenues accounted for \$37.6 million or 55.5% of total revenues. Program revenues in the form of charges for services, grants, contributions, and other sources accounted for \$30.3 million or 44.5% of total revenues.
- The District had \$63.9 million in expenses related to governmental activities; \$30.3 million of these expenses were offset by program-specific charges for services, grants, contributions, and other sources. General revenues (primarily taxes and subsidies) of \$37.6 million were sufficient in funding the remaining cost of programs which increased governmental activities net position by \$3,904,739.
- Among the governmental funds, the General Fund had \$56.4 million in revenues and \$55.7 million in expenditures. The General Fund also had \$2.1 million in net other financing uses (consisting of transfers out, and an insurance recovery). The General Fund's fund balance decreased by \$1,354,560.

Using this Annual Report

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

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

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

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

Reporting the District as a Whole

The analysis of the District as a whole in the MD&A begins on page 6. While this report contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "Is the condition of the District better or worse as a result of the operations during the school year?" The government-wide statements, which begin on page 11, present information about the District as a whole in a way that helps to answer this question. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. Both statements are prepared on the accrual basis of accounting, which is similar to the method used by most private sector companies.

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

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

- *Governmental Activities* - Most of the District's programs and services are reported under this category including instruction, support services, operation and maintenance of plant services, pupil transportation, and extracurricular activities. These activities are primarily financed by property taxes, subsidies and grants from the federal and state governments.
- *Business-Type Activities* - Up to June 30, 2022 the District operated an adult education program whereby it charges students, staff, and other users in order to cover the costs of the services provided. The District also operated a building trades program, which ended during a prior year, which is funded by proceeds from house sales. These funds reported residual balances at June 30, 2023 which are to be paid to the newly formed CVCCSD during the year ended June 30, 2024.
- *Component Unit* - The District has identified the Spaulding High School Foundation, LTD. (SHS Foundation) as a discretely presented component unit in accordance with GASB Statement No. 61, *The Financial Reporting Entity Omnibus*. Component units are legally separate entities that are included in the District's financial statements due to fiscal dependency or common management. In the case of the SHS Foundation, it is a legally separate nonprofit entity. The relationship between the SHS Foundation and the District includes a financial benefit, as the intent of the SHS Foundation is to support the District. The SHS Foundation is reported in a separate column in the District's government-wide financial statements.

Reporting the District's Most Significant Funds

The analysis of the District's major funds begins on page 8. The fund financial statements, which provide detailed information about the most significant funds, not the District as a whole, begin on page 14. The District's funds are divided into three broad types - governmental, proprietary, and fiduciary. Each type of fund uses a different accounting approach.

- *Governmental Funds* - Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information is used to determine whether there are more or less financial resources that can be spent in the near future to finance District programs. The relationship (or differences) between governmental activities (as reported in the statement of net position and the statement of activities) and governmental funds is described in the financial statements on pages 16 and 19.
- *Proprietary Funds* - Proprietary funds (described on pages 22 through 24) consist solely of activities treated as business-type activities in the government-wide financial statements. Since the same basis of accounting is used by proprietary funds and business-type activities, the information presented in total is essentially the same. The fund financial statements do provide some additional detail and information, such as cash flows.
- *Fiduciary Funds* - The District acts as fiscal agent for certain student groups and other outside groups. This activity is reported separately by the District. All of the District's fiduciary activities are reported in a separate statement on pages 25 and 26. These activities are excluded from the District's other statements because the District cannot use these assets to finance its operations and does not control these assets.

Financial Analysis of the District as a Whole

Recall that the statement of net position provides the perspective of the District as a whole (primary government and component unit). The Table below provides the District's net position at June 30, 2023 and June 30, 2022, respectively.

	<u>2023</u>		<u>2022</u>		<u>Net Change</u>
Assets					
Current assets	\$ 12,646,188		\$ 10,371,881		\$ 2,274,307
Noncurrent assets	<u>20,211,596</u>		<u>17,247,945</u>		<u>2,963,651</u>
Total Assets	<u>32,857,784</u>		<u>27,619,826</u>		<u>5,237,958</u>
Deferred outflows of resources	<u>1,053,380</u>		<u>1,011,935</u>		<u>41,445</u>

	<u>2023</u>	<u>2022</u>	<u>Net Change</u>
Liabilities			
Current liabilities	5,655,368	3,907,645	1,747,723
Noncurrent liabilities	<u>5,598,412</u>	<u>5,269,896</u>	<u>328,516</u>
Total Liabilities	<u>11,253,780</u>	<u>9,177,541</u>	<u>2,076,239</u>
Deferred inflows of resources	<u>385,424</u>	<u>1,074,930</u>	<u>(689,506)</u>
Net Position			
Net investment in capital assets	15,907,320	12,386,738	3,520,582
Restricted	6,384,378	4,059,494	2,324,884
Unrestricted	<u>(19,738)</u>	<u>1,933,058</u>	<u>(1,952,796)</u>
Total Net Position	\$ <u>22,271,960</u>	\$ <u>18,379,290</u>	\$ <u>3,892,670</u>

The District's net position consists of \$15.9 million invested in capital assets (such as buildings, and land). The restricted net position of \$6.4 million consists of the balances in capital projects funds that are voter committed for capital projects and tax stabilization, as well as restricted Grant Funds, restricted Food Service funds, and Other Special Revenue Fund restricted fund balances. The unrestricted net position negative of \$19,738 is primarily due to a net increase in the pension obligation and depreciation expense during the year ended June 30, 2023.

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

	<u>2023</u>	<u>2022</u>	<u>Net Change</u>
Expenses			
Education - General	\$ 56,245,971	\$ 52,329,280	\$ 3,916,691
Education - Career Center	351,735	2,743,112	(2,391,377)
Grants	5,338,426	5,831,124	(492,698)
Food service	1,682,703	1,494,299	188,404
Other programs	184,547	236,675	(52,128)
Adult education	-	37,274	(37,274)
Building trades	-	287	(287)
Component unit	14,500	1,470	13,030
Interest	<u>126,715</u>	<u>173,031</u>	<u>(46,316)</u>
Total Expenses	<u>63,944,597</u>	<u>62,846,552</u>	<u>1,098,045</u>
Program Revenues			
Grants and Contributions	29,057,903	26,861,113	2,196,790
Charges for Services	466,889	1,656,049	(1,189,160)
Other	<u>743,938</u>	<u>334,556</u>	<u>409,382</u>
Total Program Revenues	<u>30,268,730</u>	<u>28,851,718</u>	<u>1,417,012</u>

	<u>2023</u>	<u>2022</u>	<u>Net Change</u>
General Revenues			
Education Spending Grant	37,491,934	36,656,975	834,959
Interest income	76,603	105,917	(29,314)
Gain on sale of asset	-	(4,954)	4,954
Total General Revenues	<u>37,568,537</u>	<u>36,757,938</u>	<u>810,599</u>
Total Revenues	<u>67,837,267</u>	<u>65,609,656</u>	<u>2,227,611</u>
Change in Net Position	\$ <u>3,892,670</u>	\$ <u>2,763,104</u>	\$ <u>1,129,566</u>

The table above shows that total revenues were more than total expenses for the District as a whole by \$3,892,670 for the year ended June 30, 2023. It should be noted that although the District is required to present government-wide information using the accrual basis of accounting, as detailed above, the District must still prepare its budgets and report its operations under the modified accrual basis of accounting used in the fund financial statements. Operations in relation to the District's budget will be discussed later in this report under the "Financial Analysis of the District by Funds" section.

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

The dependence upon local taxes for governmental activities is apparent. Program revenue provides only 53.5% of the funding needed for instruction, the major program area of the District. Even if all of the unrestricted grants, subsidies, and contributions are used toward instruction, there remains a need for more than \$26.3 million of the funding for instruction to come from local taxes and other general revenues.

Financial Analysis of the District by Funds

As previously noted, the District uses a number of funds to control and manage resources for particular purposes. Information about the District's major governmental funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. Combined, the governmental funds had total revenues of \$67.8 million, and expenditures of \$66.9 million. The net change in fund balance for the year was an increase of \$543,384. The increase in fund balance is primarily related to strong grant funding and reduced operating costs due to workforce shortages.

The general fund decreased its fund balance by \$1,354,560 to a balance of \$995,741. The District had budgeted to utilize \$700,000 with a Tax Stabilization Fund appropriation but did not end up needing to. This was due to a large beginning General Fund fund balance for the year ending June 30, 2023.

Nonspendable fund balance in the amount of \$8,910 corresponds with the inventory amount included in assets. Restricted fund balance in the amount of \$2,199,436 is the fund balance for the Grant Funds, Food Service Fund, and Other Special Revenue Fund. The District's voters have committed \$2,615,251 for future capital projects and \$1,557,962 for future tax rate stabilization. Remaining Board assigned fund balance of \$98,123 relates to board assigned fund balance for future capital project costs. The remaining fund balance consists of an unassigned General Fund fund balance of \$995,741.

Long-term Debt

As of June 30, 2023, the District had an obligation to repay debt of \$4,205,938. The District is indebted to the Vermont Municipal Bond Bank for a 2021 series 1 bond which matures in December 2036. The two other notes mature in August 2028, and July 2026.

Financial Highlights

The District's budget is prepared according to Vermont law and is based on the modified accrual basis of accounting. The fund with a formally adopted budget is the General Fund. The General Fund budget to actual statement can be found on pages 20 and 21.

Total General Fund revenue from all sources was \$829,878 more than budgeted. Expenditures were \$104,834 more than budgeted. The end result is that the District reduced its General Fund fund balance by \$1,354,560 from a beginning surplus of \$2,350,301 to \$995,741 at June 30, 2023.

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

- The District budgeted to utilize \$700,000 in tax stabilization funds to cover expenditures and those funds did not need to be utilized in the current year. They will be carried over to future years.
- State grant revenues were higher than anticipated but were offset by related expenditures.
- Federal grant revenues were higher than anticipated but were offset by related expenditures.
- Tuition revenue exceeded the anticipated budget by \$42,983. This resulted from a higher number of students from sending districts than was anticipated.
- Direct instruction and special education expenditures were less than anticipated due to a decrease in anticipated salaries, wages and benefits due to staffing shortages. In spite of advertising consistently, finding special education professionals and support staff has been difficult due to a tight labor market.

The District's General Fund fund balance at June 30, 2023 was \$995,741.

The District's Future

The District continues to have one of the lowest per pupil spending compared to other schools in Vermont. The District will likely not be able to continue to sustain this low spending in future years because of collective bargaining agreement increases as well as the double-digit health insurance increases over the past 4 years. The unfunded legislative, associations, and agency of education mandates continue to present a financial hardship to this District. One example is 16 V.S.A. 1944d, Employer Annual Charge for Teacher Health Care. This is an annual assessment paid to the State of Vermont Office of the State Treasurer for teachers new to the retirement system on July 1, 2015. The District paid \$193,476 in fiscal year 2023 and this number will continue to increase exponentially each year. In addition, Act 11 of 2018 resulted in the arbitrator choosing the Vermont NEA's proposal which has had significant impact, increasing the cost of health insurance benefits to the District. Student enrollment continues to decline as well, causing equalized pupil counts to decrease year over year.

There is a lot of anticipation in the changes surrounding Act 173 and special education funding. The State has moved away from a reimbursement funding model and now funding is a Census Block Grant based on the number of enrolled students in the SU/SD. There are also additional changes in funding due to Act 127, which is designed to improve student equity by adjusting the school funding formula and providing education quality and funding oversight. Pupil weights adjust student counts according to different student needs or circumstances and are used to account for the potentially higher costs of educating these students.

While focusing on educational advancement, the District has also emphasized the need to have appropriate facilities because the District believes that the school environment also impacts good education. The District continues to maintain all buildings and grounds with safety and aesthetically pleasing environment in mind.

In FY23 the District was awarded approval by the Agency of Education (AOE) to utilize ARP ESSER funds to upgrade the HVAC system and install a sprinkler system in the remaining areas of the Spaulding High School. This project is set to be completed by the end of FY24. Additionally, at the end of FY23 the District was proactive and completed a full transition of all the lighting in our elementary and middle schools over to LED. This was in response to the mandate of discontinued use of fluorescent light bulbs.

Contacting the District’s Financial Management

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2023
(Page 1 of 2)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	Spaulding High School Foundation, LTD.
ASSETS:				
Current assets -				
Cash and cash equivalents	\$ 5,858,679	\$ -	\$ 5,858,679	\$ 11,715
Accounts receivable	6,643,681	-	6,643,681	-
Inventory	8,910	-	8,910	-
Due from (to) other activities	44,139	79,050	123,189	14
Total current assets	<u>12,555,409</u>	<u>79,050</u>	<u>12,634,459</u>	<u>11,729</u>
Noncurrent assets -				
Capital assets	50,376,827	-	50,376,827	-
less - accumulated depreciation	(30,263,569)	-	(30,263,569)	-
Lease assets	318,616	-	318,616	-
less - accumulated amortization	(220,278)	-	(220,278)	-
Total noncurrent assets	<u>20,211,596</u>	<u>-</u>	<u>20,211,596</u>	<u>-</u>
Total assets	<u>32,767,005</u>	<u>79,050</u>	<u>32,846,055</u>	<u>11,729</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred pension expense	<u>1,053,380</u>	<u>-</u>	<u>1,053,380</u>	<u>-</u>
LIABILITIES:				
Current liabilities -				
Accounts payable	2,320,772	-	2,320,772	-
Accrued expenses	2,750,232	-	2,750,232	-
Current portion - Long-term debt	462,743	-	462,743	-
- Lease liability	79,647	-	79,647	-
Accrued interest	41,974	-	41,974	-
Total current liabilities	<u>5,655,368</u>	<u>-</u>	<u>5,655,368</u>	<u>-</u>
Noncurrent liabilities -				
Accrued compensated absences	138,522	-	138,522	-
Net pension liability	1,696,185	-	1,696,185	-
Long-term debt	3,743,195	-	3,743,195	-
Lease liability	20,510	-	20,510	-
Total noncurrent liabilities	<u>5,598,412</u>	<u>-</u>	<u>5,598,412</u>	<u>-</u>
Total liabilities	<u>11,253,780</u>	<u>-</u>	<u>11,253,780</u>	<u>-</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2023
(Page 2 of 2)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	Spaulding High School Foundation, LTD.
DEFERRED INFLOWS OF RESOURCES:				
Deferred pension credits	376,442	-	376,442	-
Unavailable grants	8,982	-	8,982	-
Total deferred inflows of resources	385,424	-	385,424	-
NET POSITION:				
Net investment in capital assets	15,907,320	-	15,907,320	-
Restricted	6,372,649	-	6,372,649	11,729
Unrestricted	(98,788)	79,050	(19,738)	-
Total net position	\$ 22,181,181	\$ 79,050	\$ 22,260,231	\$ 11,729

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

**BARRE UNIFIED UNION SCHOOL DISTRICT #97
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

FUNCTIONS/PROGRAMS:	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	<u>Expenses</u>	<u>Grants and Contributions</u>	<u>Charges for Services</u>	<u>Other</u>	Primary Government			Component Unit
					<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>	Spaulding High School Foundation, LTD.
Governmental activities -								
Education - General	\$ 56,245,971	\$ 18,092,123	\$ 355,330	\$ 479,898	\$ (37,318,620)	\$ -	\$ (37,318,620)	\$ -
- Career Center	351,735	-	-	-	(351,735)	-	(351,735)	-
Grants	5,338,426	9,232,821	-	175,110	4,069,505	-	4,069,505	-
Food service	1,682,703	1,730,528	111,559	-	159,384	-	159,384	-
Other programs	184,547	-	-	88,930	(95,617)	-	(95,617)	-
Interest	126,715	-	-	-	(126,715)	-	(126,715)	-
Total governmental activities	<u>63,930,097</u>	<u>29,055,472</u>	<u>466,889</u>	<u>743,938</u>	<u>(33,663,798)</u>	<u>-</u>	<u>(33,663,798)</u>	<u>-</u>
Business-type activities -								
Adult education	-	-	-	-	-	-	-	-
Building trades	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	\$ <u>63,930,097</u>	\$ <u>29,055,472</u>	\$ <u>466,889</u>	\$ <u>743,938</u>	<u>(33,663,798)</u>	<u>-</u>	<u>(33,663,798)</u>	<u>-</u>
Component unit	\$ <u>14,500</u>	\$ <u>2,431</u>	\$ <u>-</u>	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,069)</u>
	GENERAL REVENUES - EDUCATION SPENDING GRANT				37,491,934	-	37,491,934	-
	- INTEREST INCOME				76,603	-	76,603	-
					<u>37,568,537</u>	<u>-</u>	<u>37,568,537</u>	<u>-</u>
	CHANGE IN NET POSITION				3,904,739	-	3,904,739	(12,069)
	NET POSITION, July 1, 2022				<u>18,276,442</u>	<u>79,050</u>	<u>18,355,492</u>	<u>23,798</u>
	NET POSITION, June 30, 2023				\$ <u>22,181,181</u>	\$ <u>79,050</u>	\$ <u>22,260,231</u>	\$ <u>11,729</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023
(Page 1 of 3)

	<u>General</u>	<u>Central</u> <u>Vermont</u> <u>Career Center</u> <u>Fund</u>	<u>Grant</u> <u>Funds</u>	<u>Food</u> <u>Service</u> <u>Fund</u>	<u>Other Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Tax</u> <u>Stabilization</u> <u>Fund</u>	<u>Totals</u> <u>Governmental</u> <u>Funds</u>
ASSETS								
Cash and cash equivalents	\$ 5,818,190	\$ -	\$ -	\$ 40,489	\$ -	\$ -	\$ -	\$ 5,858,679
Inventory	-	-	-	8,910	-	-	-	8,910
Accounts receivable	4,785,526	800	1,823,836	33,519	-	-	-	6,643,681
Due from other funds	<u>-</u>	<u>3,635</u>	<u>637,601</u>	<u>1,070,671</u>	<u>222,672</u>	<u>2,723,374</u>	<u>1,557,962</u>	<u>6,215,915</u>
 Total assets	 \$ <u>10,603,716</u>	 \$ <u>4,435</u>	 \$ <u>2,461,437</u>	 \$ <u>1,153,589</u>	 \$ <u>222,672</u>	 \$ <u>2,723,374</u>	 \$ <u>1,557,962</u>	 \$ <u>18,727,185</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY								
LIABILITIES:								
Accounts payable	\$ 689,625	\$ 253	\$ 1,620,894	\$ -	\$ -	\$ 10,000	\$ -	\$ 2,320,772
Accrued expenditures	2,746,050	4,182	-	-	-	-	-	2,750,232
Due to other funds	<u>6,171,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,171,776</u>
Total liabilities	<u>9,607,451</u>	<u>4,435</u>	<u>1,620,894</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>11,242,780</u>
DEFERRED INFLOWS OF RESOURCES:								
Unavailable grants	<u>524</u>	<u>-</u>	<u>8,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,982</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023
(Page 2 of 3)

	<u>General Fund</u>	<u>Central Vermont Career Center Fund</u>	<u>Grant Funds</u>	<u>Food Service Fund</u>	<u>Other Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Tax Stabilization Fund</u>	<u>Totals Governmental Funds</u>
FUND EQUITY:								
Fund balances -								
Nonspendable	-	-	-	8,910	-	-	-	8,910
Restricted	-	-	832,085	1,144,679	222,672	-	-	2,199,436
Committed	-	-	-	-	-	2,615,251	1,557,962	4,173,213
Assigned	-	-	-	-	-	98,123	-	98,123
Unassigned	<u>995,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>995,741</u>
Total fund balance (deficit)	<u>995,741</u>	<u>-</u>	<u>832,085</u>	<u>1,153,589</u>	<u>222,672</u>	<u>2,713,374</u>	<u>1,557,962</u>	<u>7,475,423</u>
 Total liabilities, deferred inflows of resources and fund equity	 \$ <u>10,603,716</u>	 \$ <u>4,435</u>	 \$ <u>2,461,437</u>	 \$ <u>1,153,589</u>	 \$ <u>222,672</u>	 \$ <u>2,723,374</u>	 \$ <u>1,557,962</u>	 \$ <u>18,727,185</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023
(Page 3 of 3)

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

Amount reported on Balance Sheet - Governmental Funds - total fund balances \$ 7,475,423

Amounts reported for governmental activities in the Government-wide
Statement of Net Position are different because -

Capital assets used in governmental funds are not financial resources and are
therefore not reported in the funds.

Capital assets	50,376,827
Accumulated depreciation	(30,263,569)
Lease assets	318,616
Accumulated amortization	(220,278)

Liabilities not due and payable in the year are not reported in the
governmental funds.

Accrued compensated absences	(138,522)
Long-term debt	(4,205,938)
Accrued interest on long-term debt	(41,974)
Lease liability	(100,157)

Balances related to net pension asset or liability and related deferred outflows/inflows
of resources are not reported in the governmental funds.

Deferred pension expense	1,053,380
Deferred pension credits	(376,442)
Net pension liability	<u>(1,696,185)</u>

Net position of governmental activities - Government-wide Statement of Net Position \$ 22,181,181

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

(Page 1 of 3)

	General <u>Fund</u>	Central Vermont Career Center <u>Fund</u>	Grant <u>Funds</u>	Food Service <u>Fund</u>	Other Special Revenue <u>Fund</u>	Capital Projects <u>Fund</u>	Tax Stabilization <u>Fund</u>	Totals Governmental <u>Funds</u>
REVENUES:								
Education spending grant	\$ 37,491,934	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,491,934
Intergovernmental -								
State	17,942,747	-	744,055	470,292	-	-	-	19,157,094
Federal	39,280	-	8,488,766	1,260,236	-	-	-	9,788,282
Local -								
Tuition	254,983	-	-	-	-	-	-	254,983
Charges for services	100,347	-	-	111,559	-	-	-	211,906
E-rate	110,096	-	-	-	-	-	-	110,096
Interest	76,391	-	-	212	-	-	-	76,603
Other	409,201	-	175,110	-	88,930	-	-	673,241
Total revenues	<u>56,424,979</u>	<u>-</u>	<u>9,407,931</u>	<u>1,842,299</u>	<u>88,930</u>	<u>-</u>	<u>-</u>	<u>67,764,139</u>
EXPENDITURES:								
Salaries	27,155,787	-	3,148,787	127,671	-	-	-	30,432,245
Benefits	15,148,534	-	981,405	37,647	-	-	-	16,167,586
Professional services	3,577,437	-	534,293	1,222,696	20,522	-	-	5,354,948
Purchased services	5,824,991	-	93,909	628	-	-	-	5,919,528
Supplies and materials	1,684,407	-	580,032	221,413	112,842	-	-	2,598,694
Facilities	1,208,463	-	-	30,124	-	51,282	-	1,289,869
Miscellaneous	-	-	-	460	-	-	-	460
Capital outlay - capital assets	417,303	-	3,635,689	-	-	440,382	-	4,493,374
Debt service - debt principal	457,883	-	-	-	-	-	-	457,883

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

(Page 2 of 3)

	<u>General Fund</u>	<u>Central Vermont Career Center Fund</u>	<u>Grant Funds</u>	<u>Food Service Fund</u>	<u>Other Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Tax Stabilization Fund</u>	<u>Totals Governmental Funds</u>
EXPENDITURES								
(CONTINUED):								
Debt service - lease principal	92,105	-	-	-	-	-	-	92,105
- debt interest	130,092	-	-	-	-	-	-	130,092
- lease interest	2,933	-	-	-	-	-	-	2,933
Total expenditures	<u>55,699,935</u>	<u>-</u>	<u>8,974,115</u>	<u>1,640,639</u>	<u>133,364</u>	<u>491,664</u>	<u>-</u>	<u>66,939,717</u>
EXCESS OF REVENUES OR (EXPENDITURES)	<u>725,044</u>	<u>-</u>	<u>433,816</u>	<u>201,660</u>	<u>(44,434)</u>	<u>(491,664)</u>	<u>-</u>	<u>824,422</u>
OTHER FINANCING SOURCES (USES):								
Insurance recovery	70,697	-	-	-	-	-	-	70,697
Other transfers (Note 13)	-	(351,735)	-	-	-	-	-	(351,735)
Transfers in (out)	<u>(2,150,301)</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>2,350,301</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,079,604)</u>	<u>(351,735)</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>2,350,301</u>	<u>-</u>	<u>(281,038)</u>
NET CHANGE IN FUND BALANCES	(1,354,560)	(351,735)	233,816	201,660	(44,434)	1,858,637	-	543,384
FUND BALANCES, JULY 1, 2022	<u>2,350,301</u>	<u>351,735</u>	<u>598,269</u>	<u>951,929</u>	<u>267,106</u>	<u>854,737</u>	<u>1,557,962</u>	<u>6,932,039</u>
FUND BALANCES, JUNE 30, 2023	<u>\$ 995,741</u>	<u>\$ -</u>	<u>\$ 832,085</u>	<u>\$ 1,153,589</u>	<u>\$ 222,672</u>	<u>\$ 2,713,374</u>	<u>\$ 1,557,962</u>	<u>\$ 7,475,423</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

(Page 3 of 3)

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

Net change in fund balances - total governmental funds	\$ 543,384
Amounts reported for governmental activities in the Government-wide Statement of Activities are different because -	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation or amortization expense.	
Additions to capital assets, net of dispositions	4,493,374
Depreciation	(1,430,675)
Additions to lease assets, net of dispositions	(6,723)
Amortization	(92,325)
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.	
Principal payments on long-term debt	457,883
(Increase)/decrease in accrued interest on long-term debt	6,310
Principal payments on lease	98,927
Changes in other post-employment benefits accumulated by employees will increase or decrease the liability reported in the government-wide statements, but are only recorded as an expenditure when paid in the governmental funds.	
(Increase)/decrease in accrued compensated absences	10,708
Changes in net pension asset or liability and related deferred outflows/inflows of resources will increase or decrease the amounts reported in the government-wide statements, but are only recorded as an expenditure when paid in the governmental funds.	
Net (increase) decrease in net pension obligation	<u>(176,124)</u>
Change in net position of governmental activities - Government-wide Statement of Activities	\$ <u><u>3,904,739</u></u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

(Page 1 of 2)

	Original and Final <u>Budget</u>	Actual (Budgetary Basis)	Variance Over (Under)
REVENUES:			
Tuition	\$ 212,000	\$ 254,983	\$ 42,983
Tax stabilization appropriation	700,000	-	(700,000)
Charges for services	184,473	100,347	(84,126)
Education spending grant	37,491,934	37,491,934	-
Intergovernmental - State	8,340,912	9,601,965	1,261,053
- Federal	-	39,280	39,280
E-rate	-	110,096	110,096
Interest	125,000	76,391	(48,609)
Other	200,000	409,201	209,201
Total revenues	<u>47,254,319</u>	<u>48,084,197</u>	<u>829,878</u>
EXPENDITURES:			
Direct instruction	16,751,913	15,904,966	(846,947)
Special education	13,580,743	13,538,862	(41,881)
Vocational education	960,000	1,018,544	58,544
Athletics	636,863	600,845	(36,018)
Co-curricular	218,600	241,982	23,382
Guidance services	1,053,324	1,083,728	30,404
Health services	508,022	498,285	(9,737)
Psychological services	50,000	5,113	(44,887)
Behavioral services	734,080	883,491	149,411
Other support services	125,364	90,097	(35,267)
Instruction and curriculum development	605,001	592,757	(12,244)
Library and media services	436,741	430,545	(6,196)
Board of education	364,894	357,753	(7,141)
Executive administration	304,492	325,624	21,132
Office of the principal	2,016,902	2,110,955	94,053
Other support services	129,769	125,230	(4,539)
Fiscal services	547,655	603,893	56,238
Public information services	106,380	78,183	(28,197)
Personnel services	282,499	294,030	11,531
Administrative technology services	1,277,010	1,463,024	186,014
Operation and maintenance of buildings	4,398,983	4,714,203	315,220
Transportation	1,553,077	1,809,068	255,991
Debt service - capital construction	300,840	321,220	20,380

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

**BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

(Page 2 of 2)

	Original and Final <u>Budget</u>	Actual (Budgetary <u>Basis)</u>	Variance Over (Under)
EXPENDITURES (CONTINUED):			
Debt service - other	<u>311,167</u>	<u>266,755</u>	<u>(44,412)</u>
Total expenditures	<u>47,254,319</u>	<u>47,359,153</u>	<u>104,834</u>
EXCESS OF REVENUES OR (EXPENDITURES)	<u>-</u>	<u>725,044</u>	<u>725,044</u>
OTHER FINANCING SOURCES (USES):			
Insurance recovery	-	70,697	70,697
Transfers in (out), net	<u>-</u>	<u>(2,150,301)</u>	<u>2,150,301</u>
Total other financing sources (uses):	<u>-</u>	<u>(2,079,604)</u>	<u>2,220,998</u>
NET CHANGE IN FUND BALANCE	\$ <u>-</u>	\$ <u>(1,354,560)</u>	\$ <u>1,354,560</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2023

	<u>Adult Education Fund</u>	<u>Building Trades Fund</u>	<u>Totals Proprietary Funds</u>
ASSETS:			
Current assets -			
Due from other funds	\$ <u>82,138</u>	\$ <u>-</u>	\$ <u>82,138</u>
Total assets	<u>82,138</u>	<u>-</u>	<u>82,138</u>
LIABILITIES:			
Current liabilities -			
Due to other funds	<u>-</u>	<u>3,088</u>	<u>3,088</u>
Total liabilities	<u>-</u>	<u>3,088</u>	<u>3,088</u>
NET POSITION:			
Unrestricted	<u>82,138</u>	<u>(3,088)</u>	<u>79,050</u>
Total net position	\$ <u>82,138</u>	\$ <u>(3,088)</u>	\$ <u>79,050</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Adult Education <u>Fund</u>	Building Trades <u>Fund</u>	Totals Proprietary <u>Funds</u>
OPERATING REVENUES:			
Tuition	\$ -	\$ -	\$ -
Intergovernmental - State	<u>-</u>	<u>-</u>	<u>-</u>
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES:			
Salaries	-	-	-
Employee benefits	-	-	-
Purchased services	-	-	-
Supplies and materials	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING INCOME (LOSS)	-	-	-
NONOPERATING REVENUES (EXPENSES):			
Gain/(loss) on sale of house	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	-	-	-
NET POSITION, July 1, 2022 (DEFICIT)	<u>82,138</u>	<u>(3,088)</u>	<u>79,050</u>
NET POSITION, June 30, 2023 (DEFICIT)	\$ <u>82,138</u>	\$ <u>(3,088)</u>	\$ <u>79,050</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Adult Education Fund</u>	<u>Building Trades Fund</u>	<u>Totals Proprietary Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ -	\$ -	\$ -
Cash provided from state grants	-	-	-
Cash paid to suppliers for goods and services	-	-	-
Cash paid to employees for services	-	-	-
Net cash provided (used) by operating activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Increase (decrease) in balance due to/from the General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Proceeds from sale of house	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-	-
CASH, AND CASH EQUIVALENTS July 1, 2022	<u>-</u>	<u>-</u>	<u>-</u>
CASH, AND CASH EQUIVALENTS June 30, 2023	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Net cash provided (used) by operating activities	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2023

	<u>Custodial Funds</u>
ASSETS:	
Cash and cash equivalents	\$ <u>272,042</u>
 LIABILITIES:	
Due to other funds	123,203
Accounts payable	<u>2,025</u>
Total liabilities	<u>125,228</u>
 NET POSITION:	
Restricted - extracurricular activities	<u>146,814</u>
Total Liabilities and Net Position	\$ <u>272,042</u>

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

**BARRE UNIFIED UNION SCHOOL DISTRICT #97
STATEMENT OF CHANGES IN NET POSITION -
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Custodial Funds</u>
ADDITIONS:	
Extracurricular related contributions	\$ 112,205
Employee elected savings	35,821
Interest	<u>212</u>
	<u>148,238</u>
 DEDUCTIONS:	
Extracurricular activities	140,843
Employee elected withdrawals	<u>35,821</u>
	<u>176,664</u>
CHANGE IN NET POSITION	(28,426)
NET POSITION, July 1, 2022	<u>175,240</u>
NET POSITION, June 30, 2023	\$ <u>146,814</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. Summary of significant accounting policies:

The Barre Unified Union School District #97 (the District) is organized according to State law under the governance of the Board of Education (the Board) to provide public education to preschool through 12th grade students across two communities: Barre City and Barre Town, Vermont. The District operates three schools serving approximately 2,300 students. Students from other districts attend the schools by tuition arrangements.

- A. Reporting entity - The District is a primary unit of government under reporting criteria established by the Governmental Accounting Standards Board (GASB). Those criteria include a separately elected governing body, separate legal standing, and fiscal independence from other state and local governmental entities.

Spaulding High School Foundation, LTD. - The District identified the Spaulding High School Foundation, Ltd. (SHS Foundation) as a discreetly presented component unit for the year ended June 30, 2023. The SHS Foundation is a legally separate nonprofit entity from the District. The relationship between the SHS Foundation and the District includes a financial benefit, as the intent of the SHS Foundation is to support the District. The SHS Foundation is reported in a separate column in the District's government-wide financial statements. The notes to the financial statements focus on the District as the primary government.

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

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

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

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. Summary of significant accounting policies (continued):

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

The District reports the following major governmental funds:

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

Central Vermont Career Center Fund - This fund reports residual balances relating to the Central Vermont Career Center, Barre, which became a separate school district on July 1, 2022.

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

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

Other Special Revenue Fund - This fund is used to account for the specific revenue sources of the District's after school program and other restricted funds received by outside donors or certain grantors.

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

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

The District reports the following major proprietary funds:

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

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

The District also reports fiduciary funds which are used to account for assets held in a custodial capacity (Custodial Funds) for the benefit of parties outside of the District. The District's fiduciary funds are the Custodial Funds.

- D. Measurement focus and basis of accounting - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. Summary of significant accounting policies (continued):

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become both measurable and available. "Measurable" means the amount of the transaction that can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures generally are recorded when the fund liability is incurred, if measurable, as under accrual accounting. However, debt service expenditures are recorded only when payment is made.

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

- E. Budget and budgetary accounting - The District adopts an annual budget for the General Fund at an annual meeting. The accounting method used for the budget presentation varies from U.S. GAAP as described in note 9. Formal budgetary integration is employed as a management control during the year for the General Fund. The District does not legally adopt budgets for other governmental funds. All budgeted amounts lapse at year end.

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

- F. Use of estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflows/inflows of resources as well as disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.
- G. Risk management - The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and others; environmental liability; and natural disasters. The District manages these risks through commercial insurance packages and participation in public entity risk pools covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. There were no settlements in excess of the insurance coverage in any of the past three fiscal years.
- H. Cash, cash equivalents and investments - The District considers all cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition to be cash and cash equivalents. Investments and unrealized gains and losses are reflected in the individual fund and government-wide financial statements. Investments of the District are reported at fair value using quoted prices in active markets for identical assets. This is considered a level 1 input valuation technique under the framework established by U.S. GAAP for measuring fair value. The

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. Summary of significant accounting policies (continued):

H. Cash, cash equivalents and investments (continued) -

District does not own investments valued with level 2 or level 3 inputs, which would use quoted prices for similar assets, or in inactive markets, or other methods for estimating fair value.

I. Inventory - Inventory in the Food Service Fund is valued using the FIFO cost method. Inventory is recorded as an expenditure when consumed rather than when purchased.

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

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

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

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

M. Accrued compensated absences - The District's policy is to permit employees to accrue sick leave benefits based on the terms of their employment contract. Teachers are eligible to receive \$15 per day of accrued sick leave up to 100 days at termination. Para-educators employed 10 years or more are eligible to receive \$20 per day for unused accumulated sick leave up to a maximum of 100 days. The American Federation of State, County and Municipal Employees - AFL-CIO Local 1369, Council 93 union members are eligible to receive payment of all unused vacation time on a pro-rated basis and \$25 per day of accrued sick leave up to 100 days at termination who are employed 25 years or more. Accrued compensated absences at June 30, 2023 of \$138,522 have been recorded as a noncurrent liability in the Government-wide Statement of Net Position but not in the fund financial statements.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. Summary of significant accounting policies (continued):

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

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

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

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

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

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

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

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

P. On-behalf payments - The State of Vermont makes payments on behalf of the District's teachers to the Vermont State Teachers' Retirement System (VSTRS) for pension and other postemployment benefits (OPEB). The District recognizes these on-behalf payments as intergovernmental grant revenues and education expenses or expenditures, as appropriate, in the government-wide financial statements and in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. The amounts are not budgeted and have been excluded from the budget basis statements; see note 9 for reconciling details.

2. Deposits:

Custodial credit risk - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District does not have a policy for custodial credit risk. As of June 30, 2023 the Districts deposits were either insured or collateralized.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

3. Capital assets:

Capital asset activity for the year ended June 30, 2023 has been detailed as follows:.

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental activities -				
Capital assets, not depreciated:				
Land	\$ 604,595	\$ -	\$ -	\$ 604,595
Construction in progress	-	3,875,860	-	3,875,860
Total capital assets, not depreciated	<u>604,595</u>	<u>3,875,860</u>	<u>-</u>	<u>4,480,455</u>
Capital assets, depreciated:				
Land improvements	32,349	-	-	32,349
Buildings and improvements	38,848,057	502,460	-	39,350,517
Equipment and fixtures	5,771,846	34,773	-	5,806,619
Vehicles	500,706	80,281	-	580,987
Software	125,900	-	-	125,900
Total capital assets, depreciated	<u>45,278,858</u>	<u>617,514</u>	<u>-</u>	<u>45,896,372</u>
Less accumulated depreciation for:				
Land improvements	32,349	-	-	32,349
Buildings and improvements	23,731,681	1,086,464	-	24,818,145
Equipment and fixtures	4,652,490	283,857	-	4,936,347
Vehicles	290,474	60,354	-	350,828
Software	125,900	-	-	125,900
Total accumulated depreciation	<u>28,832,894</u>	<u>1,430,675</u>	<u>-</u>	<u>30,263,569</u>
Total capital assets, depreciated, net	<u>16,445,964</u>	<u>(813,161)</u>	<u>-</u>	<u>15,632,803</u>
Capital assets, net	<u>\$ 17,050,559</u>	<u>\$ 3,062,699</u>	<u>\$ -</u>	<u>\$ 20,113,258</u>

Depreciation expense of \$1,430,675 in the governmental activities was allocated to expenses of the education function (\$1,388,611), and food service (\$42,064) programs based on capital assets assigned to those functions.

4. Interfund receivable and payable balances:

Interfund receivable and payable balances, due to the pooling of cash in the General Fund for cash receipts and disbursements, as of June 30, 2023 are as follows:

	<u>Interfund</u> <u>Receivables</u>	<u>Interfund</u> <u>Payables</u>
Governmental funds -		
General Fund	\$ -	\$ 6,171,776
Central Vermont Career Center Fund	3,635	-
Grant Funds	637,601	-
Food Service Fund	1,070,671	-
Afterschool Program Fund	222,672	-

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

4. Interfund receivable and payable balances (continued):

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds (continued) -		
Capital Projects Fund	2,723,374	-
Tax Stabilization Fund	1,557,962	-
	<u>6,215,915</u>	<u>6,171,776</u>
Proprietary funds -		
Adult Education Fund	82,138	-
Building Trades Fund	-	3,088
	<u>82,138</u>	<u>3,088</u>
Fiduciary funds -		
Custodial Funds	-	123,203
Component unit -		
Spaulding High School Foundation	14	-
	<u>\$ 6,298,067</u>	<u>\$ 6,298,067</u>

5. Interfund transfers:

Interfund transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. Interfund transfers for the year ended June 30, 2023 were as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental funds -		
General Fund	\$ 200,000	\$ 2,350,301
Grant Funds	-	200,000
Capital Projects Fund	2,350,301	-
	<u>\$ 2,550,301</u>	<u>\$ 2,550,301</u>

Transfers to the General Fund from the Grant Funds totaling \$200,000 relate to indirect costs associated with administering a federal grant that was built into this federal grant's budget. The \$2,350,301 transfer from the General Fund to the Capital Projects Fund relates to a voter approved transfer for future capital needs of the District.

6. Long-term obligations:

Long-term obligations activity for the year ended June 30, 2023 is detailed on the following page.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

6. Long-term obligations (continued):

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities -					
Direct borrowings	\$ 4,663,821	\$ -	\$ 457,883	\$ 4,205,938	\$ 462,743
Accrued interest on long-term debt	48,284	-	6,310	41,974	41,974
Accrued compensated absences	149,230	-	10,708	138,522	-
Net pension liability	795,230	900,955	-	1,696,185	-
Lease liability	<u>199,084</u>	<u>-</u>	<u>98,927</u>	<u>100,157</u>	<u>79,647</u>
	<u>\$ 5,855,649</u>	<u>\$ 900,955</u>	<u>\$ 573,828</u>	<u>\$ 6,182,776</u>	<u>\$ 584,364</u>

7. Debt:

Short-term - During the year, the District borrowed and repaid \$3,922,031 on a \$3,922,031 line of credit in the form of a 1% revenue anticipation note which matured on June 30, 2023. Interest related to this note was \$39,113.

In July 2023 the District borrowed \$3,421,503 on a \$3,421,503 line of credit in the form of a 3.3% revenue anticipation note which matures on June 28, 2024.

Long-term - Outstanding long-term debt as of June 30, 2023 is as follows:

Governmental activities -

Notes from direct borrowings:

Capital improvement note payable, interest at 2.45%, matures July 2028.	\$ 1,399,276
Capital improvement note payable, interest at 2.49%, matures July 2026.	240,000
Vermont Municipal Bond Bank - 2021 Series 1, various interest rates. Annual principal payments of \$183,333. Matures November 2036.	<u>2,566,662</u>
	<u>\$ 4,205,938</u>

Long-term debt activity for the year ended June 30, 2023 was as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities -					
Notes from direct borrowings:					
Note payable, 2.45%	\$ 1,613,821	\$ -	\$ 214,545	\$ 1,399,276	\$ 219,410
Note payable, 2.49%	300,000	-	60,000	240,000	60,000
VMBB 21 Series 1	<u>2,750,000</u>	<u>-</u>	<u>183,338</u>	<u>2,566,662</u>	<u>183,333</u>
	<u>\$ 4,663,821</u>	<u>\$ -</u>	<u>\$ 457,883</u>	<u>\$ 4,205,938</u>	<u>\$ 462,743</u>

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

7. Debt (continued):

Long-term (continued) -

Fiscal year -	<u>Governmental Activities</u>	
	<u>Notes from Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 462,743	\$ 83,637
2025	468,086	75,645
2026	473,652	67,182
2027	479,268	58,431
2028	425,048	49,241
2029-2033	1,163,809	147,428
2034-2038	<u>733,332</u>	<u>36,723</u>
	<u>\$ 4,205,938</u>	<u>\$ 518,287</u>

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

8. Leases:

The District has entered into agreements that meet the reporting criteria of a lease in accordance with GASB Statement No. 87, *Leases*. Lease assets and lease liabilities activity for the year ended June 30, 2023 was as follows:

	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>
	<u>July 1, 2022</u>			<u>June 30, 2023</u>
Governmental activities -				
Lease asset				
Vehicles	\$ 69,000	\$ -	\$ -	\$ 69,000
Equipment	<u>259,220</u>	<u>-</u>	<u>9,604</u>	<u>249,616</u>
Total lease assets	<u>328,220</u>	<u>-</u>	<u>9,604</u>	<u>318,616</u>
Less accumulated amortization for:				
Vehicles	40,448	14,276	-	54,724
Equipment	<u>90,386</u>	<u>78,049</u>	<u>2,881</u>	<u>165,554</u>
Total accumulated amortization	<u>130,834</u>	<u>92,325</u>	<u>2,881</u>	<u>220,278</u>
Lease asset, net	<u>\$ 197,386</u>	<u>\$ (92,325)</u>	<u>\$ 6,723</u>	<u>\$ 98,338</u>

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

8. Leases (continued):

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental activities (continued) -				
Lease liability				
Vehicles	\$ 28,274	\$ -	\$ 14,034	\$ 14,240
Equipment	<u>170,810</u>	<u>-</u>	<u>84,893</u>	<u>85,917</u>
Total lease liabilities	<u>\$ 199,084</u>	<u>\$ -</u>	<u>\$ 98,927</u>	<u>\$ 100,157</u>

The leases summarized above expire between June 2024 and May 2025. Amortization expense of \$92,325 was allocation to general education function in the governmental activities expenses of the general government.

9. Budgetary basis of accounting:

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

	<u>Revenues</u>	<u>Expenditures</u>
General Fund:		
U.S. GAAP basis	\$ 56,424,979	\$ 55,699,935
On-behalf payments -		
VSTRS pension	(6,366,739)	(6,366,739)
VSTRS OPEB	<u>(1,974,043)</u>	<u>(1,974,043)</u>
Budget basis	<u>\$ 48,084,197</u>	<u>\$ 47,359,153</u>

10. Pension plans:

Vermont State Teachers' Retirement System -

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

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

10. Pension plans (continued):

Vermont State Teachers' Retirement System (continued) -

Contributions: Member teachers are required to contribute a percentage of earnable compensation and the State contributes the balance of an actuarially determined rate. The State is a nonemployer contributor to the Plan and is required by statute to make all actuarially determined employer contributions on behalf of member employers. Contributions as a percentage of earnable compensation are as follows.

Group A	5.50% of earnable compensation. Contributions stop after 25 years of service.
Group C	6.00% Earnable compensation up to \$40,000
	6.05% Earnable compensation of \$40,000 to \$50,000
	6.10% Earnable compensation of \$50,000 to \$60,000
	6.20% Earnable compensation of \$60,000 to \$70,000
	6.25% Earnable compensation of \$70,000 to \$80,000
	6.35% Earnable compensation of \$80,000 to \$90,000
	6.50% Earnable compensation of \$90,000 to \$100,000
	6.65% Earnable compensation more than \$100,000

The District's teachers contributed \$1,143,927, \$1,077,353, and \$1,044,552 to the System in 2023, 2022 and 2021, respectively

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

District's share of -	
VSTRS net pension liability	\$ 49,314,650
VSTRS net pension expenditure	\$ 6,366,739

Vermont Municipal Employees' Retirement System -

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

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

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

10. Pension plans (continued):

Vermont Municipal Employees' Retirement System (continued) -

Contributions: Defined benefit plan members are required to contribute 3.50% (Group A), 5.875% (Group B), 11% (Group C) or 12.35% (Group D) of their annual covered salary, and the District is required to contribute 5% (Group A), 6.5% (Group B), 8.25% (Group C) or 10.85% (Group D) of the employees' compensation. Defined contribution plan members are required to contribute 5.0% of their annual covered salary and the District is required to contribute an equal dollar amount. The contribution requirements of plan members and the District are established and may be amended by the Board of Trustees. The District's contributions to VMERS for the years ended June 30, 2023, 2022 and 2021 were \$161,722, \$139,458 and \$120,570, respectively. The amounts contributed were equal to the required contributions for each year.

Pension liabilities, deferred outflows of resources, deferred inflows of resources: These financial statements include the District's proportionate share of the VMERS net pension liability, deferred outflows of resources for pension expense, deferred inflows of resources from investment earnings and contributions, and the related effects on government-wide net position and activities. The State of Vermont has provided the following information to all employers participating in VMERS, which is based on its calculation of the District's 0.55911056% proportionate share of VMERS.

Districts's share of VMERS net pension liability	\$ 1,696,185
Deferred outflows of resources - Deferred pension expense	\$ 1,053,380
Deferred inflows of resources - Deferred pension credits	\$ 376,442

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

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

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

Plan description: District employees who are at least 21 years old and not covered under the Vermont State Teachers' Retirement System or the Vermont Municipal Employees' Retirement System are eligible to be covered under a 403(b) pension plan administered through Empower Retirement. The District contributes at various rates for certain classes of employees. In addition, any employee of the District may voluntarily contribute to this Plan; however, the District will not match these contributions. All contributions are 100% vested to each employee. At June 30, 2023, there were 198 plan members from the District.

Funding policy: The District pays all costs accrued each year for the Plan. Total contributions for the year ended June 30, 2023 were \$609,056 by the employees and \$137,452 by the District.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

11. Other postemployment benefit (OPEB) plan:

Retired Teachers' Health and Medical Benefit Fund -

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

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

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

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

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

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

Total OPEB liability: The State of Vermont is a nonemployer contributing entity and is presently the sole entity required to contribute to the Plan. The District does not contribute to the Plan; therefore, no net OPEB liability needs to be recorded by the District. However, the District is required to report the District's share of the Plan's net OPEB liability (\$19,333,394) and OPEB expense (\$1,974,043) as determined by an actuarial valuation. The liability was measured as of June 30, 2022 for the reporting period of June 30, 2023.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

11. Other postemployment benefit (OPEB) plan (continued):

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

Sensitivity of the total OPEB liability: A change in assumptions can have a large effect on the estimated OPEB obligation. A decrease of 1% in the 7% discount rate used to calculate future costs would increase the District's share of OPEB liability to \$22,038,126, while an increase of 1% would reduce the District's share of OPEB liability to \$17,083,861. A decrease of 1% in the current healthcare cost trend rate would reduce the District's share of OPEB liability to \$16,812,920, while an increase of 1% would increase the District's share of OPEB liability to \$22,460,850.

Collective OPEB Plan liability and expense: The Plan's collective net OPEB liability is \$717,851,240 and total OPEB expense for the year is \$64,795,404.

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

Salary increase rate	Varies by age
Discount rate	7.00%
Healthcare cost trend rates	7.120% Non-Medicare 6.500% Medicare 4.500% Medicare STRS65
Retiree Contributions	Equal to health trend
Mortality tables	Various PubT-2010, and PubNS-2010 tables using Scale MP-2019
Actuarial cost method	Projected Unit Credit
Asset valuation method	Market value

12. Fund balances:

The Other Special Revenue Fund reported \$91,324 in restricted fund balance relating to the District's Afterschool Program, \$30,405 in restricted fund balance from donations and grants for the benefit of the Spaulding High School and related Spaulding High School Programs, \$22,493 in restricted fund balance from donations and grants for the benefit of the Barre Town Middle & Elementary School and related programs, and \$78,450 in restricted fund balance from donations and grants for the benefit of the Barre City Elementary and Middle School and related programs.

The Capital Projects Fund reported \$2,615,251 in voter committed fund balance for future capital projects and \$98,123 in board assigned fund balance for future capital projects.

13. Central Vermont Career Center School District:

On March 1, 2022, the 18 sending school towns (Barre City, Barre Town, Berlin, Cabot, Calais, Duxbury, East Montpelier, Fayston, Marshfield, Montpelier, Moretown, Plainfield, Roxbury, Rumney, Waitsfield, Warren, Waterbury, Worcester) voted in support of the creation of the Central Vermont Career Center School District (CVCCSD). This means that CVCCSD became independently run effective July 1, 2022. CVCCSD continues to lease the current space from the District and contracts for certain services offered by the District. The prior Central Vermont Career Center Director became the Superintendent of CVCCSD and the CVCCSD board is composed of appointed and elected members. The CVCCSD board establishes

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

13. Central Vermont Career Center School District (continued):

policies and procedures and provides oversight for the Central Vermont Career Center (CVCC) including programming and budgeting among other functions.

The District will see an increase in expenses that have previously been shared in an allocation of 18% Central Vermont Career Center and 82% for the District. These allocation areas include the Spaulding High School library, health office, and facilities. Effective July 1, 2022 the District will be paying 100% of these expenses that were previously allocated with the CVCC but will be receiving offsetting revenues from a monthly lease payment from the CVCCSD. In addition CVCCSD is continuing to contract for some central services from the District such as IT services.

During the year ended June 30, 2023 the District transferred \$351,735 from the Central Vermont Career Center Fund to the CVCCSD. Also during the year ended June 30, 2023 the District received \$92,042 for contracted services with the CVCCSD as well as \$337,176 in rental income.

District management is planning to close out the Central Vermont Career Center Fund, Adult Education Fund, and Building Trades Fund during the year ending June 30, 2024 as a result of the formation of the CVCCSD discussed previously.

14. Subsequent events:

The District has evaluated subsequent events through December 12, 2023, the date on which the financial statements were available to be issued.

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

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY
VMERS
JUNE 30, 2023**

Schedule 1

	<u>June 30,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>	<u>June 30,</u> <u>2017</u>	<u>June 30,</u> <u>2016</u>	<u>June 30,</u> <u>2015</u>
District's proportion of the net pension liability	0.5591%	0.5403%	0.5906%	0.5338%	0.4341%	0.4872%	0.5262%	0.5270%	0.5275%
District's proportionate share of the net pension liability	\$ 1,696,185	\$ 795,230	\$ 1,494,118	\$ 926,153	\$ 610,788	\$ 590,319	\$ 677,252	\$ 406,308	\$ 48,139
District's covered payroll	\$ 2,529,712	\$ 2,297,857	\$ 2,158,848	\$ 2,383,926	\$ 1,990,900	\$ 1,218,892	\$ 1,407,752	\$ 1,424,312	\$ 1,369,761
District's proportionate share of the net pension liability as a percentage of its covered payroll	67.051%	34.607%	69.209%	38.850%	30.679%	48.431%	48.109%	28.527%	3.514%
VMERS net position as a percentage of the total pension liability	73.60%	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
VMERS
JUNE 30, 2023**

Schedule 2

	<u>June 30,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>	<u>June 30,</u> <u>2017</u>	<u>June 30,</u> <u>2016</u>	<u>June 30,</u> <u>2015</u>
Contractually required contribution	\$ 161,722	\$ 139,458	\$ 120,570	\$ 120,273	\$ 102,567	\$ 65,976	\$ 79,571	\$ 79,981	\$ 73,669
Contributions in relation to the contractually required contribution	<u>161,722</u>	<u>139,458</u>	<u>120,570</u>	<u>120,273</u>	<u>102,567</u>	<u>65,976</u>	<u>79,571</u>	<u>79,981</u>	<u>73,669</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
District's covered payroll	\$ 2,529,712	\$ 2,297,857	\$ 2,158,848	\$ 2,383,926	\$ 1,990,900	\$ 1,218,892	\$ 1,407,752	\$ 1,424,312	\$ 1,369,761
Contributions as a percentage of covered payroll	6.393%	6.069%	5.585%	5.045%	5.152%	5.413%	5.652%	5.615%	5.378%

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

The Board of Education
Barre Unified Union School District #97

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Barre Unified Union School District #97 (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 13, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an

Instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Responses as item 2023-001.

District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Montpelier, Vermont
December 13, 2023

Melgett Jennett 9
Shosh-Nisa, P.L.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Education
Barre Unified Union School District #97

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Barre Unified Union School District #97's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Responses.

In our opinion, the District complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Responses as item 2023-001. Our opinion in each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our audit described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal

control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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.

We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Responses as item 2023-001 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

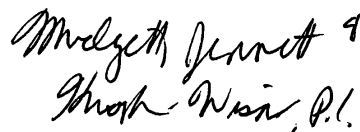
Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the District as of and for the year ended June 30, 2023, and have issued our report thereon dated December 13, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Montpelier, Vermont
December 13, 2023



Madge J. Bennett
Char. Sec. P.I.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Page 1 of 2

Federal Grantor/Pass-through Grantor <u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
U.S. Department of Agriculture:				
Passed through Vermont Agency of Education -				
Child Nutrition Cluster				
National School Lunch Program	10.555	4450U0972300	\$ -	\$ 693,009
National School Lunch Program	10.555	4456U0972300	-	116,321
National School Lunch Program	10.555	4462U0972301	-	<u>63,492</u>
Total National School Lunch Program			-	872,822
School Breakfast Program	10.553	4452U0972300	-	247,827
Summer Food Service Program for Children	10.559	4455U0972200	-	<u>94,335</u>
Fresh Fruit and Vegetable Program	10.582	4449U0972300	-	<u>44,624</u>
Total Child Nutrition Cluster			-	<u>1,259,608</u>
Pandemic EBT Administrative Costs	10.649	4601U0972301	-	<u>628</u>
Total U.S. Department of Agriculture			-	<u>1,260,236</u>
U.S. Department of Education:				
Passed through Vermont Agency of Education -				
Special Education Cluster (IDEA)				
Special Education Grants to States	84.027	4226U0972301	-	711,837
Special Education Grants to States	84.027	4605U0972201	-	<u>145,113</u>
			-	<u>856,950</u>
Special Education Preschool Grants	84.173	4228U0972301	-	22,353
Special Education Preschool Grants	84.173	4606U0972201	-	<u>13,379</u>
			-	<u>35,732</u>
Total Special Education Cluster (IDEA)			-	<u>892,682</u>
Title I Grants to Local Educational Agencies				
Supporting Effective Instruction State Grants	84.010	4250U0972301	-	1,135,125
Student Support and Academic Enrichment Program	84.367	4651U0972301	-	307,700
	84.424	4570U0972301	-	<u>376,632</u>
Education Stabilization Fund	84.425D	4597U0972101	-	2,066,603
Education Stabilization Fund	84.425W	4604U0972201	-	12,715
Education Stabilization Fund	84.425W	4604U0972202	-	17,358
Education Stabilization Fund	84.425U	4599U0972101	-	<u>3,632,558</u>
Total Education Stabilization Fund			-	<u>5,729,234</u>
Total U.S. Department of Education			-	<u>8,441,373</u>

The accompanying notes are an integral part of this schedule.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Page 2 of 2

Federal Grantor/Pass-through Grantor <u>Program Title</u>	Federal CFDA <u>Number</u>	Pass-Through Entity Identifying <u>Number</u>	Passed Through to <u>Subrecipients</u>	<u>Expenditures</u>
U.S. Department of the Defense:				
Direct -				
Junior ROTC - Salary Assistance	12.U01	N/A	-	39,280
Total U.S. Department of Defense			-	39,280
U.S. Department of Health and Human Services:				
Passed through Vermont Department for Children and Families -				
CCDF Cluster				
Child Care and Development Block Grant	93.575	ARPA0069	-	26,164
Child Care and Development Block Grant	93.575	ARPA0070	-	21,229
CCDF Cluster Total			-	47,393
Passed through Vermont Department of Health -				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	03420-09378	-	45,000
Total U.S. Department of Health and Human Services			-	92,393
Total federal award expenditures			\$ -	\$ 9,833,282

The accompanying notes are an integral part of this schedule.

BARRE UNIFIED UNION SCHOOL DISTRICT #97
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

1. Basis of presentation:

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the District.

2. Summary of significant accounting policies:

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

3. Subrecipients:

The District did not provide any federal awards to subrecipients during the year ended June 30, 2023.

**BARRE UNIFIED UNION SCHOOL DISTRICT #97
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023**

A. Summary of Auditor's Results:

Financial Statements -

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? *Yes*
- Significant deficiency(ies) identified? *None reported*

Noncompliance material to financial statements noted? *Yes*

Federal Awards -

Internal control over major programs:

- Material weakness(es) identified? *Yes*
- Significant deficiency(ies) identified? *None reported*

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

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516 (a)? *Yes*

Identification of major programs:

- *U.S. Department of Education:
CFDA 84.425D, 84.425W, 84.425U - Education Stabilization Fund*

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

Auditee qualified as low-risk auditee? *No*

B & C. Audit Findings - Financial Statements & Federal Awards:

2023-001 - 84.425U - Education Stabilization Fund

Condition - The District did not accrue a June 2023 invoice totaling \$1,620,380.99 for a ventilation project at the Spaulding Union High School funded through a Federal *Education Stabilization Fund* grant at June 30, 2023. An audit adjustment was proposed to correct this misstatement.

Criteria - Uniform Guidance §200.502 states that “the determination of when a Federal award is expended must be based on when the activity related to the Federal award occurs.” For financial statement reporting in the fund financial statements as prescribed by the GASB “expenditures should be recognized in the accounting period in which the fund liability is incurred, if measurable.”

Cause - This invoice was paid by the District on July 20, 2023 and was not recorded in the general ledger as a June 2023 expenditure but was instead recorded as a July 2023 expenditure.

**BARRE UNIFIED UNION SCHOOL DISTRICT #97
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023**

B & C. Audit Findings - Financial Statements & Federal Awards (continued):

2023-001 - 84.425U - Education Stabilization Fund (continued) -

Effect - The Districts Grants Fund expenditures were understated by \$1,620,380.99. The Schedule of Expenditures of Federal Awards presented for audit was also understated by \$1,620,380.99. Lastly, capital assets in the government-wide governmental activities were understated by this same amount.

Recommendation - We recommend a careful review of costs paid in the first quarter of a fiscal year or just prior to scheduled audit work. We would recommend that such a review include the review of significant amounts paid and verification that those costs are recorded in the proper fiscal year. The condition in this finding discussed previously was first identified by the auditor while performing a standard search for unrecorded liabilities by obtaining the subsequent year check register and reviewing invoice(s) supporting significant amounts paid and verifying that those costs were included in the proper period.

Management's response - In response to the finding indicated in the governance letter, management recognizes that the physical work performed for this expense occurred in FY23, but this is also an ongoing project and the period of performance for the ARP ESSER grant ends on 9/30/2024 not 6/30/23. Therefore, Management believes their interpretation is also correct. All federal and state grants with a period of performance ending 6/30/23 were accrued back to FY23 ensuring payments and receipts activities were in the correct time frame. Final reimbursement was requested, and the grants were closed out. The implementation of our new financial system also added an extra layer of complexity to our end of year accounting. Work in 2 different systems that do not work cohesively with each other was very challenging. We respect and appreciate the work of our auditors and understand that at times we will disagree and interpret things differently, which is what happened in regard to the expense for the HVAC project surrounding the "period of performance" language.

**STATUS OF PRIOR AUDIT FINDINGS
AS OF JUNE 30, 2023**

There are no prior audit findings applicable to this auditee.