

Federal Compliance Audit

# Orange Southwest School District

June 30, 2023



*Proven Expertise & Integrity*

ORANGE SOUTHWEST SCHOOL DISTRICT

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Orange Southwest School District  
Enosburg, Vermont

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Orange Southwest School District as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Orange Southwest School District's basic financial statements as listed in the table of contents.

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

#### *Basis for Opinions*

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

### 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.

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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 Orange Southwest School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and OPEB information on pages 5 through 12 and 67 through 73 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 Orange Southwest School District's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements. Such is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements, capital asset schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2024, on our consideration of the Orange Southwest School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Orange Southwest School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Orange Southwest School District's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
Vermont Registration No. 092.0000697  
April 10, 2024



**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**(UNAUDITED)**

The following management's discussion and analysis of the Orange Southwest School District's financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the School District's financial statements.

**Financial Statement Overview**

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

**Basic Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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

Both of the above-mentioned financial statements have separate columns for the School District's activity. The type of activity presented for the School District is:

- *Governmental activities* - The activities in this section are mostly supported by intergovernmental revenues (federal and state grants), support from the towns and charges for services. All of the School District's basic services are reported in governmental activities, which include regular instruction, special education, support services, administration and fiscal services, operations and maintenance, athletics/co-curricular, transportation, food service and technical education.

### **Fund Financial Statements**

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

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

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

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the

long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

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

The general fund and technical career center are the only funds for which the School District legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund and select Special Revenue Funds provide a comparison of the original and final budget and the actual expenditures for the current year.

### **Notes to the Financial Statements**

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

### **Required Supplementary Information**

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

### **Other Supplementary Information**

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

## Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the School District's governmental activities. The School District's total net position for governmental activities increased by \$1,048,583 from \$18,724,515 to \$19,773,098.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased for governmental activities to a balance of \$7,403,481 at the end of the fiscal year.

**Table 1**  
**Orange Southwest School District**  
**Net Position**  
**June 30,**

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022 (Restated)</b>
<b>Assets:</b>		
Current Assets	\$ 11,458,544	\$ 13,139,132
Noncurrent Assets - Capital Assets	9,992,068	8,652,520
Total Assets	21,450,612	21,791,652
<b>Deferred Outflows of Resources:</b>		
Deferred Outflows Related to Pensions	759,012	604,164
Total Deferred Outflows of Resources	759,012	604,164
<b>Liabilities:</b>		
Current Liabilities	507,273	2,053,913
Noncurrent Liabilities	1,923,769	1,114,428
Total Liabilities	2,431,042	3,168,341
<b>Deferred Inflows of Resources:</b>		
Deferred Inflows Related to Pensions	5,484	502,960
Total Deferred Inflows of Resources	5,484	502,960
<b>Net Position:</b>		
Net Investment in Capital Assets	9,788,977	8,368,245
Restricted	2,587,044	1,029,882
Unrestricted	7,397,077	9,326,388
Total Net Position	\$ 19,773,098	\$ 18,724,515

## Revenues and Expenses

Revenues for the School District's governmental activities increased by 26.94%, while total expenses increased by 26.89%. The increase in revenues was due to increases in all categories. The increase in expenses was mainly due to increases in regular instruction and on-behalf payments.

**Table 2**  
**Orange Southwest School District**  
**Changes in Net Position**  
**For the Years Ended June 30,**

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 2,289,657	\$ 1,618,177
Operating grants and contributions	11,632,817	10,118,779
<i>General Revenues:</i>		
Grants and contributions not restricted to specific programs	21,674,777	16,849,426
Miscellaneous	950,936	206,374
<b>Total Revenues</b>	<b>36,548,187</b>	<b>28,792,756</b>
<b>Expenses</b>		
Regular instruction	12,659,829	10,580,578
Special education	3,574,708	3,692,909
Support services	2,926,998	2,505,037
Administration and fiscal services	4,612,380	2,669,125
Operations and maintenance	1,555,059	2,795,314
Athletics/Co-curricular	386,315	357,904
Transportation	1,164,711	775,248
Food service	676,942	649,566
Technical education	937,927	449,273
Interest on long-term debt	760	1,353
On-behalf payments	7,003,975	3,500,000
<b>Total Expenses</b>	<b>35,499,604</b>	<b>27,976,307</b>
<b>Change in Net Position</b>	<b>1,048,583</b>	<b>816,449</b>
<b>Net Position - July 1, Restated</b>	<b>18,724,515</b>	<b>17,908,066</b>
<b>Net Position - June 30</b>	<b>\$ 19,773,098</b>	<b>\$ 18,724,515</b>

## Financial Analysis of the School District's Fund Statements

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

**Table 3**  
**Orange Southwest School District**  
**Fund Balances - Governmental Funds**  
**June 30,**

	<u>2023</u>	<u>2022 (Restated)</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General Fund:			
Nonspendable	\$ 8,933	\$ 11,910	\$ (2,977)
Assigned	2,610,453	2,859,843	(249,390)
Unassigned	746,171	-	746,171
Total General Fund	<u>\$ 3,365,557</u>	<u>\$ 2,871,753</u>	<u>\$ 493,804</u>
Medicaid Fund:			
Restricted	\$ 720,961	\$ 625,026	\$ 95,935
Total Medicaid Fund	<u>\$ 720,961</u>	<u>\$ 625,026</u>	<u>\$ 95,935</u>
Operational Reserve Fund:			
Assigned	\$ 1,730,022	\$ 1,743,007	\$ (12,985)
Total Transportation Reserve Fund	<u>\$ 1,730,022</u>	<u>\$ 1,743,007</u>	<u>\$ (12,985)</u>
Transportation Reserve Fund:			
Assigned	\$ 971,524	\$ 1,126,335	\$ (154,811)
Total Transportation Reserve Fund	<u>\$ 971,524</u>	<u>\$ 1,126,335</u>	<u>\$ (154,811)</u>
Facility Maintenance Reserve Fund:			
Assigned	\$ 2,441,241	\$ 3,364,012	\$ (922,771)
Total Facility Maintenance Reserve Fund	<u>\$ 2,441,241</u>	<u>\$ 3,364,012</u>	<u>\$ (922,771)</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 1,859,679	\$ 1,365,086	\$ 494,593
Unassigned (deficit)	(79,622)	-	(79,622)
Total Nonmajor Funds	<u>\$ 1,780,057</u>	<u>\$ 1,365,086</u>	<u>\$ 414,971</u>

The changes to total fund balances for the general fund, Medicaid fund, operational reserve fund, transportation reserve fund, facility maintenance reserve fund and nonmajor funds occurred due to the regular activity of operations.

## Budgetary Highlights

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

The actual revenues were above budgeted revenues by \$318,747. Most revenue categories were receipted at or over budget except for intergovernmental - education spending grant, intergovernmental - extraordinary, intergovernmental - other and miscellaneous. The actual expenditures were below budget by \$157,232. Most expenditures were above budget except for regular instruction, special education, support services and debt service.

There was no difference between the original and final budget for the technical career center.

The actual revenues were below budgeted amounts by \$1,193. Most revenue categories were receipted below budgeted amounts except for intergovernmental revenues. The actual expenditures were below budgeted amounts by \$94,018. Most categories were expended over budget except for direct services and general administration.

## Capital Asset and Long-Term Debt Activity

### Capital Assets

As of June 30, 2023, the net book value of capital assets recorded by the School District increased by \$1,339,548. This increase was due to capital additions of \$2,117,184 less current year depreciation expense of \$777,636.

**Table 4**  
**Orange Southwest School District**  
**Capital Assets (Net of Depreciation)**  
**June 30,**

	<u>2023</u>	<u>2022</u> <u>(Restated)</u>
Land and construction in progress	\$ 308,360	\$ 182,000
Buildings, building improvements and land improvements	7,599,165	6,413,292
Furniture and equipment	2,084,543	2,057,228
Total	<u>\$ 9,992,068</u>	<u>\$ 8,652,520</u>

## **Debt**

At June 30, 2023, the School District had \$203,091 in a bond payable and notes from direct borrowings payable versus \$284,275 in the previous year.

### **Currently Known Facts, Decisions or Conditions**

The 2023 - 2024 budget could be severely impacted by the reduction of funding from the State. There is no indication of reduced funding from the State for 2023 - 2024 as of the date this report was issued.

### **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School District at 24 Central Street, Randolph, VT 05060.



ORANGE SOUTHWEST SCHOOL DISTRICT

STATEMENT A

STATEMENT OF NET POSITION  
JUNE 30, 2023

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 9,902,805
Investments	213,370
Accounts receivable (net of allowance for uncollectibles)	457,827
Due from other governments	875,609
Prepaid items	<u>8,933</u>
Total current assets	<u>11,458,544</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	308,360
Buildings, furniture and equipment, net of accumulated depreciation	<u>9,683,708</u>
Total noncurrent assets	<u>9,992,068</u>
<b>TOTAL ASSETS</b>	<u>21,450,612</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	<u>759,012</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>759,012</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 22,209,624</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 399,153
Accrued expenses	50,029
Current portion of long-term obligations	<u>58,091</u>
Total current liabilities	<u>507,273</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bond payable	20,000
Notes from direct borrowings payable	125,000
Net pension liability	<u>1,778,769</u>
Total noncurrent liabilities	<u>1,923,769</u>
<b>TOTAL LIABILITIES</b>	<u>2,431,042</u>
<b>NET POSITION</b>	
Net investment in capital assets	9,788,977
Restricted	2,580,640
Unrestricted	<u>7,403,481</u>
<b>TOTAL NET POSITION</b>	<u>19,773,098</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 22,209,624</u>

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

## ORANGE SOUTHWEST SCHOOL DISTRICT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
Regular instruction	\$ 12,659,829	\$ 1,132,482	\$ 2,319,478	\$ -	\$ (9,207,869)
Special education	3,574,708	-	927,560	-	(2,647,148)
Support services	2,926,998	-	-	-	(2,926,998)
Administration and fiscal services	4,612,380	-	-	-	(4,612,380)
Operations and maintenance	1,555,059	-	-	-	(1,555,059)
Athletics/Co-curricular	386,315	645,692	-	-	259,377
Transportation	1,164,711	511,483	255,435	-	(397,793)
Food service	676,942	-	632,423	-	(44,519)
Technical education	937,927	-	493,946	-	(443,981)
Interest on long-term debt	760	-	-	-	(760)
On-behalf payments	7,003,975	-	7,003,975	-	-
Total governmental activities	<u>\$ 35,499,604</u>	<u>\$ 2,289,657</u>	<u>\$ 11,632,817</u>	<u>\$ -</u>	<u>(21,577,130)</u>

STATEMENT B (CONTINUED)  
ORANGE SOUTHWEST SCHOOL DISTRICT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(21,577,130)</u>
General revenues:	
Grants and contributions not restricted to specific programs	21,674,777
Miscellaneous	<u>950,936</u>
Total general revenues	<u>22,625,713</u>
Change in net position	1,048,583
NET POSITION - JULY 1, RESTATED	<u>18,724,515</u>
NET POSITION - JUNE 30	<u><u>\$ 19,773,098</u></u>

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

## ORANGE SOUTHWEST SCHOOL DISTRICT

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2023

	General Fund	Medicaid Fund	Operational Reserve Fund	Capital Projects		Other Governmental Funds	Total Governmental Funds
				Transportation Reserve Fund	Facility Maintenance Reserve Fund		
<b>ASSETS</b>							
Cash and cash equivalents	\$ 9,322,544	\$ -	\$ -	\$ -	\$ -	\$ 580,261	\$ 9,902,805
Investments	213,370	-	-	-	-	-	213,370
Accounts receivable (net of allowance for uncollectibles)	457,827	-	-	-	-	-	457,827
Due from other governments	-	17,158	-	-	-	858,451	875,609
Prepaid items	8,933	-	-	-	-	-	8,933
Due from other funds	820,112	703,803	1,730,022	971,524	2,441,241	1,258,932	7,925,634
<b>TOTAL ASSETS</b>	<b>\$10,822,786</b>	<b>\$ 720,961</b>	<b>\$ 1,730,022</b>	<b>\$ 971,524</b>	<b>\$ 2,441,241</b>	<b>\$ 2,697,644</b>	<b>\$19,384,178</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 305,935	\$ -	\$ -	\$ -	\$ -	\$ 93,218	\$ 399,153
Accrued expenses	45,772	-	-	-	-	4,257	50,029
Due to other funds	7,105,522	-	-	-	-	820,112	7,925,634
<b>TOTAL LIABILITIES</b>	<b>7,457,229</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>917,587</b>	<b>8,374,816</b>
<b>FUND BALANCES</b>							
Nonspendable	8,933	-	-	-	-	-	8,933
Restricted	-	720,961	-	-	-	1,859,679	2,580,640
Committed	-	-	-	-	-	-	-
Assigned	2,610,453	-	1,730,022	971,524	2,441,241	-	7,753,240
Unassigned	746,171	-	-	-	-	(79,622)	666,549
<b>TOTAL FUND BALANCES</b>	<b>3,365,557</b>	<b>720,961</b>	<b>1,730,022</b>	<b>971,524</b>	<b>2,441,241</b>	<b>1,780,057</b>	<b>11,009,362</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$10,822,786</b>	<b>\$ 720,961</b>	<b>\$ 1,730,022</b>	<b>\$ 971,524</b>	<b>\$ 2,441,241</b>	<b>\$ 2,697,644</b>	<b>\$19,384,178</b>

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

## ORANGE SOUTHWEST SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023

	<u>Total Governmental Funds</u>
Total Fund Balances	\$11,009,362
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	9,992,068
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	759,012
Long-term obligations shown below are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bond payable	(30,000)
Notes from direct borrowings payable	(173,091)
Net pension liability	(1,778,769)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	<u>(5,484)</u>
Net position of governmental activities	<u>\$19,773,098</u>

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

## ORANGE SOUTHWEST SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund		Medicaid Fund	Operational Reserve Fund	Capital Projects		Other Governmental Funds	Total Governmental Funds
	K-12	Technical			Transportation Reserve Fund	Facility Maintenance Reserve Fund		
		Career Center						
<b>REVENUES</b>								
Intergovernmental revenues	\$ 22,231,809	\$ 1,916,095	\$ 255,701	\$ -	\$ -	\$ -	\$ 3,936,067	\$ 28,339,672
Charges for services	511,483	1,132,482	-	-	-	-	645,692	2,289,657
Interest income	104,653	6,721	-	-	-	-	-	111,374
Miscellaneous revenues	49,500	11,726	-	-	-	-	778,336	839,562
<b>TOTAL REVENUES</b>	<b>22,897,445</b>	<b>3,067,024</b>	<b>255,701</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,360,095</b>	<b>31,580,265</b>
<b>EXPENDITURES</b>								
Current:								
Regular instruction	7,177,467	1,641,080	159,766	-	-	-	3,355,834	12,334,147
Special education	3,023,648	225,155	-	-	-	-	325,905	3,574,708
Support services	1,876,214	525,483	-	-	-	-	525,301	2,926,998
Administration and fiscal services	3,149,462	588,310	-	-	-	-	367,098	4,104,870
Operations and maintenance	2,622,219	-	-	27,253	-	223,039	-	2,872,511
Athletics/Co-curricular	342,191	44,124	-	-	-	-	-	386,315
Transportation	638,552	25,047	-	-	258,811	-	82,749	1,005,159
Food service	-	-	-	-	-	-	676,942	676,942
Technical education	937,927	-	-	-	-	-	-	937,927
Debt service:								
Principal	10,000	-	-	-	-	-	-	10,000
Interest	760	-	-	-	-	-	-	760
Capital outlay	-	-	-	-	-	799,732	-	799,732
On-behalf payments	2,036,053	-	-	-	-	-	-	2,036,053
<b>TOTAL EXPENDITURES</b>	<b>21,814,493</b>	<b>3,049,199</b>	<b>159,766</b>	<b>27,253</b>	<b>258,811</b>	<b>1,022,771</b>	<b>5,333,829</b>	<b>31,666,122</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,082,952</b>	<b>17,825</b>	<b>95,935</b>	<b>(27,253)</b>	<b>(258,811)</b>	<b>(1,022,771)</b>	<b>26,266</b>	<b>(85,857)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	746,171	-	-	760,439	104,000	100,000	859,516	2,570,126
Transfers (out)	(1,353,144)	-	-	(746,171)	-	-	(470,811)	(2,570,126)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(606,973)</b>	<b>-</b>	<b>-</b>	<b>14,268</b>	<b>104,000</b>	<b>100,000</b>	<b>388,705</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>475,979</b>	<b>17,825</b>	<b>95,935</b>	<b>(12,985)</b>	<b>(154,811)</b>	<b>(922,771)</b>	<b>414,971</b>	<b>(85,857)</b>
<b>FUND BALANCES - JULY 1, RESTATED</b>	<b>2,147,350</b>	<b>724,403</b>	<b>625,026</b>	<b>1,743,007</b>	<b>1,126,335</b>	<b>3,364,012</b>	<b>1,365,086</b>	<b>11,095,219</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 2,623,329</b>	<b>\$ 742,228</b>	<b>\$ 720,961</b>	<b>\$ 1,730,022</b>	<b>\$ 971,524</b>	<b>\$ 2,441,241</b>	<b>\$ 1,780,057</b>	<b>\$ 11,009,362</b>

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

## ORANGE SOUTHWEST SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (85,857)</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	2,117,184
Depreciation expense	<u>(777,636)</u>
	<u>1,339,548</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>154,848</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	<u>81,184</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>497,476</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Net pension liability	<u>(938,616)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 1,048,583</u></u>

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

## ORANGE SOUTHWEST SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
JUNE 30, 2023

	Total	
	Custodial Funds	Private-Purpose Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,225	\$ 1,732,378
Investments	63,301	405,089
<b>TOTAL ASSETS</b>	<u>\$ 69,526</u>	<u>\$ 2,137,467</u>
<b>NET POSITION</b>		
Held in trust for others	\$ 69,526	\$ 2,137,467
<b>TOTAL NET POSITION</b>	<u>\$ 69,526</u>	<u>\$ 2,137,467</u>



## ORANGE SOUTHWEST SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	Total	
	Custodial Funds	Private-Purpose Funds
ADDITIONS		
Investment income	\$ 3,214	\$ 60,478
Contributions and other	-	5,000
Total additions	<u>3,214</u>	<u>65,478</u>
DEDUCTIONS		
Program expenses	-	188,004
Total deductions	<u>-</u>	<u>188,004</u>
CHANGE IN NET POSITION	3,214	(122,526)
NET POSITION - JULY 1, RESTATED	<u>66,312</u>	<u>2,259,993</u>
NET POSITION - JUNE 30	<u>\$ 69,526</u>	<u>\$ 2,137,467</u>

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

Orange Southwest School District was incorporated under the laws in the State of Vermont. The School District operates under the Board of Directors-superintendent form of government and provides the following services: regular instruction, special education, support services, administration and fiscal services, operations and maintenance, athletics/co-curricular, transportation, food service and technical education.

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

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

**Implementation of New Accounting Standards**

During the year ended June 30, 2023, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services and the prices or rates that can be charged for the services and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. Management has determined the impact of this Statement is not material to the financial statements.

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 96 "Subscription-Based Information Technology Arrangements". This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 99 "Omnibus 2022". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are to provide clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives, clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset, clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA and recognition and measurement of a subscription liability, extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt, accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP), disclosures related to nonmonetary transactions, pledges of future revenues when resources are not received by the pledging government, clarification of provisions in Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended, related to the focus of the government-wide financial statements, terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and terminology used in Statement 53 to refer to resource flows statements. Management has determined the impact of this Statement is not material to the financial statements.

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Government-Wide and Fund Financial Statements**

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

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All activities of the School District are categorized as governmental.

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

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

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

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

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

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus - Basic Financial Statements and Fund Financial Statements**

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

1. Governmental Funds:

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

Major Funds:

- a. The General Fund is the general operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Medicaid Fund is used to account for the proceeds of that fund's revenue sources that are legally restricted to expenditures for the same purpose. The primary revenue source for this fund is grant funding.
- c. The Operational Reserve Fund is used to account for significant operations and maintenance expenditures. The primary revenue source for this fund is transfers from the general fund.
- d. The Transportation Reserve Fund is used to account for significant transportation expenditures. The primary revenue source for this fund is transfers from the general fund.
- e. The Facility Maintenance Reserve Fund is used to account for significant maintenance and renovation expenditures the school building. The primary revenue source for this fund is transfers from the general fund.

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonmajor Funds:

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

2. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support School District programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

The School District's fiduciary funds are presented in the fiduciary fund financial statements by type (custodial and private-purpose). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

The emphasis in fund financial statements is on the major funds in the governmental activities category. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

**Basis of Accounting**

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

1. Accrual

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

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Modified Accrual

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

**Budget**

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

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

Revenues per budgetary basis	\$ 21,607,563
Add: On-behalf payments	<u>2,036,053</u>
Total GAAP basis	<u><u>\$ 23,643,616</u></u>
Expenditures per budgetary basis	\$ 21,131,584
Add: On-behalf payments	<u>2,036,053</u>
Total GAAP basis	<u><u>\$ 23,167,637</u></u>

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

1. The annual school budget is the planning management tool, which delineates the Union's educational priorities and programs and forms the basis for voter review and approval of the budget according to applicable State of Vermont education finance laws.

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. The Board budget process includes input from school district administration and staff, educational priorities for the next school year, along with public hearings, which include the Board of Directors and general public.
3. The budget document itself is based upon the most current funding information available along with the projection of current revenues and expenditures for the next year. At the conclusion of the budget process, a final budget is approved by the Board of Directors.

**Deposits and Investments**

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

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

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

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

**Receivables**

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2023. Accounts receivable netted with allowances for uncollectible accounts were \$1,333,436 for the year ended June 30, 2023.



ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Prepaid Items**

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

**Interfund Receivables and Payables**

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

**Transactions Between Funds**

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

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$1,000 or more for land, \$20,000 or more for buildings and improvements, \$5,000 for furniture and equipment and \$5,000 for vehicles are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

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

Estimated useful lives are as follows:

Buildings and improvements	10 - 50 years
Furniture, equipment and vehicles	5 - 20 years

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Long-term Obligations**

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

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

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

**Pensions**

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

**OPEB**

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

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Net Position**

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

**Fund Balance**

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

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

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

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

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

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

**Deferred Outflows and Inflows of Resources**

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

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

**Program Revenues**

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

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Encumbrance Accounting**

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

**Use of Estimates**

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

NOTE 2 - DEPOSITS AND INVESTMENTS

**Deposits:**

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

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

At June 30, 2023, the School District's cash balance of \$11,641,408 was comprised of bank deposits amounting to \$13,766,926. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the School District's cash balance. Of these bank deposits, \$655,661 was fully insured by federal depository insurance and consequently was not exposed to custodial credit risk. The balance of \$174,418 was uninsured and uncollateralized. The remaining balance of \$12,936,847 was collateralized with securities held by the financial institution in the School District's name.

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 629,436
Sweep accounts	8,174,033
Money management	3,648,629
Savings accounts	643
Cash equivalents	1,314,185
	<u>\$ 13,766,926</u>

**Investments:**

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

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates. Certificates of deposit held with local financial institutions for \$296,151 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

At June 30, 2023, the School District's investments in certificates of deposit and mutual funds in the amount of \$681,760 were collateralized by federal depository insurance in the amount of \$296,151 and the remaining \$385,609 was collateralized by Securities Investor Protection Corporation and therefore, not exposed to custodial credit risk.

At June 30, 2023, the School District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Not Applicable</u>	<u>Less than 1 Year</u>	<u>1 - 5 Years</u>
Mutual funds	<u>\$ 385,609</u>	<u>\$ 385,609</u>	<u>\$ -</u>	<u>\$ -</u>

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

**Fair Value Hierarchy**

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The School District has the following recurring fair value measurements as June 30, 2023:

	June 30, 2023 Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Equity securities:				
Mutual funds - domestic and foreign	\$ 385,609	\$ 385,609	\$ -	\$ -
Total equity securities	385,609	385,609	-	-
Total investments by fair value level	385,609	\$ -	\$ -	\$ -
<u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market fund	1,314,185			
Total cash equivalents measured at the NAV	1,314,185			
Total investments and cash equivalents measured at fair value	\$ 1,699,794			

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. The School District has no Level II or III investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2023 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies. Certificates of deposit held with local financial institutions for \$296,151 are excluded from the hierarchy as these investments are considered held to maturity and are therefore not measured at fair value.

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

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2023 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 820,112	\$ 7,105,522
Medicaid Fund	703,803	-
Operational Reserve Fund	1,730,022	-
Transportation Reserve Fund	971,524	-
Facility Maintenance Reserve Fund	2,441,241	-
Nonmajor Special Revenue Funds	1,258,932	820,112
	\$ 7,925,634	\$ 7,925,634

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

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2023 consisted of the following:

	Transfers In	Transfers Out
General fund	\$ 746,171	\$ 1,353,144
Operational Reserve Fund	760,439	746,171
Transportation Reserve Fund	104,000	-
Facility Maintenance Reserve Fund	100,000	-
Nonmajor special revenue funds	859,516	470,811
	\$ 2,570,126	\$ 2,570,126

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations. A significant transfer that occurred was between the Title I fund and the schoolwide programs fund.



ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Balance, 7/1/22 (Restated)	Additions	Disposals	Balance 6/30/23
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 182,000	\$ -	\$ -	\$ 182,000
Construction in progress	-	126,360	-	126,360
	182,000	126,360	-	308,360
Depreciated assets:				
Building improvements	\$ 15,366,625	\$ 1,109,910	\$ -	\$ 16,476,535
Furniture and equipment	6,828,516	880,914	-	7,709,430
	22,195,141	1,990,824	-	24,185,965
Total governmental capital assets	22,377,141	2,117,184	-	24,494,325
Less: accumulated depreciation	(13,724,621)	(777,636)	-	(14,502,257)
Net governmental capital assets	\$ 8,652,520	\$ 1,213,188	\$ -	\$ 9,992,068
<u>Current year depreciation:</u>				
Regular instruction				\$ 110,574
Operations and maintenance				507,510
Transportation				159,552
Total governmental activities depreciation				\$ 777,636

NOTE 6 - SHORT-TERM DEBT

The following is a summary of changes in the short-term debt for the year ended June 30, 2023:

	Balance, 7/1/22	Additions	Deletions	Balance, 6/30/23
Tax anticipation notes	\$ -	\$ 3,231,758	\$(3,231,758)	\$ -

On July 1, 2022, the School District issued a tax anticipation note in anticipation of tax revenues to meet its operating obligations during the fiscal year. The note, a line of credit, allowed principal draws up to \$2,811,753 at 1.45% interest with a maturity date of June 30, 2023. At June 30, 2023, the note was paid in full and total interest paid was \$40,659.

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 6 - SHORT-TERM DEBT (CONTINUED)

On July 1, 2022, the School District issued a tax anticipation note in anticipation of tax revenues to meet its operating obligations during the fiscal year. The note, a line of credit, allowed principal draws up to \$420,005 at 1.45% interest with a maturity date of June 30, 2023. At June 30, 2023, the note was paid in full and total interest paid was \$6,073.

NOTE 7 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2023:

	Balance, 7/1/22 (Restated)	Additions	Deletions	Balance, 6/30/23	Current Year Portion
Bond payable	\$ 40,000	\$ -	\$ (10,000)	\$ 30,000	\$ 10,000
Notes from direct borrowings payable	244,275	-	(71,184)	173,091	48,091
	<u>\$ 284,275</u>	<u>\$ -</u>	<u>\$ (81,184)</u>	<u>\$ 203,091</u>	<u>\$ 58,091</u>

The following is a summary of the bond and notes from direct borrowings outstanding as of June 30, 2023:

Bond payable:

Bond payable to the Vermont Municipal Bond Bank. Annual principal payments of \$10,000 and a semi-annual fixed interest rate of 4.473% per annum. Maturity in November of 2025. \$ 30,000

Notes from direct borrowings payable:

In December of 2019, the District entered into a lease for copiers. The lease is for 48 months with monthly principal and interest payments of \$3,814. Maturity is December of 2023. 23,091

In July of 2019, the District entered into a lease for a garage. The lease is for 10 years with annual principal and interest payments of \$25,000. Maturity is in July of 2029. 150,000

Total bonds and notes from direct borrowings payable \$ 203,091

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 7 - LONG-TERM DEBT (CONTINUED)

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

Year Ending June 30,	Bond payable		Notes from direct borrowings payable		Total Debt Service
	Principal	Interest	Principal	Interest	
2024	\$ 10,000	312	\$ 48,091	-	\$ 58,403
2025	10,000	(61)	25,000	-	34,939
2026	10,000	(163)	25,000	-	34,837
2027	-	-	25,000	-	25,000
2028	-	-	25,000	-	25,000
2029-2033	-	-	25,000	-	25,000
	<u>\$ 30,000</u>	<u>\$ 88</u>	<u>\$ 173,091</u>	<u>\$ -</u>	<u>\$ 203,179</u>

NOTE 8 - LONG-TERM OBLIGATIONS

The following is a summary of changes in the long-term obligations for the year ended June 30, 2023:

	Balance, 7/1/22	Additions	Deletions	Balance, 6/30/23	Current Year Portion
Net pension liability	<u>\$ 840,153</u>	<u>\$ 1,096,173</u>	<u>\$ (157,557)</u>	<u>\$ 1,778,769</u>	<u>\$ -</u>

Refer to Note 14 of Notes to the Financial Statements for detailed net pension liability information.

NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS

At June 30, 2023, the School District had the following calculation of net investment in capital assets:

Investment in capital assets	\$ 24,494,325
Accumulated depreciation	(14,502,257)
Outstanding capital related debt	(203,091)
	<u>\$ 9,788,977</u>

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 10 - RESTRICTED NET POSITION AND FUND BALANCES

At June 30, 2023, the School District had the following restricted net position and fund balances:

Medicaid Fund	\$ 720,961
Nonmajor special revenue funds (Schedule C):	
Technology fund	175,010
Fund 2655	3,605
CRF ESSER	89
ESSER III	2,587
EPSDT	85,524
Fresh fruit and vegetable	3,508
Special education	515,697
Legal services	140,000
Braintree misc. grant	888
RUHS misc. grant	5,432
Randolph misc. grant	6,206
OSSD misc. grant	25,326
RUHS student activities	202,562
RUHS alumni account	37,802
RTCC student activities	170,868
Braintree student activities	7,726
Randolph student activities	3,734
RES student council	643
Local adult ed	876
Food service fund	157,151
Raven fund	35,050
Act 156 fund	3,036
After school fund	21,133
After school ARP	159
Preschool ARP	3,548
HRA	189,751
Wellness VSBIT grant	1,967
RES other	12,456
RUHS Rowland foundation	20,119
Farm to school	488
VTC grants	330
Rise	8,202
Braintree artist	853
OSSD other	1,821
Res wheeler	5,358
Technology build	800
Technology other	3,700
Technology youth	3,922
Brook - childhood	1,752
	<u>\$ 2,580,640</u>

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 11 - NONSPENDABLE FUND BALANCE

At June 30, 2023, the School District had the following nonspendable fund balance:

General fund:	
Prepaid items	<u>\$ 8,933</u>

NOTE 12 - ASSIGNED FUND BALANCES

At June 30, 2023, the School District had the following assigned fund balances:

General fund:	
Reserved for future operations	\$ 2,610,453
Operational reserve fund	1,730,022
Transportation reserve fund	971,524
Facility maintenance reserve fund	<u>2,441,241</u>
	<u>\$ 7,753,240</u>

NOTE 13 - DEFICIT FUND BALANCE

At June 30, 2023, the School District had the following deficit fund balance:

VACTED	\$ 10,886
School nurse leadership VDH	25
Summer feeding program	210
Adult education	2,667
Transportation	65,796
RUHS ATHLET/WIND	<u>38</u>
	<u>\$ 79,622</u>

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS

VERMONT STATE TEACHERS' RETIREMENT SYSTEM

**Plan Description**

All of the teachers employed by the School District participate in the Vermont State Teachers' Retirement System ("VSTRS"), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, covering nearly all public day school and nonsectarian private Union teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State of Vermont that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2021 (the most recent period available), the retirement system consisted of 23,887 participating members.

The plan was established effective July 1, 1947 and is governed by *Title 16, V.S.A. Chapter 55*. Subsequent Vermont state legislation, *Act 74*, which became effective on July 1, 2010, updated to reflect Act 114 and Act 173, effective on July 1, 2022 and contained numerous changes to the plan benefits available to current and future members, as well as a change in access to health care coverage after retirement, resulting from a multi-party agreement to provide sustainability of quality pension and retiree health benefits for Vermont teachers.

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

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

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

**Benefits Provided**

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

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

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

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

<b>VSTRS</b>	<b>Group A</b>	<b>Group C – Group # 1</b>	<b>Group C – Group # 2</b>
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Early Retirement Reduction	Actuarial reduction	6% per year from age 62	Actuarial reduction

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

<b>VSTRS</b>	<b>Group A</b>	<b>Group C - Group # 1</b>	<b>Group C - Group # 2</b>
Medical Benefits	Health subsidy based on member's service credit	Health subsidy based on member's service credit	Health subsidy based on member's service credit
Dental	Members pay full premium	Members pay full premium	Members pay full premium

**Contributions**

VSTRS is a cost-sharing public employee retirement system with one exception: all risks and costs are not shared by the School District but are the liability of the State of Vermont. VSTRS is funded through State and employee contributions and trust fund investment earnings; and the School District has no legal obligation for paying benefits. Required contributions to the System are made by the State of Vermont based upon a valuation report prepared by the System's actuary, which varies by plan group. The Vermont State Teachers Retirement System estimates the contributions on behalf of the School District's employees included in the teacher's retirement plan which approximates \$2,036,053 or 20.99% of total payroll for employees covered under the plan.



ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Employee contribution rates by plan group follow:

VSTRS	Group A	Group C - Group # 1	Group C - Group # 2
Employee Contributions	5.5% of gross salary; contributions stop after 25 years of creditable service	5.0% of gross salary	Based on earnable compensation \$0-\$40K is 6.0%, \$40K-\$50K is 6.05%, \$50K-\$60K is 6.10%, \$60K-\$70K is 6.20%, \$70K-\$80K is 6.25% \$80K-\$90K is 6.35% \$90K-\$100K is 6.50% \$100K+ is 6.65%

Employee contributions totaled \$707,572 during the year and were paid by the School District to the State of Vermont. The School District has no other liability under the plan. The School District's total payroll for all employees covered under this plan was \$9,700,110 for the year ended June 30, 2023. Beginning in 2016, school districts that pay for teachers with federal dollars are required to include costs of pensions in the federal grant, lowering the liability for the State.

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

**Plan Description**

The Vermont Municipal Employees' Retirement System (VMERS) is a cost sharing, multi-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. The plan was established effective July 1, 1975 and is governed by Title 24, V.S.A. Chapter 125. It is designed for persons employed on a regular basis by a school district or by a School District for no fewer than 1,040 hours in a year and for no fewer than 30 hours a week for the school year, as defined in 16 V.S.A. § 1071 or for no fewer than 1,040 hours in a year and for no fewer than 24 hours a week year-round; provided, however, that if a person who was employed on a regular basis by a school district as either a special education or transportation employee and who was transferred to and is working in a School District in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) and if that person is also employed on a regular basis by a school district within the School District, then the person is an "employee" if these criteria are met by the combined hours worked for the School District and school

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

district. The term shall also mean persons employed on a regular basis by a municipality other than a school district for no fewer than 1,040 hours in a year and for no fewer than 24 hours per week, including persons employed in a library at least one-half of whose operating expenses are met by municipal funding. For the year ended June 30, 2021 (the most recent data available), the retirement system consisted of 16,158 participating members.

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

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

**Benefits Provided**

The pension plan is divided into four membership groups:

- Group A - general employees whose legislative bodies have not elected to become a member of Group B or Group C
- Groups B and C - general employees whose legislative bodies have elected to become members of Group B or Group C
- Group D - sworn police officers, firefighters and emergency medical personnel

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

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

<b>VMERS</b>	<b>Group A</b>	<b>Group B</b>	<b>Group C</b>	<b>Group D</b>
Normal service retirement eligibility	Age 65 with 5 years of service, or age 55 with 35 years of service	Age 62 with 5 years of service, or age 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years
Benefit formula - normal service Retirement (no reduction)	1.4% x creditable service x AFC	1.7% x creditable service x AFC + previous service; 1.4% x Group A service x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC; 2.5% x Group C service x AFC
Maximum Benefit Payable	60% of AFC	60% of AFC	50% of AFC	50% of AFC
Post-Retirement COLA	50% of CPI, up to 2% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	N/A	Age 50 with 20 years of service
Early Retirement Reduction	6% per year from age 65 **	6% per year from age 62 **	N/A	No reduction

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

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

**Contributions**

Title 24 VSA Chapter 125 of Vermont Statutes grants the authority to the Retirement Board to annually review the amount of municipalities' contributions as recommended by the actuary of the retirement system in order to achieve and preserve the financial integrity of the fund and to certify the rates of contributions payable by employers. The Board of Trustees also certifies the rates of contribution payable by employees. Contribution rates for each group as of July 1, 2022 are as follows:

<b>VMERS</b>	<b>Group A</b>	<b>Group B</b>	<b>Group C</b>	<b>Group D</b>
Employee Contributions	3.500% of gross salary	5.875% of gross salary	11.000% of gross salary	12.350% of gross salary
Employer Contributions	5.000% of gross salary	6.500% of gross salary	8.250% of gross salary	10.850% of gross salary

Employee contributions are withheld pre-income tax by the School District and are remitted to the State of Vermont. Such withholdings for the year ended June 30, 2023 totaled \$110,303. The School District contributed \$157,557 for the year ended June 30, 2023. The School District's total payroll for the year ended June 30, 2023 for all employees covered under this plan was \$3,151,505.

**Pension Liabilities**

*VSTRS Plan*

The State is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of member employers. Therefore, these employers are considered to be in a special funding situation as defined in GASB No. 68 and the State is treated as a nonemployer to VSTRS. Since the School District does not contribute directly to VSTRS, no net pension liability was recorded at June 30, 2023. The State's portion of the collective net pension liability that was associated with the School District was as follows:

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Supervisory Union's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Supervisory Union	<u>23,022,700</u>
Total	<u>\$ 23,022,700</u>

The State of Vermont's proportionate share of the net pension liability associated with the School District is equal to the collective net pension liability, actuarially measured as of June 30, 2022, multiplied by the School District's proportionate share percentage. The School District's proportionate share percentage was based on its reported salaries to the total reported salaries for all participating employers. At June 30, 2022, the School District's proportion was 1.19378% which was an increase of 0.01388% from its proportion measured as of June 30, 2021.

*VMERS Plan*

At June 30, 2023, the School District reported a liability of \$1,778,769 for its proportionate share of the net pension liabilities for each plan. The net pension liabilities were measured as of June 30, 2022 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of June 30, 2021. The School District's proportion of the net pension liabilities were based on a projection of the School District's long-term share of contributions to each pension plan relative to the projected contributions of all participating towns, actuarially determined.

At June 30, 2022, the School District's proportion was 0.58633% for VMERS, which was an increase of 0.01553% from its proportion measured as of June 30, 2021 for VMERS.

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

For the year ended June 30, 2023, the School District recognized total pension expense of \$3,052,623 and revenue of \$3,052,623 for support provided by the State of Vermont for the VSTRS plan. In the same period, the School District recognized pension expense of \$286,292 for the VMERS plan. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	VSTRS		VMERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ 133,586	\$ -
Changes of assumptions	-	-	90,939	-
Net difference between projected and actual earnings on pension plan investments	-	-	288,784	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	88,146	5,484
Contributions subsequent to the measurement date	-	-	157,557	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 759,012</u>	<u>\$ 5,484</u>

\$157,557 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	VSTRS	VMERS
Plan year ended June 30:		
2023	\$ -	\$ 200,964
2024	-	160,555
2025	-	47,587
2026	-	186,865
2027	-	-
Thereafter	-	-

**Significant Actuarial Assumptions and Methods**

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using the actuarial assumptions outlined below.

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

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*Inflation:* For both plans, 2.30%.

*Salary Increases:* For the VSTRS plan, increases ranging from 3.55% to 10.50%. For the VMERS plan, varying, service-based rates from 0-10 years of service, then a single rate of 4.50% (includes assumed inflation rate of 2.30%) for all subsequent years.

Deaths After Retirement:

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

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

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

*Pre-Retirement:*

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

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*Healthy Post-Retirement - Beneficiaries:*

- Groups A/B/C - 70% Pub-2010 Contingent Survivor Amount-Weighted below-median and 30% of Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2019.
- Group D - Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2019.

*Healthy Post-Retirement - Retirees:*

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

*Disabled Post-Retirement:*

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

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

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

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

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

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



ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*Cost-of-Living Adjustments VSTRS:*

For active Group C members who are first eligible for normal retirement on or after July 1, 2022:

- Assumed to occur on January 1 following two years of retirement at the rate of 1.20% per annum (beginning two years after the attainment of age 62 for members who elect reduced early retirement). The January 1, 2023, COLA was 2.00%\*.

\*This amount was required to be calculated in 2023 as a result of Act 114 and Act 173; however, it will not be applied to any members in 2023.

For all other members:

- Group A - Assumed to occur on January 1 following one year of retirement at the rate of 2.40% per annum. The January 1, 2022, COLA was 4.60%. The January 1, 2023, COLA was 5.00%.
- Group B/C – Assumed to occur on January 1 following one year of retirement at the rate of 1.35% per annum (beginning one year after the attainment of age 62 or Group C members who elect reduced early retirement). The January 1, 2022, COLA was 2.30%. The January 1, 2023, COLA was 2.50%.

*Cost-of-Living Adjustments VMERS:*

Assumed to occur on January 1 following one year of retirement at the rate of 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Group A, B and D who receive a disability retirement benefit and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2022 COLA is 2.00% for Group A members and 2.30% for Group B, C and D members. The January 1, 2022 COLA is 2.00% for Group A members and 2.30% for Group B, C and D members. The January 1, 2023 COLA is 2.00% for Group A members and 3.00% for Group B, C and D members.

*Amortization method:* For VSTRS, amortization payments are calculated to fully fund unfunded actuarial accrued liability with annual increases of 3% over a closed period. The remaining amortization period is 18 years as of July 1, 2020.

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

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

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

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Passive Global Equities	24.00%	4.30%
Active Global Equities	5.00%	4.30%
US Equity - Large Cap	4.00%	3.25%
US Equity - Small/Mid Cap	3.00%	3.75%
Non-US Developed Market Equities	7.00%	5.00%
Private Equity	10.00%	6.50%
Emerging Markets Debt	4.00%	3.50%
Private and Alternative Credit	10.00%	4.75%
Non-Core Real Estate	4.00%	6.00%
Core Fixed Income	19.00%	0.00%
Core Real Estate	3.00%	3.50%
US TIPS	3.00%	-0.50%
Infrastructure/Farmland	4.00%	4.25%

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

**Discount Rate**

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

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

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

	1% Decrease	Discount Rate	1% Increase
<u>VSTRS:</u>			
Discount rate	6.00%	7.00%	8.00%
Supervisory Union's proportionate share of the net pension liability	\$ -	\$ -	\$ -
<u>VMERS:</u>			
Discount rate	6.00%	7.00%	8.00%
Supervisory Union's proportionate share of the net pension liability	\$ 2,665,408	\$ 1,778,769	\$ 1,049,472

**Pension Plan Fiduciary Net Position**

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

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

VERMONT STATE TEACHERS' RETIREMENT SYSTEM

**Plan Description**

The Vermont State Teachers' Retirement System provides postemployment benefits to eligible VSTRS employees who retire from the System through a cost-sharing, multiple-employer postemployment benefit (OPEB) plan (the Plan).

The plan covers nearly all public day school and nonsectarian private high school teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2021, the Plan consisted of 7,280 retired members or beneficiaries currently receiving benefits and 9,955 active members.

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

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

**Benefits Provided**

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

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

**Contributions**

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

	<b>Retiree Subsidy</b>	<b>Spouse Subsidy*</b>		
Retired before June 30, 2010	At least ten years of service - 80% of premium Less than ten years of service - 0% of premium	0% of premium		
Retired after June 30, 2010	10 years or more of service at June 30, 2010 - 80% of premium	Years of service at June 30, 2010 - 80% of premium if meet the following years of service at retirement requirement:		
	Less than 10 years of service at June 30, 2010:			
	Less than 15 years at retirement	0% of premium	Less than 10 years	25 years at retirement
	15-19.99 years at retirement	60% of premium	10-14.99 years	25 years at retirement
	20-24.99 years at retirement	70% of premium	15-24.99 years	10 additional years from June 30, 2010
	25 years or more at retirement	80% of premium	25-29.99 years	35 years at retirement
		30 or more years	5 additional years from June 30, 2010	

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

Premium Reduction Option: Participants retiring on or after January 1, 2007 with a VSTRS premium subsidy have a one-time option to reduce the VSTRS subsidy percentage during the retiree's life so that a surviving spouse may continue to receive the same VSTRS subsidy for the spouse's lifetime. If the retiree elects the joint and survivor pension option but not the Premium Reduction Option, spouses are covered for the spouse's lifetime but pay 100% of the plan premium after the retiree's death.

Retirees pay full cost of dental benefits.

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

**OPEB Liabilities**

The State is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of member employers. Therefore, these employers are considered to be in a special funding situation as defined in GASB No. 75 and the State is treated as a nonemployer to VSTRS. Since the School District does not contribute directly to VSTRS, no net OPEB liability was recorded at June 30, 2023. The State's portion of the collective net OPEB liability that was associated with the School District was as follows:

Supervisory Union's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Supervisory Union		<u>9,140,805</u>
Total	<u>\$</u>	<u>9,140,805</u>

The State of Vermont's proportionate share of the net OPEB liability associated with the School District is equal to the collective net OPEB liability, actuarially measured as of June 30, 2022, multiplied by the School District's proportionate share percentage. The School District's proportionate share percentage was based on its reported salaries to the total reported salaries for all participating employers. At June 30, 2022, the School District's proportion was 1.27336% which was an increase of 0.07352% from its proportion measured as of June 30, 2021.

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

For the year ended June 30, 2023, the School District recognized total OPEB expense of \$1,915,299 and revenue of \$1,915,299 for support provided by the State of Vermont for the Plan. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

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

	<u>VSTRS OPEB Plan</u>
Plan year ended June 30:	
2023	\$ -
2024	-
2025	-
2026	-
2027	-
Thereafter	-

**Discount Rate**

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

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Passive Global Equities	24.00%	4.30%
Active Global Equities	5.00%	4.30%
US Equity - Large Cap	4.00%	3.25%
US Equity - Small/Mid Cap	3.00%	3.75%
Non-US Developed Market Equities	7.00%	5.00%
Emerging Markets Debt	4.00%	3.50%
Core Bonds	19.00%	0.00%
Private and Alternative Credit	10.00%	4.75%
US TIPS	3.00%	-0.50%
Core Real Estate	3.00%	3.50%
Non-Core Real Estate	4.00%	6.00%
Private Equity	10.00%	4.75%
Infrastructure/Farmland	4.00%	4.25%
	100.00%	

**Healthcare Trend Rate**

Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The trend rate assumptions were developed using Segal’s internal guidelines, which are established each year using data sources such as the 2022 Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the S&P Dow Jones Indices, consulting firms and brokers and CPI statistics published by the Bureau of Labor Statistics. The sensitivity of net OPEB liability to changes in healthcare trend rates are as follows:

	1% Decrease	Discount Rate	1% Increase
VSTRS OPEB Plan:			
Discount rate	6.00%	7.00%	8.00%
Supervisory Union's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -

**Actuarial Methods and Assumptions**

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2022, using the following methods and assumptions applied to all periods included in the measurement:



ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

*Actuarial Cost Method*

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

*Amortization*

The total OPEB liability of this Plan is amortized on a closed 30-year period. The amortization method is a level percent of payroll method. As of July 1, 2022, there is 26 years remaining on the amortization period.

*Asset Valuation Method*

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

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

The target allocation, long-term expected rates of return for each major asset class and expected inflation, as of June 30, 2022, are summarized below:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Passive Global Equities	24.00%	4.30%
Active Global Equities	5.00%	4.30%
US Equity - Large Cap	4.00%	3.25%
US Equity - Small/Mid Cap	3.00%	3.75%
Non-US Developed Market Equities	7.00%	5.00%
Emerging Markets Debt	4.00%	3.50%
Core Bonds	19.00%	0.00%
Private and Alternative Credit	10.00%	4.75%
US TIPS	3.00%	-0.50%
Core Real Estate	3.00%	3.50%
Non-Core Real Estate	4.00%	6.00%
Private Equity	10.00%	4.75%
Infrastructure/Farmland	4.00%	4.25%
	100.00%	

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

*Assumptions*

The actuarial assumptions used to calculate the actuarially determined contribution rates can be found in the Report on the Actuarial Valuation of Post-Retirement Benefits of the Vermont State Teachers' Retirement System Prepared as of June 30, 2016 completed by Buck Consulting. As of June 30, 2022, they are as follows:

Discount Rate	7.00%
Salary Increase Rate	Varies by age
Non-Medicare	7.120% graded to 4.50% over 12 years
Medicare	6.500% graded to 4.50% over 12 years
Retiree Contributions	Equal to health trend
Pre-retirement Mortality	PubT-2010 Teacher Employee Headcount-Weighted Table with generational projection using scale MP-2019
Post-retirement Mortality	Retirees: PubT-2010 Teacher Healthy Retiree Headcount-Weighted Table Spouses: 109 % of the Pub-2010 Contingent Survivor Headcount-Weighted Table, both Retirees and Spouses with generational projection using scale MP-2019

**Changes in Net OPEB Liability**

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2022 with the following exceptions:

*Changes in Assumptions*

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period remaining was twenty-six years as of July 1, 2022. For the fiscal year ended June 30, 2022, the discount rate was increased from 2.20% to 7.00%.

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

**OPEB Plan Fiduciary Net Position**

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

NOTE 16 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees, students and guests; as well as natural disasters for which the School District either carries commercial insurance, participates in a public entity risk pool or is effectively self-insured. There have been no significant reductions in coverage from the prior year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the School District.

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

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

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 16 - RISK MANAGEMENT (CONTINUED)

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

NOTE 17 - CONTINGENCIES

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

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

NOTE 18 - RESTATEMENTS

In fiscal year 2023, the School District determined that certain transactions had been recorded incorrectly or omitted. Therefore, a restatement to the beginning net position was required to classify funds from the general fund to the operational reserve fund, nonmajor special revenue funds, capital asset corrections, to account for the notes from direct borrowings payable and to move funds from the fiduciary custodial funds to nonmajor special revenue funds.

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 18 - RESTATEMENTS (CONTINUED)

<u>Prior Period Adjustments</u>	
General Fund	\$ (2,287,250)
Operational Reserve Fund	1,743,007
Nonmajor Special Revenue Funds	895,854
Capital Assets	(7,450)
Notes from Direct Borrowings Payable	(244,275)
Net position - July 1, 2022	\$ 18,624,629
Adjustments from above	<u>99,886</u>
Net position - July 1, 2022, Restated	<u>\$ 18,724,515</u>

## Required Supplementary Information

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

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

## ORANGE SOUTHWEST SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, Restated	\$ 2,147,350	\$ 2,147,350	\$ 2,147,350	\$ -
Resources (Inflows):				
Intergovernmental:				
Education spending grant	16,430,804	16,430,804	16,422,095	(8,709)
Technical education	483,574	483,574	493,946	10,372
Small schools grant	177,706	177,706	177,706	-
Transportation aid	255,000	255,000	255,435	435
Extraordinary	601,338	601,338	521,006	(80,332)
EEE	80,649	80,649	80,649	-
Census block grant	1,426,162	1,426,162	1,645,565	219,403
Assessments	487,760	487,760	487,760	-
Other	116,297	116,297	111,594	(4,703)
Charges for services	348,000	348,000	511,483	163,483
Interest income	85,000	85,000	104,653	19,653
Miscellaneous	50,355	50,355	49,500	(855)
Transfers from other funds	-	746,171	746,171	-
Amounts Available for Appropriation	<u>22,689,995</u>	<u>23,436,166</u>	<u>23,754,913</u>	<u>318,747</u>
Charges to Appropriations (Outflows):				
Regular instruction	8,180,892	8,180,892	7,177,467	1,003,425
Special education	3,995,922	3,995,922	3,023,648	972,274
Support services	2,515,242	2,515,242	1,876,214	639,028
Administrative and fiscal services	2,252,051	2,252,051	3,149,462	(897,411)
Operations and maintenance	2,169,745	2,169,745	2,622,219	(452,474)
Athletics/Co-curricular	443,753	443,753	342,191	101,562
Transportation	548,277	548,277	638,552	(90,275)
Technical education	928,674	928,674	937,927	(9,253)
Debt service:				
Principal	10,000	10,000	10,000	-
Interest	760	760	760	-
Transfers to other funds	243,500	243,500	1,353,144	(1,109,644)
Total Charges to Appropriations	<u>21,288,816</u>	<u>21,288,816</u>	<u>21,131,584</u>	<u>157,232</u>
Budgetary Fund Balance, June 30	<u>\$ 1,401,179</u>	<u>\$ 2,147,350</u>	<u>\$ 2,623,329</u>	<u>\$ 475,979</u>
Utilization of assigned fund balance	<u>\$ 746,171</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

## ORANGE SOUTHWEST SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - TECHNICAL CAREER CENTER  
 FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 724,403	\$ 724,403	\$ 724,403	\$ -
Resources (Inflows):				
Intergovernmental revenues	1,899,718	1,899,718	1,916,095	16,377
Charges for services	1,139,499	1,139,499	1,132,482	(7,017)
Interest income	15,000	15,000	6,721	(8,279)
Miscellaneous revenues	14,000	14,000	11,726	(2,274)
Amounts Available for Appropriation	<u>3,792,620</u>	<u>3,792,620</u>	<u>3,791,427</u>	<u>(1,193)</u>
Charges to Appropriations (Outflows):				
Direct services	1,889,807	1,889,807	1,641,080	248,727
Support services	196,034	196,034	225,155	(29,121)
General administration	545,611	545,611	525,483	20,128
Operations and maintenance	462,500	462,500	588,310	(125,810)
Athletics/Co-curricular	34,940	34,940	44,124	(9,184)
Transportation	14,325	14,325	25,047	(10,722)
Total Charges to Appropriations	<u>3,143,217</u>	<u>3,143,217</u>	<u>3,049,199</u>	<u>94,018</u>
Budgetary Fund Balance, June 30	<u>\$ 649,403</u>	<u>\$ 649,403</u>	<u>\$ 742,228</u>	<u>\$ 92,825</u>
Utilization of assigned fund balance	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ (75,000)</u>

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



ORANGE SOUTHWEST SCHOOL DISTRICT

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>VSTRS:</u>					
Proportion of the net pension liability	1.19%	1.18%	0.00%	0.00%	0.00%
Proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Supervisory Union	<u>23,022,700</u>	<u>20,005,065</u>	-	-	-
Total	<u>\$ 23,022,700</u>	<u>\$ 20,005,065</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,011,402	\$ -	\$ -	\$ -	\$ -
Proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	54.81%	58.83%	50.00%	54.96%	54.81%
<u>VMERS:</u>					
Proportion of the net pension liability	0.59%	0.57%	0.58%	0.47%	0.43%
Proportionate share of the net pension liability	\$ 1,778,769	\$ 840,153	\$ 1,457,399	\$ 810,106	\$ 610,668
Covered payroll	\$ 3,088,674	\$ 2,831,120	\$ 2,809,414	\$ 2,174,923	\$ 1,900,455
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	57.59%	29.68%	51.88%	37.25%	32.13%
Plan fiduciary net position as a percentage of the total pension liability	73.60%	89.29%	74.52%	80.35%	82.60%

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

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

ORANGE SOUTHWEST SCHOOL DISTRICT  
 SCHEDULE OF CONTRIBUTIONS - PENSIONS  
 LAST 10 FISCAL YEARS\*

	2023	2022	2021	2020	2019	2018
<u>VSTRS:</u>						
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,700,110	\$ 9,011,402	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>VMERS:</u>						
Contractually required contribution	\$ 157,557	\$ 146,712	\$ 127,400	\$ 119,400	\$ 89,716	\$ 76,018
Contributions in relation to the contractually required contribution	<u>(157,557)</u>	<u>(146,712)</u>	<u>(127,400)</u>	<u>(119,400)</u>	<u>(89,716)</u>	<u>(76,018)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,151,505	\$ 3,088,674	\$ 2,831,120	\$ 2,809,414	\$ 2,174,923	\$ 1,900,455
Contributions as a percentage of covered payroll	5.00%	4.75%	4.50%	4.25%	4.13%	4.00%

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

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

ORANGE SOUTHWEST SCHOOL DISTRICT

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>VSTRS OPEB Plan:</u>						
Proportion of the net OPEB liability	1.27%	1.20%	0.00%	0.00%	0.00%	0.00%
Supervisory Union's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Supervisory Union	<u>9,140,805</u>	<u>15,304,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 9,140,805</u>	<u>\$ 15,304,964</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,011,402	\$ -	\$ -	\$ -	\$ -	\$ -
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	5.34%	1.13%	0.69%	0.03%	-2.85%	-2.94%

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

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

ORANGE SOUTHWEST SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - OPEB  
LAST 10 FISCAL YEARS\*

	2023	2022	2021	2020	2019	2018
<u>VSTRS OPEB Plan:</u>						
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,700,110	\$ 9,011,402	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

ORANGE SOUTHWEST SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023

**Changes of Assumptions**

VSTRS Pension Plan:

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

VMERS Pension Plan:

The January 1, 2023 COLA assumption was increased from 2.00% to 3.00% for Groups B, C and D members.

VSTRS OPEB Plan:

The discount rate was increased from 2.20% to 7.00%.

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

The assumed health trend rates were modified.

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

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

## Other Supplementary Information

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

- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Statement of Net Position - Private-Purpose Trusts
- Combining Statement of Changes in Net Position - Private Purpose Trusts
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

## ORANGE SOUTHWEST SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023

	Special Revenue Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 580,261	\$ 580,261
Due from other governments	858,451	858,451
Due from other funds	<u>1,258,932</u>	<u>1,258,932</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,697,644</u></u>	<u><u>\$ 2,697,644</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 93,218	\$ 93,218
Accrued expenses	4,257	4,257
Due to other funds	<u>820,112</u>	<u>820,112</u>
<b>TOTAL LIABILITIES</b>	<u><u>917,587</u></u>	<u><u>917,587</u></u>
<b>FUND BALANCES</b>		
Nonspendable	-	-
Restricted	1,866,083	1,866,083
Committed	-	-
Assigned	-	-
Unassigned (deficit)	<u>(86,026)</u>	<u>(86,026)</u>
<b>TOTAL FUND BALANCES</b>	<u><u>1,780,057</u></u>	<u><u>1,780,057</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 2,697,644</u></u>	<u><u>\$ 2,697,644</u></u>

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

## ORANGE SOUTHWEST SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES		
Intergovernmental	\$ 3,936,067	\$ 3,936,067
Charges for services	645,692	645,692
Other	778,336	778,336
TOTAL REVENUES	5,360,095	5,360,095
EXPENDITURES		
Regular instruction	3,355,834	3,355,834
Special education	325,905	325,905
Support services	525,301	525,301
Admin support services	367,098	367,098
Transportation	82,749	82,749
Food service	676,942	676,942
TOTAL EXPENDITURES	5,333,829	5,333,829
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	26,266	26,266
OTHER FINANCING SOURCES (USES)		
Transfers in	859,516	859,516
Transfers (out)	(470,811)	(470,811)
TOTAL OTHER FINANCING SOURCES (USES)	388,705	388,705
NET CHANGE IN FUND BALANCES (DEFICITS)	414,971	414,971
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	1,365,086	1,365,086
FUND BALANCES (DEFICITS) - JUNE 30	\$ 1,780,057	\$ 1,780,057

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



## Special Revenue Funds

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

ORANGE SOUTHWEST SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2023

	Title I Fund	Title II Fund	Technology Fund	RTTC Sales Account	CRF ESSER	ESSER II	ESSER III	ARP IDEA - B	IDEA - B Grant	EPSDT
<b>ASSETS</b>										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 3,605	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	114,861	18,932	-	-	-	-	190,289	-	66,023	-
Due from other funds	-	-	175,010	-	89	-	-	-	-	85,524
<b>TOTAL ASSETS</b>	<b>\$ 114,861</b>	<b>\$ 18,932</b>	<b>\$ 175,010</b>	<b>\$ 3,605</b>	<b>\$ 89</b>	<b>\$ -</b>	<b>\$ 190,289</b>	<b>\$ -</b>	<b>\$ 66,023</b>	<b>\$ 85,524</b>
<b>LIABILITIES</b>										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,107	\$ -	\$ 598	\$ -
Accrued expenses	327	-	-	-	-	-	-	-	-	-
Due to other funds	114,534	18,932	-	-	-	-	182,595	-	65,425	-
<b>TOTAL LIABILITIES</b>	<b>114,861</b>	<b>18,932</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>187,702</b>	<b>-</b>	<b>66,023</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	175,010	3,605	89	-	2,587	-	-	85,524
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>-</b>	<b>-</b>	<b>175,010</b>	<b>3,605</b>	<b>89</b>	<b>-</b>	<b>2,587</b>	<b>-</b>	<b>-</b>	<b>85,524</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>										
	<b>\$ 114,861</b>	<b>\$ 18,932</b>	<b>\$ 175,010</b>	<b>\$ 3,605</b>	<b>\$ 89</b>	<b>\$ -</b>	<b>\$ 190,289</b>	<b>\$ -</b>	<b>\$ 66,023</b>	<b>\$ 85,524</b>

ORANGE SOUTHWEST SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2023

	Youth Leadership	Technical ED Pilot	Food Service Equipment	Steam Grant	Federal NSLB Equipment	Fresh Fruit and Vegetable	Special Education
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	46,076	8,997	-	13,314	15,000	8,426	-
Due from other funds	-	-	-	-	-	-	515,697
<b>TOTAL ASSETS</b>	<b>\$ 46,076</b>	<b>\$ 8,997</b>	<b>\$ -</b>	<b>\$ 13,314</b>	<b>\$ 15,000</b>	<b>\$ 8,426</b>	<b>\$ 515,697</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ 1,292	\$ 15,000	\$ 2,264	\$ -
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	46,076	8,997	-	12,022	-	2,654	-
<b>TOTAL LIABILITIES</b>	<b>46,076</b>	<b>8,997</b>	<b>-</b>	<b>13,314</b>	<b>15,000</b>	<b>4,918</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	3,508	515,697
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,508</b>	<b>515,697</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 46,076</b>	<b>\$ 8,997</b>	<b>\$ -</b>	<b>\$ 13,314</b>	<b>\$ 15,000</b>	<b>\$ 8,426</b>	<b>\$ 515,697</b>

ORANGE SOUTHWEST SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2023

	Legal Services	ARP IDEA Preschool	Consolidated Administration	SWP	VACTED	School Nurse Leadership VDH	Braintree Misc. Grant	RUHS Misc. Grant	Randolph Misc. Grant
<b>ASSETS</b>									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	60,545	-	-	-
Due from other funds	140,000	-	-	-	-	-	888	5,432	6,206
<b>TOTAL ASSETS</b>	<b>\$ 140,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 60,545</b>	<b>\$ 888</b>	<b>\$ 5,432</b>	<b>\$ 6,206</b>
<b>LIABILITIES</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	10,886	60,570	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,886</b>	<b>60,570</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	140,000	-	-	-	-	-	888	5,432	6,206
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(10,886)	(25)	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>140,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,886)</b>	<b>(25)</b>	<b>888</b>	<b>5,432</b>	<b>6,206</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 140,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 60,545</b>	<b>\$ 888</b>	<b>\$ 5,432</b>	<b>\$ 6,206</b>

ORANGE SOUTHWEST SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2023

	OSSD Misc. Grant	RUHS Student Activities	RUHS Alumni Account	RTCC Student Activities	Braintree Student Activities	Randolph Student Activities	RES Student Council	Local Adult Ed	Summer Feeding Program
<b>ASSETS</b>									
Cash and cash equivalents	\$ -	\$ 202,562	\$ 37,802	\$ 170,868	\$ 7,726	\$ 3,734	\$ 643	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-	-	-
Due from other funds	25,326	-	-	-	-	-	-	876	-
<b>TOTAL ASSETS</b>	<u>\$ 25,326</u>	<u>\$ 202,562</u>	<u>\$ 37,802</u>	<u>\$ 170,868</u>	<u>\$ 7,726</u>	<u>\$ 3,734</u>	<u>\$ 643</u>	<u>\$ 876</u>	<u>\$ -</u>
<b>LIABILITIES</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	210
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210</u>
<b>FUND BALANCES (DEFICITS)</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	25,326	202,562	37,802	170,868	7,726	3,734	643	876	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	(210)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>25,326</u>	<u>202,562</u>	<u>37,802</u>	<u>170,868</u>	<u>7,726</u>	<u>3,734</u>	<u>643</u>	<u>876</u>	<u>(210)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 25,326</u>	<u>\$ 202,562</u>	<u>\$ 37,802</u>	<u>\$ 170,868</u>	<u>\$ 7,726</u>	<u>\$ 3,734</u>	<u>\$ 643</u>	<u>\$ 876</u>	<u>\$ -</u>

ORANGE SOUTHWEST SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2023

	Food Service Fund	Raven Fund	Title IV Fund	Perkins Tech Ed Basic Grant	GEER Fund	Adult Education	Act 156 Fund	After School Fund	After School ARP
<b>ASSETS</b>									
Cash and cash equivalents	\$ 153,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	118,155	25,241	9,063	162,941	-	-	-	-	-
Due from other funds	-	22,215	-	-	-	-	3,036	23,407	159
<b>TOTAL ASSETS</b>	<b>\$ 271,476</b>	<b>\$ 47,456</b>	<b>\$ 9,063</b>	<b>\$ 162,941</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,036</b>	<b>\$ 23,407</b>	<b>\$ 159</b>
<b>LIABILITIES</b>									
Accounts payable	\$ 6,229	\$ 10,566	\$ 321	\$ 31,157	\$ -	\$ -	\$ -	\$ 2,274	\$ -
Accrued expenses	-	1,840	-	-	-	-	-	-	-
Due to other funds	108,096	-	8,742	131,784	-	2,667	-	-	-
<b>TOTAL LIABILITIES</b>	<b>114,325</b>	<b>12,406</b>	<b>9,063</b>	<b>162,941</b>	<b>-</b>	<b>2,667</b>	<b>-</b>	<b>2,274</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	157,151	35,050	-	-	-	-	3,036	21,133	159
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(2,667)	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>157,151</b>	<b>35,050</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,667)</b>	<b>3,036</b>	<b>21,133</b>	<b>159</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>									
	<b>\$ 271,476</b>	<b>\$ 47,456</b>	<b>\$ 9,063</b>	<b>\$ 162,941</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,036</b>	<b>\$ 23,407</b>	<b>\$ 159</b>

ORANGE SOUTHWEST SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2023

	Preschool ARP	LSB Fund	HRA	Transportation	Wellness VSBIT Grant	RES Other	VPA Outdoor Classroom	RUHS Rowland Foundation	Farm to School	VTC Grants
<b>ASSETS</b>										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	588	-	-	-	-	-	-	-	-
Due from other funds	3,548	-	189,751	-	1,967	12,456	-	20,119	488	330
<b>TOTAL ASSETS</b>	<b>\$ 3,548</b>	<b>\$ 588</b>	<b>\$ 189,751</b>	<b>\$ -</b>	<b>\$ 1,967</b>	<b>\$ 12,456</b>	<b>\$ -</b>	<b>\$ 20,119</b>	<b>\$ 488</b>	<b>\$ 330</b>
<b>LIABILITIES</b>										
Accounts payable	\$ -	\$ -	\$ -	\$ 18,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	2,090	-	-	-	-	-	-
Due to other funds	-	588	-	45,296	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>588</b>	<b>-</b>	<b>65,796</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	3,548	-	189,751	-	1,967	12,456	-	20,119	488	330
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(65,796)	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>3,548</b>	<b>-</b>	<b>189,751</b>	<b>(65,796)</b>	<b>1,967</b>	<b>12,456</b>	<b>-</b>	<b>20,119</b>	<b>488</b>	<b>330</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>										
	<b>\$ 3,548</b>	<b>\$ 588</b>	<b>\$ 189,751</b>	<b>\$ -</b>	<b>\$ 1,967</b>	<b>\$ 12,456</b>	<b>\$ -</b>	<b>\$ 20,119</b>	<b>\$ 488</b>	<b>\$ 330</b>

ORANGE SOUTHWEST SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2023

	Rise	Braintree Artist	OSSD Other	Res Wheeler	Technology Build	Technology Other	Technology Youth	Brook - Childhood	RUHS ATHET/WIND	Total
<b>ASSETS</b>										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 580,261
Due from other governments	-	-	-	-	-	-	-	-	-	858,451
Due from other funds	8,202	853	1,821	5,358	800	3,700	3,922	1,752	-	1,258,932
<b>TOTAL ASSETS</b>	<b>\$ 8,202</b>	<b>\$ 853</b>	<b>\$ 1,821</b>	<b>\$ 5,358</b>	<b>\$ 800</b>	<b>\$ 3,700</b>	<b>\$ 3,922</b>	<b>\$ 1,752</b>	<b>\$ -</b>	<b>\$ 2,697,644</b>
<b>LIABILITIES</b>										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,218
Accrued expenses	-	-	-	-	-	-	-	-	-	4,257
Due to other funds	-	-	-	-	-	-	-	-	38	820,112
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38</b>	<b>917,587</b>
<b>FUND BALANCES (DEFICITS)</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	8,202	853	1,821	5,358	800	3,700	3,922	1,752	-	1,859,679
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	(38)	(79,622)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>8,202</b>	<b>853</b>	<b>1,821</b>	<b>5,358</b>	<b>800</b>	<b>3,700</b>	<b>3,922</b>	<b>1,752</b>	<b>(38)</b>	<b>1,780,057</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 8,202</b>	<b>\$ 853</b>	<b>\$ 1,821</b>	<b>\$ 5,358</b>	<b>\$ 800</b>	<b>\$ 3,700</b>	<b>\$ 3,922</b>	<b>\$ 1,752</b>	<b>\$ -</b>	<b>\$ 2,697,644</b>

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



ORANGE SOUTHWEST SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	Title I Fund	Title II Fund	Technology Fund	RTTC Sales Account	CRF ESSER	ESSER II	ESSER III	ARP IDEA - B	IDEA - B Grant	EPSDT
<b>REVENUES</b>										
Intergovernmental	\$ 406,296	\$ 123,836	\$ -	\$ -	\$ 89	\$ 431,652	\$ 1,242,507	\$ 3,793	\$ 322,112	\$ 27,460
Changes for services	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	3,605	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>406,296</u>	<u>123,836</u>	<u>-</u>	<u>3,605</u>	<u>89</u>	<u>431,652</u>	<u>1,242,507</u>	<u>3,793</u>	<u>322,112</u>	<u>27,460</u>
<b>EXPENDITURES</b>										
Regular instruction	-	90,789	-	-	-	431,652	1,239,920	-	-	4,037
Special education	-	-	-	-	-	-	-	3,793	322,112	-
Support services	-	-	-	-	-	-	-	-	-	-
Admin support services	-	-	-	-	-	-	-	-	-	-
Operations and maintenance	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>90,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>431,652</u>	<u>1,239,920</u>	<u>3,793</u>	<u>322,112</u>	<u>4,037</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>406,296</u>	<u>33,047</u>	<u>-</u>	<u>3,605</u>	<u>89</u>	<u>-</u>	<u>2,587</u>	<u>-</u>	<u>-</u>	<u>23,423</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	-	-	108,500	-	-	-	-	-	-	-
Transfers (out)	(406,296)	(33,047)	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(406,296)</u>	<u>(33,047)</u>	<u>108,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>	<u>-</u>	<u>-</u>	<u>108,500</u>	<u>3,605</u>	<u>89</u>	<u>-</u>	<u>2,587</u>	<u>-</u>	<u>-</u>	<u>23,423</u>
<b>FUND BALANCES (DEFICITS) - JULY 1, RESTATED</b>	<u>-</u>	<u>-</u>	<u>66,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,101</u>
<b>FUND BALANCES (DEFICITS) - JUNE 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,010</u>	<u>\$ 3,605</u>	<u>\$ 89</u>	<u>\$ -</u>	<u>\$ 2,587</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,524</u>

ORANGE SOUTHWEST SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	Youth Leadership	Technical ED Pilot	Food Service Equipment	Steam Grant	Federal NSLB Equipment	Fresh Fruit and Vegetable	Special Education
REVENUES							
Intergovernmental	\$ 130,921	\$ 61,515	\$ 1,115	\$ 19,005	\$ 15,000	\$ 20,110	\$ -
Changes for services	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>130,921</u>	<u>61,515</u>	<u>1,115</u>	<u>19,005</u>	<u>15,000</u>	<u>20,110</u>	<u>-</u>
EXPENDITURES							
Regular instruction	130,921	61,515	-	19,005	-	-	-
Special education	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-
Admin support services	-	-	-	-	-	-	-
Operations and maintenance	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Food service	-	-	1,115	-	15,000	16,602	-
TOTAL EXPENDITURES	<u>130,921</u>	<u>61,515</u>	<u>1,115</u>	<u>19,005</u>	<u>15,000</u>	<u>16,602</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,508</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	50,000
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	-	-	-	3,508	50,000
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>465,697</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,508</u>	<u>\$ 515,697</u>

ORANGE SOUTHWEST SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	Legal Services	ARP IDEA Preschool	Consolidated Administration	SWP	VACTED	School Nurse Leadership VDH	Braintree Misc. Grant	RUHS Misc. Grant	Randolph Misc. Grant
REVENUES									
Intergovernmental	\$ -	\$ 230	\$ -	\$ -	\$ -	\$ 78,937	\$ 7,100	\$ -	\$ -
Changes for services	-	-	-	-	246,622	-	-	-	-
Other	90,000	-	-	-	-	-	-	9,432	7,610
TOTAL REVENUES	90,000	230	-	-	246,622	78,937	7,100	9,432	7,610
EXPENDITURES									
Regular instruction	-	230	-	-	-	-	6,212	4,000	1,404
Special education	-	-	-	-	-	-	-	-	-
Support services	-	-	-	438,509	-	78,962	-	-	-
Admin support services	-	-	32,301	-	257,508	-	-	-	-
Operations and maintenance	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	230	32,301	438,509	257,508	78,962	6,212	4,000	1,404
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	90,000	-	(32,301)	(438,509)	(10,886)	(25)	888	5,432	6,206
OTHER FINANCING SOURCES (USES)									
Transfers in	50,000	-	32,301	438,509	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	50,000	-	32,301	438,509	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	140,000	-	-	-	(10,886)	(25)	888	5,432	6,206
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	-	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS) - JUNE 30	\$ 140,000	\$ -	\$ -	\$ -	\$ (10,886)	\$ (25)	\$ 888	\$ 5,432	\$ 6,206

ORANGE SOUTHWEST SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	OSSD Misc. Grant	RUHS Student Activities	RUHS Alumni Account	RTCC Student Activities	Braintree Student Activities	Randolph Student Activities	RES Student Council	Local Adult Ed	Summer Feeding Program
REVENUES									
Intergovernmental	\$ 164,284	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,730
Changes for services	-	-	-	-	-	-	-	-	-
Other	-	170,052	-	472,804	9,275	9,043	-	876	-
TOTAL REVENUES	164,284	170,052	-	472,804	9,275	9,043	-	876	5,730
EXPENDITURES									
Regular instruction	138,958	177,791	1,415	453,161	5,413	7,007	-	-	-
Special education	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Admin support services	-	-	-	-	-	-	-	-	-
Operations and maintenance	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	5,940
TOTAL EXPENDITURES	138,958	177,791	1,415	453,161	5,413	7,007	-	-	5,940
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	25,326	(7,739)	(1,415)	19,643	3,862	2,036	-	876	(210)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	25,326	(7,739)	(1,415)	19,643	3,862	2,036	-	876	(210)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	-	210,301	39,217	151,225	3,864	1,698	643	-	-
FUND BALANCES (DEFICITS) - JUNE 30	\$ 25,326	\$ 202,562	\$ 37,802	\$ 170,868	\$ 7,726	\$ 3,734	\$ 643	\$ 876	\$ (210)

ORANGE SOUTHWEST SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	Food Service Fund	Raven Fund	Title IV Fund	Perkins Tech Ed Basic Grant	GEER Fund	Adult Education	Act 156 Fund	After School Fund	After School ARP
REVENUES									
Intergovernmental	\$ 590,468	\$ -	\$ 68,171	\$ 171,837	\$ 33,475	\$ 967	\$ -	\$ -	\$ 8,869
Changes for services	39,224	263,588	-	-	-	-	-	66,134	-
Other	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	<u>629,692</u>	<u>263,588</u>	<u>68,171</u>	<u>171,837</u>	<u>33,475</u>	<u>967</u>	<u>-</u>	<u>66,134</u>	<u>8,869</u>
EXPENDITURES									
Regular instruction	-	205,303	36,703	171,837	33,475	1,500	-	66,523	11,849
Special education	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Admin support services	-	23,235	-	-	-	-	54,054	-	-
Operations and maintenance	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Food service	638,285	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>638,285</u>	<u>228,538</u>	<u>36,703</u>	<u>171,837</u>	<u>33,475</u>	<u>1,500</u>	<u>54,054</u>	<u>66,523</u>	<u>11,849</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(8,593)</u>	<u>35,050</u>	<u>31,468</u>	<u>-</u>	<u>-</u>	<u>(533)</u>	<u>(54,054)</u>	<u>(389)</u>	<u>(2,980)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	5,262	-	-	-	-	-	-	-	-
Transfers (out)	-	-	(31,468)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,262</u>	<u>-</u>	<u>(31,468)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>(3,331)</u>	<u>35,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(533)</u>	<u>(54,054)</u>	<u>(389)</u>	<u>(2,980)</u>
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>160,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,134)</u>	<u>57,090</u>	<u>21,522</u>	<u>3,139</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 157,151</u>	<u>\$ 35,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,667)</u>	<u>\$ 3,036</u>	<u>\$ 21,133</u>	<u>\$ 159</u>

ORANGE SOUTHWEST SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	Preschool ARP	LSB Fund	HRA	Transportation	Wellness VSBIT Grant	RES Other	VPA Outdoor Classroom	RUHS Rowland Foundation	Farm to School	VTC Grants
<b>REVENUES</b>										
Intergovernmental	\$ -	\$ 588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Changes for services	30,124	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	4,900	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>30,124</b>	<b>588</b>	<b>-</b>	<b>-</b>	<b>4,900</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>										
Regular instruction	45,872	588	-	-	-	3,754	5,000	-	-	-
Special education	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	6,674	-	-	1,156	-	-
Admin support services	-	-	-	-	-	-	-	-	-	-
Operations and maintenance	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	82,749	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>45,872</b>	<b>588</b>	<b>-</b>	<b>82,749</b>	<b>6,674</b>	<b>3,754</b>	<b>5,000</b>	<b>1,156</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(15,748)</b>	<b>-</b>	<b>-</b>	<b>(82,749)</b>	<b>(1,774)</b>	<b>(3,754)</b>	<b>(5,000)</b>	<b>(1,156)</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	-	-	114,751	60,193	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>114,751</b>	<b>60,193</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>	<b>(15,748)</b>	<b>-</b>	<b>114,751</b>	<b>(22,556)</b>	<b>(1,774)</b>	<b>(3,754)</b>	<b>(5,000)</b>	<b>(1,156)</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS) - JULY 1, RESTATED</b>	<b>19,296</b>	<b>-</b>	<b>75,000</b>	<b>(43,240)</b>	<b>3,741</b>	<b>16,210</b>	<b>5,000</b>	<b>21,275</b>	<b>488</b>	<b>330</b>
<b>FUND BALANCES (DEFICITS) - JUNE 30</b>	<b>\$ 3,548</b>	<b>\$ -</b>	<b>\$ 189,751</b>	<b>\$ (65,796)</b>	<b>\$ 1,967</b>	<b>\$ 12,456</b>	<b>\$ -</b>	<b>\$ 20,119</b>	<b>\$ 488</b>	<b>\$ 330</b>

ORANGE SOUTHWEST SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	Rise	Braintree Artist	OSSD Other	Res Wheeler	Technology Build	Technology Other	Technology Youth	Brook - Childhood	RUHS ATHLET/WIND	Total
REVENUES										
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,936,067
Changes for services	-	-	-	-	-	-	-	-	-	645,692
Other	-	-	739	-	-	-	-	-	-	778,336
TOTAL REVENUES	-	-	739	-	-	-	-	-	-	5,360,095
EXPENDITURES										
Regular instruction	-	-	-	-	-	-	-	-	-	3,355,834
Special education	-	-	-	-	-	-	-	-	-	325,905
Support services	-	-	-	-	-	-	-	-	-	525,301
Admin support services	-	-	-	-	-	-	-	-	-	367,098
Operations and maintenance	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	82,749
Food service	-	-	-	-	-	-	-	-	-	676,942
TOTAL EXPENDITURES	-	-	-	-	-	-	-	-	-	5,333,829
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	739	-	-	-	-	-	-	26,266
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	-	-	859,516
Transfers (out)	-	-	-	-	-	-	-	-	-	(470,811)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-	388,705
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	739	-	-	-	-	-	-	414,971
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	8,202	853	1,082	5,358	800	3,700	3,922	1,752	(38)	1,365,086
FUND BALANCES (DEFICITS) - JUNE 30	\$ 8,202	\$ 853	\$ 1,821	\$ 5,358	\$ 800	\$ 3,700	\$ 3,922	\$ 1,752	\$ (38)	\$ 1,780,057

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

## Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the School District.



## ORANGE SOUTHWEST SCHOOL DISTRICT

STATEMENT OF COMBINING NET POSITION - PRIVATE PURPOSE TRUSTS  
JUNE 30, 2023

	Winiford Richmond	Isabelle Hutchinson	Bethel Lodge	Richard Hutchinson	George Abie Drew	Fay and Rose Cowdrey	NSB Enterprise Checking
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 424,418
Investments	3,014	1,640	7,386	1,947	2,095	14,720	-
<b>TOTAL ASSETS</b>	<u>\$ 3,014</u>	<u>\$ 1,640</u>	<u>\$ 7,386</u>	<u>\$ 1,947</u>	<u>\$ 2,095</u>	<u>\$ 14,720</u>	<u>\$ 424,418</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>							
Held in trust for others	3,014	1,640	7,386	1,947	2,095	14,720	424,418
<b>TOTAL NET POSITION</b>	<u>3,014</u>	<u>1,640</u>	<u>7,386</u>	<u>1,947</u>	<u>2,095</u>	<u>14,720</u>	<u>424,418</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 3,014</u>	<u>\$ 1,640</u>	<u>\$ 7,386</u>	<u>\$ 1,947</u>	<u>\$ 2,095</u>	<u>\$ 14,720</u>	<u>\$ 424,418</u>

## ORANGE SOUTHWEST SCHOOL DISTRICT

STATEMENT OF COMBINING NET POSITION - PRIVATE PURPOSE TRUSTS  
JUNE 30, 2023

	Louise and Elena Merusi	Community School EJ	Azell Hall EJ	EJ Murray	Tara Stratton	W.H. Lamson	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 1,302,790	\$ 170	\$ 5,000	\$ -	\$ -	\$ 1,732,378
Investments	12,485	202,755	115,226	4,327	25,613	13,881	405,089
<b>TOTAL ASSETS</b>	<u>\$ 12,485</u>	<u>\$ 1,505,545</u>	<u>\$ 115,396</u>	<u>\$ 9,327</u>	<u>\$ 25,613</u>	<u>\$ 13,881</u>	<u>\$ 2,137,467</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>							
Held in trust for others	12,485	1,505,545	115,396	9,327	25,613	13,881	2,137,467
<b>TOTAL NET POSITION</b>	<u>12,485</u>	<u>1,505,545</u>	<u>115,396</u>	<u>9,327</u>	<u>25,613</u>	<u>13,881</u>	<u>2,137,467</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 12,485</u>	<u>\$ 1,505,545</u>	<u>\$ 115,396</u>	<u>\$ 9,327</u>	<u>\$ 25,613</u>	<u>\$ 13,881</u>	<u>\$ 2,137,467</u>

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

## ORANGE SOUTHWEST SCHOOL DISTRICT

STATEMENT OF COMBINING NET POSITION AND CHANGES IN NET POSITION  
PRIVATE PURPOSE TRUSTS  
FOR THE YEAR ENDED JUNE 30, 2023

	Winiford Richmond	Isabelle Hutchinson	Bethel Lodge	Richard Hutchinson	George Abie Drew	Fay and Rose Cowdrey	NSB Enterprise Checking
<b>ADDITIONS</b>							
Investment income	\$ 1	\$ 3	\$ 36	\$ 13	\$ 13	\$ 20	\$ -
Contributions and other	-	-	-	-	-	-	5,000
Total additions	<u>1</u>	<u>3</u>	<u>36</u>	<u>13</u>	<u>13</u>	<u>20</u>	<u>5,000</u>
<b>DEDUCTIONS</b>							
Program expenses	-	-	-	-	-	-	182,979
Total deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,979</u>
CHANGE IN NET POSITION	1	3	36	13	13	20	(177,979)
NET POSITION - JULY 1	<u>3,013</u>	<u>1,637</u>	<u>7,350</u>	<u>1,934</u>	<u>2,082</u>	<u>14,700</u>	<u>602,397</u>
NET POSITION - JUNE 30	<u>\$ 3,014</u>	<u>\$ 1,640</u>	<u>\$ 7,386</u>	<u>\$ 1,947</u>	<u>\$ 2,095</u>	<u>\$ 14,720</u>	<u>\$ 424,418</u>

## ORANGE SOUTHWEST SCHOOL DISTRICT

STATEMENT OF COMBINING NET POSITION AND CHANGES IN NET POSITION  
PRIVATE PURPOSE TRUSTS  
FOR THE YEAR ENDED JUNE 30, 2023

	Louise and Elena Merusi	Community School EJ	Azell Hall EJ	EJ Murray	Tara Stratton	W.H. Lamson	Total
<b>ADDITIONS</b>							
Investment income	\$ 78	\$ 53,302	\$ 6,502	\$ 459	\$ 51	\$ -	\$ 60,478
Contributions and other	-	-	-	-	-	-	5,000
Total additions	<u>78</u>	<u>53,302</u>	<u>6,502</u>	<u>459</u>	<u>51</u>	<u>-</u>	<u>65,478</u>
<b>DEDUCTIONS</b>							
Program expenses	-	-	5,025	-	-	-	188,004
Total deductions	<u>-</u>	<u>-</u>	<u>5,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,004</u>
CHANGE IN NET POSITION	78	53,302	1,477	459	51	-	(122,526)
NET POSITION - JULY 1	<u>12,407</u>	<u>1,452,243</u>	<u>113,919</u>	<u>8,868</u>	<u>25,562</u>	<u>13,881</u>	<u>2,259,993</u>
NET POSITION - JUNE 30	<u>\$ 12,485</u>	<u>\$ 1,505,545</u>	<u>\$ 115,396</u>	<u>\$ 9,327</u>	<u>\$ 25,613</u>	<u>\$ 13,881</u>	<u>\$ 2,137,467</u>

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

## General Capital Assets

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

## ORANGE SOUTHWEST SCHOOL DISTRICT

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2023

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
Regular instruction	\$ -	\$ 28,800	\$ 1,509,255	\$ -	\$ 1,538,055
Operations and maintenance	308,360	16,447,735	4,390,257	-	21,146,352
Transportation	-	-	1,809,918	-	1,809,918
Total General Capital Assets	308,360	16,476,535	7,709,430	-	24,494,325
Less: Accumulated Depreciation	-	(8,877,370)	(5,624,887)	-	(14,502,257)
Net General Capital Assets	<u>\$ 308,360</u>	<u>\$ 7,599,165</u>	<u>\$ 2,084,543</u>	<u>\$ -</u>	<u>\$ 9,992,068</u>

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

## ORANGE SOUTHWEST SCHOOL DISTRICT

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED JUNE 30, 2023

	General Capital Assets 7/1/22 (Restated)	Additions	Deletions	General Capital Assets 6/30/23
Regular instruction	\$ 983,790	\$ 554,265	\$ -	\$ 1,538,055
Operations and maintenance	19,583,435	1,562,917	-	21,146,352
Transportation	1,809,918	-	-	1,809,918
Total General Capital Assets	22,377,143	2,117,182	-	24,494,325
Less: Accumulated Depreciation	(13,724,621)	(777,636)	-	(14,502,257)
Net General Capital Assets	<u>\$ 8,652,522</u>	<u>\$ 1,339,546</u>	<u>\$ -</u>	<u>\$ 9,992,068</u>

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

## Federal Compliance Description

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

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
- Independent Auditor's Report on Compliance or Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs



ORANGE SOUTHWEST SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal AL Number	Pass-through Grantor Number	Expenditures to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Passed through State of Vermont - Agency of Education				
Child Nutrition Cluster:				
National School Lunch Program - Supply Chain Assistance	10.555	4462	\$ -	\$ 31,566
Subtotal Child Nutrition Cluster			-	31,566
Child Nutrition Discretionary Grants Limited Availability	10.579	4446	-	15,000
State Pandemic Electric Benefit Transfers Administrative Costs	10.649	4601	-	628
Total U.S. Department of Agriculture			-	47,194
U.S. Department of Treasury				
Passed through State of Vermont - Agency of Education				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	134,669
Total U.S. Department of Treasury			-	134,669
U.S. Department of Education				
Passed through State of Vermont - Agency of Education				
Title I Grants to Local Educational Agencies	84.010A	4250	-	438,513
Career and Technical Education - Basic Grants to States	84.048	4318	-	171,837
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027A	4226	-	315,708
Special Education Grants to States ARP	84.027X	4605	-	3,793
Special Education Preschool Grants	84.173A	4228	-	6,404
Special Education Preschool Grants ARP	84.173X	4606	-	230
Subtotal Special Education Cluster (IDEA)			-	326,135
Supporting Effective Instruction State Grant	84.367A	4651	-	123,836
Student Support and Academic Enrichment Program	84.424	4570	-	68,748
Education Stabilization Fund - ESSER	84.425D	4590	-	89
Education Stabilization Fund - ESSER II	84.425D	4597	-	431,652
Education Stabilization Fund - ARP	84.425U	4599	-	1,239,920
Education Stabilization Fund - GEER	84.425C	4591	-	33,475
			-	1,705,136
Total U.S. Department of Education			-	2,834,205
U.S. Department of Health and Human Services				
Passed through State of Vermont - Agency of Education :				
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	N/A	-	78,962
CCDF Cluster:				
Child Care Development Block Grant	93.575	N/A	-	63,321
Subtotal CCDF Cluster			-	63,321
Total U.S. Department of Health and Human Services			-	142,283
TOTAL FEDERAL ASSISTANCE			\$ -	\$ 3,158,351

## ORANGE SOUTHWEST SCHOOL DISTRICT

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

#### 1. Basis of Presentation

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

#### 2. Summary of Significant Accounting Policies

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

#### 3. Noncash Awards

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



Proven Expertise & Integrity

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

Board of Directors  
Orange Southwest School District  
Randolph, Vermont

We have audited, in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Orange Southwest School District as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise Orange Southwest School District's basic financial statements and have issued our report thereon dated April 10, 2024.

Internal Control Over Financial Reporting

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

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

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Orange Southwest School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to the management of Orange Southwest School District in a separate letter dated April 10, 2024.

### 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 organization's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RHR Smith & Company*

Buxton, Maine  
Vermont Registration No. 092.0000697  
April 10, 2024



*Proven Expertise & Integrity*

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

Board of Directors  
Orange Southwest School District  
Randolph, Vermont

### Report on Compliance for Each Major Federal Program

#### **Opinion on Each Major Federal Program**

We have audited the Orange Southwest School District's 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 Orange Southwest School District's major federal programs for the year ended June 30, 2023. the Orange Southwest School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Orange Southwest School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

#### **Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with 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 Responsibility section of our report.

We are required to be independent of the Orange Southwest School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained

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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 Orange Southwest School District's compliance with the compliance requirements referred to above.

### Management's Responsibility

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 Orange Southwest School District's federal programs.

### Auditor's Responsibility

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 Orange Southwest School 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 Orange Southwest School 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 Orange Southwest School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Orange Southwest School 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 Orange Southwest School 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.

### Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibility 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

*RHR Smith & Company*

Buxton, Maine  
Vermont Registration No. 092.0000697  
April 10, 2024



ORANGE SOUTHWEST SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 JUNE 30, 2023

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued : Unmodified

Internal control over financial reporting:

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

*Federal Awards*

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
84.425C/84.425D/84.425U	Education Stabilization Fund

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

Auditee qualified as low-risk auditee? yes no

**Section II - Financial Statement Findings**

None

**Section III - Federal Awards Findings and Questioned Costs**

None