

Federal Compliance Audit

**Washington Central Unified Union
School District**

June 30, 2025



Proven Expertise & Integrity

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

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JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Washington Central Unified Union School District as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Washington Central Unified Union School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Washington Central Unified Union School District as of June 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Washington Central Unified Union 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.

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Washington Central Unified Union School District's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Washington Central Unified Union School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB information on pages 5 through 12 and 72 through 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washington Central Unified Union School District's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other

records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements, capital asset schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2025 on our consideration of the Washington Central Unified Union School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Washington Central Unified Union School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Washington Central Unified Union School District's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
December 24, 2025

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

(UNAUDITED)

The following management's discussion and analysis of the Washington Central Unified Union School District's financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the School District's financial statements.

Financial Statement Overview

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

Basic Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

- *Governmental activities* - The activities in this section are mostly supported by intergovernmental revenues (federal and state grants), support from the towns and charges for services. Most of the School District's basic services are reported in governmental activities, which include direct services, support services, fiscal services, operations and maintenance, transportation and program expenses.
- *Business-type activities* - These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. The activity for the School District includes the child care fund, the food service fund and the internal service funds.

Fund Financial Statements

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

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

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

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

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

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

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

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

Notes to the Financial Statements

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

Required Supplementary Information

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

Other Supplementary Information

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

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the School District's governmental and business-type activities. The School District's total net position for governmental activities increased by \$786,593 from \$30,293,672 to \$31,080,265. For business-type activities, the School District's total net position decreased by \$126,567 from \$1,618,437 to \$1,491,870.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - ended the year for governmental activities with a balance of \$3,707,769. For business-type activities, the balance was \$581,738.

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

	Governmental Activities		Business-type Activities	
	2025	2024	2025	2024 (Restated)
Assets:				
Current Assets	\$ 8,204,214	\$ 7,682,214	\$ 596,129	\$ 713,733
Noncurrent Assets - Capital Assets	34,438,002	34,248,128	910,132	914,484
Total Assets	42,642,216	41,930,342	1,506,261	1,628,217
Deferred Outflows of Resources:				
Deferred Outflows Related to Pensions	942,322	1,202,691	-	-
Total Deferred Outflows of Resources	942,322	1,202,691	-	-
Liabilities:				
Current Liabilities	2,400,016	2,234,757	3,330	4,305
Noncurrent Liabilities	9,850,914	10,188,441	-	-
Total Liabilities	12,250,930	12,423,198	3,330	4,305
Deferred Inflows of Resources:				
Deferred Revenues	252,609	415,062	11,061	5,475
Deferred Inflows Related to Pensions	734	1,101	-	-
Total Deferred Inflows of Resources	253,343	416,163	11,061	5,475
Net Position:				
Net Investment in Capital Assets	27,097,225	26,160,367	910,132	914,484
Restricted	275,271	234,544	-	-
Unrestricted	3,707,769	3,898,761	581,738	703,953
Total Net Position	\$ 31,080,265	\$ 30,293,672	\$ 1,491,870	\$ 1,618,437

Revenues and Expenses

Revenues for the School District's governmental activities decreased by 17.06%, while total expenses decreased by 17.45%. The decrease in revenues was primarily due to operating grants. The largest decreases in expenses were in on-behalf payments and program expenses.

Revenues for the School District's business-type activities decreased by 3.38% while total expenses increased by 7.96%.

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

	Governmental Activities		Business-type Activities	
	2025	2024	2025	2024
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 855,588	\$ 782,263	\$ 571,835	\$ 646,562
Operating grants and contributions	10,639,462	24,546,002	893,598	873,999
<i>General Revenues:</i>				
Grants and contributions not restricted to specific programs	39,786,175	37,122,548	-	-
Gain(loss) on capital assets	-	-	-	(1,427)
Miscellaneous	1,749,475	1,489,435	21,071	19,312
Total revenues	<u>53,030,700</u>	<u>63,940,248</u>	<u>1,486,504</u>	<u>1,538,446</u>
Expenses				
Direct services	22,934,243	21,847,935	-	-
Support services:				
Student and other support services	5,566,779	5,188,781	-	-
General administrative services	1,050,898	966,497	-	-
Area administrative services	2,776,811	2,730,398	-	-
Fiscal services	705,683	719,619	-	-
Operations and maintenance	3,956,157	3,522,864	-	-
Transportation	1,836,370	1,878,584	-	-
On-behalf payments	8,783,235	21,177,799	-	-
Program expenses	2,417,575	3,252,344	1,810,476	1,676,984
Interest on long-term debt	225,946	217,051	-	-
Unallocated depreciation	1,793,005	1,546,060	-	-
Total expenses	<u>52,046,702</u>	<u>63,047,932</u>	<u>1,810,476</u>	<u>1,676,984</u>
Excess (deficiency) of revenues over (under) expenses	<u>983,998</u>	<u>892,316</u>	<u>(323,972)</u>	<u>(138,538)</u>
Special and extraordinary items:				
Transfers	<u>(197,405)</u>	<u>(100,371)</u>	<u>197,405</u>	<u>100,371</u>
Total special and extraordinary items	<u>(197,405)</u>	<u>(100,371)</u>	<u>197,405</u>	<u>100,371</u>
Change in Net Position	<u>786,593</u>	<u>791,945</u>	<u>(126,567)</u>	<u>(38,167)</u>
Net Position - July 1, As Previously Reported	30,293,672	29,501,727	1,547,103	1,585,270
Net Position Correction	-	-	71,334	-
Net Position - July 1, As Restated	<u>30,293,672</u>	<u>29,501,727</u>	<u>1,618,437</u>	<u>1,585,270</u>
Net Position - June 30	<u>\$ 31,080,265</u>	<u>\$ 30,293,672</u>	<u>\$ 1,491,870</u>	<u>\$ 1,547,103</u>

Financial Analysis of the School District's Fund Statements

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

Table 3
Washington Central Unified Union School District
Fund Balances - Governmental Funds
June 30,

	<u>2025</u>	<u>2024</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General Fund:			
Nonspendable	\$ 170,870	\$ 103,357	\$ 67,513
Assigned	666,928	666,928	-
Unassigned	2,943,673	2,010,251	933,422
Total General Fund	<u>\$ 3,781,471</u>	<u>\$ 2,780,536</u>	<u>\$ 1,000,935</u>
Construction Fund:			
Committed	<u>\$ 1,881,340</u>	<u>\$ 2,384,170</u>	<u>\$ (502,830)</u>
Total Construction Fund	<u>\$ 1,881,340</u>	<u>\$ 2,384,170</u>	<u>\$ (502,830)</u>
Total Major Funds	<u>\$ 5,662,811</u>	<u>\$ 5,164,706</u>	<u>\$ 498,105</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 269,370	\$ 228,643	\$ 40,727
Permanent Funds:			
Restricted	5,901	5,901	-
Total Nonmajor Funds	<u>\$ 275,271</u>	<u>\$ 234,544</u>	<u>\$ 40,727</u>

The changes in the general fund, construction fund and nonmajor funds occurred due to regular activity of operations.

Budgetary Highlights

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

The general fund actual revenues were receipted under budgeted revenues by \$387,796. This was the result of all categories being receipted under budget except for interest income and miscellaneous.

The general fund actual expenditures were under budget by \$1,388,731. Most expenditure categories were at or under budget with the exception of operations and maintenance.

Capital Asset and Long-Term Debt Activity

Capital Assets

As of June 30, 2025, the net book value of capital assets recorded by the School District increased by \$185,522 in the current year. This increase was due to net current year additions of \$2,046,730 less current year depreciation expense of \$1,861,208.

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

	<u>2025</u>	<u>2024</u>
Land	\$ 6,000	\$ 6,000
Construction in progress	1,232,410	822,886
Land and building improvements	31,855,163	32,151,920
Infrastructure	439,558	439,557
Machinery and equipment	1,815,003	1,742,249
Total	<u>\$ 35,348,134</u>	<u>\$ 35,162,612</u>

Debt

At June 30, 2025, the School District had \$7,340,777 in bonds, notes from direct borrowings payable and lease liabilities versus \$8,087,761 in the prior fiscal year. Refer to Note 7 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

The School District has noted a subsequent event as a currently known fact. Refer to Note 22 of Notes to Financial Statements for more detailed information.

Economic Factors and Next Year's Budgets and Rates

The 2025-2026 budget could be impacted by the change in special education funding driven by the State of Vermont's passing of Act 173. Special education services will no longer be reimbursed to the school district. Instead, the district will receive a block grant for special education services. The reimbursement formula for extraordinary cost services also changed and is projected to offset decreases in revenue caused by the change to block grant funding. The full impact of this change will be dependent on actual special education services provided to students in 2025-2026.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School District at 1130 Gallison Hill Road, Montpelier, Vermont 05602.

STATEMENT A

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,097,639	\$ 61,021	\$ 6,158,660
Accounts receivable (net of allowance for uncollectibles)	1,080,716	11,048	1,091,764
Due from other governments	1,295,688	58,198	1,353,886
Inventory	-	25,163	25,163
Prepaid items	170,870	-	170,870
Internal balances	(440,699)	440,699	-
Total current assets	8,204,214	596,129	8,800,343
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	1,238,410	33,607	1,272,017
Land improvements, buildings, building improvements and other assets net of accumulated depreciation	33,187,631	876,525	34,064,156
Right of use lease assets, net of accumulated depreciation	11,961	-	11,961
Total noncurrent assets	34,438,002	910,132	35,348,134
TOTAL ASSETS	42,642,216	1,506,261	44,148,477
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	942,322	-	942,322
TOTAL DEFERRED OUTFLOWS OF RESOURCES	942,322	-	942,322
TOTAL ASSETS, DEFERRED OUTFLOWS OF RESOURCES AND NET POSITION	\$ 43,584,538	\$ 1,506,261	\$ 45,090,799

STATEMENT A (CONTINUED)
WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 638,384	\$ 3,330	\$ 641,714
Accrued expenses	901,099	-	901,099
Due to other governments	99,175	-	99,175
Current portion of long-term obligations	761,358	-	761,358
Total current liabilities	<u>2,400,016</u>	<u>3,330</u>	<u>2,403,346</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	6,503,682	-	6,503,682
Notes from direct borrowings payable	83,024	-	83,024
Lease liability	7,567	-	7,567
Accrued compensated absences	282,225	-	282,225
Net pension liability	2,974,416	-	2,974,416
Total noncurrent liabilities	<u>9,850,914</u>	<u>-</u>	<u>9,850,914</u>
TOTAL LIABILITIES	<u>12,250,930</u>	<u>3,330</u>	<u>12,254,260</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	252,609	11,061	263,670
Deferred inflows related to pensions	734	-	734
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>253,343</u>	<u>11,061</u>	<u>264,404</u>
NET POSITION			
Net investment in capital assets	27,097,225	910,132	28,007,357
Restricted: Nonmajor special revenue fund	269,370	-	269,370
Nonmajor permanent fund	5,901	-	5,901
Unrestricted	3,707,769	581,738	4,289,507
TOTAL NET POSITION	<u>31,080,265</u>	<u>1,491,870</u>	<u>32,572,135</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 43,584,538</u>	<u>\$ 1,506,261</u>	<u>\$ 45,090,799</u>

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - type Activities	Total
Governmental activities:							
Direct services	\$ 22,934,243	\$ 855,588	\$ -	\$ -	\$ (22,078,655)	\$ -	\$ (22,078,655)
Support services:							
Student and other support services	5,566,779	-	-	-	(5,566,779)	-	(5,566,779)
General administrative services	1,050,898	-	-	-	(1,050,898)	-	(1,050,898)
Area administrative services	2,776,811	-	-	-	(2,776,811)	-	(2,776,811)
Fiscal services	705,683	-	-	-	(705,683)	-	(705,683)
Operations and maintenance	3,956,157	-	-	-	(3,956,157)	-	(3,956,157)
Transportation	1,836,370	-	-	-	(1,836,370)	-	(1,836,370)
Program expenses	2,417,575	-	1,856,227	-	(561,348)	-	(561,348)
On-behalf payments	8,783,235	-	8,783,235	-	-	-	-
Interest on long-term debt	225,946	-	-	-	(225,946)	-	(225,946)
Unallocated depreciation (Note 6)*	1,793,005	-	-	-	(1,793,005)	-	(1,793,005)
Total governmental activities	<u>52,046,702</u>	<u>855,588</u>	<u>10,639,462</u>	<u>-</u>	<u>(40,551,652)</u>	<u>-</u>	<u>(40,551,652)</u>
Business-type activities:							
Child care	563,671	514,694	7,382	-	-	(41,595)	(41,595)
Food service	1,246,805	57,141	886,216	-	-	(303,448)	(303,448)
Total business-type activities	<u>1,810,476</u>	<u>571,835</u>	<u>893,598</u>	<u>-</u>	<u>-</u>	<u>(345,043)</u>	<u>(345,043)</u>
Total government	<u>\$ 53,857,178</u>	<u>\$ 1,427,423</u>	<u>\$ 11,533,060</u>	<u>\$ -</u>	<u>(40,551,652)</u>	<u>(345,043)</u>	<u>(40,896,695)</u>

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

STATEMENT B (CONTINUED)

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Changes in net position:			
Net (expense) revenue	<u>(40,551,652)</u>	<u>(345,043)</u>	<u>(40,896,695)</u>
General revenues:			
Grants and contributions not restricted to specific programs	39,786,175	-	39,786,175
Miscellaneous	<u>1,749,475</u>	<u>21,071</u>	<u>1,770,546</u>
Total general revenues	<u>41,535,650</u>	<u>21,071</u>	<u>41,556,721</u>
Transfers	<u>(197,405)</u>	<u>197,405</u>	<u>-</u>
Change in net position	<u>786,593</u>	<u>(126,567)</u>	<u>660,026</u>
NET POSITION - JULY 1, AS PREVIOUSLY REPORTED	30,293,672	1,547,103	31,840,775
NET POSITION CORRECTION	<u>-</u>	<u>71,334</u>	<u>71,334</u>
NET POSITION - JULY 1, AS RESTATED	<u>30,293,672</u>	<u>1,618,437</u>	<u>31,912,109</u>
NET POSITION - JUNE 30	<u>\$ 31,080,265</u>	<u>\$ 1,491,870</u>	<u>\$ 32,572,135</u>

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

STATEMENT C

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,610,197	\$ 1,101,820	\$ -	\$ 5,712,017
Accounts receivable (net of allowance for uncollectibles)	1,080,716	-	-	1,080,716
Due from other governments	826,260	-	469,428	1,295,688
Prepaid items	170,870	-	-	170,870
Due from other funds	155,498	828,705	281,278	1,265,481
TOTAL ASSETS	\$ 6,843,541	\$ 1,930,525	\$ 750,706	\$ 9,524,772
LIABILITIES				
Accounts payable	\$ 430,800	\$ 49,185	\$ 158,399	\$ 638,384
Accrued expenses	901,099	-	-	901,099
Due to other governments	99,175	-	-	99,175
Due to other funds	1,630,996	-	64,427	1,695,423
TOTAL LIABILITIES	3,062,070	49,185	222,826	3,334,081
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	-	-	252,609	252,609
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	252,609	252,609
FUND BALANCES				
Nonspendable	170,870	-	-	170,870
Restricted	-	-	275,271	275,271
Committed	-	1,881,340	-	1,881,340
Assigned	666,928	-	-	666,928
Unassigned	2,943,673	-	-	2,943,673
TOTAL FUND BALANCES	3,781,471	1,881,340	275,271	5,938,082
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,843,541	\$ 1,930,525	\$ 750,706	\$ 9,524,772

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

STATEMENT D

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 5,938,082
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	34,427,966
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	942,322
Long-term obligations shown below are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bonds payable	(7,237,056)
Notes from direct borrowings payable	(91,760)
Lease liability	(1,925)
Accrued compensated absences	(297,079)
Net pension liabilities	(2,974,416)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(734)
Internal service fund net position is added to governmental activities	<u>374,865</u>
Net position of governmental activities	<u>\$ 31,080,265</u>

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

STATEMENT E

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Intergovernmental revenues	\$ 43,834,615	\$ -	\$ 1,856,227	\$ 45,690,842
Charges for services	855,588	-	-	855,588
Interest income	360,636	12,275	-	372,911
Miscellaneous revenues	272,169	-	-	272,169
TOTAL REVENUES	45,323,008	12,275	1,856,227	47,191,510
EXPENDITURES				
Current:				
Direct services	22,256,508	-	-	22,256,508
Support services:				
Student and other support services	5,566,779	-	-	5,566,779
General administrative services	1,050,898	-	-	1,050,898
Area administrative services	2,781,940	-	-	2,781,940
Fiscal services	705,683	-	-	705,683
Operations and maintenance	3,956,157	-	-	3,956,157
Transportation	1,836,370	-	-	1,836,370
On-behalf payments	4,048,440	-	-	4,048,440
Program expenses	-	-	1,815,500	1,815,500
Debt service:				
Principal	772,695	-	-	772,695
Interest	225,946	-	-	225,946
Capital outlay	-	1,438,357	-	1,438,357
TOTAL EXPENDITURES	43,201,416	1,438,357	1,815,500	46,455,273
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,121,592	(1,426,082)	40,727	736,237
OTHER FINANCING SOURCES (USES)				
Transfers in	-	923,252	378,136	1,301,388
Transfers (out)	(1,120,657)	-	(378,136)	(1,498,793)
TOTAL OTHER FINANCING SOURCES (USES)	(1,120,657)	923,252	-	(197,405)
NET CHANGE IN FUND BALANCES	1,000,935	(502,830)	40,727	538,832
FUND BALANCES - JULY 1	2,780,536	2,384,170	234,544	5,399,250
FUND BALANCES - JUNE 30	\$ 3,781,471	\$ 1,881,340	\$ 275,271	\$ 5,938,082

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

STATEMENT F

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balances - total governmental funds (Statement E) \$ 538,832

Amounts reported for governmental activities in the Statement of
Activities (Statement B) are different because:

Governmental funds report capital outlays as expenditures while
governmental activities report depreciation expense allocated to
those expenditures over the life of the assets:

Capital asset acquisitions	1,982,879
Depreciation expense	<u>(1,793,005)</u>
	<u>189,874</u>

Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>(260,369)</u>
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Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	<u>746,984</u>
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Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>367</u>
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	(175,128)
Net pension liability	<u>(242,605)</u>
	<u>(417,733)</u>

Internal service fund activity is classified as a governmental activity in the Statement of Activities	<u>(11,362)</u>
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Change in net position of governmental activities (Statement B) \$ 786,593

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

STATEMENT G
WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2025

	Enterprise Funds			Internal Service Funds		
	Child Care	Food Service	Total	Dental Plan	HRA Plan	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 53,172	\$ 7,849	\$ 61,021	\$ -	\$ 385,622	\$ 385,622
Accounts receivable (net of allowance for uncollectibles)	-	11,048	11,048	-	-	-
Due from other governments	-	58,198	58,198	-	-	-
Inventory	-	25,163	25,163	-	-	-
Due from other funds	437,364	3,335	440,699	151,326	(71,012)	80,314
Total current assets	<u>490,536</u>	<u>105,593</u>	<u>596,129</u>	<u>151,326</u>	<u>314,610</u>	<u>465,936</u>
Noncurrent assets:						
Capital assets:						
Construction in progress	-	33,607	-	-	-	-
Building improvements	-	1,236,283	1,236,283	-	-	-
Equipment	-	664,486	664,486	-	-	-
Vehicles	-	18,689	18,689	-	-	-
Less: accumulated depreciation	-	(1,042,933)	(1,042,933)	-	-	-
Total noncurrent assets	<u>-</u>	<u>910,132</u>	<u>876,525</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 490,536</u>	<u>\$ 1,015,725</u>	<u>\$ 1,506,261</u>	<u>\$ 151,326</u>	<u>\$ 314,610</u>	<u>\$ 465,936</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ -	\$ 3,330	\$ 3,330	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	91,071	91,071
Total current liabilities	<u>-</u>	<u>3,330</u>	<u>3,330</u>	<u>-</u>	<u>91,071</u>	<u>91,071</u>
TOTAL LIABILITIES	<u>-</u>	<u>3,330</u>	<u>3,330</u>	<u>-</u>	<u>91,071</u>	<u>91,071</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	11,061	11,061	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>11,061</u>	<u>11,061</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	-	910,132	910,132	-	-	-
Unrestricted	490,536	91,202	581,738	151,326	223,539	374,865
TOTAL NET POSITION	<u>490,536</u>	<u>1,001,334</u>	<u>1,491,870</u>	<u>151,326</u>	<u>223,539</u>	<u>374,865</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 490,536</u>	<u>\$ 1,015,725</u>	<u>\$ 1,506,261</u>	<u>\$ 151,326</u>	<u>\$ 314,610</u>	<u>\$ 465,936</u>

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

STATEMENT H

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	Enterprise Funds			Internal Service Funds		
	Child Care	Food Service	Total	Dental Plan	HRA Plan	Total
OPERATING REVENUES						
Intergovernmental	\$ 7,382	\$ 886,216	\$ 893,598	\$ -	\$ -	\$ -
Charges for services	514,694	57,141	571,835	-	-	-
Miscellaneous	-	21,071	21,071	303,637	798,726	1,102,363
TOTAL OPERATING REVENUES	522,076	964,428	1,486,504	303,637	798,726	1,102,363
OPERATING EXPENSES						
Salaries	418,736	466,278	885,014	-	-	-
Benefits	117,293	142,000	259,293	-	-	-
Professional services	9,932	1,775	11,707	263,600	852,157	1,115,757
Repairs	-	23,872	23,872	-	-	-
Supplies and food	4,261	511,007	515,268	-	-	-
Equipment	-	33,670	33,670	-	-	-
Depreciation	-	68,203	68,203	-	-	-
Other	13,449	-	13,449	-	-	-
TOTAL OPERATING EXPENSES	563,671	1,246,805	1,810,476	263,600	852,157	1,115,757
OPERATING INCOME (LOSS)	(41,595)	(282,377)	(323,972)	40,037	(53,431)	(13,394)
NONOPERATING REVENUES (EXPENSES)						
Interest Income	-	-	-	-	2,032	2,032
Transfers in	50,000	147,405	197,405	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	50,000	147,405	197,405	-	2,032	2,032
CHANGES IN NET POSITION	8,405	(134,972)	(126,567)	40,037	(51,399)	(11,362)
NET POSITION - JULY 1, AS PREVIOUSLY REPORTED	482,131	1,064,972	1,547,103	111,289	274,938	386,227
NET POSITION CORRECTION	-	71,334	71,334	-	-	-
NET POSITION - JULY 1, AS RESTATED	482,131	1,136,306	1,618,437	111,289	274,938	386,227
NET POSITION - JUNE 30	<u>\$ 490,536</u>	<u>\$ 1,001,334</u>	<u>\$ 1,491,870</u>	<u>\$ 151,326</u>	<u>\$ 223,539</u>	<u>\$ 374,865</u>

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

STATEMENT I

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Enterprise Funds			Internal Service Funds		
	Child	Food	Total	Dental	HRA	Total
	Care	Service		Plan	Plan	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 514,694	\$ 78,114	\$ 592,808	\$ 303,637	\$ 798,726	\$ 1,102,363
Intergovernmental receipts	7,382	985,733	993,115	-	-	-
Internal activity - receipts (payments) from/to other funds	(264,675)	(110,868)	(375,543)	(40,037)	4,162	(35,875)
Payments to employees	(536,029)	(608,278)	(1,144,307)	-	-	-
Payments to suppliers	(27,642)	(568,579)	(596,221)	(263,600)	(852,157)	(1,115,757)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(306,270)</u>	<u>(223,878)</u>	<u>(530,148)</u>	<u>-</u>	<u>(49,269)</u>	<u>(49,269)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest income	-	-	-	-	2,032	2,032
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,032</u>	<u>2,032</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES						
Purchases of capital assets	-	(63,851)	(63,851)	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(63,851)</u>	<u>(63,851)</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in (out)	50,000	147,405	197,405	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>50,000</u>	<u>147,405</u>	<u>197,405</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(256,270)</u>	<u>(140,324)</u>	<u>(396,594)</u>	<u>-</u>	<u>(47,237)</u>	<u>(47,237)</u>
CASH AND CASH EQUIVALENTS - JULY 1	<u>309,442</u>	<u>148,173</u>	<u>457,615</u>	<u>-</u>	<u>432,859</u>	<u>432,859</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ 53,172</u>	<u>\$ 7,849</u>	<u>\$ 61,021</u>	<u>\$ -</u>	<u>\$ 385,622</u>	<u>\$ 385,622</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ (41,595)	\$ (282,377)	\$ (323,972)	\$ 40,037	\$ (53,431)	\$ (13,394)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	-	68,203	68,203	-	-	-
Changes in operating assets and liabilities:						
(Increase) decrease in accounts receivable	-	(98)	(98)	-	-	-
(Increase) decrease in due from other governments	-	93,931	93,931	-	-	-
(Increase) decrease in inventory	-	2,720	2,720	-	-	-
(Increase) decrease in due from other funds	(264,675)	(110,868)	(375,543)	(40,037)	4,162	(35,875)
(Decrease) increase in accounts payable	-	(975)	(975)	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (306,270)</u>	<u>\$ (223,878)</u>	<u>\$ (530,148)</u>	<u>\$ -</u>	<u>\$ (49,269)</u>	<u>\$ (49,269)</u>

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

STATEMENT J

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2025

	Private-Purpose Trust Funds
	Total
ASSETS	
Due from other governments	\$ 65,573
TOTAL ASSETS	\$ 65,573
 LIABILITIES	
Accounts payable	\$ -
TOTAL LIABILITIES	\$ -
 NET POSITION	
Restricted - held in trust	\$ 65,573
TOTAL NET POSITION	\$ 65,573

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Private-Purpose Trust Funds
	<u>Total</u>
ADDITIONS	
Revenues:	
Miscellaneous	\$ 1,685
Total contributions	<u>1,685</u>
Total additions	<u>1,685</u>
DEDUCTIONS	
Supplies	575
Miscellaneous	<u>3,300</u>
Total deductions	<u>3,875</u>
CHANGE IN NET POSITION	(2,190)
NET POSITION - JULY 1	<u>67,763</u>
NET POSITION - JUNE 30	<u>\$ 65,573</u>

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Washington Central Unified Union School District was incorporated under the laws in the State of Vermont. The School District operates under the Board of Directors-superintendent form of government and provides the following services: direct services, support services, fiscal services, operations and maintenance, transportation and program expenses.

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

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

Implementation of New Accounting Standards

During the year ended June 30, 2025, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 101 "Compensated Absences". The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 102 "Certain Risk Disclosures". The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. A disclosure should be made in the notes to financial statements if a government determines that those criteria for disclosures have been met for a concentration or constraint. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

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

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The School District's dental plan, HRA plan, child care fund and food service fund are categorized as business-type activities. All other activities of the School District are categorized as governmental.

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

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

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

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Measurement Focus - Basic Financial Statements and Fund Financial Statements

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

1. Governmental Funds:

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

Major Funds:

- a. The General Fund is the general operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Construction Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment. The sources of revenues include bond proceeds and interfund transfers.

Nonmajor Funds:

- c. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- d. Permanent Funds are used to account for assets held by the School District pursuant to a trust agreement. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e., interest income. The following is a description of the proprietary funds of the School District:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.
- b. Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the School District on a cost-reimbursement basis. Because the principal users of the internal services are the School District's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements.

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

Basis of Accounting

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Accrual

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

2. Modified Accrual

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

Revenue Recognition

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on long-term debt which has not matured are recognized when paid. Allocation of costs, such as depreciation, is not recognized in the governmental funds.

Budget

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

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

Revenues per budgetary basis	\$ 41,274,568
Add: On-behalf payments	4,048,440
Total GAAP basis	<u>\$ 45,323,008</u>
Expenditures per budgetary basis	\$ 40,273,633
Add: On-behalf basis	4,048,440
Total GAAP basis	<u>\$ 44,322,073</u>

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

1. The annual school budget is the planning management tool, which delineates the School District's educational priorities and programs and forms the basis for voter review and approval of the budget according to applicable State of Vermont education finance laws.
2. The Board budget process includes input from School District administration and staff, educational priorities for the next school year, along with public hearings, which include the Board of Directors and the general public.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. The budget document itself is based upon the most current funding information available along with the projection of current revenues and expenditures for the next year. At the conclusion of the budget process, a final budget is approved by the Board of Directors.

Deposits and Investments

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

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

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

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

Receivables

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2025. Accounts receivable netted with allowances for uncollectible accounts were \$2,445,650 for the year ended June 30, 2025.

Inventories and Prepaid Items

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Interfund Receivables and Payables

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

Transactions Between Funds

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

Capital Assets

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

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

A right to use lease asset is required to be reported at the present value of payments expected to be made during the lease term including and any/all other required financial lease obligations in accordance with the terms of the lease and excluding interest. A lease asset will be amortized in a straight-line basis over the lease term or the useful life of the underlying asset (whichever is shorter).

Estimated useful lives are as follows:

Land and building improvements	20 - 50 years
Infrastructure	20 - 50 years
Machinery and equipment	3 - 50 years

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations

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

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, notes from direct borrowings payable, leases, accrued compensated absences, retirement incentives and net pension liability.

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

Pensions

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

OPEB

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

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

Fund Balance

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

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

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

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

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Deferred Outflows and Inflows of Resources

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

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

Program Revenues

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating/Nonoperating Proprietary Fund Revenues

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

Encumbrance Accounting

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

Use of Estimates

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits:

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

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

At June 30, 2025, the School District's cash balance of \$6,158,660 was comprised of bank deposits of \$9,498,096. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the School District's cash balance. Due to the delay in posting the internal transfer from the general fund's repurchase agreement

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

account of \$2,938,750 to cover the TAN payoff to the general fund checking account, which reflected the receipt of these funds on June 30, 2025 but did not reflect the withdrawal from the general fund's repurchase agreement account until July 1, 2025, this has resulted in a large variance between the bank balance and the School District's cash balance. Of these bank deposits, \$250,000 was fully insured by federal depository insurance and consequently was not exposed to custodial credit risk, \$9,248,096 was collateralized with securities held by the financial institution in the School District's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 159,048
Repurchase agreement	9,339,048
	<u>\$ 9,498,096</u>

Investments:

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

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

At June 30, 2025, the School District had no investments.

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2025 consisted of the following individual fund receivables and payables:

	<u>Receivables</u> <u>(Due from)</u>	<u>Payables</u> <u>(Due to)</u>
General fund	\$ 155,498	\$ 1,630,996
Construction fund	828,705	-
Enterprise funds	440,699	-
Internal service fund	80,314	91,071
Nonmajor special revenue funds	275,377	64,427
Nonmajor permanent funds	5,901	-
	<u>\$ 1,786,494</u>	<u>\$ 1,786,494</u>

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

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2025 consisted of the following:

	<u>Transfers</u> <u>From</u>	<u>Transfers</u> <u>To</u>
General fund	\$ 1,120,657	\$ -
Construction fund	-	923,252
Enterprise funds	-	197,405
Nonmajor special revenue funds	378,136	378,136
	<u>\$ 1,498,793</u>	<u>\$ 1,498,793</u>

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2025:

	Balance, 7/1/24	Additions	Disposals	Balance, 6/30/25
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Construction in progress	822,886	816,432	(406,908)	1,232,410
	<u>828,886</u>	<u>816,432</u>	<u>(406,908)</u>	<u>1,238,410</u>
Depreciated assets:				
Land improvements	5,479,584	210,123	-	5,689,707
Buildings and improvements	52,081,593	817,855	-	52,899,448
Infrastructure	587,043	-	-	587,043
Furniture, equipment and software	3,968,676	545,377	(30,120)	4,483,933
Vehicles	297,057	-	-	297,057
Right of use lease asset	17,090	-	-	17,090
	<u>62,431,043</u>	<u>1,573,355</u>	<u>(30,120)</u>	<u>63,974,278</u>
Less: accumulated depreciation	<u>(29,011,801)</u>	<u>(1,793,005)</u>	<u>30,120</u>	<u>(30,774,686)</u>
	<u>33,419,242</u>	<u>(219,650)</u>	<u>-</u>	<u>33,199,592</u>
Net governmental capital assets	<u>\$ 34,248,128</u>	<u>\$ 596,782</u>	<u>\$ (406,908)</u>	<u>\$ 34,438,002</u>

	Balance, 7/1/24	Additions	Disposals	Balance, 6/30/25
<u>Business-type activities:</u>				
Non-depreciated assets:				
Construction in progress	\$ -	\$ 33,607	\$ -	\$ 33,607
	<u>-</u>	<u>33,607</u>	<u>-</u>	<u>33,607</u>
Depreciated assets:				
Buildings and improvements	1,236,283	-	-	1,236,283
Furniture, equipment and software	634,242	30,244	-	664,486
Vehicles	18,689	-	-	18,689
	<u>1,889,214</u>	<u>30,244</u>	<u>-</u>	<u>1,919,458</u>
Less: accumulated depreciation	<u>(974,730)</u>	<u>(68,203)</u>	<u>-</u>	<u>(1,042,933)</u>
	<u>914,484</u>	<u>(37,959)</u>	<u>-</u>	<u>876,525</u>
Net business-type capital assets	<u>\$ 914,484</u>	<u>\$ (4,352)</u>	<u>\$ -</u>	<u>\$ 910,132</u>

<u>Current year depreciation:</u>		
Unallocated		\$ 1,793,005
Governmental Activities		1,793,005
Business-type activities - food service		68,203
Total depreciation expense		<u>\$ 1,861,208</u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 - SHORT TERM DEBT

On July 3, 2024, the Washington Central Unified Union School District issued a tax/revenue anticipation note to provide liquidity for the governmental operations financed by property taxes. The tax/revenue anticipation note allowed for principal draws of up to \$2,938,750 with a fixed interest rate of 3.80% per annum and will mature on June 28, 2025. The note was paid in full by June 28, 2025 and interest expense for the note was \$138,138.

	Balance, 7/1/24	Additions	Reductions	Balance, 6/30/25
Tax/revenue anticipation note	\$ -	\$ 2,938,750	\$ (2,938,750)	\$ -

NOTE 7 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2025:

	Balance, 7/1/24	Additions	Deletions	Balance, 6/30/25	Current Year Portion
Bonds payable	\$ 7,970,430	\$ -	\$ (733,374)	\$ 7,237,056	\$ 733,374
Notes from direct borrowings payable	100,241	-	(8,481)	91,760	8,736
Lease liabilities	17,090	-	(5,129)	11,961	4,394
	<u>\$ 8,087,761</u>	<u>\$ -</u>	<u>\$ (746,984)</u>	<u>\$ 7,340,777</u>	<u>\$ 746,504</u>

The following is a summary of the bonds and notes from direct borrowings payable as of June 30, 2025:

Bonds payable:

\$500,000 Community Bank, NA Qualified School Construction Bond due in one principal installment of \$500,000 in March of 2027 with a fixed interest rate at 1.00% per annum payable semi-annually through March of 2027. Deposits of \$26,000 remitted annually into a sinking fund through March of 2027. Interest at a fixed rate of 1.00% per annum, applied to the sinking fund balance, payable semi-annually into the sinking fund through March of 2027. The sinking fund balance is irrevocably pledged to secure the principal payment of the bond at maturity. The annual deposit amount of \$26,000 will be increased to \$31,000 as of March 2020.

\$ 500,000

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - LONG-TERM DEBT (CONTINUED)

\$2,997,476 Community Bank, NA bond payable, with principal payments due in annual installments of \$149,874. Fixed interest rate of 2.99% per annum paid semi-annually. The bond matures on December 31, 2036.	1,798,486
\$8,170,000 Community Bank, NA bond payable, with principal payments due in annual installments of \$408,500 and a principal pre-payment of \$79,429 in December of 2014 and a final principal payment of \$329,071 due in June of 2033. Interest at a fixed rate of 3.04% per annum paid semi-annually. The bond matures June of 2033.	3,188,570
\$3,500,000 Community Bank, NA bond payable, with principal payments due in annual installments of \$175,000. Interest at a fixed rate of 2.75% per annum paid semi-annually. The bond matures in December of 2034.	<u>1,750,000</u>
Total bonds payable	<u>\$ 7,237,056</u>

Notes from direct borrowings payable:

\$81,340 Vermont Municipal Bond Bank Vermont Environmental Protection Agency Drinking Water State Revolving Fund note payable, due in annual principal, interest and administrative fee installments of \$3,787 through April of 2037. Interest at a fixed rate of 1.00% and administrative fees of 2.00% payable annually through September of 2037. In fiscal year 2017, \$25,000 of the principal balance of the loan was forgiven. Proceeds were originally borrowed for a municipal water connection project.	\$ 37,695
\$26,504 Vermont Environmental Protection Agency note payable, due in annual principal, interest and administrative fee installments of \$101. Interest at a fixed rate of 1.00% and an administrative fee of 2.00% is charged per annum. In fiscal year 2009, an ARRA Subsidy for \$25,000 was received and applied towards the principal amount due. The note matures in January of 2033.	710
\$57,612 Vermont Environmental Protection Agency note payable, due in annual principal, interest and administrative fee installments of \$3,872. Interest at a fixed rate of 1.00% and an administrative fee of 2.00% is charged per annum. In fiscal year 2014, an ARRA Subsidy for \$25,000 was received and applied towards the principal amount due. The note matures in January of 2033.	27,183
\$55,468 Vermont Environmental Protection Agency note payable, due in annual principal, interest and administrative fee installments of \$3,728. Interest at a fixed rate of 1.00% and an administrative fee of 2.00% is charged per annum. On March 3, 2014 the note payable was amended, reducing the principal amount by \$22,660 and \$73,527, to reflect loan forgiveness and an ARRA subsidy, respectively. The proceeds from the note were used to finance a water project. The note matures on January 1, 2033.	<u>26,172</u>
Total notes from direct borrowings payable	<u>\$ 91,760</u>
Total bonds and notes payable	<u>\$ 7,328,816</u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of the lease liabilities outstanding as of June 30, 2025:

Lease liabilities:

Washington Central UUSD leases a postage meter from Quadient Leasing, under a lease agreement dated November 12, 2020. The lease term is for 63 months ending in January of 2026. Monthly payments are \$146.	1,025
Washington Central UUSD leases a postage meter from Quadient Leasing, under a lease agreement dated October 23, 2023. The lease term is for 63 months ending in March of 2029. Monthly payments are \$70.	3,149
Washington Central UUSD leases a postage meter from Quadient Leasing, under a lease agreement dated May 23, 2023. The lease term is for 63 months ending in September of 2028. Monthly payments are \$70.	2,495
Washington Central UUSD leases a postage meter from Quadient Leasing, under a lease agreement dated May 25, 2023. The lease term is for 60 months ending in June of 2028. Monthly payments are \$147.	<u>5,292</u>
Total lease liabilities	<u>\$ 11,961</u>

The right of use lease assets associated with these lease liabilities (including amortization/depreciation applicable to the same) are presented as a separate category of Capital Assets and are grouped accordingly on the Statement of Net Position.

The following is a summary of outstanding bonds, notes from direct borrowing and lease liabilities principal and interest requirements for the following fiscal years ending June 30:

Year Ending June 30,	Bonds Payable		Notes from Direct Borrowings Payable		Lease Liabilities	Total Debt Service
	Principal	Interest	Principal	Interest	Principal	
2026	\$ 733,374	\$ 201,433	\$ 8,736	\$ 2,753	\$ 4,394	\$ 950,690
2027	1,233,374	179,720	8,998	2,491	3,372	1,427,955
2028	733,374	153,298	9,268	2,221	3,372	901,533
2029	733,374	131,407	9,546	1,883	823	877,033
2030	733,374	109,584	9,832	1,656	-	854,446
2031-2035	2,770,440	239,649	38,133	3,907	-	3,052,129
2036-2040	299,746	13,456	7,247	327	-	320,776
	<u>\$ 7,237,056</u>	<u>\$ 1,028,547</u>	<u>\$ 91,760</u>	<u>\$ 15,238</u>	<u>\$ 11,961</u>	<u>\$ 8,384,562</u>

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2025 is as follows:

	Balance, 7/1/24	Additions	Deletions	Balance, 6/30/25	Current Year Portion
Accrued compensated absences	\$ 121,951	\$ 175,128	\$ -	\$ 297,079	\$ 14,854
Net pension liability	2,731,811	862,234	(619,629)	2,974,416	-
Total	<u>\$ 2,853,762</u>	<u>\$ 1,037,362</u>	<u>\$ (619,629)</u>	<u>\$ 3,271,495</u>	<u>\$ 14,854</u>

Please see Notes 9 and 16 for detailed information on each of the other long-term obligations.

NOTE 9 - ACCRUED COMPENSATED ABSENCES

The School District's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2025, the School District's liability for compensated absences is \$297,079, which represents a net increase of \$175,128 from the prior year.

NOTE 10 - NET INVESTMENT IN CAPITAL ASSETS

At June 30, 2025, the School District had the following net investments in capital assets:

	Governmental Activities	Business-type Activities
Investment in capital assets	\$ 65,212,688	\$ 1,953,065
Accumulated depreciation	(30,774,686)	(1,042,933)
Outstanding capital related debt	(7,340,777)	-
	<u>\$ 27,097,225</u>	<u>\$ 910,132</u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 - RESTRICTED NET POSITION AND RESTRICTED FUND BALANCE

At June 30, 2025, the School District had the following restricted net position and restricted fund balance:

Nonmajor special revenue fund:	
Student activities	\$ 269,370
Nonmajor permanent fund:	
Music - Bellemeur fund	5,901
	<u>\$ 275,271</u>

NOTE 12 - NONSPENDABLE FUND BALANCE

At June 30, 2025, the School District had the following nonspendable fund balance:

General fund:	
Prepaid items	<u>\$ 170,870</u>

NOTE 13 - COMMITTED FUND BALANCE

At June 30, 2025, the School District had the following committed fund balance:

Construction fund	<u>\$ 1,881,340</u>
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NOTE 14 - ASSIGNED FUND BALANCE

At June 30, 2025, the School District had the following assigned fund balance:

General fund:	
Reserved for technology equipment	\$ 357,928
Reserved for fiscal software and related costs	309,000
	<u>\$ 666,928</u>

NOTE 15 - FINANCIAL INFORMATION

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS

VERMONT STATE TEACHERS' RETIREMENT SYSTEM

Plan Description

All of the teachers employed by the School District participate in the Vermont State Teachers' Retirement System ("VSTRS"), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, covering nearly all public day school and nonsectarian private Union teachers and administrators as well as Teachers in schools and teacher training institutions within and supported by the State of Vermont that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2023 (the most recent period available), the retirement system consisted of 25,214 participating members.

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

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

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Benefits Provided

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

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

VSTRS	Group A	Group C – Group # 1	Group C – Group # 2
Normal service retirement eligibility (no reduction)	Age 60 or 30 years of service	Grandfathered: Age 62 or with 30 years of service	Non-grandfathered: Age 65 or when the sum of age and service equals 90
Average Final Compensation (AFC)	Highest 3 consecutive years, including unused annual leave, sick leave and bonus/incentives	Highest 3 consecutive years, excluding all payments for anything other than service actually performed	Highest 3 consecutive years, excluding all payments for anything other than service actually performed
Benefit formula - normal service retirement	1.67% x creditable service x AFC	1.25% x service prior to 7/1/90 x AFC + 1.67% x service after 7/1/90 x AFC	1.25% x service prior to 7/1/90 x AFC + 1.67% x service after 7/1/90 x AFC, 2.0% after attaining 20 years
Maximum Benefit Payable	100% of AFC	53.34% of AFC	60% of AFC
Post-Retirement COLA	Full CPI, up to a maximum of 5% after 12 months of retirement; minimum of 1%	50% CPI, up to a maximum of 5% after 12 months of retirement or with 30 years; minimum of 1%	50% CPI, up to a maximum of 5%, minimum of 1% after 12 months of normal retirement or age 65
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Early Retirement Reduction	Actuarial reduction	6% per year from age 62	Actuarial reduction

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

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Contributions

VSTRS is a cost-sharing public employee retirement system with one exception: all risks and costs are not shared by the School District but are the liability of the State of Vermont. VSTRS is funded through State and employee contributions and trust fund investment earnings; and the School District has no legal obligation for paying benefits. Required contributions to the System are made by the State of Vermont based upon a valuation report prepared by the System’s actuary, which varies by plan group. The Vermont State Teachers Retirement System estimates the contributions on behalf of the School District’s employees included in the teacher’s retirement plan which approximates \$4,048,440 or 25.64% of total payroll for employees covered under the plan.

Employee contribution rates by plan group follow:

VSTRS	Group A	Group C – Group # 1	Group C – Group # 2
Employee Contributions	5.5% of earnable compensation; contributions stop after 25 years of creditable service	5.0% of gross salary	Based on earnable compensation \$0-\$40K is 6.15%, \$40K-\$50K is 6.20%, \$50K-\$60K is 6.30%, \$60K-\$70K is 6.40%, \$70K-\$80K is 6.55%, \$80K-\$90K is 6.80%, \$90K-\$100K is 7.10%, \$100K+ is 7.35%

Employee contributions totaled \$1,054,827 during the year and were paid by the School District to the State of Vermont. The School District has no other liability under the plan. The School District’s total payroll for all employees covered under this plan was \$15,789,548 for the year ended June 30, 2025. Beginning in 2016, school districts that pay for teachers with federal dollars are required to include costs of pensions in the federal grant, lowering the liability for the State. Federally funded pension costs reimbursed to the State by the Supervisory Union for the fiscal year ending June 30, 2025 were \$630,940. The Supervisory Union’s total payroll for all federally funded employees covered under this plan was \$896,128 for the year ended June 30, 2025.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost sharing, multi-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. The plan was established effective July 1, 1975 and is governed by Title 24, V.S.A. Chapter 125. It is designed for persons employed on a regular basis by a school district or by a supervisory union for no fewer than 1,040 hours in a year and for no fewer than 30 hours a week for the school year, as defined in 16 V.S.A. § 1071 or for no fewer than 1,040 hours in a year and for no fewer than 24 hours a week year-round; provided, however, that if a person who was employed on a regular basis by a school district as either a special education or transportation employee and who was transferred to and is working in a supervisory union in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) and if that person is also employed on a regular basis by a school district within the supervisory union, then the person is an "employee" if these criteria are met by the combined hours worked for the supervisory union and school district. The term shall also mean persons employed on a regular basis by a municipality other than a school district for no fewer than 1,040 hours in a year and for no fewer than 24 hours per week, including persons employed in a library at least one-half of whose operating expenses are met by municipal funding. For the year ended June 30, 2023 (the most recent data available), the retirement system consisted of 18,463 participating members.

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

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Benefits Provided

The pension plan is divided into four membership groups:

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

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

VMERS	Group A	Group B	Group C	Group D
Normal service retirement eligibility	Age 65 with 5 years of service or age 55 with 35 years of service	Age 62 with 5 years of service or age 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years
Normal service retirement eligibility	Age 65 with 5 years of service or age 55 with 35 years of service	Age 62 with 5 years of service or age 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years
Benefit formula - normal service Retirement (no reduction)	1.4% x creditable service x AFC	1.7% x creditable service x AFC + previous service; 1.4% x Group A service x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC; 2.5% x Group C service x AFC

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

VMERS	GROUP A	GROUP B	GROUP C	GROUP D
Benefit formula - normal service Retirement (no reduction)	1.4% x creditable service x AFC	1.7% x creditable service x AFC + previous service; 1.4% x Group A service x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC; 2.5% x Group C service x AFC
Maximum Benefit Payable	60% of AFC	60% of AFC	50% of AFC	50% of AFC
Post-Retirement COLA	50% of CPI, up to 2% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	N/A	Age 50 with 20 years of service
Early Retirement Reduction	6% per year from age 65 **	6% per year from age 62 **	N/A	No reduction

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

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

Contributions

Title 24 VSA Chapter 125 of Vermont Statutes grants the authority to the Retirement Board to annually review the amount of municipalities' contributions as recommended by the actuary of the retirement system in order to achieve and preserve the financial integrity of the fund and to certify the rates of contributions payable by employers. The Board of Trustees also certifies the rates of contribution payable by employees. Contribution rates for each group as of July 1, 2024 are as follows:

VMERS	Group A	Group B	Group C	Group D
Employee Contributions	4.000% of gross salary	6.375% of gross salary	11.500% of gross salary	12.850% of gross salary
Employer Contributions	5.500% of gross salary	7.000% of gross salary	8.750% of gross salary	11.350% of gross salary

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Employee contributions are withheld pre-income tax by the School District and are remitted to the State of Vermont. Such withholdings for the year ended June 30, 2025 totaled \$325,888. The School District contributed \$359,260 for the year ended June 30, 2025. The School District's total payroll for the year ended June 30, 2025 for all employees covered under this plan was \$5,159,809.

Pension Liabilities

VSTRS Plan

The State is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of member employers. Therefore, these employers are considered to be in a special funding situation as defined in GASB No. 68 and the State is treated as a nonemployer to VSTRS. Since the School District does not contribute directly to VSTRS, no net pension liability was recorded at June 30, 2025. The State's portion of the collective net pension liability that was associated with the School District was as follows:

District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the District	<u>33,756,058</u>
Total	<u>\$ 33,756,058</u>

The State of Vermont's proportionate share of the net pension liability associated with the School District is equal to the collective net pension liability, actuarially measured as of June 30, 2024, multiplied by the School District's proportionate share percentage. The School District's proportionate share percentage was based on its reported salaries to the total reported salaries for all participating employers. At June 30, 2024, the School District's proportion was 1.92547% which was an increase of 0.05518% from its proportion measured as of June 30, 2023.

VMERS Plan

At June 30, 2025, the School District reported a liability of \$2,974,416 for its proportionate share of the net pension liabilities for each plan. The net pension liabilities were measured as of June 30, 2024 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of June 30, 2023. The

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

School District's proportion of the net pension liabilities were based on a projection of the School District's long-term share of contributions to each pension plan relative to the projected contributions of all participating towns, actuarially determined.

At June 30, 2024, the School District's proportion was 0.89551% for VMERS, which was a increase of 0.04260% from its proportion measured as of June 30, 2023 for VMERS.

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

For the year ended June 30, 2025, the School District recognized total pension expense of \$3,494,950 and revenue of \$3,494,950 for support provided by the State of Vermont for the VSTRS plan. In the same period, the School District recognized pension expense of \$502,607 for the VMERS plan. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	VSTRS		VMERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ 322,137	\$ -
Changes of assumptions	-	-	16,030	-
Net difference between projected and actual earnings on pension plan investments	-	-	73,371	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	171,524	734
Contributions subsequent to the measurement date	-	-	359,260	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 942,322</u>	<u>\$ 734</u>

\$359,260 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	VSTRS	VMERS
Plan year ended June 30:		
2025	\$ -	\$ 208,465
2026	-	376,033
2027	-	45,954
2028	-	(48,124)
2029	-	-
Thereafter	-	-

Significant Actuarial Assumptions and Methods

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using the actuarial assumptions outlined below.

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

Inflation: For both plans, 2.30%.

Projected Salary Increases: For the VSTRS plan, increases ranging from 3.30% to 10.50%. For the VMERS plan, varying service-based rates ranging from 4.07% to 6.21%. Salary increases include an assumed inflation rate of 2.30%.

Deaths After Retirement:

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

- *Pre-Retirement:* PubT-2010 Teacher Employee Amount-Weighted Table with generational projection using scale MP-2021.
- *Retiree Healthy Post-Retirement:* : 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 scale MP-2021.
- *Retiree Healthy Post-Retirement Beneficiaries:* Pub-2010 Contingent Survivor Amount-Weighted Table with generational projection using scale MP-2021.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

Pre-Retirement:

- Groups A/B - 60% PubG-2010 General Employee Amount-Weighted below-median and 40% of PubG-2010 General Employee Amount-Weighted, with generational projection using Scale MP-2021.
- Group C - PubG-2010 General Employee Amount-Weighted above-median, with generational projection using scale MP-2021.
- Group D - PubG-2010 General Employee Amount-Weighted above-median, with generational projection using scale MP-2021.

Healthy Post-Retirement - Retirees:

- Groups A/B - PubG-2010 General Healthy Retiree Amount-Weighted Below Median Table with credibility adjustments of 90% and 87% for the Male and Female tables, respectively, with generational projection using scale MP-2021.
- Group C - PubG-2010 General Healthy Retiree Amount-Weighted Table, with generational projection using scale MP-2021.
- Group D - PubS-2010 Public Safety Retiree Amount-Weighted Below-Median Table, with generational projection using scale MP-2021.

Healthy Post-Retirement - Beneficiaries:

- Pub-2010 Contingent Survivor Amount-Weighted Below-Median Table, with generational projection using scale MP-2021.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Disabled Post-Retirement:

- Group A/B/C - PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Table with generational projection using Scale MP-2021.
- Group D - PubS-2010 Safety Disabled Retiree Amount-Weighted Table with generational projection using Scale MP-2021.

Inactive Members: For both plans, valuation liability equals 100% of accumulated contributions. Valuation liability for those who are vested is based on accrued benefit and members are assumed to retire 10% of the time each year from their Early Retirement Age until their Normal Retirement Age, then 100% of the time at their Normal Retirement age, with a deferred vested benefit.

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

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

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

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

Cost-of-Living Adjustments VSTRS:

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

- Assumed to occur on January 1 following two years of retirement at the rate of 1.20% per annum (beginning two years after the attainment of age 62 for members who elect reduced early retirement). The January 1, 2025, COLA is expected to be 1.90%*. The January 1, 2024, COLA was 1.10%.

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

For all other members:

- Group A - Assumed to occur on January 1 following one year of retirement at the rate of 1.20% per annum. The January 1, 2023, COLA was 1.35%. The January 1, 2025, COLA is expected to be 3.80%*. The January 1, 2024, COLA was 2.20%.
- Group B/C - Assumed to occur on January 1 following one year of retirement at the rate of 1.35% per annum (beginning one year after the attainment of age 62 or Group C members who elect reduced early retirement). The January 1, 2025, COLA is expected to be 1.90%*. The January 1, 2024, COLA was 1.10%.

Cost-of-Living Adjustments VMERS:

Assumed to occur on January 1 following one year of retirement at the rate of 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Groups A, B and D who receive a disability retirement benefit and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2025, COLA is expected to be 1.90% for Group A and 1.90% for Groups B, C and D. The January 1, 2024, COLA was 1.10% for Group A and 1.10% for Groups B, C and D.

Amortization Method: Amortization payments calculated to fully fund unfunded actuarial accrued liability with annual increases of 3% over a closed period. The amortization of unfunded actuarial accrued liability (UAAL) within the actuarially determined contribution rate calculation is based on the level percentage of pay required to amortize the UAAL over the 30-year closed period that began on July 1, 2008. As of July 1, 2023, the remaining amortization period is 15 years.

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

Asset Valuation Method VSTRS: The *asset valuation method* used equals the preliminary asset value plus 20% of the difference between the market and preliminary asset values. The preliminary asset value is equal to the previous year's asset value (for valuation purposes) adjusted for contributions less benefit payments and expenses and

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

expected investment income. If necessary, a further adjustment is made to ensure that the valuation assets are within 20% of the market value.

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

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

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equities	44.00%	5.35%
Private Equity	10.00%	7.50%
Emerging Markets Debt	2.00%	5.00%
Private and Alternative Credit	10.00%	5.50%
Non-Core Real Estate	4.00%	5.50%
Core Fixed Income	19.00%	1.50%
Core Real Estate	4.00%	3.25%
US TIPS	2.00%	1.50%
Infrastructure/Farmland	5.00%	4.25%

Discount Rate

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

	1% Decrease	Discount Rate	1% Increase
<u>VSTRS:</u>			
Discount rate	6.00%	7.00%	8.00%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
<u>VMERS:</u>			
Discount rate	6.00%	7.00%	8.00%
District's proportionate share of the net pension liability	\$ 4,547,445	\$ 2,974,416	\$ 1,683,313

Pension Plan Fiduciary Net Position

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 - DEFINED CONTRIBUTION PLAN

Plan Description

The School District offers its employees a defined contribution plan created in accordance with Internal Revenue Code Section 403(b). At June 30, 2025, there were 51 plan members. The plan is administered by TD Wealth Management.

Funding Policy

Plan provisions and contribution requirements are established and may be amended by the Board of Directors. Under the 403 Plan, the School District is required to contribute 6.25% of a participant's earnings for the plan year, with no required match from the participant, one time per year, after the end of the fiscal year and no later than September 30, of the next year. For the year ended June 30, 2025, the School District contribution to this plan was \$88,927.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in School District contributions and earnings on School District contributions after completion of 12 months of creditable service with the School District. Non-vested School District contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. There were no forfeitures of non-vested contributions for the year ended June 30, 2025.

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

VERMONT STATE TEACHERS' RETIREMENT SYSTEM

Plan Description

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

The plan covers nearly all public day school and nonsectarian private high school teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2023, the Plan consisted of 7,369 retired members or beneficiaries currently receiving benefits and 10,618 active members.

Vermont Statute Title 16 Chapter 55 assigns the authority to VSTRS to establish and amend the benefits provisions of the Plan and to establish maximum obligations of

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

the Plan members to contribute to the Plan. Management of the Plan is vested in the Vermont State Teachers' Retirement System Board of Trustees, which consists of the Secretary of Education (ex-officio), the State Treasurer (ex-officio), the Commissioner of Financial Regulation (ex-officio), two trustees and one alternate who are members of the system (each elected by the system under rules adopted by the Board) and one trustee and one alternate who are retired members of the system receiving retirement benefits (who are elected by the Association of Retired Teachers of Vermont).

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

Benefits Provided

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

Contributions

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

	Retiree Subsidy		Spouse Subsidy*	
Retired before June 30, 2010	At least ten years of service - 80% of premium Less than ten years of service - 0% of premium		0% of premium	
Retired after June 30, 2010	10 years or more of service at June 30, 2010 - 80% of premium		Years of service at June 30, 2010 - 80% of premium if meet the following years of service at retirement requirement:	
	Less than 10 years of service at June 30, 2010:			
	Less than 15 years at retirement	0% of premium	Less than 10 years	25 years at retirement

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

	Retiree Subsidy		Spouse Subsidy*	
	15-19.99 years at retirement	60% of premium	10-14.99 years	25 years at retirement
	20-24.99 years at retirement	70% of premium	15-24.99 years	10 additional years from June 30, 2010
	25 years or more at retirement	80% of premium	25-29.99 years	35 years at retirement
			30 or more years	5 additional years from June 30, 2010

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

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

Retirees pay full cost of dental benefits.

OPEB Liabilities

The State is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of member employers. Therefore, these employers are considered to be in a special funding situation as defined in GASB No. 75 and the State is treated as a nonemployer to VSTRS. Since the School District does not contribute directly to VSTRS, no net OPEB liability was recorded at June 30, 2025. The State's portion of the collective net OPEB liability that was associated with the School District was as follows:

District's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the District		<u>16,239,857</u>
Total	\$	<u><u>16,239,857</u></u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

The State of Vermont's proportionate share of the net OPEB liability associated with the School District is equal to the collective net OPEB liability, actuarially measured as of June 30, 2024, multiplied by the School District's proportionate share percentage. The School District's proportionate share percentage was based on its reported salaries to the total reported salaries for all participating employers. At June 30, 2024, the School District's proportion was 1.88543% which was an increase of 0.05848% from its proportion measured as of June 30, 2023.

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

For the year ended June 30, 2025, the School District recognized total OPEB expense of \$1,239,845 and revenue of \$1,239,845 for support provided by the State of Vermont for the Plan. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

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

	<u>VSTRS OPEB Plan</u>
Plan year ended June 30:	
2025	\$ -
2026	-
2027	-
2028	-
2029	-
Thereafter	-

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

Discount Rate

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

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

Healthcare Trend Rate

Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The trend rate assumptions were developed using Segal's internal guidelines, which are established each year using data sources such as the 2024 Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the S&P Dow Jones Indices, consulting firms and brokers and CPI statistics published by the Bureau of Labor Statistics. The sensitivity of net OPEB liability to changes in healthcare trend rates are as follows:

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

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2024, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

Amortization

The total OPEB liability of this Plan is amortized on a closed 30-year period. The amortization method is a level percent of payroll method. As of July 1, 2024, there are 24 years remaining on the amortization period.

Asset Valuation Method

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

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

The target allocation, long-term expected rates of return for each major asset class and expected inflation, as of June 30, 2024, are summarized below:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	43.00%	5.25%
US Aggregate Fixed Income	19.00%	1.70%
Emerging Markets Debt (Hard)	2.00%	4.70%
TIPS	3.00%	1.70%
Private Credit	12.00%	5.70%
Real Estate	11.00%	3.45%
Private Equity	10.00%	8.45%
	100.00%	

Assumptions

The actuarial assumptions used to calculate the actuarially determined contribution rates can be found in the Report on the Actuarial Valuation of Post-Retirement Benefits of the Vermont State Teachers' Retirement System Prepared as of June 30, 2016 completed by Buck Consulting. As of June 30, 2024, they are as follows:

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

Discount Rate	7.00%
Salary Increase Rate	Varies by age
Non-Medicare	8.10% graded to 4.50% over 12 years
Medicare \$300 Comprehensive and JY Plan	8.44% graded to 4.50% over 12 years
Medicare VSTRS 65	5.50%
Retiree Contributions	Equal to health trend
Pre-retirement Mortality	PubT-2010 Teacher Employee Headcount-Weighted Table with generational projection using scale MP-2021
Post-retirement Mortality	Retirees: 103% for males and 93% for females of PubT-2010 Teacher Healthy Retiree Headcount-Weighted Table with generational projection using scale MP-2021 Spouses: Pub-2010 Contingent Survivor Headcount-Weighted Table, both Retirees and Spouses with generational projection using scale MP-2021
Disabled Mortality	PubNS-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Table with generational projection using scale MP-2021

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2024 with the following exceptions:

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period remaining was twenty-four years as of July 1, 2024.

OPEB Plan Fiduciary Net Position

The schedule of employer allocations and schedule of OPEB amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

financial statements of VSTRS or their participating employers. VSTRS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Annual Comprehensive Financial Report. That report can be viewed on the State's Department of Finance and Management website at: [Annual Comprehensive Financial Report | Department of Finance and Management \(vermont.gov\)](#).

NOTE 19 - RISK MANAGEMENT

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

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

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

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 20 - CONTINGENCIES

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

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

NOTE 21 - RESTATEMENT

In 2025, the School District determined that certain transactions in prior years had been recorded incorrectly, therefore, a restatement to the 2025 beginning business-type activities net position was required. During fiscal year 2025, the School District determined a restatement of beginning net position to the food service fund was required, this is due to fixed asset additions being both capitalized and expensed. This resulted in a restatement to the beginning net position for business-type activities, as follows:

	6/30/24 As Previously Reported	Net Position Correction	6/30/24 As Restated
Government-Wide			
Governmental Activities	\$ 30,293,672	\$ -	\$ 30,293,672
Business-Type Activities	1,547,103	71,334	1,618,437
	<u>\$ 31,840,775</u>	<u>\$ 71,334</u>	<u>\$ 31,912,109</u>
Governmental Funds			
Major Funds:			
General Fund	\$ 2,780,536	\$ -	\$ 2,780,536
Construction Fund	2,384,170	-	2,384,170
Other Governmental Funds	234,544	-	234,544
Total Governmental Funds	<u>\$ 5,399,250</u>	<u>\$ -</u>	<u>\$ 5,399,250</u>
Proprietary Funds			
Major Funds:			
Child Care Fund	\$ 482,131	\$ -	\$ 482,131
Food Service Fund	1,064,972	71,334	1,136,306
Total Proprietary Funds	<u>\$ 1,547,103</u>	<u>\$ 71,334</u>	<u>\$ 1,618,437</u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 22 - SUBSEQUENT EVENT

On July 1, 2025, the Washington Central Unified Union School District issued a tax/revenue anticipation note to provide liquidity for the governmental operations financed by property taxes. The tax/revenue anticipation note allowed for principal draws of up to \$2,938,750 with interest at a fixed rate of 4.72% per annum and will mature on June 30, 2026.

Required Supplementary Information

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

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

SCHEDULE 1

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,780,536	\$ 2,780,536	\$ 2,780,536	\$ -
Resources (Inflows):				
Intergovernmental:				
State revenues	39,858,109	39,858,109	39,786,175	(71,934)
Charges for services	920,759	920,759	855,588	(65,171)
Interest income	218,729	218,729	360,636	141,907
Miscellaneous	58,042	58,042	272,169	214,127
Transfers from other funds	606,725	606,725	-	(606,725)
Amounts Available for Appropriation	<u>44,442,900</u>	<u>44,442,900</u>	<u>44,055,104</u>	<u>(387,796)</u>
Charges to Appropriations (Outflows):				
Direct services	23,125,994	23,125,994	22,256,508	869,486
Support services:				
Student and other support services	5,962,045	5,962,045	5,566,779	395,266
General administrative services	1,093,095	1,093,095	1,050,898	42,197
Area administrative services	2,845,525	2,845,525	2,781,940	63,585
Fiscal services	732,077	732,077	705,683	26,394
Operations and maintenance	3,859,184	3,859,184	3,956,157	(96,973)
Transportation	1,924,607	1,924,607	1,836,370	88,237
Debt service:				
Principal	772,855	772,855	772,695	160
Interest	226,325	226,325	225,946	379
Transfers to other funds	1,120,657	1,120,657	1,120,657	-
Total Charges to Appropriations	<u>41,662,364</u>	<u>41,662,364</u>	<u>40,273,633</u>	<u>1,388,731</u>
Budgetary Fund Balance, June 30	<u>\$ 2,780,536</u>	<u>\$ 2,780,536</u>	<u>\$ 3,781,471</u>	<u>\$ 1,000,935</u>

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>VSTRS:</u>										
Proportion of the net pension liability	1.93%	1.87%	1.82%	1.96%	1.81%	1.85%	2.52%	1.96%	1.78%	1.59%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	33,756,058	34,975,466	35,014,297	33,165,771	35,379,511	28,873,426	26,891,231	27,250,562	22,608,616	18,837,133
Total	<u>\$ 33,756,058</u>	<u>\$ 34,975,466</u>	<u>\$ 35,014,297</u>	<u>\$ 33,165,771</u>	<u>\$ 35,379,511</u>	<u>\$ 28,873,426</u>	<u>\$ 26,891,231</u>	<u>\$ 27,250,562</u>	<u>\$ 22,608,616</u>	<u>\$ 18,837,133</u>
Covered payroll	\$ 17,106,205	\$ 14,849,453	\$ 13,742,939	\$ 14,167,688	\$ 13,225,466	\$ 12,712,780	\$ 12,033,737	\$ 12,133,702	\$ 11,579,824	\$ 8,854,073
Proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.65%	57.48%	54.81%	58.83%	50.00%	54.96%	54.81%	53.98%	55.31%	58.22%
<u>VMERS:</u>										
Proportion of the net pension liability	0.90%	0.85%	0.85%	0.79%	0.67%	0.39%	0.36%	0.37%	0.37%	0.33%
Proportionate share of the net pension liability	\$ 2,974,416	\$ 2,731,811	\$ 2,589,542	\$ 1,159,533	\$ 1,682,933	\$ 677,286	\$ 510,283	\$ 444,252	\$ 472,604	\$ 253,954
Covered payroll	\$ 4,395,664	\$ 3,763,035	\$ 3,440,065	\$ 2,952,439	\$ 2,436,173	\$ 1,419,292	\$ 1,253,308	\$ 1,176,437	\$ 1,101,000	\$ 931,000
Proportionate share of the net pension liability as a percentage of its covered payroll	67.67%	72.60%	75.28%	39.27%	69.08%	47.72%	40.71%	37.76%	42.92%	27.28%
Plan fiduciary net position as a percentage of the total pension liability	75.22%	74.01%	73.60%	89.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - PENSIONS
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>VSTRS:</u>										
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 15,789,548	\$ 17,106,205	\$ 14,849,453	\$ 13,742,939	\$ 14,167,688	\$ 13,225,466	\$ 12,712,780	\$ 12,033,737	\$ 12,133,702	\$ 11,579,824
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>VMERS:</u>										
Contractually required contribution	\$ 359,260	\$ 294,980	\$ 243,109	\$ 213,566	\$ 175,157	\$ 137,878	\$ 74,468	\$ 72,450	\$ 59,882	\$ 55,813
Contributions in relation to the contractually required contribution	<u>(359,260)</u>	<u>(294,980)</u>	<u>(243,109)</u>	<u>(213,566)</u>	<u>(175,157)</u>	<u>(137,878)</u>	<u>(74,468)</u>	<u>(72,450)</u>	<u>(59,882)</u>	<u>(55,813)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,159,809	\$ 4,395,664	\$ 3,763,035	\$ 3,440,065	\$ 2,952,439	\$ 2,436,173	\$ 1,419,292	\$ 1,253,308	\$ 1,176,437	\$ 1,101,000
Contributions as a percentage of covered payroll	6.96%	6.71%	6.46%	6.21%	5.93%	5.66%	5.25%	5.78%	5.09%	5.07%

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
<u>VSTRS OPEB Plan:</u>									
Proportion of the net OPEB liability	1.89%	1.83%	1.81%	1.91%	1.83%	1.92%	1.84%	1.87%	0.78%
School District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the School District	16,239,857	14,241,729	12,959,320	24,364,326	23,011,027	19,958,444	17,519,695	17,350,212	-
Total	<u>\$ 16,239,857</u>	<u>\$ 14,241,729</u>	<u>\$ 12,959,320</u>	<u>\$ 24,364,326</u>	<u>\$ 23,011,027</u>	<u>\$ 19,958,444</u>	<u>\$ 17,519,695</u>	<u>\$ 17,350,212</u>	<u>\$ -</u>
Covered payroll	\$ 17,106,205	\$ 14,849,453	\$ 13,742,939	\$ 14,167,688	\$ 13,225,466	\$ 12,712,780	\$ 12,033,737	\$ 12,133,702	\$ 11,579,824
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	11.62%	8.48%	5.34%	1.13%	0.69%	0.03%	-2.85%	-2.94%	0.00%

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

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
<u>VSTRS OPEB Plan:</u>									
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 15,789,548	\$ 17,106,205	\$ 14,849,453	\$ 13,742,939	\$ 14,167,688	\$ 13,225,466	\$ 12,712,780	\$ 12,033,737	\$ 12,133,702
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

Changes of Assumptions

VSTRS Pension Plan:

- No changes in actuarial assumptions/methods effective for the June 30, 2024, actuarial valuation that impact GASB.

VMERS Pension Plan:

- No changes in actuarial assumptions/methods effective for the June 30, 2024, actuarial valuation that impact GASB.

VSTRS OPEB Plan:

- The per capita valuation-year claims and retiree contribution rates were updated.
- The assumed health trend rates were modified.

Other Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues
- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

SCHEDULE A

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Intergovernmental revenues:				
State revenue:				
Education spending grant	\$ 33,735,631	\$ 33,735,631	\$ 33,735,631	\$ -
Tech center grant	444,712	444,712	444,712	-
Special education mainstream block grant	3,285,116	3,285,116	3,285,116	-
Extraordinary reimbursement	1,369,248	1,369,248	1,305,999	(63,249)
State placed reimbursements	188,150	188,150	63,970	(124,180)
Early essential education	130,752	130,752	130,752	-
Transportation reimbursement	688,500	688,500	803,886	115,386
Other	16,000	16,000	16,109	109
Charges for services:				
Tuition	920,759	920,759	855,588	(65,171)
Interest income	218,729	218,729	360,636	141,907
Miscellaneous:				
Other receipts	58,042	58,042	272,169	214,127
Transfers from other funds	606,725	606,725	-	(606,725)
Amounts Available for Appropriation	<u>\$ 41,662,364</u>	<u>\$ 41,662,364</u>	<u>\$ 41,274,568</u>	<u>\$ (387,796)</u>

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

SCHEDULE B

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Direct services:				
Instructional services	\$ 14,094,365	\$ 14,094,365	\$ 14,038,545	\$ 55,820
Special education	8,121,637	8,121,637	7,335,671	785,966
Co-curricular	909,992	909,992	882,292	27,700
Total direct services	<u>23,125,994</u>	<u>23,125,994</u>	<u>22,256,508</u>	<u>869,486</u>
Support services:				
Support services students	3,254,435	3,254,435	3,074,160	180,275
Other support services	2,707,610	2,707,610	2,492,619	214,991
Total support services	<u>5,962,045</u>	<u>5,962,045</u>	<u>5,566,779</u>	<u>395,266</u>
General administration:				
Board of education	270,228	270,228	269,383	845
Office of the superintendent	822,867	822,867	781,515	41,352
Total general administration	<u>1,093,095</u>	<u>1,093,095</u>	<u>1,050,898</u>	<u>42,197</u>
Area administration:				
Office of the principal	2,394,367	2,394,367	2,351,971	42,396
Special area administrative services	451,158	451,158	429,969	21,189
Fiscal services	732,077	732,077	705,683	26,394
Total area administration	<u>3,577,602</u>	<u>3,577,602</u>	<u>3,487,623</u>	<u>89,979</u>
Operations and maintenance	<u>3,859,184</u>	<u>3,859,184</u>	<u>3,956,157</u>	<u>(96,973)</u>
Transportation	<u>1,924,607</u>	<u>1,924,607</u>	<u>1,836,370</u>	<u>88,237</u>
Debt service:				
Principal	772,855	772,855	772,695	160
Interest	226,325	226,325	225,946	379
Total debt service	<u>999,180</u>	<u>999,180</u>	<u>998,641</u>	<u>539</u>
Transfer to other funds	<u>1,120,657</u>	<u>1,120,657</u>	<u>1,120,657</u>	<u>-</u>
TOTAL DEPARTMENTAL OPERATIONS	<u><u>\$ 41,662,364</u></u>	<u><u>\$ 41,662,364</u></u>	<u><u>\$ 40,273,633</u></u>	<u><u>\$ 1,388,731</u></u>

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

SCHEDULE C

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Due from other governments	\$ 469,428	\$ -	\$ 469,428
Due from other funds	275,377	5,901	281,278
TOTAL ASSETS	\$ 744,805	\$ 5,901	\$ 750,706
LIABILITIES			
Accounts payable	\$ 158,399	\$ -	\$ 158,399
Due to other funds	64,427	-	64,427
TOTAL LIABILITIES	222,826	-	222,826
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	252,609	-	252,609
TOTAL DEFERRED INFLOWS OF RESOURCES	252,609	-	252,609
FUND BALANCES			
Nonspendable	-	-	-
Restricted	269,370	5,901	275,271
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	269,370	5,901	275,271
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 744,805	\$ 5,901	\$ 750,706

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

SCHEDULE D

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Special Revenue Funds</u>	<u>Permanent Funds</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Intergovernmental	\$ 1,856,227	\$ -	\$ 1,856,227
TOTAL REVENUES	<u>1,856,227</u>	<u>-</u>	<u>1,856,227</u>
EXPENDITURES			
Other	1,815,500	-	1,815,500
TOTAL EXPENDITURES	<u>1,815,500</u>	<u>-</u>	<u>1,815,500</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>40,727</u>	<u>-</u>	<u>40,727</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	378,136	-	378,136
Transfers (out)	<u>(378,136)</u>	<u>-</u>	<u>(378,136)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	40,727	-	40,727
FUND BALANCES - JULY 1	<u>228,643</u>	<u>5,901</u>	<u>234,544</u>
FUND BALANCES - JUNE 30	<u><u>\$ 269,370</u></u>	<u><u>\$ 5,901</u></u>	<u><u>\$ 275,271</u></u>

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

Special Revenue Funds

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	<u>Title IV</u>	<u>IDEA-B Formula Grant</u>	<u>IDEA-B Preschool</u>	<u>Title I</u>
ASSETS				
Due from other governments	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-
TOTAL ASSETS	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2025

	Schoolwide Program and Admin	Community Schools Grant	Best
ASSETS			
Due from other governments	\$ -	\$ -	\$ -
Due from other funds	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE E (CONTINUED)

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	Fresh Fruit and Vegetables	Student Activities	Medicaid Fund	Readiness	EPSDT Revenues
ASSETS					
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	275,377	-	-	-
TOTAL ASSETS	\$ -	\$ 275,377	\$ -	\$ -	\$ -
LIABILITIES					
Accounts payable	\$ -	\$ 6,007	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	-	6,007	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	269,370	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	-	269,370	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ 275,377	\$ -	\$ -	\$ -

SCHEDULE E (CONTINUED)

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	Title IIA	Project Service Grant	Local Stds. Board	PCB Investigation Grant	SAP Block Grant	Misc Grants	Total
ASSETS							
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 469,428	\$ 469,428
Due from other funds	-	-	-	-	-	-	275,377
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 469,428</u>	<u>\$ 744,805</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 152,392	\$ 158,399
Due to other funds	-	-	-	-	-	64,427	64,427
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>216,819</u>	<u>222,826</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue	-	-	-	-	-	252,609	252,609
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,609</u>	<u>252,609</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	269,370
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>269,370</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 469,428</u>	<u>\$ 744,805</u>

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	<u>Title IV</u>	<u>IDEA-B Formula Grant</u>	<u>IDEA-B Preschool</u>	<u>Title I</u>
REVENUES				
Intergovernmental	\$ 83,663	\$ 460,892	\$ 4,179	\$ 355,565
TOTAL REVENUES	<u>83,663</u>	<u>460,892</u>	<u>4,179</u>	<u>355,565</u>
EXPENDITURES				
Other	81,286	460,892	4,179	9,218
TOTAL EXPENDITURES	<u>81,286</u>	<u>460,892</u>	<u>4,179</u>	<u>9,218</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,377</u>	<u>-</u>	<u>-</u>	<u>346,347</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	(2,377)	-	-	(346,347)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,377)</u>	<u>-</u>	<u>-</u>	<u>(346,347)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE F (CONTINUED)

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	Schoolwide Program and Admin	Community Schools Grant	BEST
REVENUES			
Intergovernmental	\$ -	\$ 105,990	\$ 210
TOTAL REVENUES	<u>-</u>	<u>105,990</u>	<u>210</u>
EXPENDITURES			
Other	378,136	105,990	210
TOTAL EXPENDITURES	<u>378,136</u>	<u>105,990</u>	<u>210</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(378,136)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	378,136	-	-
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>378,136</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE F (CONTINUED)

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Fresh Fruit and Vegetables	Student Activities	Medicaid Fund	Readiness	EPSDT Revenues
REVENUES					
Intergovernmental	\$ 16,320	\$ 40,727	\$ 390,439	\$ 28,104	\$ 16,793
TOTAL REVENUES	<u>16,320</u>	<u>40,727</u>	<u>390,439</u>	<u>28,104</u>	<u>16,793</u>
EXPENDITURES					
Other	16,320		390,439	28,104	16,793
TOTAL EXPENDITURES	<u>16,320</u>	<u>-</u>	<u>390,439</u>	<u>28,104</u>	<u>16,793</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>40,727</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	40,727	-	-	-
FUND BALANCES - JULY 1	<u>-</u>	<u>228,643</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ 269,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	Title IIA	Project Service Grant	Local Stds. Board	PCB Investigation Grant	SAP Block Grant	Misc Grants	Total
REVENUES							
Intergovernmental	\$ 159,867	\$ 88,044	\$ 756	\$ 36,678	\$ 68,000	\$ -	\$ 1,856,227
TOTAL REVENUES	<u>159,867</u>	<u>88,044</u>	<u>756</u>	<u>36,678</u>	<u>68,000</u>	<u>-</u>	<u>1,856,227</u>
EXPENDITURES							
Other	130,455	88,044	756	36,678	68,000	-	1,815,500
TOTAL EXPENDITURES	<u>130,455</u>	<u>88,044</u>	<u>756</u>	<u>36,678</u>	<u>68,000</u>	<u>-</u>	<u>1,815,500</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>29,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,727</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	378,136
Transfers (out)	(29,412)	-	-	-	-	-	(378,136)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(29,412)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-	40,727
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>228,643</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 269,370</u>

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

Permanent Funds

Permanent funds are used to account for assets held by the Washington Central Unified Union School District that are legally restricted and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the School District or its students. These funds have been established for the provision and/or maintenance of various funds.

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2025

	Music- Bellemeur Fund	Total
	<u> </u>	<u> </u>
ASSETS		
Due from other funds	\$ 5,901	\$ 5,901
TOTAL ASSETS	<u>\$ 5,901</u>	<u>\$ 5,901</u>
LIABILITIES		
Accounts payable	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	5,901	5,901
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	<u>5,901</u>	<u>5,901</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,901</u>	<u>\$ 5,901</u>

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	Music- Bellemeur Fund	Total
REVENUES		
Interest income	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>
EXPENDITURES		
Other	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-
FUND BALANCES - JULY 1	<u>5,901</u>	<u>5,901</u>
FUND BALANCES - JUNE 30	<u>\$ 5,901</u>	<u>\$ 5,901</u>

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

General Capital Assets

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2025

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment, Software and Vehicles	Infrastructure	Total
Direct Services	\$ -	\$ -	\$ 430,075	\$ -	\$ 430,075
S.S. - Students	-	-	7,654	-	7,654
S.S. - Staff	-	-	2,811,678	-	2,811,678
S.S. - General Admin	-	-	41,696	-	41,696
S.S. - Area Admin	-	-	46,666	-	46,666
Operations and Maintenance	1,238,410	58,589,155	1,443,222	587,043	61,857,830
Right of use lease asset	17,090	-	-	-	17,090
Food Service	33,607	1,236,283	683,174	-	1,953,064
Total General Capital Assets	1,289,107	59,825,438	5,464,165	587,043	67,165,753
Less: Accumulated Depreciation	-	(27,996,705)	(3,659,195)	(161,719)	(31,817,619)
Net General Capital Assets	\$ 1,289,107	\$ 31,828,733	\$ 1,804,970	\$ 425,324	\$ 35,348,134

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2025

	General Capital Assets 7/1/24	Additions	Deletions	General Capital Assets 6/30/25
Direct Services	\$ 430,075	\$ -	\$ -	\$ 430,075
S.S. - Students	7,654	-	-	7,654
S.S. - Staff	2,405,009	436,789	(30,120)	2,811,678
S.S. - General Admin	41,696	-	-	41,696
S.S. - Area Admin	46,666	-	-	46,666
Operations and Maintenance	60,311,744	1,952,994	(406,908)	61,857,830
Right of use lease asset	17,090	-	-	17,090
Food Service	1,889,213	63,851	-	1,953,064
Total General Capital Assets	65,149,147	2,453,634	(437,028)	67,165,753
Less: Accumulated Depreciation	<u>(29,986,531)</u>	<u>(1,861,208)</u>	<u>30,120</u>	<u>(31,817,619)</u>
Net General Capital Assets	<u>\$ 35,162,616</u>	<u>\$ 592,426</u>	<u>\$ (406,908)</u>	<u>\$ 35,348,134</u>

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

Federal Compliance Description

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

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

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-through Grantor Number	Federal Expenditures
U.S. Department of Agriculture Passed through State of Vermont - Agency of Education and Cultural Services:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	4452U0922400	\$ 115,034
National School Lunch Program	10.555	4450U0922400	350,303
Summer Food Service Program for Children	10.559	4455U0922300	7,302
Fresh Fruits and Vegetables	10.582	4449U0922400	16,319
Subtotal Child Nutrition Cluster			<u>488,958</u>
Food Distribution Cluster:			
Commodity Supplemental Food Program	10.565	N/A	80,549
Subtotal Food Distribution Cluster			<u>80,549</u>
Total U.S. Department of Agriculture			<u>569,507</u>
U.S. Department of Education Passed through State of Vermont - Agency of Education and Cultural Services:			
Title I - Grants to Local Education Agencies	84.010A	4250U0922401	<u>355,565</u>
Special Education Cluster (IDEA):			
Special Education Grants to States	84.027A	4226U0922401	460,893
Special Education Preschool Grants	84.173A	4228U0922401	4,179
Subtotal Special Education Cluster (IDEA)			<u>465,072</u>
School Safety National Activities	84.184S	N/A	<u>88,044</u>
Title IIA - Supporting Effective Instruction	84.367A	4651U0922401	<u>159,867</u>
Student Support and Academic Enrichment	84.424	4570U0922401	<u>83,663</u>
Total U.S. Department of Education			<u>1,152,211</u>
U.S. Department of Health and Human Services Passed through State of Vermont - Agency of Education and Cultural Services:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	03420-09779	<u>68,000</u>
Total U.S. Department of Health and Human Services			<u>68,000</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 1,789,718</u>

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Washington Central Unified Union School District under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Washington Central Unified Union School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the Washington Central Unified Union School District.

2. Summary of Significant Accounting Policies

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



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

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

We have audited, in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Washington Central Unified Union School District as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Washington Central Unified Union School District's basic financial statements and have issued our report thereon dated December 24, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Washington Central Unified Union School District's internal control over financial reporting (internal control) as a basis for designing 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 Washington Central Unified Union School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Washington Central Unified Union School District's internal control.

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

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

Report on Compliance and Other Matters

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

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to the management of the Washington Central Unified Union School District in a separate letter dated December 24, 2025.

Purpose of this Report

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

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
December 24, 2025



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Washington Central Unified Union School District's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Example Entity's major federal programs for the year ended June 30, 2025. The Washington Central Unified Union School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Washington Central Unified Union School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Washington Central Unified Union School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Washington Central Unified Union School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Washington Central Unified Union School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
December 24, 2025

WASHINGTON CENTRAL UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

<u>ALN Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.027/84.173	Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

None

Section III - Findings and Questioned Costs for Federal Awards

None