

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT  
FINANCIAL STATEMENTS  
Year ended June 30, 2024

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT  
 AUDIT REPORT AND FINANCIAL STATEMENTS  
 JUNE 30, 2024

TABLE OF CONTENTS

			<u>Page #</u>
INDEPENDENT AUDITOR’S REPORT			1 - 3
MANAGEMENT’S DISCUSSION AND ANALYSIS			4 – 8
BASIC FINANCIAL STATEMENTS			
GOVERNMENT-WIDE FINANCIAL STATEMENTS			
Statement of Net Position	Exhibit A		9
Statement of Activities	Exhibit B		10
FUND FINANCIAL STATEMENTS			
Balance Sheet – Governmental Funds	Exhibit C		11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	Exhibit D		12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	Exhibit E		13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	Exhibit F		14
Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual – General Fund	Exhibit G		15 – 21
Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual – Grant Fund	Exhibit H		22 – 23
Statement of Fiduciary Net Position	Exhibit I		24
NOTES TO FINANCIAL STATEMENTS			25 – 45
REQUIRED SUPPLEMENTARY INFORMATION			
Schedule of Proportionate Share of Net Pension Liability - VSTRS	Schedule I		46
INTERNAL CONTROL AND COMPLIANCE REPORT			
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>			47 – 48

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Waits River Valley Union #36 School District  
East Corinth, Vermont

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Waits River Valley Union School District #36 (the "School District"), as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2024, and the respective changes in financial position and the respective budget comparison for the General Fund and Various Grant Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 8, budgetary information comparison in Exhibit G and H on pages 15 through 23, and Schedule I on page 46 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025, on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District's internal control over financial reporting and compliance.

*Wisehart, Wimetle + Assoc., P&C*

Registration number VT092.0000684

March 27, 2025

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024

Our discussion and analysis of Waits River Valley Union #36 School District's financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the School District's financial statements which begin on Exhibit A.

**Financial Highlights**

*Government-Wide Financial Statements:*

- J The School District's net position decreased by \$420,455, as a result of this year's operations.
- J The cost of all of the School District's programs was \$8,700,768 this year.

*Fund Financial Statements:*

- J The General Fund reported total decrease of \$261,524. At June 30, 2024 the fund balance was a deficit of (\$574,936).
- J The Capital Projects Fund reported a decrease of \$24,167. At June 30, 2024 the fund balance was \$196,610, all of which was committed for future additions.
- J The Grant Fund reported expenditures in excess of revenues this year of \$0, which is consistent with the nature if reimbursable grants in that revenue received equals expenditures incurred.
- J The Food Service Fund reported a decrease of \$17,593. At June 30, 2024 the fund balance of \$151,154, all of which was assigned for the food service program.

**Using This Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Exhibits A and B) provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. Fund financial statements start on Exhibit C. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the School District's operations in more detail than the government-wide statements by providing information about the School District's most significant funds. The remaining statements provide financial information about activities for which the School District acts solely as a trustee or agent for the benefit of those outside the government.

*Reporting the School District as a Whole*

Our analysis of the School District as a whole begins on Exhibit A. One of the most important question asked about the School District's finances is, "Is the School District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the School District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in them. You can think of the School District's net assets – the difference between assets and liabilities – as one way to measure the School District's financial health, or financial position. Over time, increases or decreases in the School District's net assets are one indicator of whether its financial health is improving or deteriorating.

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024  
(Continued)

You will need to consider other non-financial factors, however, such as changes in the School District's property tax base and the condition of the School District's capital assets, to assess the overall health of the School District.

Governmental activities – Most of the School District's basic services are reported here. They include regular and special education for Kindergarten through 8th grade, High School costs, support services, administrative services, transportation, interest on long-term debt and other activities. Property taxes and state grants finance most of these activities.

*Reporting the School District's Most Significant Funds*

The Financial Statements of the School District's major governmental funds are reflected on Exhibit C through Exhibit H. The fund financial statements provide detailed information about the most significant funds – not the School District as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The School District's funds use the following accounting approaches:

Governmental funds – Most of the School District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method focus called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs.

We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in Exhibits D and Exhibit F that follow the financial statements.

*The School District as Agent*

The School District is the fiscal agent for funds held for various school related activities. All of the School District's fiduciary activities are Agency Funds and are reported in a separate Statement of Fiduciary Net Assets on Exhibit I. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024  
(Continued)

**The School District as a Whole (*Government-Wide Financial Statement Analysis*)**

The School District's combined net assets decreased by \$413,204 as a result of this year's operations.

Table 1 – Net Position

	Governmental Activities		Change
	2024	2023	
Current and other assets	\$ 374,230	\$ 566,257	\$ (192,027)
Capital assets	1,976,527	1,651,889	324,638
Total assets	<u>2,350,757</u>	<u>2,218,146</u>	<u>132,611</u>
Long-term liabilities	-	-	-
Other liabilities	1,043,211	490,145	553,066
Total liabilities	<u>1,043,211</u>	<u>490,145</u>	<u>553,066</u>
Net position:			
Unrestricted	(1,016,745)	(313,412)	(703,333)
Restricted	347,764	389,524	(41,760)
Invested in capital assets, net of related debt	1,976,527	1,651,889	324,638
Total net position	<u>\$ 1,307,546</u>	<u>\$ 1,728,001</u>	<u>\$ (420,455)</u>

Table 2 – Change in Net Position

	Governmental Activities		Change
	2024	2023	
<b>REVENUES</b>			
General revenues:			
Act 68 property taxes	\$ 6,492,689	\$ 5,943,005	\$ 549,684
Other income	69,849	72,320	(2,471)
Earnings on investments	2,386	2,254	132
Program revenues:			
On behalf payments	803,870	610,122	193,748
Charges for services	3,181	5,552	(2,371)
Operating grants and contributions	915,589	992,444	(76,855)
Total revenues	<u>8,287,564</u>	<u>7,625,697</u>	<u>661,867</u>
<b>PROGRAM EXPENSES</b>			
Secondary tuition	2,210,679	1,878,676	332,003
Regular instruction and related	2,186,757	1,960,924	225,833
Special education and related	456,273	454,039	2,234
SU assessments	988,952	944,122	44,830
Miscellaneous grants	1,157	5,060	(3,903)
Buildings and grounds	575,302	463,767	111,535
Administrative support services	311,037	361,253	(50,216)
Support services - student based	193,111	263,950	(70,839)
Medicaid supported program	152,520	96,172	56,348
CFP Schoolwide program	150,773	204,896	(54,123)
ESSER Grants	130,499	301,994	(171,495)
Food service	267,798	238,564	29,234
Transportation	12,703	17,254	(4,551)
Vocational	255,779	109,893	145,886
Interest on long-term debt	10,809	8,281	2,528
On behalf payments	803,870	610,122	193,748
Total program expenses	<u>8,708,019</u>	<u>7,918,967</u>	<u>789,052</u>
Change in net position	<u>\$ (420,455)</u>	<u>\$ (293,270)</u>	<u>\$ (127,185)</u>

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024  
(Continued)

Table 3 represents the cost of each of the School District's four largest programs as well as each program's net cost (total cost less revenue generated by the activities). The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

Table 3  
Governmental Activities

	2024	
	Total Cost of Services	Net Cost of Services
Secondary tuition	\$ 2,210,679	\$ 2,210,679
Regular instruction and related services	2,186,757	2,186,757
SU assessments	988,952	988,952
Buildings and grounds	575,302	575,302
All others	2,746,329	1,023,689
Totals	\$ 8,708,019	\$ 6,985,379

  

	2023	
	Total Cost of Services	Net Cost of Services
Secondary tuition	\$ 1,878,676	\$ 1,878,676
Regular instruction and related services	1,960,924	1,960,924
Special education and related services	944,122	944,122
Buildings and grounds	463,767	463,767
All others	2,671,478	1,063,360
Totals	\$ 7,918,967	\$ 6,310,849

**The School District's Funds** (*Fund Financial Statement Analysis*)

As the School District completed the year, its governmental funds (as presented in the Balance Sheet on Exhibit C) reported a combined fund balance of (\$227,172). Included in this year's total is a fund deficit of (\$574,936) in the School District's General Fund, a fund balance of \$0 in the Grant Fund, a fund balance of \$151,154 in the Food Service Fund, and a fund balance of \$196,610 in the Capital Projects Fund.

Refer to the auditor's report for more details of the changes in the School District's fund activities.

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024  
(Continued)

**Capital Assets and Debt Administration**

*Capital Assets*

At June 30, 2024, the School District had \$1,976,527 invested in a broad range of capital assets, including school buildings, furniture and equipment. (See Table 4 below) This amount represents a net increase of \$262,0303, over last year. The net decrease is a result of capital additions of \$398,567 less depreciation expense of \$136,537 for the year ending June 30, 2024.

Table 4  
Capital Assets at Year-End  
(Net of Accumulated Depreciation)  
Governmental  
Activities

	2024	2023
Land	\$ 40,292	\$ 40,292
Buildings and improvements	1,876,540	1,613,247
Equipment	59,695	60,958
Vehicles	0	0
Totals	\$ 1,976,527	\$ 1,714,497

*Debt*

At June 30, 2024, the School District had \$0 notes outstanding.

During the year ending June 30, 2024, the School District borrowed approximately \$1,075,715 on short term borrowings, which were repaid in their entirety as of June 30, 2024.

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

The School District's elected and appointed officials considered many factors when setting the fiscal year budget for school operations.

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

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the 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 Business Administration Office at Orange East Supervisory Union, located at 64 Main Street, Bradford, Vermont.

STATEMENT OF NET POSITION

JUNE 30, 2024

	<u>Governmental Activities</u>	
<b>ASSETS</b>		
Cash	\$ 222,605	
Accounts receivable:		
Due from State	127,994	
Prepaid expenses	23,631	
Capital assets:		
Land	40,292	
Building and equipment - net of accumulated depreciation of \$3,748,012	<u>1,936,235</u>	
Total assets		2,350,757
<b>LIABILITIES</b>		
Accounts payable	132,200	
Accrued payroll and withholdings	254,542	
Deferred revenue	<u>656,469</u>	
Total liabilities		<u>1,043,211</u>
<b>NET POSITION</b>		
Unrestricted	(1,016,745)	
Restricted	347,764	
Invested in capital assets, net of related debt	<u>1,976,527</u>	
Total net position		<u><u>\$ 1,307,546</u></u>

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charge for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities:				
Secondary tuition	\$ 2,210,679	\$ -	\$ -	\$ (2,210,679)
Regular instruction and related services	2,186,757	-	-	(2,186,757)
Special education and related services	456,273	-	-	(456,273)
Summer school program	1,157	-	1,157	-
Buildings and grounds	575,302	-	-	(575,302)
Administrative support services	311,037	-	-	(311,037)
Support services - student based	193,111	-	-	(193,111)
Medicaid supported programs	152,520	-	152,520	-
CFP Schoolwide Programs	150,773	-	150,773	-
ESSER Grants	130,499	-	136,092	5,593
Food service expenses	267,798	3,181	247,024	(17,593)
Transportation	12,703	-	76,847	64,144
Vocational	255,779	-	151,176	(104,603)
Assessments	988,952	-	-	(988,952)
Interest on short-term debt	10,809	-	-	(10,809)
Pension plan expense	803,870	-	803,870	-
Total governmental activities	<u>8,708,019</u>	<u>3,181</u>	<u>1,719,459</u>	<u>(6,985,379)</u>
General Revenues:				
Act 68 state aid				6,492,689
Other income				69,849
Earnings on investments				2,386
Total general revenues				<u>6,564,924</u>
Change in net position				(420,455)
Net position - July 1, 2023				<u>1,728,001</u>
Net position - June 30, 2024				<u>\$ 1,307,546</u>

BALANCE SHEET  
GOVERNMENTAL FUNDS

JUNE 30, 2024

	General Fund	Capital Projects Fund	Special Revenue Funds		Totals
			Grant Fund	Food Service Fund	
<b>ASSETS</b>					
Cash	\$ 2,907	\$219,697	\$ -	\$ -	\$ 222,604
Accounts receivable:					
Due from State	-	-	86,871	41,123	127,994
Prepaid expenses	23,631	-	-	-	23,631
Due from other funds	-	-	143,601	142,699	286,300
Total assets	<u>\$ 26,538</u>	<u>\$219,697</u>	<u>\$230,472</u>	<u>\$183,822</u>	<u>\$ 660,529</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 99,494	\$ -	\$ 37	\$ 32,668	\$ 132,199
Due to other funds	263,213	23,087	-	-	286,300
Accrued payroll and withholdings	238,767	-	15,775	-	254,542
Deferred revenue - Medicaid funds	-	-	214,660	-	214,660
Total liabilities	<u>601,474</u>	<u>23,087</u>	<u>230,472</u>	<u>32,668</u>	<u>887,701</u>
<b>FUND EQUITY</b>					
Fund balances					
Nonspendable	23,631	-	-	-	23,631
Committed for capital projects	-	196,610	-	-	196,610
Restricted for food service	-	-	-	151,154	151,154
Unassigned	(598,567)	-	-	-	(598,567)
Total fund equity	<u>(574,936)</u>	<u>196,610</u>	<u>-</u>	<u>151,154</u>	<u>(227,172)</u>
Total liabilities and fund equity	<u>\$ 26,538</u>	<u>\$219,697</u>	<u>\$230,472</u>	<u>\$183,822</u>	<u>\$ 660,529</u>

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION

JUNE 30, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ (227,172)
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets are \$5,724,539, and the accumulated depreciation is \$3,748,012	1,976,527
Grant funds received and used for long-lived assets are reported in governmental governmental funds as revenues. However, in the statement of activities the funds received are deferred and recognized as revenue over the useful life of the respective asset(s) acquired.	<u>(441,809)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,307,546</u></u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2024

	General Fund	Capital Projects Fund	Special Revenue Funds		Total Governmental Funds
			Grants Fund	Food Service Fund	
<b>REVENUES</b>					
Act 68 property taxes	\$ 6,492,689	\$ -	\$ -	\$ -	\$ 6,492,689
Other State revenues:					
Transportation aid	76,847	-	-	-	76,847
Medicaid	-	-	152,520	-	152,520
CFP Schoolwide Programs grants	-	-	150,773	-	150,773
ESSER grants	-	-	515,293	-	515,293
EPSDT/MAC	-	-	1,157	-	1,157
Federal food grants	-	-	16,785	230,239	247,024
Food sales	-	-	-	3,181	3,181
Interest	1,507	879	-	-	2,386
Miscellaneous	69,849	-	-	-	69,849
On behalf payments	108,074	-	-	-	108,074
Total revenues	<u>6,900,142</u>	<u>879</u>	<u>836,528</u>	<u>233,420</u>	<u>7,970,969</u>
<b>EXPENDITURES</b>					
<b>Current</b>					
EEE programs	136,138	-	-	-	136,138
Regular instruction - K - 5	1,170,818	-	-	-	1,170,818
Regular instruction - Middle school	490,178	-	-	-	490,178
Regular instruction - K-8	502,478	-	-	-	502,478
Student Activities	4,518	-	-	-	4,518
Guidance	253	-	-	-	253
Health services	53,761	-	-	-	53,761
Professional development	23,283	-	-	-	23,283
Library services	79,190	-	-	-	79,190
Technology	40,353	-	-	-	40,353
Board of Education	30,532	-	-	-	30,532
Principal's office	257,951	-	-	-	257,951
School administration	22,554	-	-	-	22,554
Facilities	442,528	-	-	-	442,528
Transportation services	12,703	-	-	-	12,703
Secondary tuition	2,210,679	-	-	-	2,210,679
Vocational tuition	255,779	-	-	-	255,779
Special education	320,135	-	-	-	320,135
Assessments	988,952	-	-	-	988,952
Medicaid supported programs	-	-	152,520	-	152,520
CFP Schoolwide Programs	-	-	150,773	-	150,773
EPSDT/MAC	-	-	1,157	-	1,157
ESSER grants	-	-	515,293	-	515,293
Food service expenses	-	-	16,785	251,013	267,798
On behalf payments	108,074	-	-	-	108,074
Interest	10,809	-	-	-	10,809
Capital outlays	-	25,046	-	-	25,046
Total expenditures	<u>7,161,666</u>	<u>25,046</u>	<u>836,528</u>	<u>251,013</u>	<u>8,274,253</u>
<b>EXCESS REVENUES</b>					
(EXPENDITURES)	(261,524)	(24,167)	-	(17,593)	(303,284)
FUND BALANCES - July 1, 2023	(313,412)	220,777	-	168,747	76,112
FUND BALANCES - June 30, 2024	<u>\$ (574,936)</u>	<u>\$ 196,610</u>	<u>\$ -</u>	<u>\$ 151,154</u>	<u>\$ (227,172)</u>

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

YEAR ENDED JUNE 30, 2024

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS           \$ (303,284)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation of \$136,537 is less than capital outlays of \$398,567. 262,030

Grant funds received and used for long-lived assets are reported in governmental governmental funds a revenues. However, in the statement of activities the funds received are deferred and recognized as revenue over the useful life of the respective asst(s) acquired. This is the amount by which grants received of \$384,794 exceed amortization revenue of \$5,593. (379,201)

On behalf payments related to the Vermont State Teachers Retirement system in not recognized in the governmental funds and does not require the use of current financial resources. The net effect of the current year's net assets is zero.

State of Vermont on behalf payment - expense - Exhibit E	108,074
State of Vermont on behalf payment - expense - Exhibit B	(803,870)
State of Vermont on behalf payment - revenue - Exhibit E	(108,074)
State of Vermont on behalf payment - revenue - Exhibit B	<u>803,870</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (420,455)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Act 68 property taxes	\$ 6,646,025	\$ 6,492,689	\$ (153,336)
Other State revenue:			
Tech center aid	-	151,176	151,176
Transportation aid	100,000	76,847	(23,153)
Interest	200	1,507	1,307
Miscellaneous	110,804	69,849	(40,955)
Total revenues	<u>6,857,029</u>	<u>6,792,068</u>	<u>(64,961)</u>
<b>EXPENDITURES</b>			
Current expenditures			
PreSchool			
Salaries	40,914	77,100	(36,186)
Health insurance	21,747	20,627	1,120
FICA	3,130	5,767	(2,637)
Life insurance	86	166	(80)
VSTRS new hire fee	-	1,509	(1,509)
Dental ER	209	226	(17)
Disability insurance	125	192	(67)
Workers' compensation	368	-	368
O.E.S.U. EEE assessment	64,291	64,291	-
Pre-K tuition	40,000	51,762	(11,762)
Total PreSchool programs	<u>170,870</u>	<u>221,640</u>	<u>(50,770)</u>
Regular Instruction - K - 5			
Salaries - teachers	748,532	845,443	(96,911)
Health insurance	187,385	170,553	16,832
HRA	32,255	19,846	12,409
HSA	-	1,769	(1,769)
FICA	56,468	61,224	(4,756)
Life insurance	973	1,042	(69)
VSTRS new hire fee	-	13,581	(13,581)
Dental	3,707	3,241	466
Disability insurance	2,067	1,907	160
Annuity	929	6,620	(5,691)
Workers' compensation	6,643	-	6,643
Supplies	25,000	23,405	1,595
Books	3,000	2,658	342
Manipulatives	10,000	17,270	(7,270)
Field trips	2,000	2,259	(259)
Total regular instruction - K-5	<u>1,078,959</u>	<u>1,170,818</u>	<u>(91,859)</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Regular Instruction - Middle School</b>			
Salaries	304,327	345,041	(40,714)
Health insurance	77,374	97,448	(20,074)
HRA	13,900	13,120	780
FICA	22,937	23,949	(1,012)
Life insurance	360	261	99
VSTRS new hire fee	-	1,509	(1,509)
Dental	2,000	1,987	13
Disability insurance	840	740	100
Workers' compensation	2,698	-	2,698
Supplies	5,000	4,584	416
Books	1,000	614	386
Field trips	680	925	(245)
Total regular instruction - middle school	431,116	490,178	(59,062)
<b>Regular Instruction - K-8</b>			
Salaries	299,001	347,959	(48,958)
	-		
Health insurance	57,574	73,267	(15,693)
HRA	12,000	12,739	(739)
FICA	21,344	25,133	(3,789)
Life insurance	288	378	(90)
VSTRS new hire fee	-	4,527	(4,527)
Dental	1,200	1,530	(330)
Disability insurance	817	755	62
Workers' compensation	7,511	1,376	6,135
O.E.S.U. assessments	8,077	8,077	-
Field trips	2,000	1,900	100
Supplies	6,500	4,894	1,606
Books	300	-	300
Equipment	2,000	1,025	975
Total regular instruction- K-8	418,612	483,560	(64,948)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Student activities			
Athletic director stipend	1,500	1,500	-
FICA	115	115	-
Workers' compensation	14	-	14
Purchased services	2,000	-	2,000
Supplies	1,000	1,203	(203)
Equipment	1,000	600	400
Fees	1,000	1,100	(100)
O.E.S.U. assessments	3,098	3,098	-
Total student activities	<u>9,727</u>	<u>7,616</u>	<u>2,111</u>
Guidance			
Supplies	400	253	147
Books	100	-	100
Total guidance	<u>500</u>	<u>253</u>	<u>247</u>
Health services			
Salaries	35,041	34,147	894
Health insurance	12,557	14,528	(1,971)
HRA	4,200	1,763	2,437
FICA	2,681	2,332	349
Life insurance	72	49	23
Dental	400	262	138
Disability insurance	107	92	15
Workers' compensation	315	-	315
Supplies	1,500	588	912
Total health services	<u>56,873</u>	<u>53,761</u>	<u>3,112</u>
Professional Development			
Tuition reimbursement	25,000	23,283	1,717
Total professional development	<u>25,000</u>	<u>23,283</u>	<u>1,717</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Library services			
Salaries	71,176	71,150	26
FICA	5,465	5,443	22
Life insurance	72	7	65
Dental reimbursement	400	33	367
Disability insurance	205	37	168
Library retirement buyout	-	600	(600)
Workers' compensation	631	-	631
Supplies	497	-	497
Books and periodicals	5,000	1,425	3,575
Audio visual material	500	-	500
Software	1,400	495	905
Total library services	<u>85,346</u>	<u>79,190</u>	<u>6,156</u>
Technology			
Purchased services	1,457	1,679	(222)
O.E.S.U. assessment - tech support	47,180	47,180	-
O.E.S.U. assessment - tech director	19,993	19,993	-
Repairs and maintenance	1,500	32	1,468
Subscriptions	12,000	27,046	(15,046)
Supplies	5,100	1,553	3,547
Software	1,083	315	768
Equipment	10,000	9,728	272
Total technology	<u>98,313</u>	<u>107,526</u>	<u>(9,213)</u>
Board of Education			
Salaries	6,450	8,650	(2,200)
FICA	459	662	(203)
Workers' compensation	54	-	54
Legal	300	2,550	(2,250)
Auditor	10,000	10,000	-
Advertising	855	284	571
Printing	4,300	3,257	1,043
Supplies	2,500	858	1,642
Dues and fees	5,500	4,091	1,409
Total board of education	<u>30,418</u>	<u>30,352</u>	<u>66</u>
Superintendent's Office			
O.E.S.U. assessment	201,222	201,222	-
Total superintendent's office	<u>201,222</u>	<u>201,222</u>	<u>-</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Principal's office</b>			
Salaries - principal	120,200	120,200	-
Salaries - staff	63,086	61,053	2,033
Salaries - Mentor	-	5,625	(5,625)
Health insurance	44,286	42,461	1,825
HRA	10,600	6,560	4,040
FICA	14,021	13,479	542
Life insurance	216	460	(244)
Dental	739	859	(120)
Disability insurance	540	443	97
Workers' compensation	1,650	-	1,650
Course payment	1,500	1,195	305
Mentor	1,200	-	1,200
Supplies	4,000	3,024	976
Dues and fees	1,230	2,592	(1,362)
Total principal's office	263,268	257,951	5,317
<b>School administration</b>			
Copier lease	6,000	8,548	(2,548)
Telephone	13,000	11,700	1,300
Postage	2,000	2,306	(306)
Dues and fees	1,000	-	1,000
Total school administration	22,000	22,554	(554)
<b>Fiscal services</b>			
Salaries	2,500	-	2,500
FICA	191	-	191
Workers' compensation	22	-	22
Supplies	5,050	5,784	(734)
Fees and charges	35	180	(145)
Tax anticipation note - interest	1,000	10,809	(9,809)
Total fiscal services	8,798	16,773	(7,975)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Facilities			
Custodial salaries	120,143	149,773	(29,630)
Health insurance	18,360	765	17,595
HRA	6,600	1,804	4,796
FICA	9,191	11,568	(2,377)
Life insurance	216	162	54
Dental	859	17	842
Disability insurance	363	262	101
Workers' compensation	1,081	-	1,081
Uniforms	600	1,650	(1,050)
Disposal	10,000	11,956	(1,956)
Snow removal	13,000	18,149	(5,149)
Ground maintenance	9,000	6,700	2,300
Repairs and maintenance	27,655	46,575	(18,920)
Rentals	-	217	(217)
Property insurance	21,000	38,774	(17,774)
Supplies	16,000	34,600	(18,600)
Electricity	40,000	57,169	(17,169)
Heating oil	45,000	46,099	(1,099)
Generator fuel	500	-	500
Equipment	11,521	7,841	3,680
Furniture replacement	10,000	8,447	1,553
Total facilities	<u>361,089</u>	<u>442,528</u>	<u>(81,439)</u>
Transportation			
Fuel surcharge	-	12,266	(12,266)
Vocational transportation	3,000	-	3,000
Gasoline	1,000	437	563
O.E.S.U. assessment	237,934	226,936	10,998
Total transportation	<u>241,934</u>	<u>239,639</u>	<u>2,295</u>
Secondary tuition			
Tuition	2,214,571	2,210,679	3,892
Total secondary tuition	<u>2,214,571</u>	<u>2,210,679</u>	<u>3,892</u>
State vocational payments	150,850	151,176	(326)
Total secondary tuition	<u>150,850</u>	<u>151,176</u>	<u>(326)</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Vocational tuition	99,384	104,603	(5,219)
Total vocational tuition	<u>99,384</u>	<u>104,603</u>	<u>(5,219)</u>
Special education			
Salaries - aides	321,548	211,739	109,809
Health insurance	93,080	71,896	21,184
HRA	22,000	12,825	9,175
HSA	-	4,831	(4,831)
FICA	24,598	15,194	9,404
Life insurance	864	634	230
Dental	1,670	1,200	470
Disability insurance	1,008	521	487
Annuity	2,362	1,295	1,067
Workers' compensation	2,894	-	2,894
O.E.S.U. assessment - Special Ed	418,155	418,155	-
Total special education	<u>888,179</u>	<u>738,290</u>	<u>149,889</u>
Total expenditures	<u>6,857,029</u>	<u>7,053,592</u>	<u>(196,563)</u>
EXCESS REVENUES (EXPENDITURES)	-	(261,524)	(261,524)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	(261,524)	<u>\$ (261,524)</u>
FUND BALANCE - JULY 1, 2023		<u>(313,412)</u>	
FUND BALANCE - JUNE 30, 2024		<u>\$ (574,936)</u>	

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL - GRANTS FUND

YEAR ENDED JUNE 30, 2024

	Approved Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
CFP schoolwide programs grants	\$ 193,760	\$ 150,773	\$ (42,987)
Medicaid	153,142	152,520	(622)
FFVP Grant	-	16,785	
EPSDT Grant	-	1,157	1,157
ESSER grant	107,371	515,293	407,922
Total Revenues	<u>454,273</u>	<u>836,528</u>	<u>365,470</u>
<b>EXPENDITURES</b>			
<b>Current expenditures</b>			
<b>Medicaid - guidance</b>			
Salaries	105,034	108,136	(3,102)
Health insurance	33,373	31,469	1,904
HRA	4,245	2,309	1,936
HAS	1,900	1,900	-
FICA	6,694	7,589	(895)
Life insurance	143	150	(7)
VSTRS new hire fee	702	705	(3)
Dental	263	262	1
Workers' compensation	788	-	788
Total Medicaid - guidance	<u>153,142</u>	<u>152,520</u>	<u>622</u>
<b>CFP schoolwide programs</b>			
Salaries	140,326	127,203	13,123
Health insurance	34,181	9,191	24,990
HRA	5,900	1,558	4,342
FICA	10,735	9,544	1,191
Life insurance	144	132	12
Dental	800	421	379
Disability insurance	411	285	126
Dues and subscriptions	-	1,020	(1,020)
Field trips	-	288	(288)
Supplies	-	1,131	(1,131)
Total CFP schoolwide programs	<u>193,760</u>	<u>150,773</u>	<u>42,987</u>
<b>ESSER II</b>			
Salaries	-	39,561	(39,561)
FICA	-	5,577	(5,577)
Total COVID-19	<u>-</u>	<u>45,138</u>	<u>(45,138)</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
 BUDGET AND ACTUAL - GRANTS FUND

YEAR ENDED JUNE 30, 2024

	Approved Budget	Actual	Variance Favorable (Unfavorable)
ESSER III			
Salaries	98,764	61,074	37,690
FICA	7,555	4,442	3,113
Life insurance	202	101	101
Field trips	-	95	(95)
VSTRS new hire fee	302	89	213
Federal grant assessment	-	604	(604)
Workers' compensation	548	-	548
Purchased services	-	402,219	(402,219)
Facilities	-	1,531	(1,531)
Total ESSER grant	<u>107,371</u>	<u>470,155</u>	<u>(362,784)</u>
EPSDT			
Salaries	-	1,075	(1,075)
FICA	-	82	(82)
Total EPSDT	<u>-</u>	<u>1,157</u>	<u>(1,157)</u>
Miscellaneous			
Contracted services - FFVP	-	16,785	(16,785)
Total miscellaneous	<u>-</u>	<u>16,785</u>	<u>(16,785)</u>
Total expenditures	<u>454,273</u>	<u>836,528</u>	<u>(337,117)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	-	<u>\$ 28,353</u>
FUND BALANCE - JULY 1, 2023		<u>-</u>	
FUND BALANCE - JUNE 30, 2024		<u>\$ -</u>	

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2024

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 19,296
LIABILITIES	
Due to student groups	<u>19,296</u>
NET POSITION	<u><u>\$ -</u></u>

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Waits River Valley Union #36 School District is organized according to Vermont State Law under the governance of a Board of School Directors to provide public education for the schoolchildren of the Towns of Corinth and Topsham, Vermont.

Waits River Valley Union #36 School District, for financial reporting purposes, consists only of the funds of the District. The District's elected Board of Directors has no oversight responsibility for any other governmental entity. Control or dependence on the Board was determined on the basis of budget adoptions, designation of management, influence over operations, and accountability for fiscal matters.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The School District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is primarily responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the School District are discussed below.

*Reporting Entity*

The School District's basic financial statements include the accounts of all School operations. The criteria for including organizations as component units within the School District's reporting entity are set forth in GASB 14 as amended by GASB 39 and Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards.

Based on the criteria, the School District has no component units.

*Basic Financial Statements – Government-Wide 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). The government-wide financial statements categorize activities as governmental or business type. All of the School District's activities are classified as governmental activities.

The government-wide statement of net position presents all the School District's activities on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The School District first utilizes restricted resources to finance qualifying activities for which both restricted and unrestricted resources are available.

The government-wide statement of activities reports both the gross and net cost of each of the School District's governmental functions. The functions are also supported by general government revenues (Act 68 state aid/property taxes and other local revenue). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, consisting of operating grants and contributions. Program revenues must be directly associated with the governmental function (regular education, special education, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by governmental function) are normally covered by general revenues (property taxes, earnings on investments, etc.).

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

*Basic Financial Statements – Fund Financial Statements*

The financial transactions of the School District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either governmental category. GASB No. 34 sets forth minimum criteria for the determination of major funds. The District electively added funds, as major funds, which either had debt outstanding or specific community focus. The School District reports on the following major governmental funds:

*Governmental Fund*

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

General Fund is the main 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.

Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Special Revenue Funds:

Grants Fund is a special revenue fund used to account for specific restricted revenues and expenditures pursuant to federal, state and local grants.

Food Service Fund is a special revenue fund used to account for specific restricted revenues and expenditures relating to the School District's food service program.

*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 school programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

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

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

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

Modified Accrual

The governmental funds 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 within six months of year end. 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.

Deferred Outflows/Inflows of Resources

Effective June 30, 2013, the School District implemented Governmental Accounting Standards Board ("GASB") Statement No. 63, *"Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position"*. GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources, introduced and defined in GASB Concepts Statement No. 4. This statement amends the net asset reporting requirements in Statement No. 34, *"Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments"*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. The separate financial statement, "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 (expenses/expenditures) until then. The School District did not have any items that qualified for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes 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. The School District did not have any items that qualified for reporting in this category.

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair value as of the date received. 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 following estimated useful lives:

Buildings and improvements	40 years
Equipment and vehicles	5 – 20 years

Compensated Absences

District policies does not allow teachers to receive paid vacations. Teachers are paid only for the number of days they are required to work each year. Administrative and support personnel are granted vacation in varying amounts. The School District does not recognize an accrued liability for unused vacation balances, accrued vacation is lost at the end of each year.

District policies permit employees to accumulate earned but unused sick pay benefits. Such sick leave benefits do not vest under District policies and must be used during employment. Since these amounts do not vest with employees and are subject to future illnesses, the District has elected to not recognize a liability for these balances in their financial statements.

District policies also establish a Sick Leave Bank. Employees are required as a condition of employment to sacrifice sick days that the School District accrues and holds for long-term use when required for a long-term illness or family emergency. The School District has a committee to review requests for use of the Sick Leave Bank. At year end, the School District held 204.32 days in the Sick Leave Bank for teachers and 50.25 for educational support staff. The School District does not recognize an accrued liability for the Sick Leave Bank.

Government-Wide Net Position

Net position represents the difference between assets and liabilities in the Statement of Net Position. Government-wide net position are divided into three components:

Invested in capital assets, net of related debt - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted net position - consist of assets that are restricted by the school's creditors, enabling legislation, by grantors, and by other contributors.

Unrestricted net position - all other net asset position is reported in this category.

The School District first utilizes restricted resources to finance qualifying activities.

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Equity

GASB 54 Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions” provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balances - Indicates the portion of fund equity that cannot be spent due to their form (e.g. inventories and prepaids) or funds that legally or contractually must be maintained intact.

Restricted fund balances - Indicates the portion of fund equity that is mandated for a specific purpose by external parties, constitutional provisions, or enabling legislation (e.g. federal and state grants, bondholders, trust and trustee accounts).

Committed fund balances - Indicates the portion of fund equity that is set aside for a specific purpose by the School Board. Formal action must be taken prior to the end of the fiscal year (e.g. capital projects, compensated absences). The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned fund balances - Indicates the portion of fund equity that is set aside with the intent to be used for a specific purpose by the School Board or body or official that has been given the authority to assign funds (e.g. encumbrances, subsequent budgets). Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned fund balances - Indicates the portion of fund equity that has not been classified in the previous four categories. All funds in this category are considered spendable resources. This category provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

The School District has established policies or procedures for committing or assigning fund balances. When an expenditure is incurred that qualifies for payment from either of the three unrestricted fund balance categories, it will be applied in the following order:

1. Committed
2. Assigned
3. Unassigned

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Interfund Activities

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenue and expenditures. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted in the preparation of the government-wide financial statements.

On Behalf Payments

On behalf payments are contributions made by the State of Vermont to the State Teachers' Retirement System on behalf of the School District's teaching employees. The General Fund budget does not include on behalf payments as a revenue or expense.

Budget Adoption

The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

The operating budget is prepared by the School District's administration with the direction from the School Board and assistance from the Superintendent and Business Manager of the Orange East Supervisory Union and approved by the Waits River Valley Union #36 School District Board at a properly warned meeting for the presentation to the voters. The operating budget includes proposed expenditures by line item and the means of financing them. The budget is approved by School District voters at a properly warned annual meeting.

Fund Deficits

The School District had a deficit balance of \$574,936 in the General Fund as of June 30, 2024.

**NOTE 2 – DEPOSITS**

The Treasurer invests excess cash according to policies established by the School Board.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. As of June 30, 2024, none of the School District's bank balance was exposed to custodial credit risk.

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 2 – DEPOSITS (continued)**

The following is a breakdown of the School District’s bank deposits at June 30, 2024:

Insured - FDIC	\$ 112,856
Entered in repurchase agreement	<u>109,748</u>
Total bank balance at June 30, 2024	<u><u>\$ 222,604</u></u>

**NOTE 3 – CAPITAL ASSETS**

The summary of changes in capital assets as of June 30, 2024 is as follows:

	Balance June 30, 2023	Additions	Depreciation	Balance June 30, 2024
Land	\$ 40,292	\$ -	\$ -	\$ 40,292
Buildings and improvements	4,928,757	384,794	-	5,313,551
Equipment	315,022	13,773	-	328,795
Vehicles	41,901	-	-	41,901
Accumulated depreciation	<u>(3,611,475)</u>	<u>-</u>	<u>(136,537)</u>	<u>(3,748,012)</u>
Total capital assets	<u><u>\$ 1,714,497</u></u>	<u><u>\$ 398,567</u></u>	<u><u>\$ (136,537)</u></u>	<u><u>\$ 1,976,527</u></u>

Depreciation expense was \$136,537, of which \$15,036 was allocated to technology and \$121,501 was allocated to facilities.

**NOTE 4 – DUE TO/FROM OTHER FUNDS**

The following is the breakdown of the funds due to/from each other:

<b>Funds</b>	<b>Due From</b>	<b>Due To</b>
General Fund	\$ -	\$ 263,213
Capital Projects Fund	-	23,087
Grant Fund	143,601	-
Food Service Fund	<u>142,699</u>	<u>-</u>
	<u><u>\$ 286,300</u></u>	<u><u>\$ 286,300</u></u>

The School District, for cash management and internal control purposes, maintains a central checking account for purposes of expense disbursements and for most of its revenue receipts.

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 5 – TAXES AND ASSESSMENTS**

*Taxes* - The residents of Corinth and Topsham in their annual School District Meeting approve a total budget on behalf of the Waits River Valley Union #36 School District. The Towns bill and collect all taxes on behalf of the School District. All costs incurred in collecting taxes are borne by the Towns and the full amount of the tax levy is remitted to the School District.

*Supervisory Union Assessment* - The District is billed for its appropriate share of expenses related to the Orange East Supervisory Union, as well as special education expenses. The District paid \$988,952 of such expenses during the year ended June 30, 2024.

**NOTE 6 - CONCENTRATION OF REVENUE**

The School District receives approximately 87% of its revenue from Act 68 State Aid. This amount of Act 68 State Aid received by the School District is equal to the budgeted expenditures approved by the voters less expected other revenues for the year. Act 68 State Aid is funded with statewide property taxes. The State determines a different education property tax rate for homestead and non-homestead properties based on statewide information. The tax rate for homestead for towns in the School District is adjusted based on the amount of Act 68 State Aid in relation to the number of students in the respective towns. The tax rate for non-homestead property in these towns is not impacted by the amount of the School District's Act 68 State Aid. The State uses a common level of appraisal to equalize property values between communities.

In addition to Act 68, the School District receives grants from the State of Vermont for special education, transportation and other programs.

**NOTE 7 - DEFINED BENEFIT PENSION PLANS & POSTEMPLOYMENT BENEFITS**

*Vermont State Teachers' Retirement System of Vermont*

*Plan description.* The State of Vermont contributes on behalf of the School District to the Vermont State Teachers Retirement System (VSTRS) which is a cost sharing multiple employer defined benefit pension plan with a special funding situation. It 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, 2023, the retirement system consisted of 135 participating employers.

The plan was created in 1947, and is governed by Title 16, V.S.A. Chapter 55.

Management of the plan is vested in the VSTRS 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).

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 7 - DEFINED BENEFIT PENSION PLANS & POSTEMPLOYMENT BENEFITS  
(continued)**

The Pension Plan is divided into the following membership groups:

- J Group A – for public school teachers employed within the State of Vermont prior to July 1, 1981 and who elected to remain in Group A
- J Group C – for public school teachers employed within the State of Vermont on or after July 1, 1990, or hired before July 1, 1990 and were a member of Group B at that time

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, and are summarized below:

	<u>Group A</u>	<u>Group C - Group #1*</u>	<u>Group C - Group #2**</u>
<b>Normal service retirement eligibility (no reduction)</b>	Age 60 or with 30 years of service	Age 62 or with 30 years of service	Age 65 or when the sum of age and service equals 90
<b>Average Final Compensation (AFC)</b>	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
<b>Normal Retirement Amount</b>	1.67% of AFC x creditable service	1.25% of AFC x creditable service prior to 7/1/90 plus 1.67% of AFC x creditable service after 7/1/90	1.25% x of AFC creditable service prior to 7/01/90 plus 1.67% of AFC x creditable service after 7/1/90, 2.0% x ATF after attaining 20 years
<b>Maximum Benefit payable</b>	100% of AFC	53.34% of AFC	60% of AFC
<b>Post-Retirement COLA</b>	Full CPI, up to a maximum of 5% after 12 months of retirement	50% CPI, up to a maximum of 5% after 12 months of retirement or with 30years; minimum of 1%	50% CPI, up to a maximum of 5%, minimum of 1% after 12 months of normal retirement or age 65
<b>Early Retirement Eligibility</b>	Age 55 with 5 years of creditable service	Age 55 with 5 years of creditable service	Age 55 with 5 years of creditable service
<b>Early Retirement Reduction</b>	Actuarial reduction	reduced 6% per year prior	Actuarial reduction
<b>Disability Benefits</b>	Unreduced, accrued benefit with minimum of 25% of AFC	Unreduced, accrued benefit with minimum of 25% of AFC	Unreduced, accrued benefit with minimum of 25% of AFC
<b>Death Benefit Amounts</b>	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 7 - DEFINED BENEFIT PENSION PLANS & POSTEMPLOYMENT BENEFITS  
(continued)**

\*Group #1 are members who were within 5 years of normal retirement (age 62 or 30 years of service) on June 30, 2010

\*\*Group #2 are members who were less than 57 years of age or had less than 25 years of service on June 30, 2010

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

**Significant Actuarial Assumptions and Methods**

The total pension liability as of June 30, 2023 was determined by rolling forward the total pension liability as of June 30, 2022 to June 30, 2023.

**Investment rate of return:** 7.00%, net of pension plan investment expenses, including inflation.

**Salary Increases:** Ranging from 3.19% to 8.50%.

**Mortality:**

*Pre-retirement:* PubT-2010 Teacher Employee Amount-Weighted Table with generational projection using upscale MP-2021.

*Healthy Post-retirement - Retirees:* PubT-2010 Teacher Healthy Retiree Amount-Weighted Table, with credibility adjustments of 103% and 93% for the Male and Female Tables, respectively, with generational projection using upscale MP-2021.

*Healthy Post-retirement - Beneficiaries:* Pub-2010 Contingent Survivor Amount-Weighted Table with generational projection using MP-2021.

*Disabled Post-retirement:* PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with generational projection using scale MP-2021.

**Inflation:** 2.3%

**Spouse's Age:** Females three years younger than males

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

) Assumed to occur on January 1 following two years of retirement at the rate of 1.20% per annum (beginning two years after the attainment of age 62 for members who elect reduced early retirement). The January 1, 2023, COLA is expected to be 2.00%. The January 1, 2024, COLA is expected to be 1.10%. (This amount was required to be calculated in 2023 and 2024 as a result of Act 114 and Act 173; however, they will not be applied to any members in 2023 or 2024).

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 7 - DEFINED BENEFIT PENSION PLANS & POSTEMPLOYMENT BENEFITS  
(continued)**

For all other members:

- J Group A – Assumed to occur on January 1 following one year of retirement at the rate of 2.30% per annum. The January 1, 2023 COLA was 5.00%. The January 1, 2024 COLA is expected to be 2.20%.
- J Groups B/C – Assumed to occur on January 1 following one year of retirement at the rate of 1.20% per annum (beginning one year after the attainment of age 62 for Group C members who elect reduced early retirement). The January 1, 2023 COLA was 2.50%. The January 1, 2024 COLA is expected to be 1.10%.

**Actuarial Cost Method:** 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 Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary, with Normal Cost determined using the plan of benefits applicable to each member.

**Assets:** The valuation is based on the market value of assets as of the valuation date, as provided by the System. The System uses an “actuarial value of assets” that differs from the market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.

**Long-term expected rate of return:**

The long-term expected rate of return on pension plan investments was determined using a building block method in which expected future real rates of return (expected returns, net inflation) are developed for each major asset class. These returns were combined to produce the long-term expected rate of return by

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Passive Global Equities	44.00%	0.00%
Private Equity	10.00%	0.00%
Emerging Markets Debt	2.00%	0.00%
Private & Alternate Credit	10.00%	0.00%
Non-Core Real Estate	4.00%	0.00%
Core Fixed Income	19.00%	0.00%
Core Real Estate	4.00%	0.00%
U.S. Tips	2.00%	0.00%
Infrastructure/Farmland	5.00%	0.00%
	100.00%	

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 7 - DEFINED BENEFIT PENSION PLANS & POSTEMPLOYMENT BENEFITS  
(continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. In accordance with paragraph 29 of GASB 68, professional judgement was applied to determine that the System’s projected fiduciary net position exceeds projected benefits for current active and inactive members for all years. The analysis was based on the expectation that employers will continue to contribute at the rates set by the Board, which exceed the actuarially determined contribution, which is comprised on an employer normal cost payment and a payment to reduce the unfunded liability to zero by June 30, 2038. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%) than the current rate:

1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
\$5,252,084	\$4,077,345	\$3,097,722

*State Teachers’ Retirement System of Vermont*

The contribution made by the State on behalf of the participants in the State Teachers’ Retirement System is \$108,074 and is reported on Exhibit E. This amount is based on information provided by the State. For the government wide financials the amount the School District reports its proportionate share of pension expense was \$675,402. Of the School District's total payroll of \$2,538,688, \$1,725,289 was covered under the Vermont State Teachers’ Retirement System.

The government wide VSTRS on-behalf consists of the following:

VSTRS GASB 68 pension expense	\$	675,402
VSTRS GASB 75 pension expense - (OPEB - see below)		<u>128,468</u>
	\$	<u>803,870</u>

*Plan Fiduciary Net Position* - Detailed information about the Plan's fiduciary net position is available in the State of Vermont’s Comprehensive Annual Financial Report (CAFR). The CAFR can be viewed on the State’s Department of Finance and Management website.

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 7 - DEFINED BENEFIT PENSION PLANS & POSTEMPLOYMENT BENEFITS  
(continued)**

*Special Funding Situation*

The State of Vermont is the nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the Supervisory Union. Therefore, the Supervisory Union is considered to be in a special funding situation as defined in GASB No. 68 and the State of Vermont is treated as a nonemployer contributing entity to VSTRS. Effective July 1, 2015, the State is assessing a \$1,509 annual charge for teacher's health care for all new teachers hired during the year. The total amount paid by the Supervisory Union was \$21,126 for the year ended June 30, 2024. Since the Supervisory Union does not contribute directly to VSTRS, no net pension liability is recorded by the Supervisory Union. However, the notes to the financial statements of the Supervisory Union must disclose the portion of the State's share of the collective net pension liability that is associated with the Supervisory Union. In addition, each School District recognizes its portion of the collective pension expense as both revenue and pension expense.

*Vermont State Teachers' Retirement System of Vermont – Postemployment Benefits*

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, 2023, the plan consisted of 139 participating employers.

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.

**Summary of Plan**

**Eligibility:**

Retirees and their spouses are eligible for health coverage if the retiree is eligible for pension benefits. Pension eligibility requirements are below:

- J Group A – Public school teachers employed within the State of Vermont prior to July 1, 1981 and elected to remain in Group A
  - o Retirement: Attainment of 30 years of creditable service, or age 55

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 7 - DEFINED BENEFIT PENSION PLANS & POSTEMPLOYMENT BENEFITS  
(continued)**

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

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

**Benefit Types:** Medical and prescription drug. Retirees pay the full cost for dental benefits.

**Duration of Coverage:** Lifetime.

**Spousal Benefits:** Same benefits as for retirees.

**Spousal Coverage:** Lifetime.

**Retiree Contributions:**

**Retired before June 30, 2010:**

Retirees with at least 10 years of service pay premium costs in excess of an 80% VSTRS subsidy. Retirees with less than 10 years of service do not receive any premium subsidy.

Spouses do not receive any premium subsidy, regardless of the retiree's service.

**Retired after June 30, 2010:**

Retirees pay premium costs in excess of the following VSTRS subsidy, based on service:

<b><u>Retiree Subsidy Level</u></b>	<b><u>Subsidy</u></b>
Years of Service at June 30, 2010	
10 years or more	80%
Less than 10 years	
Less than 15 years at retirement	0%
15-19.99 years at retirement	60%
20-24.99 years at retirement	70%
25 or more years at retirement	80%

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 7 - DEFINED BENEFIT PENSION PLANS & POSTEMPLOYMENT BENEFITS  
(continued)**

Spouses of retirees can receive an 80% subsidy, if they meet the following requirements:

**Spouse Coverage with 80% Subsidy**

<b>Years of Service at June 30, 2010</b>	<b>Required Years of Service at Retirement</b>
Less than 10 years	25 years of service at retirement
Between 10 and 14.99 years	25 years of service at retirement
Between 15 and 24.99 years	10 additional years from June 30, 2010
Between 25 and 29.99 years	35 years of service at retirement
30 or more years	5 additional years from June 30, 2010

Spouses of retirees who do not meet the above requirements for an 80% subsidy will not receive any premium subsidy.

**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.

**Actuarial assumptions**

The Net OPEB Liability was measure as of June 30, 2023 and 2022. Plan Fiduciary Net Position (plan assets) was valued as of the measurement dates and the Total OPEB Liability was determined from actuarial valuations using data as of June 30, 2022 and 2021, respectively.

**Discount Rate:** 7.00%.

**Salary Increase Rate:** Varies by age. Representative values of the assumed annual rates of future salary increases are as follows:

<b>Age</b>	<b>Annual Rate of Salary Increase</b>
20	8.50%
25	7.53%
30	6.36%
35	5.77%
40	5.27%
45	4.67%
50	4.18%
55	3.77%
60	3.57%
65	3.19%

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 7 - DEFINED BENEFIT PENSION PLANS & POSTEMPLOYMENT BENEFITS  
(continued)**

**Mortality Rates:**

*Pre-retirement:* PubT-2010 Teacher Employee Headcount-Weighted Table with generational projection using scale MP-2021.

*Healthy Post-retirement:* Retirees: PubT-2010 Teacher Healthy Retiree Headcount-Weighted Table, with credibility adjustment of 103% and 93% for the Male and Female tables, respectively, with generational projection using scale MP-2021

*Healthy Post-retirement:* Spouses: Pub2010 Contingent Survivor Headcount-Weighted Table with generational projection using scale MP-2021

*Disabled Post-Retirement:* PubNS-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Table with generational projection using scale MP-2021

**Actuarial Cost Method:** Entry-Age Normal, Level Percentage of Pay

**Asset Valuation Method:** Market Value

**Measurement Date:** June 30, 2023

**Actuarial Valuation Date:** June 30, 2022

**Per Capita Cost Development:**

*Non-Medicare Medical and Prescription Drug:* Per capita claims costs were based a weighted average of the margin-free pro forma premium rates effective January 1, 2024. Actuarial factors were then applied to the weighted average cost to estimate individual retiree and spouse costs by age and by gender.

*Medicare Medical and Prescription Drug \$300 Comprehensive and JY Plan:* Per capita claims costs were based on a weighted average of the weighted average of the premium rates effective January 1, 2024. Actuarial factors were then applied to the weighted average cost to estimate individual retiree and spouse costs by age and by gender.

*Medicare Medical VSTRS 65:* Per capita claims costs were based on a weighted average of the premium rates effective January 1, 2024. Actuarial factors were then applied to the weighted average cost to estimate individual retiree and spouse costs by age and gender.

*Administrative Expenses:* Per capita expenses were based on expenses effective for calendar year 2024.

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 7 - DEFINED BENEFIT PENSION PLANS & POSTEMPLOYMENT BENEFITS  
(continued)**

**Per Capita Health Costs:**

Medical and prescription drug claims for the year beginning July 1, 2023 are shown in the table below for participants at selected ages. These costs are net of deductibles and other benefit plan cost sharing provisions.

Age	Non-Medicare	
	Male	Female
50	\$ 13,076	\$ 13,807
55	14,755	14,988
60	16,969	16,248
64	20,647	17,639

Age	Medicare \$300 Comprehensive and JY Plan		Medicare VSTRS 65	
	Male	Female	Male	Female
65	\$ 4,209	\$ 3,496	\$ 1,819	\$ 1,511
70	4,727	3,911	2,043	1,690
75	5,222	4,112	2,257	1,777

**Health Care Cost Trend Rates:**

Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The rates shown below are “net” and are applied to the net per capita costs shown above. The trend shown for a particular plan year is the rate that is applied to that year’s cost to yield the next year’s projected cost.

Year Ending June 30	Non-Medicare	Medicare \$300 Comprehensive and JY Plan	Medicare VSTRS 65
2024	7.39	6.90	4.50
2025	7.14	6.70	4.50
2026	6.89	6.50	4.50
2027	6.64	5.30	4.50
2028	6.39	5.10	4.50
2029	6.14	5.90	4.50
2030	5.89	5.70	4.50
2031	5.64	5.50	4.50
2032	5.39	5.30	4.50
2033	5.14	5.10	4.50
2034	4.89	4.90	4.50
2035	4.64	4.70	4.50
2036 & Later	4.50	4.50	4.50

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 7 - DEFINED BENEFIT PENSION PLANS & POSTEMPLOYMENT BENEFITS  
(continued)**

The trend rate assumptions were developed using Segal’s internal guidelines, which are established each year using data sources such as the 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.

**Retiree Contribution Increase Rate:**

Retiree contributions were assumed to increase with health trend. Retiree contribution rates were based on premiums effective January 1, 2024, trended back to the valuation date using the 2024 rates shown above.

**Administrative Expenses:**

For participants over age 65 with health and welfare coverage, an annual administrative expense of \$128 for the year beginning July 1, 2023 was added to projected incurred claim costs in developing the benefit obligations. These annual administrative expenses are projected to increase at 3.0% per year thereafter.

**Health Care Reform Assumption:**

The valuation does not reflect the potential impact of any future changes due to prior or pending legislation.

The following presents the other post-employment benefit liability calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate:

1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
\$2,251,088	\$1,959,639	\$1,717,543

The following presents the total OPEB liability of the School District, as well as what the School District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
\$1,684,896	\$1,959,639	\$2,302,845

**NOTE 8 – LEASE COMMITMENTS**

The School District leases various pieces of office equipment under lease arrangements with various terms and payments totaling approximately \$700 per month. Lease payments made under these lease agreements totaled \$8,548 during the year ending June 30, 2024.

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 9 – SHORT TERM DEBT**

During the year ending June 30, 2024, the School District executed a short term borrowing arrangement with a borrowing capacity of \$1,075,715 from Community Bank, N.A., which charged interest at 4.59%. The School District had drawdowns on this arrangement noted below. The arrangement was paid in full during June 2024.

The following is a summary of the changes in short-term-debt:

Beginning balance	\$ -
Proceeds from Tax Anticipation Notes	1,075,715
Repayment of Tax Anticipation Notes	<u>(1,075,715)</u>
Ending balance	<u><u>\$ -</u></u>

Total interest expense for all debt during the year included in the education expenses on Exhibit B and E is \$10,809.

**NOTE 10 – FUND BALANCES/NET POSITION**

GASB Statement No. 34, as amended by GASB Statement No. 54, requires fund balances reported on the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balances are to be classified as: nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Board of School Director's intended use of the resources); and unassigned.

Special Revenue Funds are created only to report a revenue (or sources) that is restricted or committed to a specified purpose, and that the revenue source should constitute a substantial portion of the resources reported in that fund. Special Revenue Funds cannot be used to accumulate funds that are not restricted or committed. These amounts will have to be reflected in the General Fund.

Amounts constrained to stabilization will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstance or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. The School District does not have any stabilization arrangements.

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. The School District does not have any minimum fund balance policies.

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 10 – FUND BALANCES/NET POSITION (continued)**

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the School District’s policy to first consider restricted amounts to have been spent, followed by committed, assigned, and finally unassigned amounts.

The fund balances in the following funds are restricted as follows:

Special Revenue Funds:

Restricted for Food Service Fund	<u>\$ 151,154</u>
Total Restricted Fund Balances	<u><u>\$ 151,154</u></u>

The fund balances in the following funds are committed as follows:

<u>Capital Projects Fund</u>				
Committed for capital improvements				<u>\$ 196,610</u>
Total Committed Fund Balances				<u><u>\$ 196,610</u></u>

**NOTE 11 - RECONCILIATION OF EXHIBIT E TO EXHIBIT G**

Amounts recorded in the Statement of Revenues, Expenditures and Change in Fund Balance Budget to Actual – General Fund (Exhibit G) are reported on the basis budgeted by the School District. Amounts recorded in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit E) for the General Fund were adjusted for on behalf payments of fringe benefits (see Note 1 and 7) as follows:

	<u>Revenues</u>	<u>Expenditures</u>
Exhibit E	\$ 6,900,142	\$ 7,161,666
On behalf payments	<u>(108,074)</u>	<u>(108,074)</u>
Exhibit G	<u><u>\$ 6,792,068</u></u>	<u><u>\$ 7,053,592</u></u>

**NOTE 12 – BUDGETARY COMPARISON SCHEDULES**

The School District is not legally required to adopt budgets for the Food Service Fund. Therefore, a budgetary comparison is not presented for this fund.

**NOTE 13 - RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; 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.

WAITS RIVER VALLEY UNION #36 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(Continued)

**NOTE 13 - RISK MANAGEMENT (continued)**

In addition, the School District is a member of the Vermont School Boards' Association Insurance Trust, Inc. (VSBIT) Medical Benefits Program and Unemployment Compensation Program. VSBIT is a nonprofit corporation formed in 1978 to provide insurance and risk management programs for Vermont school districts and is owned by the participating districts.

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

**NOTE 14 – CONTINGENCIES**

The School District participates in a number of federally-assisted and State grant programs which are subject to audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial.

**NOTE 15 – SUBSEQUENT EVENTS**

During July 2024, the School District executed a Tax Anticipation Note with Community Bank, N.A. with a borrowing capacity of \$1,143,149 and interest charged at 5.59%. The arrangement is to be paid in full by June 30, 2025.

Management has evaluated subsequent events March 27, 2025, the date which the financial statements were available for issue. Management is not aware of any subsequent events which require disclosure.

VERMONT STATE TEACHERS RETIREMENT SYSTEM  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

AS OF MEASUREMENT DATE JUNE 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Plan Net Pension Liability	\$ 187,059,262	\$ 1,928,558,829	\$ 1,695,489,780	\$ 1,951,128,430	\$ 1,560,624,850	\$ 1,510,705,475	\$ 1,482,403,515	\$ 1,309,523,451	\$ 1,186,504,853	\$ 958,436,990
School District's Proportion of the Net Pension Liability	0.21803%	0.20988%	0.21088%	0.21258%	0.19479%	0.20399%	0.24177%	0.24140%	0.21160%	0.22730%
School District's Proportionate Share of the Net Pension Liability	\$ 4,077,345	\$ 4,047,699	\$ 3,575,519	\$ 4,147,621	\$ 3,039,945	\$ 3,081,660	\$ 3,583,995	\$ 3,161,296	\$ 2,510,468	\$ 2,178,364
School District's Covered Employee Payroll	\$ 1,725,289	\$ 1,584,325	\$ 1,529,542	\$ 1,517,333	\$ 1,338,469	\$ 1,379,031	\$ 1,597,623	\$ 1,563,836	\$ 1,180,028	\$ 1,288,369
Proportionate Share of the Net Pension Liability as a Percentage of Covered - Employee Payroll	236.3282%	255.4841%	233.7640%	273.3494%	227.1211%	223.4656%	224.3330%	202.1501%	212.7465%	169.0792%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.48% as of June 30, 2023	54.81% as of June 30, 2022	58.83% as of June 30, 2021	50.00% as of June 30, 2020	54.96% as of June 30, 2019	54.81% as of June 30, 2018	53.98% as of June 30, 2017	55.31% as of June 30, 2016	58.22% as of June 30, 2015	64.02% as of June 30, 2014

**Notes to Schedule:**

Benefit Changes: None.

Significant Actuarial Assumptions: Refer to Note 7 for a description of the significant actuarial assumptions and other relevant information of the plan.

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

To the Board of Directors  
Waits River Valley Union #36 School District  
East Corinth, 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, each major fund, and the aggregate remaining fund information of Waits River Valley Union #36 School District (the "School District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 27, 2025.

**Internal Control Over Financial Reporting**

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

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

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.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Wisehart, Wimetite & Assoc., P&C*

Registration number VT092.0000684

March 27, 2025