

Federal Compliance Audit

Champlain Valley School District

June 30, 2021



Proven Expertise & Integrity

CHAMPLAIN VALLEY SCHOOL DISTRICT

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JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Champlain Valley School District
Shelburne, Vermont

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Champlain Valley School District as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Champlain Valley School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

3 Old Orchard Road, Buxton, Maine 04093

Tel: (800) 300-7708

(207) 929-4606

Fax: (207) 929-4609

www.rhrsmith.com

made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Champlain Valley School District as of June 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB information on pages 4 through 11 and 70 through 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Champlain Valley School District's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund - Revenues, Schedule of Departmental Operations - General Fund and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit*

Requirements for Federal Awards and is also not a required part of the basic financial statements.

The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements 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 February 9, 2022 on our consideration of Champlain Valley School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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 Champlain Valley School District's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
February 9, 2022

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

(UNAUDITED)

The following management's discussion and analysis of the Champlain Valley School District's financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the School District's financial statements.

Financial Statement Overview

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

Basic Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

- *Governmental activities* - The activities in this section are mostly supported by intergovernmental revenues (federal and state grants) and charges for services. Most of the School District's basic services are reported in governmental activities, which instructional programs, instructional support, administrative/other support, building operations and maintenance, fiscal services, transportation, prior year and program expenses.
- *Business-type activities* - These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. These activities for the School District include the Food Service Program.

Fund Financial Statements

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

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

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

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

The School District presents 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 five major funds are the general fund, Medicaid MAC fund, the debt service fund, the construction fund and 2021 bond fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

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

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

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

Notes to the Financial Statements

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

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, 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 regard to nonmajor funds and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the School District's governmental and business-type activities. The School District's total net position for governmental activities increased by \$625,993 from \$43,448,147 to a balance of \$44,074,140. The School District's total net position for business-type activities increased by \$146,013 from \$5,010 to a balance of \$151,023.

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 \$148,524 at the end of this year. The business-type activities increased to a balance of \$151,023 at the end of this year.

Table 1
Champlain Valley School District
Net Position
June 30,

	Governmental Activities		Business-type Activities	
	2021	2020 (Restated)	2021	2020 (Restated)
Assets:				
Current Assets	\$ 18,933,471	\$ 12,820,882	\$ 315,094	\$ 134,747
Noncurrent Assets - Capital Assets	74,141,636	74,593,671	-	5,010
Total Assets	<u>\$ 93,075,107</u>	<u>\$ 87,414,553</u>	<u>\$ 315,094</u>	<u>\$ 139,757</u>
Deferred Outflows of Resources:				
Deferred Outflows Related to Pensions	\$ 5,222,380	\$ 4,182,638	\$ -	\$ -
Total Deferred Outflows of Resources	<u>\$ 5,222,380</u>	<u>\$ 4,182,638</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities:				
Current Liabilities	\$ 4,875,581	\$ 5,136,077	\$ 155,117	\$ 134,747
Noncurrent Liabilities	47,898,262	41,306,880	-	-
Total Liabilities	<u>\$ 52,773,843</u>	<u>\$ 46,442,957</u>	<u>\$ 155,117</u>	<u>\$ 134,747</u>
Deferred Inflows of Resources:				
Deferred Revenues	\$ 1,386,340	\$ 1,609,962	\$ 8,954	\$ -
Deferred Inflows Related to Pensions	63,164	96,125	-	-
Total Deferred Inflows of Resources	<u>\$ 1,449,504</u>	<u>\$ 1,706,087</u>	<u>\$ 8,954</u>	<u>\$ -</u>
Net Position:				
Net Investment in Capital Assets	\$ 38,767,519	\$ 37,768,496	\$ -	\$ 5,010
Restricted	5,158,097	4,989,441	-	-
Unrestricted	148,524	690,210	151,023	-
Total Net Position	<u>\$ 44,074,140</u>	<u>\$ 43,448,147</u>	<u>\$ 151,023</u>	<u>\$ 5,010</u>

Revenues and Expenses

Revenues for the School District's governmental activities increased by 10.42% from the prior year while expenses increased by 10.30%. The largest increases in revenues were in operating grants and contributions and grants and contributions not restricted to specific programs. The largest increases in expenses were in instructional programs, on-behalf payments and program expenses. The increase in revenues and expenses are primarily attributable to VSTRS pension and OPEB expense paid by the State of Vermont on-behalf of the School District.

Revenues for the School District's business-type activities decreased by 6.56% from the prior year while expenses decreased by 27.65%.

Table 2
Champlain Valley School District
Changes in Net Position
For the Years Ended June 30,

	Governmental Activities		Business-type Activities	
	2021	2020	2021	2020
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 267,523	\$ 483,242	\$ 65,231	\$ 1,053,205
Operating grants and contributions	59,056,655	52,058,097	1,471,581	609,101
<i>General Revenues:</i>				
Grants and contributions not restricted to specific programs	76,166,439	69,575,487	-	-
Miscellaneous	858,583	1,369,284	66,406	53,547
Total Revenues	<u>136,349,200</u>	<u>123,486,110</u>	<u>1,603,218</u>	<u>1,715,853</u>
Expenses				
Instructional programs	49,626,771	48,297,562	-	-
Instructional support	9,078,609	9,224,224	-	-
Administrative/other support	8,525,139	8,474,905	-	-
Building operations and maintenance	4,322,121	3,813,801	-	-
Fiscal services	1,104,667	1,086,904	-	-
Transportation	2,849,422	2,989,851	-	-
Prior year	25,422	26,477	-	-
On-behalf payments	49,419,673	42,602,368	-	-
Program expenses	7,337,928	3,034,629	1,621,765	2,241,431
Interest on long-term debt	918,693	972,670	-	-
Unallocated depreciation (Note 5)	2,350,202	2,379,618	-	-
Total Expenses	<u>135,558,647</u>	<u>122,903,009</u>	<u>1,621,765</u>	<u>2,241,431</u>
Transfers	<u>(164,560)</u>	<u>(532,106)</u>	<u>164,560</u>	<u>532,106</u>
Change in Net Position	625,993	50,995	146,013	6,528
Net Position - July 1, Restated	<u>43,448,147</u>	<u>43,397,152</u>	<u>5,010</u>	<u>(1,518)</u>
Net Position - June 30	<u>\$ 44,074,140</u>	<u>\$ 43,448,147</u>	<u>\$ 151,023</u>	<u>\$ 5,010</u>

Financial Analysis of the School District's Fund Statements

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

Table 3
Champlain Valley School District
Fund Balances - Governmental Funds
June 30,

	<u>2021</u>	<u>2020 (Restated)</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General Fund:			
Nonspendable	\$ 384,203	\$ 183,167	\$ 201,036
Committed	2,990,495	2,475,407	515,088
Unassigned	2,010,081	1,239,812	770,269
Total General Fund	<u>\$ 5,384,779</u>	<u>\$ 3,898,386</u>	<u>\$ 1,486,393</u>
Debt Service Fund:			
Restricted	\$ 3,493,259	\$ 3,229,588	\$ 263,671
Total Debt Service Fund	<u>\$ 3,493,259</u>	<u>\$ 3,229,588</u>	<u>\$ 263,671</u>
Construction Fund:			
Restricted	\$ 435,749	\$ 556,781	\$ (121,032)
Total Construction Fund	<u>\$ 435,749</u>	<u>\$ 556,781</u>	<u>\$ (121,032)</u>
2021 Bond Fund:			
Restricted	\$ 4,917,696	\$ -	\$ 4,917,696
Total 2021 Bond Fund	<u>\$ 4,917,696</u>	<u>\$ -</u>	<u>\$ 4,917,696</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 777,488	\$ 731,248	\$ 46,240
Capital Projects Funds:			
Restricted	451,601	471,824	(20,223)
Total Nonmajor Funds	<u>\$ 1,229,089</u>	<u>\$ 1,203,072</u>	<u>\$ 26,017</u>

The changes to total fund balances for the general fund, the debt service fund, the construction fund and nonmajor funds occurred due to the regular activity of operations.

The change in total fund balance of the 2021 Bond Fund was due to the issuance of a general obligation bond in the amount of \$6,000,000 in fiscal year 2021.

Proprietary funds: The School District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The food service program had an increase in net position of \$146,013 for the year ended June 30, 2021.

Budgetary Highlights

The general fund produced a surplus of \$1,486,393 for the year ended June 30, 2021. Actual revenues exceeded expenditures by that amount primarily due to instructional programs and instructional support coming in under budgeted amounts offset by shortfalls in intergovernmental - state/town support and intergovernmental - other.

Capital Asset and Long-Term Debt Activity

Capital Assets

As of June 30, 2021, the School District capital assets decreased by \$457,045. This decrease was due to current year additions of \$1,900,959 less net disposals of \$2,792 and depreciation expense of \$2,355,212. Refer to Note 5 of Notes to Financial Statements for detailed information.

Table 4
Champlain Valley School District
Capital Assets (Net of Depreciation)
June 30,

	2021	2020
Land	\$ 375,000	\$ 375,000
Construction in progress	763,589	29,483,651
Buildings and building improvements	70,787,099	42,136,624
Machinery, equipment and vehicles	2,215,948	2,603,406
Total	<u>\$ 74,141,636</u>	<u>\$ 74,598,681</u>

Debt

At June 30, 2021, the School District had \$40,291,813 in bonds and notes from direct borrowings payable versus \$36,825,175 in the prior fiscal year. Refer to Note 7 of the Notes to Financial Statements for detailed information.

Currently Known Facts, Decisions or Conditions

The outbreak of COVID-19 has been declared a pandemic and led to a national state of emergency in the United States. Refer to Note 1 of Notes to Financial Statements for more detailed information.

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

The School District has noted a subsequent event as a currently known fact. Refer to Note 21 of Notes to Financial Statements for more detailed information.

Economic Factors and Next Year's Budgets and Rates

The 2021 - 2022 financial performance could be impacted by inflationary pressures in wages as well as goods and services.

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 5420 Shelburne Road, Suite 300, Shelburne, Vermont 05482.

CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT A

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 11,953,516	\$ -	\$ 11,953,516
Investments	3,486,338	-	3,486,338
Accounts receivable (net of allowance for uncollectibles)	16,106	21,856	37,962
Due from other governments	3,215,655	93,299	3,308,954
Inventory	70,998	77,592	148,590
Prepaid items	313,205	-	313,205
Internal balances	(122,347)	122,347	-
Total current assets	<u>18,933,471</u>	<u>315,094</u>	<u>19,248,565</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	1,138,589	-	1,138,589
Buildings, building improvements and other assets, net of accumulated depreciation	<u>73,003,047</u>	<u>-</u>	<u>73,003,047</u>
Total noncurrent assets	<u>74,141,636</u>	<u>-</u>	<u>74,141,636</u>
TOTAL ASSETS	<u>93,075,107</u>	<u>315,094</u>	<u>93,390,201</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>5,222,380</u>	<u>-</u>	<u>5,222,380</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>5,222,380</u>	<u>-</u>	<u>5,222,380</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 98,297,487</u></u>	<u><u>\$ 315,094</u></u>	<u><u>\$ 98,612,581</u></u>

STATEMENT A (CONTINUED)
CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 651,922	\$ 155,117	\$ 807,039
Accrued payroll	226,376	-	226,376
Accrued expenses	1,204,304	-	1,204,304
Due to other governments	3,957	-	3,957
Current portion of long-term obligations	2,789,022	-	2,789,022
Total current liabilities	<u>4,875,581</u>	<u>155,117</u>	<u>5,030,698</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	36,671,995	-	36,671,995
Notes from direct borrowings payable	917,403	-	917,403
Accrued compensated absences	454,242	-	454,242
Accrued severance payable	28,325	-	28,325
Net pension liability	9,826,297	-	9,826,297
Total noncurrent liabilities	<u>47,898,262</u>	<u>-</u>	<u>47,898,262</u>
TOTAL LIABILITIES	<u>52,773,843</u>	<u>155,117</u>	<u>52,928,960</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	1,386,340	8,954	1,395,294
Deferred inflows related to pensions	63,164	-	63,164
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,449,504</u>	<u>8,954</u>	<u>1,458,458</u>
NET POSITION			
Net investment in capital assets	38,767,519	-	38,767,519
Restricted	5,158,097	-	5,158,097
Unrestricted	148,524	151,023	299,547
TOTAL NET POSITION	<u>44,074,140</u>	<u>151,023</u>	<u>44,225,163</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 98,297,487</u>	<u>\$ 315,094</u>	<u>\$ 98,612,581</u>

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

STATEMENT B

CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - type Activities	Total
Governmental activities:							
Instructional programs	\$ 49,626,771	\$ 63,040	\$ 8,188,614	\$ -	\$ (41,375,117)	\$ -	\$ (41,375,117)
Instructional support	9,078,609	-	-	-	(9,078,609)	-	(9,078,609)
Administrative/Other support	8,525,139	-	-	-	(8,525,139)	-	(8,525,139)
Building operations and maintenance	4,322,121	-	-	-	(4,322,121)	-	(4,322,121)
Fiscal services	1,104,667	-	-	-	(1,104,667)	-	(1,104,667)
Transportation	2,849,422	-	1,448,368	-	(1,401,054)	-	(1,401,054)
Prior year	25,422	-	-	-	(25,422)	-	(25,422)
Program expenses	7,337,928	204,483	-	-	(7,133,445)	-	(7,133,445)
On-behalf payments	49,419,673	-	49,419,673	-	-	-	-
Interest on long-term debt	918,693	-	-	-	(918,693)	-	(918,693)
Unallocated depreciation (Note 5)*	2,350,202	-	-	-	(2,350,202)	-	(2,350,202)
Total governmental activities	<u>135,558,647</u>	<u>267,523</u>	<u>59,056,655</u>	<u>-</u>	<u>(76,234,469)</u>	<u>-</u>	<u>(76,234,469)</u>
Business-type activities:							
Food service	1,621,765	65,231	1,471,581	-	-	(84,953)	(84,953)
Total business-type activities	<u>1,621,765</u>	<u>65,231</u>	<u>1,471,581</u>	<u>-</u>	<u>-</u>	<u>(84,953)</u>	<u>(84,953)</u>
Total government	<u>\$ 137,180,412</u>	<u>\$ 332,754</u>	<u>\$ 60,528,236</u>	<u>\$ -</u>	<u>(76,234,469)</u>	<u>(84,953)</u>	<u>(76,319,422)</u>

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

STATEMENT B (CONTINUED)

CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Changes in net position:			
Net (expense) revenue	<u>(76,234,469)</u>	<u>(84,953)</u>	<u>(76,319,422)</u>
General revenues:			
Grants and contributions not restricted to specific programs	76,166,439	-	76,166,439
Miscellaneous	<u>858,583</u>	<u>66,406</u>	<u>924,989</u>
Total general revenues	<u>77,025,022</u>	<u>66,406</u>	<u>77,091,428</u>
Transfers	<u>(164,560)</u>	<u>164,560</u>	<u>-</u>
Change in net position	625,993	146,013	772,006
NET POSITION - JULY 1, RESTATED	<u>43,448,147</u>	<u>5,010</u>	<u>43,453,157</u>
NET POSITION - JUNE 30	<u>\$ 44,074,140</u>	<u>\$ 151,023</u>	<u>\$ 44,225,163</u>

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

STATEMENT C

CHAMPLAIN VALLEY SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Medicaid MAC	Debt Service Fund	Construction Fund	2021 Bond Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 5,944,683	\$ -	\$ 6,921	\$ 724,589	\$ 4,944,835	\$ 332,488	\$ 11,953,516
Investments	-	-	3,486,338	-	-	-	3,486,338
Accounts receivable (net of allowance for uncollectibles)	12,661	-	-	-	-	3,445	16,106
Due from other governments	189,906	25,883	-	-	-	2,999,866	3,215,655
Inventory	70,998	-	-	-	-	-	70,998
Prepaid items	313,205	-	-	-	-	-	313,205
Due from other funds	8,781,476	717,285	-	-	151,674	1,218,066	10,868,501
TOTAL ASSETS	<u>\$ 15,312,929</u>	<u>\$ 743,168</u>	<u>\$ 3,493,259</u>	<u>\$ 724,589</u>	<u>\$ 5,096,509</u>	<u>\$ 4,553,865</u>	<u>\$ 29,924,319</u>
LIABILITIES							
Accounts payable	\$ 356,836	\$ -	\$ -	\$ 87,210	\$ 178,813	\$ 29,063	\$ 651,922
Accrued payroll	226,376	-	-	-	-	-	226,376
Accrued expenses	1,204,304	-	-	-	-	-	1,204,304
Due to other governments	3,957	-	-	-	-	-	3,957
Due to other funds	7,919,119	-	-	201,630	-	2,870,099	10,990,848
TOTAL LIABILITIES	<u>9,710,592</u>	<u>-</u>	<u>-</u>	<u>288,840</u>	<u>178,813</u>	<u>2,899,162</u>	<u>13,077,407</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred revenues	217,558	743,168	-	-	-	425,614	1,386,340
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>217,558</u>	<u>743,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>425,614</u>	<u>1,386,340</u>
FUND BALANCES							
Nonspendable	384,203	-	-	-	-	-	384,203
Restricted	-	-	3,493,259	435,749	4,917,696	1,229,089	10,075,793
Committed	2,990,495	-	-	-	-	-	2,990,495
Assigned	-	-	-	-	-	-	-
Unassigned	2,010,081	-	-	-	-	-	2,010,081
TOTAL FUND BALANCES	<u>5,384,779</u>	<u>-</u>	<u>3,493,259</u>	<u>435,749</u>	<u>4,917,696</u>	<u>1,229,089</u>	<u>15,460,572</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 15,312,929</u>	<u>\$ 743,168</u>	<u>\$ 3,493,259</u>	<u>\$ 724,589</u>	<u>\$ 5,096,509</u>	<u>\$ 4,553,865</u>	<u>\$ 29,924,319</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

	Total Governmental Funds
	<hr/>
Total Fund Balances	\$ 15,460,572
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	74,141,636
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	5,222,380
Long-term obligations shown below are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bonds payable	(38,894,448)
Notes from direct borrowings payable	(1,397,365)
Accrued compensated absences	(478,149)
Accrued severance payable	(91,025)
Net pension liability	(9,826,297)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	<hr/> (63,164)
Net position of governmental activities	<hr/> <hr/> \$ 44,074,140

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Medicaid MAC	Debt Service Fund	Construction Fund	2021 Bond Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Intergovernmental revenues	\$ 85,619,025	\$ 784,169	\$ -	\$ -	\$ -	\$ 6,252,404	\$ 92,655,598
Tuition	63,040	-	-	-	-	-	63,040
Charges for services	-	-	-	-	-	204,483	204,483
Interest income	150,862	-	59,969	312	-	294	211,437
Unrealized gains/(losses), net of activity	-	-	(81,020)	-	-	-	(81,020)
Miscellaneous revenues	341,816	-	-	38,755	-	347,595	728,166
TOTAL REVENUES	<u>86,174,743</u>	<u>784,169</u>	<u>(21,051)</u>	<u>39,067</u>	<u>-</u>	<u>6,804,776</u>	<u>93,781,704</u>
EXPENDITURES							
Current:							
Instructional programs	47,392,147	-	-	-	-	-	47,392,147
Instructional support	9,078,609	-	-	-	-	-	9,078,609
Administrative/Other support	8,525,139	-	-	-	-	-	8,525,139
Building operations and maintenance	4,602,343	-	-	-	-	-	4,602,343
Fiscal services	1,104,667	-	-	-	-	-	1,104,667
Transportation	2,849,422	-	-	-	-	-	2,849,422
On-behalf payments	6,852,177	-	-	-	-	-	6,852,177
Prior year adjustments	25,422	-	-	-	-	-	25,422
Program expenses	-	784,169	-	-	-	6,553,759	7,337,928
Debt service:							
Principal	2,739,907	-	-	-	-	-	2,739,907
Interest	902,415	-	16,278	-	-	-	918,693
Capital outlay	-	-	-	535,641	1,082,304	-	1,617,945
TOTAL EXPENDITURES	<u>84,072,248</u>	<u>784,169</u>	<u>16,278</u>	<u>535,641</u>	<u>1,082,304</u>	<u>6,553,759</u>	<u>93,044,399</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,102,495</u>	<u>-</u>	<u>(37,329)</u>	<u>(496,574)</u>	<u>(1,082,304)</u>	<u>251,017</u>	<u>737,305</u>
OTHER FINANCING SOURCES (USES)							
Debt proceeds	-	-	-	-	6,000,000	-	6,000,000
Transfers in	479,458	-	301,000	610,000	-	-	1,390,458
Transfers (out)	(1,095,560)	-	-	(234,458)	-	(225,000)	(1,555,018)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(616,102)</u>	<u>-</u>	<u>301,000</u>	<u>375,542</u>	<u>6,000,000</u>	<u>(225,000)</u>	<u>5,835,440</u>
NET CHANGE IN FUND BALANCES	1,486,393	-	263,671	(121,032)	4,917,696	26,017	6,572,745
FUND BALANCES - JULY 1, RESTATED	<u>3,898,386</u>	<u>-</u>	<u>3,229,588</u>	<u>556,781</u>	<u>-</u>	<u>1,203,072</u>	<u>8,887,827</u>
FUND BALANCES - JUNE 30	<u>\$ 5,384,779</u>	<u>\$ -</u>	<u>\$ 3,493,259</u>	<u>\$ 435,749</u>	<u>\$ 4,917,696</u>	<u>\$ 1,229,089</u>	<u>\$ 15,460,572</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net change in fund balances - total governmental funds (Statement E) \$ 6,572,745

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	1,900,959
Capital asset disposals	(2,792)
Depreciation expense	<u>(2,350,202)</u>
	<u>(452,035)</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

1,039,742

Debt proceeds provide current financial resources to governmental
funds, but issuing debt increases long-term obligations in the
Statement of Net Position

(6,206,543)

Repayment of long-term debt principal is an expenditure in the
governmental funds, but the repayment reduces long-term obligations
in the Statement of Net Position

2,739,905

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

32,961

Some expenses reported in the Statement of Activities do not require
the use of current financial resources and therefore are not reported
as expenditures in governmental funds:

Accrued compensated absences	(15,322)
Accrued severance payable	(7,275)
Net pension liability	<u>(3,078,185)</u>
	<u>(3,100,782)</u>

Change in net position of governmental activities (Statement B) \$ 625,993

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2021

	Enterprise Fund Food Service
ASSETS	
Current assets:	
Accounts receivable (net of allowance for uncollectibles)	\$ 21,856
Due from other governments	93,299
Inventory	77,592
Due from other funds	122,347
Total current assets	<u>315,094</u>
Noncurrent assets:	
Capital assets:	
Building improvements	13,894
Furniture and equipment	172,693
Less: accumulated depreciation	<u>(186,587)</u>
Total noncurrent assets	<u>-</u>
TOTAL ASSETS	<u><u>\$ 315,094</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 155,117
Total current liabilities	<u>155,117</u>
TOTAL LIABILITIES	<u>155,117</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue	<u>8,954</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>8,954</u>
NET POSITION	
Unrestricted	<u>151,023</u>
TOTAL NET POSITION	<u>151,023</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 315,094</u></u>
RESOURCES AND NET POSITION	

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Intergovernmental	\$ 1,471,581
Charges for services	65,231
Miscellaneous	<u>66,406</u>
TOTAL OPERATING REVENUES	<u>1,603,218</u>
OPERATING EXPENSES	
Salaries	435,814
Benefits	252,198
Repairs and maintenance	32,473
Supplies and food	859,536
Travel	302
Software	990
Equipment and maintenance	30,753
Depreciation	5,010
Other	<u>4,689</u>
TOTAL OPERATING EXPENSES	<u>1,621,765</u>
OPERATING INCOME (LOSS)	<u>(18,547)</u>
NONOPERATING REVENUES (EXPENSES)	
Transfers in	<u>164,560</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>164,560</u>
CHANGES IN NET POSITION	146,013
NET POSITION - JULY 1, RESTATED	<u>5,010</u>
NET POSITION - JUNE 30	<u><u>\$ 151,023</u></u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

	<u>Enterprise Funds</u> <u>Food</u> <u>Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 134,628
Intergovernmental receipts	1,440,825
Internal activity - receipts (payments) from/to other funds	(143,271)
Payments to suppliers	<u>(1,596,742)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(164,560)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in (out)	<u>164,560</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>164,560</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-
CASH AND CASH EQUIVALENTS - JULY 1	<u>-</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u><u>\$ -</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (18,547)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	5,010
Changes in operating assets, liabilities and deferred inflows of resources:	
(Increase) decrease in accounts receivable	(5,963)
(Increase) decrease in due from other governments	(30,756)
(Increase) decrease in inventory	(357)
(Increase) decrease in due from other funds	(122,347)
(Decrease) increase in accounts payable	20,370
(Decrease) increase in deferred revenue	8,954
(Decrease) increase in due to other funds	<u>(20,924)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (164,560)</u></u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2021

	Total Private- Purpose Funds
ASSETS	
Cash and cash equivalents	\$ 413,884
TOTAL ASSETS	<u>\$ 413,884</u>
LIABILITIES	
Accounts payable	\$ 8,590
TOTAL LIABILITIES	<u>\$ 8,590</u>
NET POSITION	
Restricted - held in trust	\$ 405,294
TOTAL NET POSITION	<u>\$ 405,294</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Total Private- Purpose Funds
ADDITIONS	
Contributions	
Donations	\$ 58,654
Total contributions	<u>58,654</u>
Investment earnings:	
Income earned	272
Total investment earnings, net	<u>272</u>
Total additions	<u>58,926</u>
DEDUCTIONS	
Scholarship awards	8,590
Other disbursements	17,611
Total deductions	<u>26,201</u>
CHANGE IN NET POSITION	32,725
NET POSITION - JULY 1	<u>372,569</u>
NET POSITION - JUNE 30	<u>\$ 405,294</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The School District operates under the authority of the Vermont education laws. The School District provides services to Champlain Valley Union High School and the towns of St George, Williston, Shelburne, Hinesburg and Charlotte.

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

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

COVID-19 Outbreak

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

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

Impact on and Results of Operations

In accordance with Executive Order 1, issued by the Governor of Vermont on July 29, 2020, all public schools were opened for in person or remote classroom instruction on, but not prior to, September 8, 2020. The School District chose to use various electronic platforms of remote learning to comply with the Governor's order to support the continuity of learning. The application of this Executive Order necessitated that this method remained in force for the remainder of the scheduled school year.

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact on Finances

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

Expected Federal/State Support

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

Conclusion

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

Implementation of New Accounting Standards

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

Statement No. 84 "Fiduciary Activities". This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval or condition is required to be taken or met by the beneficiary to release the assets. Management has determined that the student activity funds needed to be reclassified from the fiduciary funds to nonmajor special revenue funds.

Statement No. 90 "Majority Equity Interests". This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. Management has determined the impact of this Statement is not material to the financial statements.

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

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).

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Both the government-wide and fund financial statements categorize primary activities as governmental or business-type. The School District's food service is categorized as a business-type activity. All other activities of the School District are categorized as governmental.

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

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

The net costs (by function) are normally covered by general revenue (assessments, certain intergovernmental revenues and interest income, etc.).

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

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

Measurement Focus - Basic Financial Statements and Fund Financial Statements

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Medicaid MAC Fund is used to account for the proceeds of Medicaid revenues that are legally restricted to expenditures for specified purposes.
- c. The Debt Service Fund is used to account for debt proceeds related to capital asset purchases.
- d. The Construction Fund is used to account for the acquisition or construction of major capital facilities that are financed through transfer from the general fund or debt proceeds.
- e. The 2021 Bond Fund is used to account for debt proceeds related to certain public school building improvements.

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

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

proprietary activity. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the School District:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the School District's programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. Component units that are fiduciary in nature have been excluded from these financial statements.

The School District's fiduciary funds are presented in the fiduciary fund financial statements by type (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 activity 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.

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Accrual

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

2. Modified Accrual

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

Budget

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

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

Revenues per budgetary basis	\$ 79,802,024
Add: On-behalf payments	<u>6,852,177</u>
Total GAAP basis	<u>\$ 86,654,201</u>
Expenditures per budgetary basis	\$ 78,315,631
Add: On-behalf basis	<u>6,852,177</u>
Total GAAP basis	<u>\$ 85,167,808</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. The annual school budget is the planning management tool, which delineates the School District's educational priorities and programs and forms the basis for voter review and approval of the budget according to applicable State of Vermont education finance laws.
2. The Board budget process includes input from school district administration and staff, educational priorities for the next school year, along with public hearings, which include the Board of Directors and 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 Champlain Valley School District has no formal investment policy but instead follows the State of Vermont Statutes.

Receivables

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2021. Accounts receivable netted with allowances for uncollectible accounts were \$3,346,917 for the year ended June 30, 2021.

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories and Prepaid Items

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

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

Interfund Receivables and Payables

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

Transactions Between Funds

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

Capital Assets

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimated useful lives are as follows:

Buildings and site improvements	10 - 20 years
Buildings	50 years
Computers, servers and related equipment	3 years
Furniture and other equipment	5 - 10 years
Vehicles	5 - 8 years

Long-term Obligations

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

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, notes from direct borrowings payable, accrued compensated absences, accrued severance payable 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 the 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) and additions

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

to/deductions from the VSTRS OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by VSTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net Position

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

Fund Balance

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

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

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

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 Board 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.

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 Board meeting vote has provided otherwise in its commitment or assignment actions.

Deferred Outflows and Inflows of Resources

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Revenues

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

Operating/Nonoperating Proprietary Fund Revenues

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

Encumbrance Accounting

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

Use of Estimates

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits:

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

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.

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2021, the School District's cash and cash equivalents balance of \$12,367,400 was comprised of bank deposits and cash equivalents of \$12,962,985. The variance between the bank balances and cash equivalents presented and the cash and cash equivalents balances are reconciling items (i.e., deposits in transit, uncleared checks, etc.). This entire amount was either fully insured by federal depository insurance or Securities Investor Protection Corporation (SIPC) and consequently was not exposed to custodial credit risk or was collateralized with securities held by the financial institution in the School District's name or by debt issued in the School District's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 2,471,872
Sweep account	5,518,849
Money market fund	4,965,341
Cash and cash equivalents	6,923
	<u>\$ 12,962,985</u>

Investments:

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

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

At June 30, 2021, the School District had 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>	<u>Over 5 Years</u>
Debt securities:					
US agency securities	<u>\$ 3,486,338</u>	<u>\$ -</u>	<u>\$ 657,582</u>	<u>\$ 2,352,917</u>	<u>\$ 475,839</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Of the School District's investments of \$3,486,338, \$493,077 was covered by the Securities Investor Protection Corporation (SIPC). The remaining investments of \$2,993,261 were uncollateralized and uninsured.

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, 2021:

	June 30, 2021 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>				
Debt securities:				
US agency securities	\$ 3,486,338	\$ -	\$ 3,486,338	\$ -
Total investments by fair value level	<u>3,486,338</u>	<u>-</u>	<u>3,486,338</u>	<u>-</u>
<u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market mutual funds	6,923			
Total cash equivalents measured at the NAV	<u>\$ 6,923</u>			
Total investments and cash equivalents measured at fair value	<u>\$ 3,493,261</u>			

Debt securities classified in Level II of the fair value hierarchy are valued from publicly reliable sources or using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The School District has no Level I 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, 2021 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2021 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 8,781,476	\$ 7,919,119
Medicaid Mac Fund	717,285	-
Construction Fund	-	201,630
2021 Bond Fund	151,674	-
Nonmajor Governmental Funds	1,218,066	2,870,099
Enterprise Funds	122,347	-
	<u>\$ 10,990,848</u>	<u>\$ 10,990,848</u>

The result 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, 2021 consisted of the following:

	Transfers From	Transfers To
General Fund	\$ 1,095,560	\$ 479,458
Debt Service Fund	-	301,000
Construction Fund	234,458	610,000
Nonmajor Governmental Funds	225,000	-
Enterprise Funds	-	164,560
	<u>\$ 1,555,018</u>	<u>\$ 1,555,018</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 - CAPITAL ASSETS

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

	Balance 7/1/20 (Restated)	Additions	Disposals	Balance 6/30/21
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 375,000	\$ -	\$ -	\$ 375,000
Construction in progress	29,483,651	554,594	(29,274,656)	763,589
	<u>29,858,651</u>	<u>554,594</u>	<u>(29,274,656)</u>	<u>1,138,589</u>
Depreciated assets:				
Buildings and improvements	76,534,310	30,450,734	(368,700)	106,616,344
Machinery and equipment	10,139,057	170,287	(1,168,054)	9,141,290
	<u>86,673,367</u>	<u>30,621,021</u>	<u>(1,536,754)</u>	<u>115,757,634</u>
Less: accumulated depreciation	<u>(41,938,347)</u>	<u>(2,350,202)</u>	<u>1,533,962</u>	<u>(42,754,587)</u>
	<u>44,735,020</u>	<u>28,270,819</u>	<u>(2,792)</u>	<u>73,003,047</u>
Net governmental capital assets	<u>\$ 74,593,671</u>	<u>\$ 28,825,413</u>	<u>\$ (29,277,448)</u>	<u>\$ 74,141,636</u>
<u>Business-type activities:</u>				
Non-depreciated assets:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Depreciated assets:				
Building improvements	13,894	-	-	13,894
Machinery and equipment	172,693	-	-	172,693
	<u>186,587</u>	<u>-</u>	<u>-</u>	<u>186,587</u>
Less: accumulated depreciation	<u>(181,577)</u>	<u>(5,010)</u>	<u>-</u>	<u>(186,587)</u>
	<u>5,010</u>	<u>(5,010)</u>	<u>-</u>	<u>-</u>
Net business-type capital assets	<u>\$ 5,010</u>	<u>\$ (5,010)</u>	<u>\$ -</u>	<u>\$ -</u>
Total capital assets	<u>\$ 74,598,681</u>	<u>\$ 28,820,403</u>	<u>\$ (29,277,448)</u>	<u>\$ 74,141,636</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 6 - SHORT-TERM DEBT

On July 1, 2020, the School District issued a tax/revenue anticipation note to provide liquidity for governmental operations financed by property taxes. The tax/revenue anticipation note allowed principal draws up to \$8,991,000 at 1.54% interest per annum with a maturity date of June 30, 2021. On June 30, 2021, the tax/revenue anticipation note was paid in full. Interest expense for the note was \$137,891.

Short-term debt activity for the year ended June 30, 2021, was as follows:

	Balance, 7/1/20	Additions	Reductions	Balance, 6/30/21
Tax anticipation note	\$ -	\$ 8,991,000	\$ (8,991,000)	\$ -

NOTE 7 - LONG-TERM DEBT

A summary of long-term debt for the year ended June 30, 2021 is as follows:

	Balance, 7/1/20	Additions	Deletions	Balance, 6/30/21	Current Year Portion
Bonds payable	\$ 35,121,901	\$ 6,000,000	\$ (2,227,453)	\$ 38,894,448	\$ 2,222,453
Notes from direct borrowings payable	1,703,274	206,543	(512,452)	1,397,365	479,962
Total	\$ 36,825,175	\$ 6,206,543	\$ (2,739,905)	\$ 40,291,813	\$ 2,702,415

The following is a description of the outstanding bonds and notes and direct borrowings payable:

Bonds payable:

\$14,220,000, 2004 General Obligation bond due to Vermont Municipal Bond Bank in annual principal installments of \$640,000 to \$780,000 through 2024. The fixed interest rate ranges from 1.87% to 5.09% per annum.

\$ 2,560,000

\$249,000, 2013 General Obligation bond due to Vermont Municipal Bond Bank in annual principal installments of \$25,000 with a final principal installment of \$24,000 in 2023. The fixed interest rate ranges from 0.804% to 3.634% per annum.

74,000

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 7 - LONG-TERM DEBT (CONTINUED)

\$540,000, 2016 General Obligation bond due to Vermont Municipal Bond Bank in annual principal installments of \$36,000 November of 2031. The fixed interest rate ranges from 1.491% to 2.861% per annum.	396,000
\$2,800,000, 2010 General Obligation bond due to Community Bank in full on March 1, 2027. The School District makes annual payments to a sinking fund in the amount of \$145,000. No interest is charged on this bond.	2,800,000
\$2,500,000, 2010 General Obligation bond due to Community Bank in full on March 1, 2027. The School District makes annual payments to a sinking fund in the amount of \$130,000. No interest is charged on this bond.	2,500,000
\$9,250,000, 2017 General Obligation bond due to Vermont Municipal Bond Bank in annual principal installments of \$462,500 through November 2036. The fixed interest rate charged is 2.732% per annum.	7,400,000
\$480,000, 2008 General Obligation bond due to Vermont Municipal Bond Bank in annual principal installments of \$30,000 to \$35,000 through November of 2023. The fixed interest rate ranges from 1.9% to 4.41% per annum.	90,000
\$365,000, 2011 General Obligation bond due to Vermont Municipal Bond Bank in semi-annual installments of \$11,227 through December 2027. The fixed interest rate charged is 0.179% per annum.	145,948
\$140,000, 2014 General Obligation bond due to Vermont Municipal Bond Bank in annual principal installments of \$14,000 through November of 2024. The fixed interest rate ranges from 0.513% to 3.223% per annum.	56,000
\$19,850,000, 2017 General Obligation bond due to Vermont Municipal Bond Bank in annual principal installments of \$992,500 through November of 2037. The fixed interest rate ranges from 1.55% to 3.82% per annum.	16,872,500
\$6,000,000, 2021 General Obligation bond due to Vermont Municipal Bond Bank in annual principal installments of \$300,000 through November of 2041. The fixed interest rate varies from 0.45% to 2.901% per annum.	6,000,000
Total bonds payable	<u>\$ 38,894,448</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Notes from direct borrowings payable:

Bus note payable to Community National Bank in annual principal installments of \$94,000 through July 2023. Interest is charged at a fixed rate of 2.75% per annum.	\$ 282,000
Bus note payable to Community Bank, interest is charged at a fixed rate of 1.60%, principal and interest due July 15, 2021.	39,940
\$370,000, Capital improvement note payable to Community Bank in annual principal installments of \$24,667 through July 2030. Interest is a fixed rate of 2.45% per annum.	246,667
Bus note payable to Community Bank, interest is charged at a fixed rate of 1.60% per annum, annual principal payments of \$39,940 and interest due July 15, 2021.	39,940
Bus note payable to Community Bank, interest is charged at a fixed rate of 1.60% per annum, annual principal payments of \$39,940 and interest due July 15, 2021.	39,939
\$260,000, Financial/HR system note payable to Community National Bank in annual principal installments of \$52,000 through November of 2021. Interest is charged as a fixed rate of 1.50% per annum.	52,000
\$255,840, Bus note payable to Community National Bank in annual principal installments of \$51,168 through July of 2022. Interest is charged as a fixed rate of 2.25% per annum.	102,336
\$485,000, Bus note payable to People's United Bank in annual principal installments of \$97,000 through July of 2024. Interest is charged as a fixed rate of 2.40% per annum.	388,000
\$206,543, 2021 Capital Equipment Note due to People's United Bank in annual principal installments of \$41,309 through December of 2025. The fixed interest rate charged is 1.55% per annum.	<u>206,543</u>
Total notes from direct borrowings payable	<u>\$ 1,397,365</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

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,	Governmental Activities				
	Bonds Payable		Notes from Direct Borrowings Payable		Total
	Principal	Interest	Principal	Interest	
2022	\$ 2,222,453	\$ 950,757	\$ 479,962	\$ 30,355	\$ 3,683,527
2023	2,522,454	852,190	308,143	21,001	3,703,788
2024	2,521,454	793,487	256,976	13,692	3,585,609
2025	2,467,454	685,506	162,976	7,545	3,323,481
2026	1,813,453	698,182	65,975	3,962	2,581,572
2027-2031	14,288,680	2,771,192	123,333	7,547	17,190,752
2032-2036	8,811,000	1,414,417	-	-	10,225,417
2037-2041	3,947,500	228,404	-	-	4,175,904
2042-2046	300,000	4,352	-	-	304,352
	<u>\$ 38,894,448</u>	<u>\$ 8,398,487</u>	<u>\$ 1,397,365</u>	<u>\$ 84,102</u>	<u>\$ 48,774,402</u>

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

NOTE 8 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2021 is as follows:

	Balance, 7/1/20 (Restated)	Additions	Deletions	Balance, 6/30/21	Current Year Portion
Accrued compensated absences	\$ 462,827	\$ 15,322	\$ -	\$ 478,149	\$ 23,907
Accrued severance payable	83,750	56,650	(49,375)	91,025	62,700
Net pension liability	6,748,112	3,948,056	(869,871)	9,826,297	-
	<u>\$ 7,294,689</u>	<u>\$ 4,020,028</u>	<u>\$ (919,246)</u>	<u>\$ 10,395,471</u>	<u>\$ 86,607</u>

Refer to Notes 9, 10 and 15 for more detailed information regarding other long-term obligations.

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 - ACCRUED COMPENSATED ABSENCES

The School District's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2021, the School District's liability for compensated absences is \$478,149.

NOTE 10 - ACCRUED SEVERANCE PAYABLE

Teachers that have taught a minimum of ten consecutive years and that are on the 14th step of the salary schedule are eligible for severance pay. The liability for accrued severance payable is recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the severance liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2021, the School District's liability for severance payable is \$91,025.

NOTE 11 - RESTRICTED NET POSITION

At June 30, 2021, the School District had the following restricted net position balances:

Debt service fund	\$ 3,493,259
Construction fund	435,749
CVU student activities fund	568,425
Charlotte student activities fund	14,155
Hinesburg student activities fund	84,699
Shelburne student activities fund	61,464
Williston student activities fund	48,745
Capital projects fund	451,601
	<u>\$ 5,158,097</u>

NOTE 12 - NONSPENDABLE FUND BALANCES

At June 30, 2021, the School District had the following nonspendable fund balances:

General fund:	
Inventory	\$ 70,998
Prepaid items	313,205
	<u>\$ 384,203</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 - RESTRICTED FUND BALANCES

At June 30, 2021, the School District had the following restricted fund balances:

Debt service fund	\$ 3,493,259
Construction fund	435,749
2021 bond fund	4,917,696
Nonmajor special revenue funds (Schedule E)	777,488
Nonmajor capital projects funds (Schedule G)	451,601
	<u>\$ 10,075,793</u>

NOTE 14 - COMMITTED FUND BALANCES

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

General fund:	
FY 2022 budget	\$ 2,059,000
Revenue for future budgets	931,495
	<u>\$ 2,990,495</u>

NOTE 15 - DEFINED BENEFIT PENSION PLANS

VERMONT STATE TEACHERS' RETIREMENT SYSTEM

Plan Description

All of the teachers employed by the School District participate in the Vermont State Teachers' Retirement System ("VSTRS"), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, covering nearly all public day school and nonsectarian private Union teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State of Vermont that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2019 (the most recent period available), the retirement system consisted of 22,951 participating members.

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

Benefits Provided

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

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

VSTRS	Group A	Group C - Group # 1	Group C - Group # 2
Normal service retirement eligibility (no reduction)	Age 60 or 30 years of service	Age 62 or with 30 years of service	Age 65 or when the sum of age and service equals 90

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

VSTRS	Group A	Group C - Group # 1	Group C - Group # 2
Average Final Compensation (AFC)	Highest 3 consecutive years, including unused annual leave, sick leave and bonus/incentives	Highest 3 consecutive years, excluding all payments for anything other than service actually performed	Highest 3 consecutive years, excluding all payments for anything other than service actually performed
Benefit formula - normal service retirement	1.67% x creditable service x AFC	1.25% x service prior to 7/1/90 x AFC + 1.67% x service after 7/1/90 x AFC	1.25% x service prior to 7/1/90 x AFC + 1.67% x service after 7/1/90 x AFC, 2.0% after attaining 20 years
Maximum Benefit Payable	100% of AFC	53.34% of AFC	60% of AFC
Post-Retirement COLA	Full CPI, up to a maximum of 5% after 12 months of retirement; minimum of 1%	50% CPI, up to a maximum of 5% after 12 months of retirement or with 30 years; minimum of 1%	50% CPI, up to a maximum of 5%, minimum of 1% after 12 months of normal retirement or age 65
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Early Retirement Reduction	Actuarial reduction	6% for each year prior to age 62	Actuarial reduction

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Contributions

VSTRS is a cost-sharing public employee retirement system with one exception: all risks and costs are not shared by the School District but are the liability of the State of Vermont. VSTRS is funded through State and employee contributions and trust fund investment earnings; and the School District has no legal obligation for paying benefits. Required contributions to the System are made by the State of Vermont based upon a valuation report prepared by the System's actuary, which varies by plan group. The Vermont State Teachers Retirement System estimates the contributions on behalf of the School District's employees included in the teacher's retirement plan which approximates \$6,852,177 or 19.00% of total payroll for employees covered under the plan.

Employee contribution rates by plan group follow:

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

Employee contributions totaled \$1,916,011 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 \$36,064,087 for the year ended June 30, 2021. Beginning in 2016, School Districts that pay for teachers with federal dollars are required to include costs of pensions in the federal grant, lowering the liability for the State. Federally funded pension costs reimbursed to the State by the School District for the fiscal year ending June 30, 2021 were \$381,510. The School District's total payroll for all federal funded employees covered under this plan was \$2,007,948 for the year ended June 30, 2021.

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Plan Description

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

and is governed by Title 24, V.S.A. Chapter 125. It is designed for persons employed on a regular basis by a school district or by a supervisory union for no fewer than 1,040 hours in a year and for no fewer than 30 hours a week for the school year, as defined in 16 V.S.A. § 1071, or for no fewer than 1,040 hours in a year and for no fewer than 24 hours a week year-round; provided, however, that if a person who was employed on a regular basis by a school district as either a special education or transportation employee and who was transferred to and is working in a supervisory union in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) and if that person is also employed on a regular basis by a school district within the supervisory union, then the person is an "employee" if these criteria are met by the combined hours worked for the supervisory union and school district. The term shall also mean persons employed on a regular basis by a municipality other than a school district for no fewer than 1,040 hours in a year and for no fewer than 24 hours per week, including persons employed in a library at least one-half of whose operating expenses are met by municipal funding. For the year ended June 30, 2019 (the most recent data available), the retirement system consisted of 14,755 participating members.

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

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's 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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

VMERS	Group A	Group B	Group C	Group D
Normal service retirement eligibility	Age 65 with 5 years of service or age 55 with 35 years of service	Age 62 with 5 years of service or age 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years
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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

Contributions

Title 24 VSA Chapter 125 of Vermont Statutes grants the authority to the Retirement Board to annually review the amount of municipalities' contributions as recommended by the actuary of the retirement system in order to achieve and preserve the financial integrity of the fund and to certify the rates of contributions payable by employers. The Board of Trustees also certifies the rates of contribution payable by employees. Contribution rates for each group as of July 1, 2020 are as follows:

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

Employee contributions are withheld pre-income tax by the School District and are remitted to the State of Vermont. Such withholdings for the year ended June 30, 2021 totaled \$940,659. The School District contributed \$869,871 for the year ended June 30, 2021. The School District's total payroll for the year ended June 30, 2021 for all employees covered under this plan was \$13,347,240.

Pension Liabilities

VSTRS Plan

The State is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of member employers. Therefore, these employers are considered to be in a special funding situation as defined in GASB No. 68 and the State is treated as a nonemployer to VSTRS. Since the School District does not contribute directly to VSTRS, no net pension liability was recorded at June 30, 2021. The State's portion of the collective net pension liability that was associated with the School District was as follows:

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

School District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the School District	<u>34,067,880</u>
Total	<u>\$ 34,067,880</u>

The State of Vermont's proportionate share of the net pension liability associated with the School District is equal to the collective net pension liability, actuarially measured as of June 30, 2020, multiplied by the School District's proportionate share percentage. The School District's proportionate share percentage was based on its reported salaries to the total reported salaries for all participating employers. At June 30, 2020, the School District's proportion was 4.77285% which was an increase of 0.00220% from its proportion measured as of June 30, 2019.

VMERS Plan

At June 30, 2021, the School District reported a liability of \$9,826,297 for its proportionate share of the net pension liabilities for each plan. The net pension liabilities were measured as of June 30, 2020 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. 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, 2020, the School District's proportion was 3.88431% for VMERS, which was a decrease of 0.00528% from its proportion measured as of June 30, 2019 for VMERS.

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

For the year ended June 30, 2021, the School District recognized total pension expense of \$28,766,426 and revenue of \$28,766,426 for support provided by the State of Vermont for the VSTRS plan. In the same period, the School District recognized pension expense of \$2,005,482 for the VMERS plan. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - 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	\$ -	\$ -	\$ 884,967	\$ 29,125
Changes of assumptions	-	-	1,317,394	-
Net difference between projected and actual earnings on pension plan investments	-	-	939,802	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	1,210,346	34,039
Contributions subsequent to the measurement date	-	-	869,871	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,222,380</u>	<u>\$ 63,164</u>

\$869,871 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	VSTRS Plan	VMERS Plan
Plan year ended June 30:		
2021	\$ -	\$ 1,466,755
2022	-	1,503,658
2023	-	767,090
2024	-	551,841
2025	-	-
Thereafter	-	-

Significant Actuarial Assumptions and Methods

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Inflation: For both plans, 2.30%.

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

Deaths After Retirement: The VSTRS plan used 98% of RP-2006 White Collar Employee Table with generational projection using scale SSA-2017, 98% of RP-2006 White Collar Annuitant Table with generational projection using scale SSA-2017 for healthy and RP-2006 Disabled Mortality Table with generational projection using scale SSA-2017 for disabled post-retirement.

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

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

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

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

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

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

Cost-of-Living Adjustments: Adjustments for both plans are assumed to occur on January 1 following one year of retirement. For the VSTRS plan this occurs at the rate of 2.40% per annum for Group A members and 1.35% per annum for Group C members (beginning at age 62 for Group C members who elect reduced early retirement). The January 1, 2020 and January 1, 2021 COLAs are 1.60% and 0.00%, respectively, for Group A and 1.00% and 1.00%, respectively for Group C. For the VMERS plan, this occurs at the rate of 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members (beginning Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for Group A, B and D members who receive a disability retirement benefit and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2020 and January 1, 2021 COLAs are 0.80% and 0.40%, respectively, for all groups.

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

each major asset class. These best estimate ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are summarized in the following table:

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

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.

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
<u>VMERS:</u>			
Discount rate	6.00%	7.00%	8.00%
School District's proportionate share of the net pension liability	\$ 15,012,589	\$ 9,826,297	\$ 5,559,073

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/finance/annual-comprehensive-financial-report).

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

VERMONT STATE TEACHERS' RETIREMENT SYSTEM

Plan Description

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

The plan covers nearly all public day school and nonsectarian private high school teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2019, the Plan consisted of 6,878 retired members or beneficiaries currently receiving benefits and 9,862 active members.

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).

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16 - 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:

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16 - 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, 2021. The State's portion of the collective net OPEB liability that was associated with the School District was as follows:

School District's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the School District	<u>49,971,760</u>
Total	<u><u>\$ 49,971,760</u></u>

The State of Vermont's proportionate share of the net OPEB liability associated with the School District is equal to the collective net OPEB liability, actuarially measured as of June 30, 2020, multiplied by the School District's proportionate share percentage. The School District's proportionate share percentage was based on its reported salaries to the total reported salaries for all participating employers. At June 30, 2020, the School District's proportion was 3.96790% which was an increase of 0.03532% from its proportion measured as of June 30, 2019.

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

For the year ended June 30, 2021, the School District recognized total OPEB expense of \$13,801,070 and revenue of \$13,801,070 for support provided by the State of Vermont for the Plan. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

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

	VSTRS OPEB Plan
Plan year ended June 30:	
2021	\$ -
2022	-
2023	-
2024	-
2025	-
Thereafter	-

Discount Rate

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
VSTRS OPEB Plan:			
Discount rate	1.21%	2.21%	3.21%
School District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -

Healthcare Trend Rate

Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The trend rate assumptions were developed using Segal's internal guidelines, which are established each year using data sources such as the 2019 Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the S&P Dow Jones Indices, consulting firms and brokers and CPI statistics published by the Bureau of Labor Statistics. The sensitivity of net OPEB liability to changes in healthcare trend rates are as follows:

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

Actuarial Methods and Assumptions

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

Actuarial Cost Method

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Amortization

The total OPEB liability of this Plan is amortized on a closed 30-year period. The amortization method is a level percent of payroll method.

Asset Valuation Method

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

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

The target allocation, long-term expected rates of return for each major asset class and expected inflation, as of June 30, 2020, are summarized below:

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

Assumptions

The actuarial assumptions used to calculate the actuarially determined contribution rates can be found in the Report on the Actuarial Valuation of Post-Retirement Benefits of the Vermont State Teachers' Retirement System Prepared as of June 30, 2016 completed by Buck Consulting. As of June 30, 2020, they are as follows:

Discount Rate	2.21%
Salary Increase Rate	Varies by age
Non-Medicare	6.925% graded to 4.50% over 11 years
Medicare	6.140% graded to 4.50% over 12 years
Retiree Contributions	Equal to health trend

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Pre-retirement Mortality	PubT-2010 Teacher Employee Headcount-Weighted Table with generational projection using scale MP-2019
Post-retirement Mortality	Retirees: PubT-2010 Teacher Healthy Retiree Headcount-Weighted Table Spouses: 109% of the Pub-2010 Contingent Survivor Headcount-Weighted Table, both Retirees and Spouses with generational projection using scale MP-2019

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2020 with the following exceptions:

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period remaining was twenty-eight years as of July 1, 2020. For the fiscal year ended June 30, 2020, the discount rate was decreased from 3.50% to 2.21%.

OPEB Plan Fiduciary Net Position

The schedule of employer allocations and schedule of OPEB amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of VSTRS or their participating employers. VSTRS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's 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 \(vermont.gov\)](#).

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 17 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and injuries to employees. The School District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the School District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

In addition, the School District is a member of the Vermont Education Health Initiative (VEHI). VEHI is a nonprofit corporation formed to provide insurance and risk management programs for Vermont School Districts and is owned by the participating districts.

To provide health insurance coverage, VEHI has established a self-funded fully insured program in conjunction with Blue Cross and Blue Shield. A portion of member contributions is used to purchase reinsurance and to fund a reserve required by the reinsurance. The pooling agreement does not permit the pool to make additional assessments to its members.

NOTE 18 - 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.

The School District participates in a medical insurance plan negotiated through VEHI. This plan is a high-deductible plan with an HRA (Health Reimbursement Arrangement) funded by the School District. The organization contracted to coordinate the processing of claims on behalf of the School District with HRA funds has not processed all claims as of June 30, 2021 and through the date of this report. Additionally, they were unable to provide management with the outstanding amount to be expensed by the School District through June 30, 2021. Therefore, the amount, if any, of any liabilities arising from the unprocessed claims cannot be determined at this time.

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 18 - CONTINGENCIES (CONTINUED)

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

NOTE 19 - COMPARATIVE DATA/RECLASSIFICATIONS

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

NOTE 20 - RESTATEMENT

The net position of the governmental activities and the governmental funds have both been restated at July 1, 2020 to account for the reclassification of funds from fiduciary to governmental as required by the implementation of GASB Statement No. 84, "Fiduciary Activities". The beginning governmental activities net position and the beginning special revenue funds were both restated by \$731,248.

The net position of the governmental activities was also restated to correct the beginning balance of accrued compensated absences by \$11,232. The beginning net position of the governmental activities and business-type activities were restated to correct the classification of construction in progress in the amount of \$5,565.

The resulting restatements increased governmental activities net position by \$748,045 from \$42,700,102 to \$43,448,147, decreased the business-type activities net position by \$5,565 from \$10,575 to \$5,010 and increased special revenue funds total fund balance from \$0 to \$731,248.

NOTE 21 - SUBSEQUENT EVENTS

On July 1, 2021, the School District issued a tax/revenue anticipation note in anticipation of tax revenues to meet its operating obligations during the fiscal year. The note allows principal draws up to \$9,210,000 at a fixed interest rate of 1.05% and a maturity date of June 30, 2022.

Required Supplementary Information

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 3,898,386	\$ 3,898,386	\$ 3,898,386	\$ -
Resources (Inflows):				
Intergovernmental:				
State/Town support	69,259,565	69,259,565	68,973,552	(286,013)
Other	11,634,332	11,634,882	9,793,296	(1,841,586)
Tuition	45,372	45,372	63,040	17,668
Interest income	275,000	275,000	150,862	(124,138)
Miscellaneous	234,500	234,500	341,816	107,316
Transfers from other funds	225,000	225,000	479,458	254,458
Amounts Available for Appropriation	<u>85,572,155</u>	<u>85,572,705</u>	<u>83,700,410</u>	<u>(1,872,295)</u>
Charges to Appropriations (Outflows):				
Instructional programs	49,930,375	49,930,925	47,392,147	2,538,778
Instructional support	10,138,147	10,138,147	9,078,609	1,059,538
Administrative/Other support	8,659,567	8,659,567	8,525,139	134,428
Building operations and maintenance	4,909,356	4,909,356	4,602,343	307,013
Fiscal services	1,152,217	1,152,217	1,104,667	47,550
Transportation	3,213,626	3,213,626	2,849,422	364,204
Debt service:				
Principal	2,739,907	2,739,907	2,739,907	-
Interest	905,936	905,936	902,415	3,521
Prior year adjustments	-	-	25,422	(25,422)
Transfers to other funds	749,638	749,638	1,095,560	(345,922)
Total Charges to Appropriations	<u>82,398,769</u>	<u>82,399,319</u>	<u>78,315,631</u>	<u>4,083,688</u>
Budgetary Fund Balance, June 30	<u>\$ 3,173,386</u>	<u>\$ 3,173,386</u>	<u>\$ 5,384,779</u>	<u>\$ 2,211,393</u>
Utilization of assigned fund balance	<u>\$ 725,000</u>	<u>\$ 725,000</u>	<u>\$ -</u>	<u>\$ (725,000)</u>

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

SCHEDULE 2

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

	2021	2020	2019	2018	2017	2016	2015	2014
<u>VSTRS:</u>								
Proportion of the net pension liability School District's proportionate share of the net pension liability	4.77%	4.77%	4.76%	4.74%	4.69%	4.93%	5.00%	4.78%
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District Total	<u>34,067,880</u> <u>\$ 34,067,880</u>	<u>32,780,725</u> <u>\$ 32,780,725</u>	<u>32,207,307</u> <u>\$ 32,207,307</u>	<u>70,271,804</u> <u>\$ 70,271,804</u>	<u>61,384,462</u> <u>\$ 61,384,462</u>	<u>58,376,467</u> <u>\$ 58,376,467</u>	<u>47,951,519</u> <u>\$ 47,951,519</u>	<u>\$ 48,407,770</u> <u>\$ 48,407,770</u>
Covered payroll	\$ 34,065,655	\$ 32,764,674	\$ 32,278,448	\$ 31,262,756	\$ 29,715,990	\$ 29,016,707	\$ 29,209,810	\$ 28,080,639
Proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	50.00%	54.96%	54.81%	53.98%	55.31%	58.22%	64.02%	60.59%
<u>VMERS:</u>								
Proportion of the net pension liability	3.88%	3.89%	3.94%	4.03%	4.32%	4.24%	4.08%	4.17%
Proportionate share of the net pension liability	\$ 9,826,297	\$ 6,748,112	\$ 5,538,962	\$ 4,879,427	\$ 5,563,450	\$ 3,271,737	\$ 391,067	\$ 1,600,481
Covered payroll	\$ 12,926,796	\$ 12,266,618	\$ 11,585,010	\$ 11,694,713	11,784,678	10,986,178	10,788,041	10,583,704
Proportionate share of the net pension liability as a percentage of its covered payroll	76.01%	55.01%	47.81%	41.72%	47.21%	29.78%	3.63%	15.12%
Plan fiduciary net position as a percentage of the total pension liability	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%	92.71%

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

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

SCHEDULE 3

CHAMPLAIN VALLEY SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - PENSIONS
LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
<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>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 36,064,087	\$ 34,065,655	\$ 32,764,674	\$ 32,278,448	\$ 31,262,756	\$ 29,715,990	\$ 29,016,707	\$ 29,209,810
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>VMERS:</u>								
Contractually required contribution	\$ 869,871	\$ 807,915	\$ 747,451	\$ 689,398	\$ 657,709	\$ 657,019	\$ 593,208	\$ 552,832
Contributions in relation to the contractually required contribution	<u>(869,871)</u>	<u>(807,915)</u>	<u>(747,451)</u>	<u>(689,398)</u>	<u>(657,709)</u>	<u>(657,019)</u>	<u>(593,208)</u>	<u>(552,832)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 13,347,240	\$ 12,926,796	\$ 12,266,618	\$ 11,585,010	\$ 11,694,713	\$ 11,784,678	\$ 10,986,178	\$ 10,788,041
Contributions as a percentage of covered payroll	6.52%	6.25%	6.09%	5.95%	5.62%	5.58%	5.40%	5.12%

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>VSTRS OPEB Plan:</u>				
Proportion of the net OPEB liability	3.97%	3.93%	3.93%	3.84%
School District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the School District	49,971,760	40,928,482	37,546,495	35,763,784
Total	<u>\$ 49,971,760</u>	<u>\$ 40,928,482</u>	<u>\$ 37,546,495</u>	<u>\$ 35,763,784</u>
Covered payroll	\$ 34,065,655	\$ 32,764,674	\$ 32,278,448	\$ 31,262,756
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.69%	0.03%	-2.85%	-2.94%

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>VSTRS OPEB Plan:</u>				
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 36,064,087	\$ 34,065,655	\$ 32,764,674	\$ 32,278,448
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

Changes of Assumptions

VSTRS Pension Plan:

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

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

VMERS Pension Plan:

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

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

VSTRS OPEB Plan:

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

The excise tax was repealed on December 20, 2020.

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

The assumed health trend rates were modified.

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

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

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

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

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

Other Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues
- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Major Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Major Capital Projects Funds
- Combining Schedule of Net Position - Fiduciary Funds - Private-Purpose Funds
- Combining Schedule of Changes in Net Position - Fiduciary Funds - Private-Purpose Funds

SCHEDULE A

CHAMPLAIN VALLEY SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL - GENERAL FUND REVENUES
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Intergovernmental revenues:				
Education spending grant	\$ 68,808,753	\$ 68,808,753	\$ 68,522,740	\$ (286,013)
Supplemental assistance grant	450,812	450,812	450,812	-
State aid transportation	1,262,051	1,262,051	1,448,368	186,317
Driver education reimbursement	10,000	10,000	13,422	3,422
High school completion reimbursement	5,000	5,000	22,101	17,101
Medicaid EDPSDT	38,996	38,996	-	(38,996)
Special education reimbursement	6,356,741	6,356,741	5,533,044	(823,697)
Mainstream block grant	1,570,104	1,570,104	1,570,104	-
Extraordinary reimbursement	801,148	801,148	323,017	(478,131)
State-placed special education	164,847	164,847	428,685	263,838
IDEA-B	673,469	673,469	-	(673,469)
Special education EEE	333,764	333,764	333,764	-
Medicaid	227,212	227,212	-	(227,212)
Act 156 union transition	-	-	62,000	62,000
Program grants	117,000	117,550	550	(117,000)
Vocational transportation	74,000	74,000	50,486	(23,514)
Unenrolled resident reimbursement	-	-	7,755	7,755
Charges for services:				
Tuition	45,372	45,372	63,040	17,668
Interest income	275,000	275,000	150,862	(124,138)
Miscellaneous:				
Prior year adjustments/other	-	-	104,431	104,431
Miscellaneous	51,500	51,500	73,515	22,015
Community service	-	-	98,145	98,145
Rentals	183,000	183,000	57,125	(125,875)
Gain/loss on sale of fixed assets	-	-	8,600	8,600
Transfers in	225,000	225,000	479,458	254,458
Amounts Available for Appropriation	<u>\$ 81,673,769</u>	<u>\$ 81,674,319</u>	<u>\$ 79,802,024</u>	<u>\$ (1,872,295)</u>

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

SCHEDULE B

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Instructional programs -				
Instructional programs	\$ 33,799,782	\$ 33,800,332	\$ 33,072,048	\$ 728,284
Special education				
Instructional programs	13,080,350	13,080,350	11,712,648	1,367,702
Summer	269,668	269,668	86,063	183,605
504	210,220	210,220	237,646	(27,426)
Vocational/tech ed	862,608	862,608	877,962	(15,354)
Athletics	894,316	894,316	971,047	(76,731)
Cocurriculars	666,822	666,822	308,563	358,259
Adult education	-	-	63,463	(63,463)
Summer school	146,609	146,609	62,707	83,902
	<u>49,930,375</u>	<u>49,930,925</u>	<u>47,392,147</u>	<u>2,538,778</u>
Instructional support -				
Guidance	3,048,568	3,048,568	2,711,782	336,786
Health	798,240	798,240	768,977	29,263
Psychology	492,516	492,516	487,640	4,876
Speech and language	1,538,004	1,538,004	1,622,399	(84,395)
Occupational therapy	256,682	256,682	221,796	34,886
Physical therapy	241,059	241,059	192,970	48,089
Other student support services	135,630	135,630	134,105	1,525
CVU access - other student support	-	-	80,460	(80,460)
Instructional and curricular development	1,070,822	1,070,822	764,215	306,607
Instructional staff training	897,574	897,574	500,163	397,411
Library/media	1,188,811	1,188,811	1,085,761	103,050
Instructional technology	470,241	470,241	501,742	(31,501)
Instructional SPED other	-	-	6,599	(6,599)
	<u>10,138,147</u>	<u>10,138,147</u>	<u>9,078,609</u>	<u>1,059,538</u>
Administrative/Other support -				
School board	244,652	244,652	234,179	10,473
Executive administration	1,169,856	1,169,856	1,113,319	56,537
Other executive administration	35,240	35,240	15,351	19,889
Campus administration	3,524,542	3,524,542	3,648,124	(123,582)
Special education administration	853,284	853,284	765,116	88,168
Other administrative support services	225,926	225,926	230,182	(4,256)
Personnel services	747,093	747,093	697,015	50,078
Technology services	1,858,974	1,858,974	1,821,853	37,121
	<u>8,659,567</u>	<u>8,659,567</u>	<u>8,525,139</u>	<u>134,428</u>

SCHEDULE B (CONTINUED)
CHAMPLAIN VALLEY SCHOOL DISTRICT

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Building operations and maintenance	<u>4,909,356</u>	<u>4,909,356</u>	<u>4,602,343</u>	<u>307,013</u>
Fiscal service	<u>1,152,217</u>	<u>1,152,217</u>	<u>1,104,667</u>	<u>47,550</u>
Transportation	<u>3,213,626</u>	<u>3,213,626</u>	<u>2,849,422</u>	<u>364,204</u>
Debt service				
Principal	2,739,907	2,739,907	2,739,907	-
Interest	905,936	905,936	902,415	3,521
	<u>3,645,843</u>	<u>3,645,843</u>	<u>3,642,322</u>	<u>3,521</u>
Prior year adjustments	<u>-</u>	<u>-</u>	<u>25,422</u>	<u>(25,422)</u>
Transfer to other funds				
Debt service fund	301,000	301,000	301,000	-
Construction fund	110,000	110,000	610,000	(500,000)
Special revenue funds	-	-	20,000	(20,000)
Food service fund	338,638	338,638	164,560	174,078
	<u>749,638</u>	<u>749,638</u>	<u>1,095,560</u>	<u>(345,922)</u>
TOTAL DEPARTMENTAL OPERATIONS	<u>\$ 82,398,769</u>	<u>\$ 82,399,319</u>	<u>\$ 78,315,631</u>	<u>\$ 4,083,688</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 332,488	\$ 332,488
Accounts receivable (net of allowance for uncollectibles)	3,445	-	3,445
Due from other governments	2,880,753	119,113	2,999,866
Due from other funds	1,218,066	-	1,218,066
TOTAL ASSETS	<u>\$ 4,102,264</u>	<u>\$ 451,601</u>	<u>\$ 4,553,865</u>
LIABILITIES			
Accounts payable	\$ 29,063	\$ -	\$ 29,063
Due to other funds	2,870,099	-	2,870,099
TOTAL LIABILITIES	<u>2,899,162</u>	<u>-</u>	<u>2,899,162</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenues	425,614	-	425,614
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>425,614</u>	<u>-</u>	<u>425,614</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	777,488	451,601	1,229,089
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>777,488</u>	<u>451,601</u>	<u>1,229,089</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,102,264</u>	<u>\$ 451,601</u>	<u>\$ 4,553,865</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 6,252,404	\$ -	\$ 6,252,404
Interest income	-	294	294
Charges for services/fees	-	204,483	204,483
Other	347,595	-	347,595
TOTAL REVENUES	<u>6,599,999</u>	<u>204,777</u>	<u>6,804,776</u>
EXPENDITURES			
Other	6,553,759	-	6,553,759
TOTAL EXPENDITURES	<u>6,553,759</u>	<u>-</u>	<u>6,553,759</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>46,240</u>	<u>204,777</u>	<u>251,017</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	-	(225,000)	(225,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(225,000)</u>	<u>(225,000)</u>
NET CHANGE IN FUND BALANCES	46,240	(20,223)	26,017
FUND BALANCES - JULY 1, RESTATED	<u>731,248</u>	<u>471,824</u>	<u>1,203,072</u>
FUND BALANCES - JUNE 30	<u><u>\$ 777,488</u></u>	<u><u>\$ 451,601</u></u>	<u><u>\$ 1,229,089</u></u>

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

Special Revenue Funds

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

SCHEDULE E

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

	CVU Student Activities	Charlotte Student Activities	Hinesburg Student Activities	Shelburne Student Activities	Williston Student Activities	Licensing Fees	Rowland Foundation
ASSETS							
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ 1,670	\$ -	\$ 414	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-
Due from other funds	582,127	14,155	83,179	62,413	49,171	1,066	96,715
TOTAL ASSETS	<u>\$ 582,127</u>	<u>\$ 14,155</u>	<u>\$ 84,849</u>	<u>\$ 62,413</u>	<u>\$ 49,585</u>	<u>\$ 1,066</u>	<u>\$ 96,715</u>
LIABILITIES							
Accounts payable	\$ 13,702	\$ -	\$ 150	\$ 949	\$ 840	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>13,702</u>	<u>-</u>	<u>150</u>	<u>949</u>	<u>840</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred revenues	-	-	-	-	-	1,066	96,715
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,066</u>	<u>96,715</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	568,425	14,155	84,699	61,464	48,745	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>568,425</u>	<u>14,155</u>	<u>84,699</u>	<u>61,464</u>	<u>48,745</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 582,127</u>	<u>\$ 14,155</u>	<u>\$ 84,849</u>	<u>\$ 62,413</u>	<u>\$ 49,585</u>	<u>\$ 1,066</u>	<u>\$ 96,715</u>

SCHEDULE E (CONTINUED)

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

	NVRRC	Hinesburg Misc Grants	Charlotte Misc Grants	CVU Sustainability Grant	VHP	Vermont Children's Trust	Mentors Grant
ASSETS							
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-
Due from other funds	23,796	4,503	2,606	65,272	8,717	-	-
TOTAL ASSETS	<u>\$ 23,796</u>	<u>\$ 4,503</u>	<u>\$ 2,606</u>	<u>\$ 65,272</u>	<u>\$ 8,717</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred revenues	23,796	4,503	2,606	65,272	8,717	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>23,796</u>	<u>4,503</u>	<u>2,606</u>	<u>65,272</u>	<u>8,717</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 23,796</u>	<u>\$ 4,503</u>	<u>\$ 2,606</u>	<u>\$ 65,272</u>	<u>\$ 8,717</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE E (CONTINUED)

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

	FOF Comm	Wellness Initiative	PCE Grant	Parentin	Stars	WCSS
ASSETS						
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ 1,361	\$ -	\$ -
Due from other governments	-	-	-	-	-	-
Due from other funds	-	1,037	3,000	-	4,223	1,103
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 1,037</u>	<u>\$ 3,000</u>	<u>\$ 1,361</u>	<u>\$ 4,223</u>	<u>\$ 1,103</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 48	\$ 1,361	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>48</u>	<u>1,361</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenues	-	1,037	2,952	-	4,223	1,103
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>1,037</u>	<u>2,952</u>	<u>-</u>	<u>4,223</u>	<u>1,103</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 1,037</u>	<u>\$ 3,000</u>	<u>\$ 1,361</u>	<u>\$ 4,223</u>	<u>\$ 1,103</u>

SCHEDULE E (CONTINUED)

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

	<u>RPP</u>	<u>BEST/ ACT 230</u>	<u>BEST</u>	<u>EPSDT</u>	<u>ESSER I</u>	<u>ESSER II</u>
ASSETS						
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	1,250	-	-	568,003	1,328,876
Due from other funds	3,973	-	1,250	209,647	-	-
TOTAL ASSETS	<u>\$ 3,973</u>	<u>\$ 1,250</u>	<u>\$ 1,250</u>	<u>\$ 209,647</u>	<u>\$ 568,003</u>	<u>\$ 1,328,876</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 1,250	\$ -	\$ 6,757	\$ 1,555
Due to other funds	-	1,250	-	-	561,246	1,327,321
TOTAL LIABILITIES	<u>-</u>	<u>1,250</u>	<u>1,250</u>	<u>-</u>	<u>568,003</u>	<u>1,328,876</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenues	3,973	-	-	209,647	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,973</u>	<u>-</u>	<u>-</u>	<u>209,647</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,973</u>	<u>\$ 1,250</u>	<u>\$ 1,250</u>	<u>\$ 209,647</u>	<u>\$ 568,003</u>	<u>\$ 1,328,876</u>

SCHEDULE E (CONTINUED)

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

	CRF Summer Food	CRF HVAC	CRF CN Equipment	SMPEIS	IDEA Preschool	IDEA Formula
ASSETS						
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	34,231	2,946	397,506
Due from other funds	113	-	-	-	-	-
TOTAL ASSETS	<u>\$ 113</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,231</u>	<u>\$ 2,946</u>	<u>\$ 397,506</u>
LIABILITIES						
Accounts payable	\$ 113	\$ -	\$ -	\$ -	\$ -	\$ 83
Due to other funds	-	-	-	34,231	2,946	397,423
TOTAL LIABILITIES	<u>113</u>	<u>-</u>	<u>-</u>	<u>34,231</u>	<u>2,946</u>	<u>397,506</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenues	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 113</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,231</u>	<u>\$ 2,946</u>	<u>\$ 397,506</u>

SCHEDULE E (CONTINUED)

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

	Title IV	Title III	Title II	Title I	CRF LEA Fund	Total
ASSETS						
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,445
Due from other governments	63,918	2,763	163,656	317,604	-	2,880,753
Due from other funds	-	-	-	-	-	1,218,066
TOTAL ASSETS	<u>\$ 63,918</u>	<u>\$ 2,763</u>	<u>\$ 163,656</u>	<u>\$ 317,604</u>	<u>\$ -</u>	<u>\$ 4,102,264</u>
LIABILITIES						
Accounts payable	\$ -	\$ 382	\$ -	\$ 1,873	\$ -	\$ 29,063
Due to other funds	63,918	2,381	163,652	315,731	-	2,870,099
TOTAL LIABILITIES	<u>63,918</u>	<u>2,763</u>	<u>163,652</u>	<u>317,604</u>	<u>-</u>	<u>2,899,162</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenues	-	-	4	-	-	425,614
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>425,614</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	777,488
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>777,488</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 63,918</u>	<u>\$ 2,763</u>	<u>\$ 163,656</u>	<u>\$ 317,604</u>	<u>\$ -</u>	<u>\$ 4,102,264</u>

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

SCHEDULE F

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	CVU Student Activities	Charlotte Student Activities	Hinesburg Student Activities	Shelburne Student Activities	Williston Student Activities	Licensing Fees	Rowland Foundation
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,285
Other	232,484	625	13,017	10,459	19,917	750	-
TOTAL REVENUES	<u>232,484</u>	<u>625</u>	<u>13,017</u>	<u>10,459</u>	<u>19,917</u>	<u>750</u>	<u>3,285</u>
EXPENDITURES							
Other	179,169	2,154	8,491	17,813	22,635	750	3,285
TOTAL EXPENDITURES	<u>179,169</u>	<u>2,154</u>	<u>8,491</u>	<u>17,813</u>	<u>22,635</u>	<u>750</u>	<u>3,285</u>
NET CHANGE IN FUND BALANCES	53,315	(1,529)	4,526	(7,354)	(2,718)	-	-
FUND BALANCES - JULY 1, RESTATED	<u>515,110</u>	<u>15,684</u>	<u>80,173</u>	<u>68,818</u>	<u>51,463</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ 568,425</u>	<u>\$ 14,155</u>	<u>\$ 84,699</u>	<u>\$ 61,464</u>	<u>\$ 48,745</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE F (CONTINUED)

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	NVRRC	Hinesburg Misc Grants	Charlotte Misc Grants	CVU Sustainability Grant	VHP	Vermont Children's Trust	Mentors Grant
REVENUES							
Intergovernmental	\$ -	\$ 640	\$ -	\$ 4,639	\$ -	\$ 17,000	\$ 25,750
Other	60,619	-	-	-	5,972	-	-
TOTAL REVENUES	<u>60,619</u>	<u>640</u>	<u>-</u>	<u>4,639</u>	<u>5,972</u>	<u>17,000</u>	<u>25,750</u>
EXPENDITURES							
Other	60,619	640	-	4,639	5,972	17,000	25,750
TOTAL EXPENDITURES	<u>60,619</u>	<u>640</u>	<u>-</u>	<u>4,639</u>	<u>5,972</u>	<u>17,000</u>	<u>25,750</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-	-
FUND BALANCES - JULY 1, RESTATED	-	-	-	-	-	-	-
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE F (CONTINUED)

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	FOF Comm	Wellness Initiative	PCE Grant	Parentin	Stars	WCSS
REVENUES						
Intergovernmental	\$ -	\$ -	\$ 548	\$ 13,298	\$ -	\$ -
Other	3,752	-	-	-	-	-
TOTAL REVENUES	<u>3,752</u>	<u>-</u>	<u>548</u>	<u>13,298</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Other	3,752	-	548	13,298	-	-
TOTAL EXPENDITURES	<u>3,752</u>	<u>-</u>	<u>548</u>	<u>13,298</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-
FUND BALANCES - JULY 1, RESTATED	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE F (CONTINUED)

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>RPP</u>	<u>BEST/ ACT 230</u>	<u>BEST</u>	<u>EPSDT</u>	<u>ESSER I</u>	<u>ESSER II</u>
REVENUES						
Intergovernmental	\$ 8,606	\$ 3,440	\$ 990	\$ 107,772	\$ 568,003	\$ 1,328,876
Other	-	-	-	-	-	-
TOTAL REVENUES	<u>8,606</u>	<u>3,440</u>	<u>990</u>	<u>107,772</u>	<u>568,003</u>	<u>1,328,876</u>
EXPENDITURES						
Other	8,606	3,440	990	107,772	568,003	1,328,876
TOTAL EXPENDITURES	<u>8,606</u>	<u>3,440</u>	<u>990</u>	<u>107,772</u>	<u>568,003</u>	<u>1,328,876</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-
FUND BALANCES - JULY 1, RESTATED	-	-	-	-	-	-
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE F (CONTINUED)

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	CRF Summer Food	CRF HVAC	CRF CN Equipment	SMPEIS	IDEA Preschool	IDEA Formula
REVENUES						
Intergovernmental	\$ 49,919	\$ 175,060	\$ 75,000	\$ 60,000	\$ 25,276	\$ 1,232,016
Other	-	-	-	-	-	-
TOTAL REVENUES	<u>49,919</u>	<u>175,060</u>	<u>75,000</u>	<u>60,000</u>	<u>25,276</u>	<u>1,232,016</u>
EXPENDITURES						
Other	<u>49,919</u>	<u>175,060</u>	<u>75,000</u>	<u>60,000</u>	<u>25,276</u>	<u>1,232,016</u>
TOTAL EXPENDITURES	<u>49,919</u>	<u>175,060</u>	<u>75,000</u>	<u>60,000</u>	<u>25,276</u>	<u>1,232,016</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-
FUND BALANCES - JULY 1, RESTATED	-	-	-	-	-	-
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE F (CONTINUED)

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>Title IV</u>	<u>Title III</u>	<u>Title II</u>	<u>Title I</u>	<u>CRF LEA Fund</u>	<u>Total</u>
REVENUES						
Intergovernmental	\$ 72,418	\$ 3,288	\$ 387,578	\$ 618,849	\$ 1,470,153	\$ 6,252,404
Other	-	-	-	-	-	347,595
TOTAL REVENUES	<u>72,418</u>	<u>3,288</u>	<u>387,578</u>	<u>618,849</u>	<u>1,470,153</u>	<u>6,599,999</u>
EXPENDITURES						
Other	<u>72,418</u>	<u>3,288</u>	<u>387,578</u>	<u>618,849</u>	<u>1,470,153</u>	<u>6,553,759</u>
TOTAL EXPENDITURES	<u>72,418</u>	<u>3,288</u>	<u>387,578</u>	<u>618,849</u>	<u>1,470,153</u>	<u>6,553,759</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-	46,240
FUND BALANCES - JULY 1, RESTATED	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>731,248</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 777,488</u>

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

Capital Projects Fund

The capital projects funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUND
JUNE 30, 2021

	Capital Projects Fund	Total
ASSETS		
Cash and cash equivalents	\$ 332,488	\$ 332,488
Due from other governments	119,113	119,113
TOTAL ASSETS	<u>\$ 451,601</u>	<u>\$ 451,601</u>
LIABILITIES		
Accounts payable	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	451,601	451,601
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	<u>451,601</u>	<u>451,601</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 451,601</u>	<u>\$ 451,601</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Capital Projects Fund	Total
REVENUES		
Interest income	\$ 294	\$ 294
Charges for services/fees	204,483	204,483
TOTAL REVENUES	<u>204,777</u>	<u>204,777</u>
EXPENDITURES		
Other	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>204,777</u>	<u>204,777</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers (out)	(225,000)	(225,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(225,000)</u>	<u>(225,000)</u>
NET CHANGE IN FUND BALANCES	(20,223)	(20,223)
FUND BALANCES - JULY 1	<u>471,824</u>	<u>471,824</u>
FUND BALANCES - JUNE 30	<u>\$ 451,601</u>	<u>\$ 451,601</u>

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

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the School District's programs.

SCHEDULE I

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF NET POSITION - FIDUCIARY FUNDS - PRIVATE-PURPOSE FUNDS
JUNE 30, 2021

	<u>Charlotte</u>	<u>Hinesburg</u>	<u>Shelburne</u>	<u>Williston</u>	<u>CVU</u>	<u>CVSD</u>	<u>Total</u>
ASSETS							
Cash and cash equivalents	\$ 5,908	\$ 79,791	\$ 62,975	\$ 5,066	\$ 258,693	\$ 1,451	\$ 413,884
TOTAL ASSETS	<u>\$ 5,908</u>	<u>\$ 79,791</u>	<u>\$ 62,975</u>	<u>\$ 5,066</u>	<u>\$ 258,693</u>	<u>\$ 1,451</u>	<u>\$ 413,884</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 8,590	\$ -	\$ 8,590
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,590</u>	<u>\$ -</u>	<u>\$ 8,590</u>
NET POSITION							
Restricted - held in trust	\$ 5,908	\$ 79,791	\$ 62,975	\$ 5,066	\$ 250,103	\$ 1,451	\$ 405,294
TOTAL NET POSITION	<u>\$ 5,908</u>	<u>\$ 79,791</u>	<u>\$ 62,975</u>	<u>\$ 5,066</u>	<u>\$ 250,103</u>	<u>\$ 1,451</u>	<u>\$ 405,294</u>

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

SCHEDULE J

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
PRIVATE-PURPOSE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Charlotte	Hinesburg	Shelburne	Williston	CVU	CVSD	Total
ADDITIONS							
Contributions							
Donations	\$ -	\$ 51,000	\$ 1,000	\$ -	\$ 5,154	\$ 1,500	\$ 58,654
Total contributions	-	51,000	1,000	-	5,154	1,500	58,654
Investment earnings:							
Income earned	5	34	47	4	182	-	272
Total investment earnings, net	5	34	47	4	182	-	272
Total additions	5	51,034	1,047	4	5,336	1,500	58,926
DEDUCTIONS							
Scholarship awards	-	-	-	-	8,590	-	8,590
Other disbursements	142	17,047	373	-	-	49	17,611
Total deductions	142	17,047	373	-	8,590	49	26,201
CHANGE IN NET POSITION	(137)	33,987	674	4	(3,254)	1,451	32,725
NET POSITION - JULY 1	6,045	45,804	62,301	5,062	253,357	-	372,569
NET POSITION - JUNE 30	\$ 5,908	\$ 79,791	\$ 62,975	\$ 5,066	\$ 250,103	\$ 1,451	\$ 405,294

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal AL Number	Pass-through Grantor Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture				
Pass-through State of Vermont Agency of Education:				
Child Nutrition Cluster:				
National School Lunch Program - Food Distribution	10.555	4456U0562100	\$ 109,682	\$ -
Summer Food Service Program for Children	10.559	4455U0562100	1,342,741	-
Subtotal Child Nutrition Cluster			<u>1,452,423</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>1,452,423</u>	<u>-</u>
U.S. Department of the Treasury				
Pass-through State of Vermont Agency of Education:				
Coronavirus Relief Fund - Summer Food	21.019	4593U0562101	49,919	-
Coronavirus Relief Fund - CN Equipment	21.019	4596U0562101	75,000	-
Coronavirus Relief Fund - LEA	21.019	4592U0562100	1,470,153	-
			<u>1,595,072</u>	<u>-</u>
Passed through Intermediate Agencies:				
Coronavirus Relief Fund - HVAC	21.019	6012-IA09 (CVU)	57,120	-
Coronavirus Relief Fund - HVAC	21.019	6012-IE68 (CCS)	9,249	-
Coronavirus Relief Fund - HVAC	21.019	6012-ID97 (SCS)	23,172	-
Coronavirus Relief Fund - HVAC	21.019	6012-HZ26 (HCS)	33,116	-
Coronavirus Relief Fund - HVAC	21.019	6000-I423 (WCS)	52,403	-
			<u>175,060</u>	<u>-</u>
Total U.S. Department of the Treasury			<u>1,770,132</u>	<u>-</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal AL Number	Pass-through Grantor Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Education				
Pass-through State of Vermont Agency of Education:				
Title I Grants to Local Educational Agencies	84.010	4250U0562101	618,849	-
Special Education Cluster:				
Special Education-Grants to States (IDEA, Part B)	84.027	4226U0562101	1,208,169	-
Special Education-Grants to States (IDEA, Part B) - Prop Share	84.027	4226U0562101	23,847	-
Special Education-Preschool Grants (IDEA Preschool)	84.173	4228U0562101	25,276	-
Subtotal Special Education Cluster			1,257,292	-
English Language Acquisition State Grants	84.365	4375U0562101	3,288	-
Supporting Effective Instruction State Grants	84.367	4651U0562101	387,578	-
Student Support and Academic Enrichment Program	84.424	4570U0562101	72,418	-
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act	84.425D	4599U0562101	1,328,876	-
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act	84.425D	4590U0562101	568,003	-
Subtotal Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act			1,896,879	-
Total U.S. Department of Education			4,236,304	-

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal AL Number	Pass-through Grantor Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Health and Human Services Centers for Disease Control and Prevention				
Pass-through State of Vermont Agency of Health and Human Services: Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	03420- 08002/RPP_CY2021	4,027	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	03420- 08002/RPP_CY2020	4,580	-
Passed through Intermediate Agencies:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5H79SP081658-03	1,906	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5H79SP081658-03	11,392	-
Subtotal Substance Abuse and Mental Health Services Projects of Regional and National Significance			21,905	-
Passed through Intermediate Agencies:				
Opioid STR	93.788	03420-8688	548	-
Pass-through State of Vermont Agency of Health and Human Services: Block Grants for Prevention and Treatment of Substance Abuse	93.959	03420-08300	60,000	-
Total U.S. Department of Health and Human Services Centers for Disease Control and Prevention			82,453	-
TOTAL FEDERAL ASSISTANCE			\$ 7,541,312	\$ -

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

CHAMPLAIN VALLEY 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 Champlain Valley School District under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Champlain Valley School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the Champlain Valley 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 Champlain Valley School District does not use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

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



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

Board of School Directors
Champlain Valley School District
Shelburne, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Champlain Valley School District, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise Champlain Valley School District's basic financial statements and have issued our report thereon dated February 9, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Champlain Valley 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Champlain Valley School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Champlain Valley 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 Champlain Valley 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 management of the Champlain Valley School District in a separate letter dated January 15, 2022.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the 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
February 9, 2022



Proven Expertise & Integrity

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

Board of School Directors
Champlain Valley School District
Shelburne, Vermont

Report on Compliance for Each Major Federal Program

We have audited Champlain Valley School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Champlain Valley School District's major federal programs for the year ended June 30, 2021. Champlain Valley School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Champlain Valley School District's major federal programs based on our audit of the type of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Champlain Valley School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Champlain Valley School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Champlain Valley School District, complied in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Champlain Valley School District is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Champlain Valley School District internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Champlain Valley School District's internal control over compliance.

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

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

This 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

February 9, 2022

CHAMPLAIN VALLEY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported

In accordance with 2 CFR 200.516(a)? ☐ yes ☒ no

Identification of major programs:

<u>AL Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.559	Child Nutrition Cluster
21.019	Coronavirus Relief Fund
84.425D	Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act

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

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

Section II - Financial Statement Findings

None

Section III - Federal Awards Findings and Questioned Costs

None