

Lamoille North Modified Unified Union School District

BASIC FINANCIAL STATEMENTS

June 30, 2025

Lamoille North Modified Unified Union School District
TABLE OF CONTENTS
June 30, 2025

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	
MANAGEMENT'S DISCUSSION AND ANALYSIS	
BASIC FINANCIAL STATEMENTS:	
District-Wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheets – Governmental Funds	3
Statement of Revenues, Expenditures and Changes In Fund Balances – Governmental Funds	5
Statement of Net Position – Proprietary Funds	7
Statement of Revenues, Expenditures and Changes In Net Position – Proprietary Funds	8
Statement of Cash Flows – Proprietary Funds	9
Statement of Net Position – Fiduciary Funds	10
Statement of Changes in Net Position – Fiduciary Funds	11
Notes to Basic Financial Statements	12
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule – General Fund	50
Schedule of Proportionate Share of the Net Pension Liability – VSTRS	54
Schedule of Proportionate Share of the Net Pension Liability – VMERS	55
Schedule of Contributions - VMERS	56
Schedule of Proportionate Share of the Net OPEB Liability – VSTRS	57

Lamoille North Modified Unified Union School District
TABLE OF CONTENTS
June 30, 2025

	<u>Page</u>
OTHER SUPPLEMENTARY INFORMATION	
Combining Balance Sheet – Special Revenue Funds	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Special Revenue Funds	59
	<u>Report</u>
SINGLE AUDIT ACT- REPORTS AND SCHEDULES	
Schedule of Expenditures of Federal Awards	1
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By Uniform Guidance	3
Schedule of Findings and Questioned Costs	4



Kittell Branagan & Sargent

Certified Public Accountants

Vermont License #167

INDEPENDENT AUDITOR'S REPORT

To the School Board
Lamoille North Modified Unified Union School District
Hyde Park, VT

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lamoille North Modified 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 Lamoille North Modified Unified Union School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities each major fund, and the aggregate remaining fund information of the Lamoille North Modified 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 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 Lamoille North Modified 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.

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 Lamoille North Modified 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 the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lamoille North Modified 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 substantial doubt about the Lamoille North Modified 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 and budgetary comparison information on page 50, the schedule of proportionate share of the net pension liability - VSTRS on page 54, the schedule of proportionate share of the net pension liability - VMERS on page 55, schedule of contributions - VMERS on page 56, and the schedule of proportionate changes of the net OPEB liability on page 57 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lamoille North Modified Unified Union School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2026, on our consideration of Lamoille North Modified 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 grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lamoille North Modified 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 Lamoille North Modified Unified Union School District's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Kittell Brannigan". The signature is written in a cursive style with a large initial "K".

St. Albans, Vermont
January 8, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Lamoille North Modified Unified Union School District (LNMUUSD) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the District's financial statements.

Brief Discussion of the Basic Financial Statements:

Using This Annual Report

This annual Report consists of a series of financial statements. The Statement of Net Position and the Balance Sheet—Governmental Funds provide information about the activities of the District as a whole, and present a longer-term view of the District's finances. Fund financial statements such as the Statement of Activities for governmental activities tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

The Statement of Net Position - Proprietary Funds provides financial information about activities for which the District operates as an "Enterprise Fund". The activity that this Fund reports stems from the construction of a house by the Technical Center for sale to a private owner.

The Statement of Net Position - Fiduciary Funds provides financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the government.

The District Administration is responsible for establishing an accounting and internal control structure designed to ensure that the physical, data, informational, intellectual and human resource assets of the District are protected from loss, theft and misuse, and to ensure that adequate accounting information is maintained and reported in conformity with generally accepted accounting principles (GAAP). Additionally, management strives to ensure that these assets are put to good and effective use. The internal control structure is designed to provide reasonable, but not absolute, assurances that these objectives are attained. The concept of reasonable assurance recognizes that: (1) the cost of any control should not exceed the benefit likely to be derived; (2) the valuation of cost and benefits requires judgments by management.

Reporting the District as a Whole

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

The Statement of Net Position reports the District's net assets and changes in them. You can think of the District's net position - the difference between assets and liabilities - as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's student enrollment and the condition of the District's infrastructure, to assess the overall health of the District.

Lamoille North Modified Unified Union School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

In the Statement of Net Position and the Statement of Activities, the District's activities are classified solely as governmental activities:

- Governmental activities - The District's basic services are reported here, including: instruction-regular education and special education; supporting education services; operation and maintenance; transportation; administration; and debt service. These activities are further broken down between General Fund and Special Revenue.
 - General Fund Activities – These are the basic core activities of the District – student education. These activities are also supported primarily by property taxes.
 - Special Revenue Activities – These are special purpose activities that are supported by grant funds. These activities may support the core mission of the District, but the activities are being provided because other funds are not available to pay for them. In most cases, special revenue activities would not be provided if grant funding were not available.

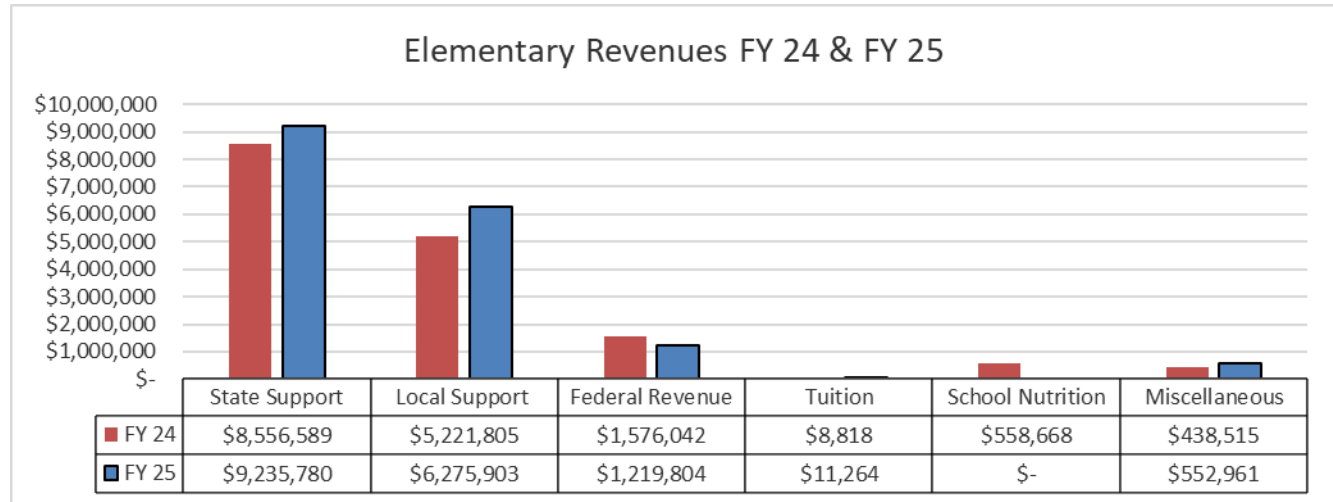
Analysis of Overall Financial Information: The chart below provides a snapshot of the financial picture of the district for FY25:

ASSETS		
	FY24	FY25
Total Current Assets	\$ 4,326,881	\$ 4,815,048
Total Noncurrent Assets	\$ 33,206,632	\$ 33,000,811
Deferred Outflows	\$ 33,893	\$ 21,341
TOTAL ASSETS	\$ 37,567,406	\$ 37,837,200
LIABILITIES		
	FY24	FY25
Current Liabilities	\$ 1,827,536	\$ 2,259,416
Long-Term Liabilities	\$ 12,362,802	\$ 11,304,419
TOTAL LIABILITIES	\$ 14,190,338	\$ 13,563,835
DEFERRED INFLOW	\$ 30,581	\$ 42,762
NET POSITION		
	FY24	FY25
Net Investment in Capital Assets (net of related debt)	\$ 20,190,175	\$ 21,202,829
Restricted	\$ 376,291	\$ 393,800
Unrestricted	\$ 2,780,021	\$ 2,633,974
TOTAL NET ASSETS	\$ 23,346,487	\$ 24,230,603

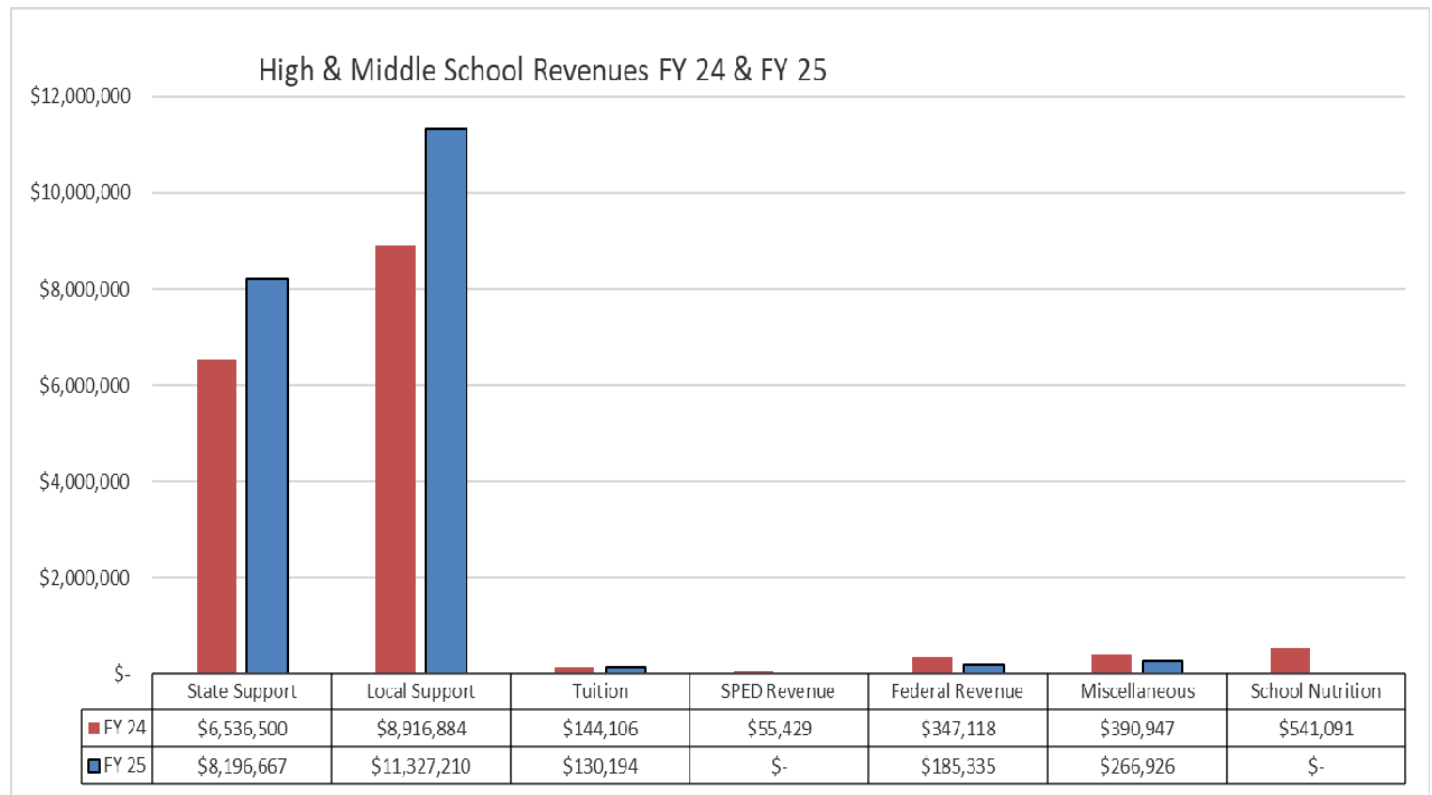
Lamoille North Modified Unified Union School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

FY25 REVENUES:

LNMUUSD elementary revenue in FY25 total \$17,295,712. This amount is \$935,275 higher than FY24, mainly due to State and Local Support. School Nutrition is now considered a Special Fund, due to Universal Meals replacing ticket sales and will no longer appear in this graph after this year.

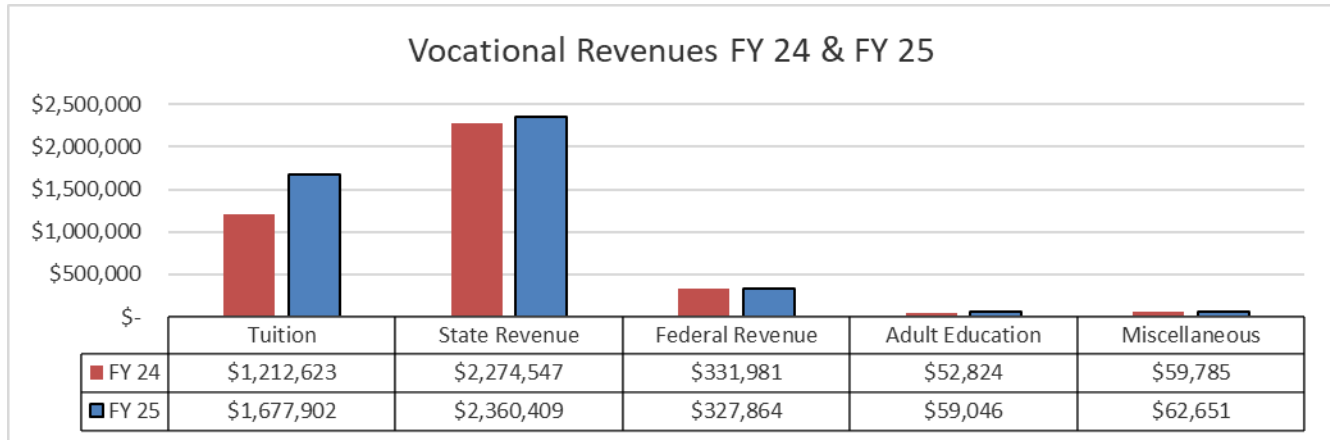


LNMUUSD grade 7-12 revenues total \$20,106,332 in FY25, an increase of \$3,174,257 over the prior year due to increases in state and local support. School Nutrition is now considered a Special Fund, due to Universal Meals replacing ticket sales and will no longer appear in this graph after this year.



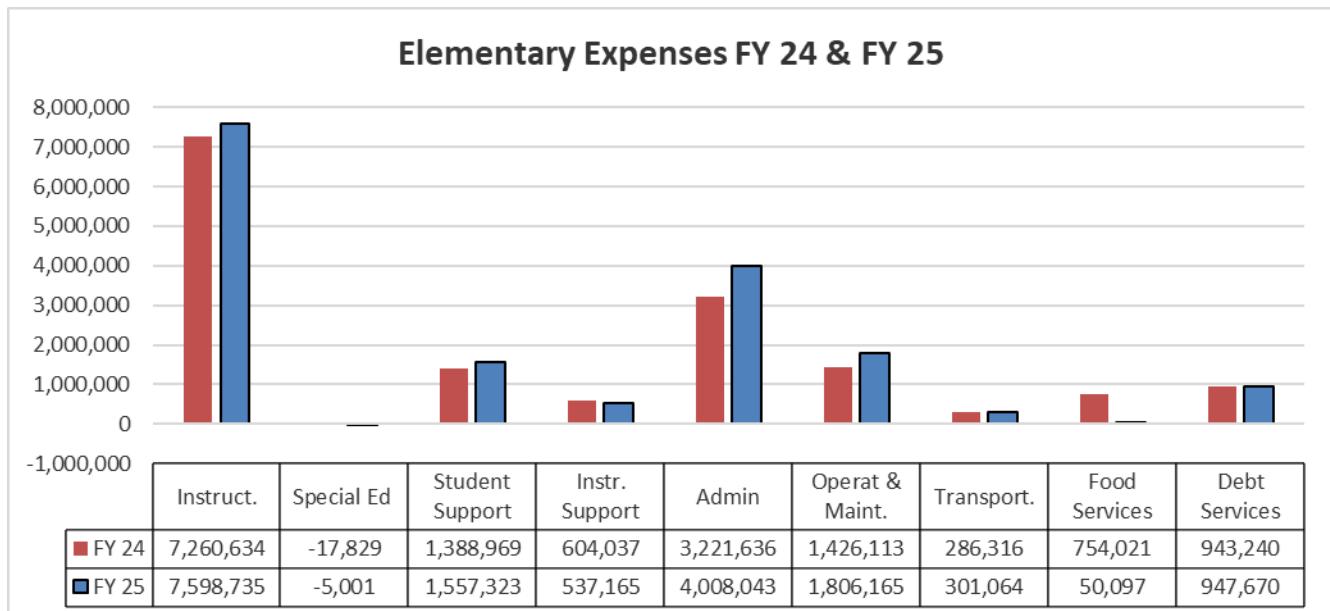
Lamoille North Modified Unified Union School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

The tech center revenues in FY25 total \$4,487,872. This is \$556,112 higher than FY24 revenues due to an increase in State revenues and tuition.



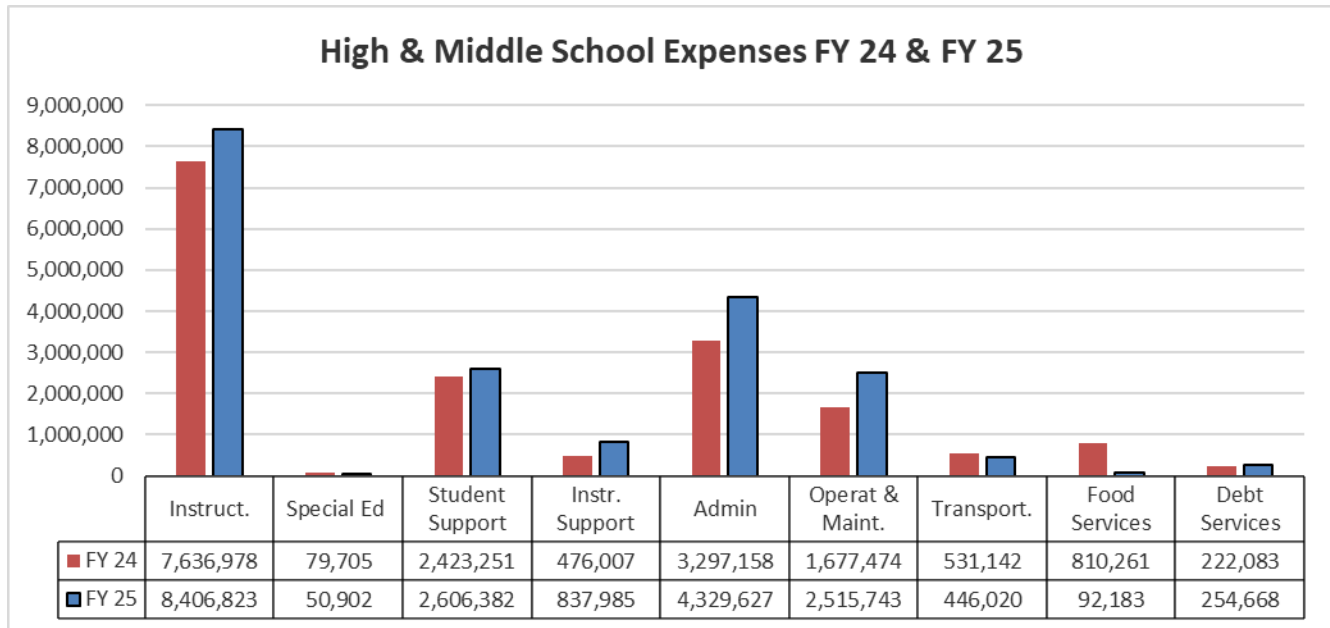
EXPENDITURES:

LNMUUSD elementary expenses in FY25 total \$16,801,261. This is \$934,124 higher than expenses in FY24.

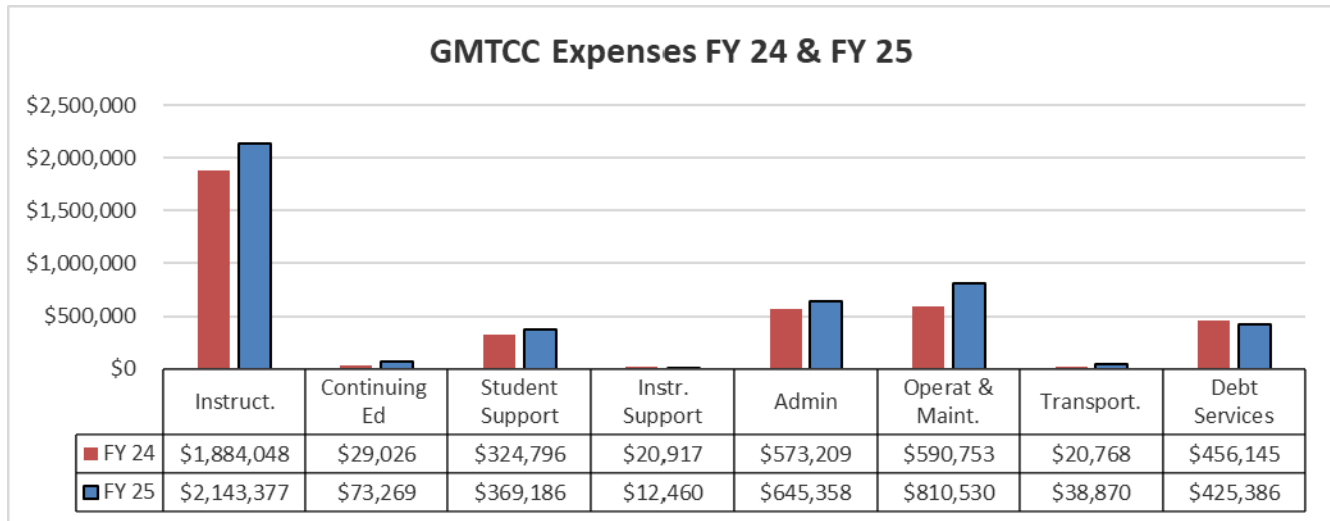


Lamoille North Modified Unified Union School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

LNMUUSD grades 7-12 expenses in FY25 total \$19,540,333. This is \$2,386,274 higher than in FY24.



GMTCC vocational expenses in FY25 total \$4,518,436. This is \$618,774 higher than FY24.



Lamoille North Modified Unified Union School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

CHANGE IN GENERAL FUND BALANCE:

While FY2025 expenses came in higher than budget, the FY2025 revenues also came in higher than budgeted.

The total accumulated fund balances are reflected below in Notes 13:

LNMUUSD Fund Balances & Pledges 06/30/25	
Unassigned High School/Middle School	\$443,421
Unassigned Vocational	\$67,478
Unassigned Elementary	\$408,477
 Non-Spendable: Inventory & Prepaid	 \$106,406
 Committed for FY26 Expenses - Elementary	 \$579,000
Committed for FY26 Expenses - LUHS/LUMS	\$215,824
Committed for FY26 Expenses - GMTCC	\$39,856
Committed for FY 26 transfer to funds 3015 2603 2604	\$343,108
Committed for HRAs	\$151,414
Committed for Vocational Tuition	\$70,000
Committed for Misc Donations	\$13,133
Committed for After School Program	\$69,183
Committed for JUUL Settlement	\$26,145
Committed for YES	\$35,002
Committed for Food Service	\$0
Committed for Adult Education	\$63,188
 Committed Capital Reserve - Cricket Hill	 \$6,728
Committed Capital Reserve - LUSD Technology	\$2,057
Committed Capital Reserve - GMTCC O & M	\$96,050
Committed Capital Reserve - LNMUUSD 058B	\$289,532
Committed Capital Reserve - LNMUUSD 058A	\$10,135
Committed Capital Expenditures	\$312,148
 Restricted for Donors - student activity & scholarships	 \$315,064
Petty Cash fund 1199	\$13,069
HPES Library Fund	\$6,988
 Voc Building Trades House	 \$58,679
Eden Grammer School	23,839
	 \$3,765,925

Lamoille North Modified Unified Union School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

ASSETS:

As required under Governmental Accounting Standards Board #34, the District is reporting its capital assets as part of the financial statements. The District has researched and documented the historical costs of the various assets owned by the District and applied appropriate charges against the cost to record depreciation. Note 5 of the Report further details the status of the District's net capital assets.

Description	Balance - 7/1/24	Increase/Decrease	Balance - 6/30/25
Land	\$278,810	\$0	\$278,810
Construction in Progress	\$0	\$230,275	\$230,275
Depreciable Assets	\$62,527,483	\$1,144,875	\$63,672,358
Accumulated Depreciation	(\$29,643,984)	(\$1,574,569)	(\$31,218,553)
Net Assets	\$33,162,309	(\$199,419)	\$32,962,890

LONG-TERM DEBT:

The District has four categories of long-term debt, defined as Bond Payables, Notes Payable, Capital Leases and Termination Benefits Payable.

1. As of June 30, 2025, the district had \$11,967,726 in five outstanding bond principals. Further detail can be found in Note 6.
2. As of June 30, 2025, notes payable totaled \$4,046 and was for one Eden Campus note for a water project in 2013. Further detail can be found in Note 7.
3. At June 30, 2025, the district had \$344,353 in termination benefits payable. This payable is from accrued employee vacation and sick leave. Further detail can be found in Note 10.

CURRENT ISSUES:

- Collective Bargaining Agreements: The Support Staff collective bargaining agreement was set to expire June of 2024, but was re-negotiated for an additional two years and is now set to expire June 2026. The Teachers' collective bargaining agreement is set to expire June of 2025.
- Like many of Vermont's school districts, the Lamoille North School District has experienced a trend of decreasing student enrollment. This decrease is of concern as the state evaluates costs and numbers of students in their school systems. Effective July 2024 Equalized Pupils were replaced with Long Term Weighted Average Daily Membership (LT ADM). These numbers were intended to bring more State funding into LNMSD as they allow for a more generous weighting for poverty, sparsity, and English Language Learners. LNMSD was on track to benefit from the new student weighting formulas, however concerns surrounding rising property taxes across the State, has stemmed the opportunity for LNMSD to take full advantage of the capacity that the LT ADM was designed to provide. The growth in LT ADM from FY2024 to FY2026 is precipitated by new poverty definitions/qualifications that went into effect in the Fall of 2024.

LNMUUSD EPC	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 EPC	FY2024 LT ADM	FY2025 LT ADM	FY2026 LT ADM
LUMS/LUHS	794.63	790.50	810.43	840.35	856.28	857.09	1390.03	1583.89	1586.59
Elementary Schools	680.45	675.66	657.77	663.56	624.12	624.12	1018.65	1077.63	1106.72

Lamoille North Modified Unified Union School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

- After several years of enrollment decline, the Green Mountain Technology & Career Center has seen a recent jump in fall enrollments (see enrollment chart below). Funding for technical education in Vermont is distributed based on a center's six-semester averaged pupil FTE. Since fiscal year 2019 the six-semester averaged pupil FTE counts have hovered between 126 and 133. The recent enrollment growth will not drastically improve funding for a few more years.

FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
153.92	139.32	135	130.70	130.50	133	123.50	126	159

- Students eligible for special education services have an Individual Education Plan (IEP) developed based on the student's specific needs. Only expenses associated with IEPs are eligible to be classified as special education expenses and eligible for dedicated State funding.

The Schools continue to see students with increasingly complex profiles – homelessness, mental health and social & emotional issues, but not always qualifying under special education definitions for IEP services. These profiles require the Schools to make greater use of non-special education funded consultants, professionals, and other specialized student support services. Over the past few years, the district has focused efforts on instituting a comprehensive system of multi-tiered supports for students to better support students where they are at.

- Our larger Consolidate Federal Grant funds are distributed based on need. Additionally, as noted above, need is a key factor in determining student weights. Across the district the number of students, elementary and secondary, qualifying as high need has increased. In FY25 high need counts reached 71.08% and 58.79% respectively, with a combined, average high need percentage at 59.52%.
- In response to the COVID-19 pandemic, the Federal School Nutrition Programs temporarily instituted universal meals for all children ages one to eighteen at the end of fiscal year 2020. This program was made permanent for FY2024 forward.

CONTACT FOR FURTHER INFORMATION:

This financial Report is designed to provide citizens, taxpayers, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions about this Report or additional financial information needs should be directed to Catherine Gallagher, Superintendent of Schools, 96 Cricket Hill Road, Hyde Park, VT 05655, at 802-851-1174 or cgallagher@lnsd.org.

Lamoille North Modified Unified Union School District
DISTRICT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
For the Year Ended June 30, 2025

ASSETS AND DEFERRED OUTFLOWS

	Governmental Activities	Business-Type Activities	Total
CURRENT ASSETS			
Cash	\$ 3,567,783	\$ -	\$ 3,567,783
Other receivables	211,711	-	211,711
Due from LNSU	814,873	-	814,873
Due from other funds	15,991	-	15,991
Inventory	3,190	74,670	77,860
Prepaid expenses	126,830	-	126,830
TOTAL CURRENT ASSETS	4,740,378	74,670	4,815,048
NONCURRENT ASSETS			
Capital assets, net	32,962,890	-	32,962,890
Right to use assets, net	37,921	-	37,921
TOTAL NONCURRENT ASSETS	33,000,811	-	33,000,811
DEFERRED OUTFLOWS	21,341	-	21,341
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 37,762,530	\$ 74,670	\$ 37,837,200

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

CURRENT LIABILITIES			
Accounts payable	\$ 680,545	\$ -	\$ 680,545
Deposits payable	44,209	-	44,209
Due to other funds	-	15,991	15,991
Accrued salaries and benefits	321,574	-	321,574
Accrued interest	60,450	-	60,450
Current portion accrued leave benefits payable	110,157	-	110,157
Current portion bonds payable	1,000,092	-	1,000,092
Current portion notes payable	524	-	524
Current portion leases liabilities	25,874	-	25,874
TOTAL CURRENT LIABILITIES	2,243,425	15,991	2,259,416
LONG-TERM LIABILITIES, net of current portion			
Bonds payable	10,967,634	-	10,967,634
Notes payable	3,522	-	3,522
Lease liabilities	15,310	-	15,310
Accrued leave benefits payable	234,199	-	234,199
Net Pension Liability	83,754	-	83,754
TOTAL LONG-TERM LIABILITIES, net of current portion	11,304,419	-	11,304,419
TOTAL LIABILITIES	13,547,844	15,991	13,563,835
DEFERRED INFLOWS	42,762	-	42,762
NET POSITION			
Net investment in capital assets	21,202,829	-	21,202,829
Restricted	335,121	58,679	393,800
Unrestricted	2,633,974	-	2,633,974
TOTAL NET POSITION	24,171,924	58,679	24,230,603
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 37,762,530	\$ 74,670	\$ 37,837,200

See Accompanying Notes to Basic Financial Statements.

Lamoille North Modified Unified Union School District
DISTRICT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Revenues	Capital Grants and Revenues	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Elementary Instruction	\$ 19,601,414	\$ 2,584,641	\$ 17,405,852	\$ -	\$ 389,079	\$ -	\$ 389,079
High School & Middle School Instruction	20,165,596	762,033	19,903,729	-	500,166	-	500,166
Vocational Instruction	3,952,425	1,535,233	2,970,723	-	553,531	-	553,531
Depreciation/amortization - unallocated	1,728,100	-	-	-	(1,728,100)	-	(1,728,100)
Total governmental activities	45,447,535	4,881,907	40,280,304	-	(285,324)	-	(285,324)
Business-type activities:							
Vocational Building Trades	64,662	64,662	-	-	-	-	-
Total government	<u>\$ 45,512,197</u>	<u>\$ 4,946,569</u>	<u>\$ 40,280,304</u>	<u>\$ -</u>	<u>(285,324)</u>	<u>-</u>	<u>(285,324)</u>
General revenues:							
Unrestricted investment earnings					459,512	-	459,512
Donations					259,831	-	259,831
Loss on disposal of asset					(24,869)	-	(24,869)
Scholarships					2,440	-	2,440
Transfers					472,526	-	472,526
Total general revenues					1,169,440	-	1,169,440
Change in net position					884,116	-	884,116
Net position, beginning					23,287,808	58,679	23,346,487
Net position, ending					<u>\$ 24,171,924</u>	<u>\$ 58,679</u>	<u>\$ 24,230,603</u>

See Accompanying Notes to Basic Financial Statements.

Lamoille North Modified Unified Union School District
FUND FINANCIAL STATEMENTS
BALANCE SHEETS - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	Governmental Fund Types			
	General Fund	Capital Projects Fund	Special Revenue Funds	Total
<u>ASSETS</u>				
CURRENT ASSETS				
Cash	\$ 3,221,688	\$ -	\$ 346,095	\$ 3,567,783
Due from LNSU and CES	617,853	-	197,021	814,874
Other Receivables	209,728	-	1,983	211,711
Due to/from Other Funds	-	762,684	-	762,684
Inventory	-	-	3,190	3,190
Prepaid Expenses	106,406	-	9,779	116,185
	<u>106,406</u>	<u>-</u>	<u>9,779</u>	<u>116,185</u>
TOTAL ASSETS	<u>\$ 4,155,675</u>	<u>\$ 762,684</u>	<u>\$ 558,068</u>	<u>\$ 5,476,427</u>
<u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Accounts Payable	\$ 625,135	\$ 46,034	\$ 9,375	\$ 680,544
Deposits Payable	44,209	-	-	44,209
Accrued Payroll and Related Liabilities	297,858	-	23,716	321,574
Due to Other Funds	556,837	-	189,856	746,693
	<u>556,837</u>	<u>-</u>	<u>189,856</u>	<u>746,693</u>
TOTAL CURRENT LIABILITIES	<u>1,524,039</u>	<u>46,034</u>	<u>222,947</u>	<u>1,793,020</u>
FUND BALANCES				
Nonspendable	106,406	-	-	106,406
Restricted	-	-	335,121	335,121
Committed	1,605,855	716,650	-	2,322,505
Unassigned	919,375	-	-	919,375
	<u>919,375</u>	<u>-</u>	<u>-</u>	<u>919,375</u>
TOTAL FUND BALANCE	<u>2,631,636</u>	<u>716,650</u>	<u>335,121</u>	<u>3,683,407</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 4,155,675</u>	<u>\$ 762,684</u>	<u>\$ 558,068</u>	<u>\$ 5,476,427</u>

See Accompanying Notes to Basic Financial Statements.

Lamoille North Modified Unified Union School District
FUND FINANCIAL STATEMENTS
BALANCE SHEETS - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

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

Total fund balances - governmental funds	\$ 3,683,407
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Amounts reported for governmental activities in the statement of net position
are different because:

Long-term assets, are not realizable in the current period and therefore are not
reported as assets in the funds. Long-term assets at year-end consist of:

Prepaid expenditures	10,645
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Capital assets used in governmental activities are not financial resources
and therefore are not reported as assets in governmental funds.

Capital Assets, net	32,962,890
Right to Use Assets, net	37,921

Long-term liabilities, including bonds payable, are not due and payable
in the current period and therefore are not reported as liabilities
in the funds. Long-term liabilities at year-end consist of:

Bonds Payable	(11,967,727)
Notes Payable	(4,046)
Lease Payable	(41,184)
Accrued Interest Payable	(60,450)
Termination Benefits Payable	(344,356)
Net Pension Liability	(83,754)

Deferred outflows of resources represent the consumption of net position
that is applicable to future reporting period and therefore not reported as
assets in the funds

21,340

Deferred inflows of resources represents the acquisition of net assets
applicable to a future reporting period and therefore are not reported as
liabilities in the funds.

(42,762)

Total net position - governmental activities	<u>\$ 24,171,924</u>
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See Accompanying Notes to Basic Financial Statements.

Lamoille North Modified Unified Union School District
FUND FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	Governmental Fund Types			
	General Fund	Capital Projects Fund	Special Revenue Funds	Total
REVENUES				
Elementary Education	\$ 17,119,014	\$ -	\$ 594,616	\$ 17,713,630
High School and Middle School Education	19,887,634	-	653,631	20,541,265
Vocational Education	4,443,939	-	-	4,443,939
Interest Income	439,329	18,985	1,197	459,511
Donations	-	1,725	349,327	351,052
Scholarships	-	-	6,720	6,720
Miscellaneous Income	-	-	702	702
	<u>41,889,916</u>	<u>20,710</u>	<u>1,606,193</u>	<u>43,516,819</u>
TOTAL REVENUES				
EXPENDITURES				
Elementary Education	16,801,261	-	797,188	17,598,449
High School and Middle School Education	19,540,333	-	988,678	20,529,011
Vocational Education	4,518,436	-	-	4,518,436
Construction Costs	-	408,053	-	408,053
Miscellaneous Expense	-	-	340,437	340,437
	<u>40,860,030</u>	<u>408,053</u>	<u>2,126,303</u>	<u>43,394,386</u>
TOTAL EXPENDITURES				
EXCESS/(DEFICIENCIES) OF REVENUES OVER/(UNDER) EXPENDITURES	<u>1,029,886</u>	<u>(387,343)</u>	<u>(520,110)</u>	<u>122,433</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Asset	5,000	-	-	5,000
Transfers In	27,233	-	540,797	568,030
Transfers Out	(564,852)	-	(3,178)	(568,030)
	<u>(532,619)</u>	<u>-</u>	<u>537,619</u>	<u>5,000</u>
TOTAL OTHER FINANCING SOURCES				
NET CHANGE IN FUND BALANCE	497,267	(387,343)	17,509	127,433
FUND BALANCE, Beginning of Year	<u>2,134,369</u>	<u>1,103,993</u>	<u>317,612</u>	<u>3,555,974</u>
FUND BALANCE, End of Year	<u>\$ 2,631,636</u>	<u>\$ 716,650</u>	<u>\$ 335,121</u>	<u>\$ 3,683,407</u>

See Accompanying Notes to Basic Financial Statements.

Lamoille North Modified Unified Union School District
FUND FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

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

Total net change in fund balances - governmental funds	\$ 127,433
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Amounts reported for governmental activities in the statement of activities
are different because:

Long-term assets, are not realizable in the current period and therefore are not
reported as assets in the funds. Long-term assets at year-end consist of:

Prepaid Expense	(21,287)
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Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is
allocated over their estimated useful lives as depreciation expense:

Depreciation Expense	(1,728,100)
Capital Outlays	1,553,550
Loss on Asset Disposals	(24,869)
Amortization Expense	(25,637)
Lease Expense	23,635

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:

Termination Benefits Paid	93,597
Termination Benefits Accrued	(128,596)
Pension Expense	13,803

Repayment of long-term debt is an expenditure in the governmental funds,
but the repayment reduces long-term liabilities in the statement of net position:

Bond Payments	1,000,093
Note Payments	494

Change in net position of governmental activities	<u>\$ 884,116</u>
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See Accompanying Notes to Basic Financial Statements.

Lamoille North Modified Unified Union School District
FUND FINANCIAL STATEMENTS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	<u>Proprietary Fund Types</u> Vocational Building Trades
<u>ASSETS</u>	
ASSETS	
Inventory	\$ 74,670
TOTAL ASSETS	<u>\$ 74,670</u>
<u>LIABILITIES AND NET POSITION</u>	
LIABILITIES	
Due to Other Funds	\$ 15,991
TOTAL LIABILITIES	<u>15,991</u>
NET POSITION	
Restricted	<u>58,679</u>
TOTAL NET ASSETS	<u>58,679</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 74,670</u>

See Accompanying Notes to Basic Financial Statements.

Lamoille North Modified Unified Union School District
FUND FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	Proprietary Fund Types <u>Vocational</u> <u>Building</u> <u>Trades</u>
OPERATING REVENUE	
Sale of Buildings	\$ <u>64,662</u>
OPERATING EXPENSE	
Cost of Buildings	<u>64,662</u>
INCREASE (DECREASE) IN NET POSITION	-
NET POSITION, Beginning of Year	<u>58,679</u>
NET POSITION, End of Year	<u><u>\$ 58,679</u></u>

See Accompanying Notes to Basic Financial Statements.

Lamoille North Modified Unified Union School District
FUND FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	<u>Proprietary</u> <u>Fund Types</u> Vocational Building Trades
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash receipts	\$ 64,662
Cash payments for materials and services	<u>(64,662)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>-</u>
CASH - BEGINNING OF YEAR	<u>-</u>
CASH - END OF YEAR	<u><u>\$ -</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating Income	\$ -
Adjustment to reconcile operating income to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Inventory	(10,008)
Accounts Payable	(3,924)
Due to Other Funds	<u>13,932</u>
Net cash provided by operating activities	<u><u>\$ -</u></u>

See Accompanying Notes to Basic Financial Statements.

Lamoille North Modified Unified Union School District
FUND FINANCIAL STATEMENTS
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
For the Year Ended June 30, 2025

	<u>Fiduciary Fund Type</u>
	<u>Private Purpose Trusts</u>
<u>ASSETS</u>	
ASSETS	
Cash	<u>\$ 23,839</u>
<u>LIABILITIES AND NET POSITION</u>	
NET POSITION	
Held in Trust for Grammar School Sales and Other Purposes	<u>\$ 23,839</u>

See Accompanying Notes to Basic Financial Statements.

Lamoille North Modified Unified Union School District
FUND FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
For the Year Ended June 30, 2025

	Fiduciary Fund Type <u>Private Purpose Trusts</u>
ADDITIONS	
Interest Income	\$ 543
TOTAL ADDITIONS	<u>543</u>
CHANGE IN NET POSITION	543
NET POSITION, Beginning of Year	<u>23,296</u>
NET POSITION, End of Year	<u>\$ 23,839</u>

See Accompanying Notes to Basic Financial Statements

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

All operations of the School District are controlled by an eighteen-member Board of School Directors, elected in Town-wide elections, and responsible for all of the School District's activities. The financial statements include all of the School District's operations controlled by the Board of School Directors. Based on criteria for determining the reporting entity (separate legal entity and fiscal or financial dependency on other governments), the School District is considered to be an independent reporting entity and has no component units.

The District provides elementary and secondary education for the Towns of Belvidere, Eden, Hyde Park, Johnson and Waterville, Vermont. The District provides secondary education for the towns previously noted and Town of Cambridge, Vermont. The District also operates a Vocational Center, which serves towns located in the Lamoille North Supervisory Union, the Lamoille South Supervisory Union and the Orleans Southwest Supervisory Union. The District is a member of the Lamoille North Supervisory Union (LNSU) from which is received superintendent and business services.

District-wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the School District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expense of a given program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post-employment healthcare benefits, are recorded only when payment is due.

Assessments, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the School District receives cash.

The School District reports the following major governmental funds:

- * The general fund is the School District's primary operating fund. It accounts for all financial resources of the School District, except those required to be accounted for in another fund.
- * The capital projects fund accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the School District.
- * The special revenue fund accounts for various school donations.

The School District reports the following trust funds:

Private-Purpose Trust Funds

- * Assets Held in Trust for Grammar School Sale – this trust fund is used to hold the proceeds from an old schoolhouse buildings that was sold.

Private-sector standards of accounting, and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Data

Budgets are presented on the modified accrual basis of accounting for all governmental funds. Budgets are not adopted on a School District level for the financial funds or the student activities agency fund. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- * During January of each year, the Principal and Vocational Director submit to the School Board a proposed operating budget for the next fiscal year commencing July 1st. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30th.
- * Two public hearings are conducted to inform taxpayers of the budget. The first hearing is held at the Annual District Meeting which is held on the third Tuesday in February. The second hearing is held within 10 days prior to the ballot vote.
- * The District budget is voted on Town Meeting Day by Australian ballot. The proposed budget is distributed to the legal voters of the District 10 days before the Annual Meeting.
- * Once adopted, the budget can be amended by subsequent Board action. The Board upon recommendation of the Superintendent can approve reductions in appropriations but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Vermont State law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- * Expenditures may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the undesignated fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent fiscal year. As a result, overall fund revenues variances will be negative and overall fund expenditures variances will be positive.

Cash and Cash Equivalents

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.

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are reported at fair value. Changes in the fair value of investments are recorded as investment income. The reported value is basically the same as the fair value of the Fund's shares.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of inter-fund loans) or "advances from/to other funds" (i.e., the non-current portion of inter-fund loans). Lamoille North Modified Unified Union School District generally maintains one cash account in the General Fund to pay expenditures and receive payments for efficiency. All interfund balances resulted from the time lag between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) repayments between funds are made.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Inventories

Inventories are valued at cost, using the first-in, first-out method.

Capital Assets

Capital assets are property owned by the School District and include computers, computer equipment and peripherals: equipment such as vehicles, machinery, copiers, and office equipment; buildings and land: and infrastructure such as roads, bridges, tunnels, rights of way, and culverts.

General capital assets should be capitalized and recorded when all of the following criteria are met:

- (1) The asset is tangible and complete.
- (2) The asset is used in the operation of the School District's activities.
- (3) The asset has a value equal to or greater than \$5,000 and a useful life of more than one year, at the date of acquisition.

All general capital assets must be recorded at either historical cost or estimated historical cost. Assets acquired through donation will be recorded at their estimated fair market value on the date of donation. In addition to purchase price or construction cost, costs of capitalization may include incidental costs, such as bond interest and issuance cost, insurance during transit, freight, duties, title search, title registration, installation, and breaking-in costs.

The straight-line depreciation method will be used with lives as recommended by the Association of School Business Officials (ASBO).

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-term Obligations

In the district-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets.

Government-Wide and Proprietary Fund Net Position

Government-wide and Proprietary Fund Net Position is divided into the following components:

Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net position – consists of net position that are restricted by the District's creditors, by enabling legislation, by grantors (both federal and state), and/or by contributors.

Unrestricted – all other net positions reported in this category.

Government Fund Balances

Effective July 1, 2010, the District adopted the provisions of GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions."

In the governmental fund statements, fund balances are classified as follows:

Restricted – Amounts that can be spent only for specific purposes because of laws, regulations, or externally imposed conditions by grantors or creditors.

Committed – Amounts that can be used only for specific purposes determined by a formal action by the School Board.

Assigned – Amounts that are designated by management for a particular purpose.

Nonspendable – Amounts that cannot be spent because they are not spendable in form or are legally or contractually required to be maintained intact.

Unassigned – All amounts not included in other classifications.

When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed. For unrestricted amounts of fund balance, it is the district's policy to use the fund balance in the following order, (1) Committed, (2) Assigned, (3) Unassigned.

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

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

NOTE 2 CASH

The cash deposits in the School District accounts as of June 30, 2025 consisted of the following:

	<u>Bank Balance</u>	<u>Book Balance</u>
Insured (FDIC)	\$ 10,489,144	\$ 3,515,625
Collateralized	80,051	73,230
Uninsured	<u>-</u>	<u>2,768</u>
 TOTAL	 <u>\$ 10,569,195</u>	 <u>\$ 3,591,623</u>

The difference between the book balance and the bank balance is due to reconciling items such as deposits in transit and outstanding checks.

Cash deposits with Community Bank and Union Bank held by the School District at June 30, 2025 are secured through a repurchase agreements. Cash deposits with Union Bank held by the School District are held in an insured sweep account.

NOTE 3 ACCOUNTS RECEIVABLE

General Fund:

State of Vermont	\$ 209,728
Due from LNSU and CES	<u>617,853</u>
 Total General Fund	 <u>\$ 827,581</u>

Special Revenue Fund:

Other Receivables	\$ 1,983
Due from LNSU and CES	<u>197,021</u>
 Total Special Revenue Fund	 <u>\$ 199,004</u>

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 4 CAPITAL AND RIGHT TO USE ASSETS

Capital asset activity for the year ended June 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities:</u>				
Capital assets, not being depreciated				
Land	\$ 278,810	\$ -	\$ -	\$ 278,810
Construction in progress	-	230,275	-	230,275
Total capital assets, not being depreciated	<u>278,810</u>	<u>230,275</u>	<u>-</u>	<u>509,085</u>
Capital assets, being depreciated				
Land improvements	516,008	-	-	516,008
Buildings and improvements	57,597,762	427,488	-	58,025,250
Vehicles	489,667	410,784	(170,985)	729,466
Furniture and equipment	3,924,046	485,003	(7,415)	4,401,634
Total capital assets, being depreciated	<u>62,527,483</u>	<u>1,323,275</u>	<u>(178,400)</u>	<u>63,672,358</u>
Accumulated depreciation for				
Land improvements	(273,669)	(35,213)	-	(308,882)
Buildings and improvements	(26,407,821)	(1,436,847)	-	(27,844,668)
Vehicles	(390,278)	(34,890)	150,618	(274,550)
Furniture and equipment	(2,572,216)	(221,150)	2,913	(2,790,453)
Total accumulated depreciation	<u>(29,643,984)</u>	<u>(1,728,100)</u>	<u>153,531</u>	<u>(31,218,553)</u>
Total capital assets, being depreciated, net	<u>32,883,499</u>	<u>(404,825)</u>	<u>(24,869)</u>	<u>32,453,805</u>
Governmental activities capital assets, net	<u>\$ 33,162,309</u>	<u>\$ (174,550)</u>	<u>\$ (24,869)</u>	<u>\$ 32,962,890</u>

Right of use asset activity for the year ended June 30, 2025 is as follows:

Right to use assets, being amortized				
Right to use	\$ 82,759	\$ 19,235	\$ -	\$ 101,994
Total right to use assets, being amortized	<u>82,759</u>	<u>19,235</u>	<u>-</u>	<u>101,994</u>
Accumulated amortization for				
Right to use	(38,436)	(25,637)	-	(64,073)
Total accumulated amortization	<u>(38,436)</u>	<u>(25,637)</u>	<u>-</u>	<u>(64,073)</u>
Governmental Activities Right to Use Assets, net	<u>\$ 44,323</u>	<u>\$ (6,402)</u>	<u>\$ -</u>	<u>\$ 37,921</u>

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 5 INTERFUND RECEIVABLE AND PAYABLE BALANCES

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Capital Projects Fund	\$ 762,684	\$ -
General Fund	-	556,837
Vocational Building Trades Fund	-	15,991
Special Revenue Fund	<u>-</u>	<u>189,856</u>
Total Fund Financial Statement Balances	<u>\$ 762,684</u>	<u>\$ 762,684</u>

The School District generally maintains one cash account in the General Fund to pay expenditures and receive payments for efficiency. All interfund balances resulted from time lag between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) repayments between funds are made.

NOTE 6 BONDS PAYABLE

Bond activity for the year ended June 30, 2025 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
<u>LUHS #18 Campus</u>					
Vermont Municipal Bond Bank, 20 yr. bond dated 7/20/06, 3.835% to 4.665% interest payable semi-annually, \$395,000 principal payable annually Dec. 1, 2007 to 2025, \$350,000 principal payable Dec. 1, 2026.	\$ 1,140,000	\$ -	\$ (395,000)	\$ 745,000	\$ 395,000
Vermont Municipal Bond Bank, 20 yr. bond, dated 2/1/2020, at a variable interest payable semi-annually, \$111,650 principal payable annually June 1, 2022 to 2041.	1,898,050	-	(111,650)	1,786,400	111,650
<u>Johnson Campus</u>					
Vermont Municipal Bond Bank, annual principal payments of \$85,769 in 2018 - 2030 and interest due semi-annually at various interest rates, currently 3.115%, matures December, 2029	514,615	-	(85,770)	428,845	85,769

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 6 BONDS PAYABLE (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
<u>Eden Campus</u>					
Vermont Municipal Bond Bank, annual principal payments of \$30,750 due annually on November 1st including semi annual interest at 3.4%, due November, 2035	369,000	-	(30,750)	338,250	30,750
<u>Hyde Park Campus</u>					
Vermont Municipal Bond Bank, Principal payments due annually beginning on November 1, 2022 and variable interest payments due semiannually through November, 2047.	<u>9,046,154</u>	<u>-</u>	<u>(376,923)</u>	<u>8,669,231</u>	<u>376,923</u>
Total Bonds Payable	<u>\$ 12,967,819</u>	<u>\$ -</u>	<u>\$ (1,000,093)</u>	<u>\$ 11,967,726</u>	<u>\$ 1,000,092</u>

Maturities of bonds payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Savings Allocation</u>	<u>Total</u>
2026	\$ 1,000,092	\$ 422,353	\$ (21,897)	\$ 1,400,548
2027	955,092	388,574	(7,962)	1,335,704
2028	605,092	363,313	-	968,405
2029	605,092	345,492	-	950,584
2030	605,093	326,881	-	931,974
2031-2035	2,596,615	1,374,777	-	3,971,392
2036-2040	2,473,615	929,236	-	3,402,851
2041-2045	1,996,265	467,832	-	2,464,097
2046-2050	<u>1,130,770</u>	<u>76,327</u>	<u>-</u>	<u>1,207,097</u>
TOTALS	<u>\$ 11,967,726</u>	<u>\$ 4,694,785</u>	<u>\$ (29,859)</u>	<u>\$ 16,632,652</u>

The total interest expense paid on the bonds listed above for the year ended June 30, 2025 was \$441,389.

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 7 NOTES PAYABLE

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Eden Campus note payable with US Bank, payments of \$645 due annually on January 1st at 3.00% interest, due January 2032.	\$ 4,540	\$ -	\$ (494)	\$ 4,046	\$ 524

Maturities of notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 524	\$ 121	\$ 645
2027	540	105	645
2028	556	89	645
2029	573	72	645
2030	590	55	645
2031-2035	<u>1,263</u>	<u>56</u>	<u>1,319</u>
	<u>\$ 4,046</u>	<u>\$ 498</u>	<u>\$ 4,544</u>

The total interest expense paid on the note listed above for the year ended June 30, 2025 was \$151.

NOTE 8 SHORT-TERM DEBT

Short-term debt consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Revenue Anticipation Note (3.80%)	\$ -	\$ 4,577,538	\$ (4,577,538)	\$ -

Total interest expense paid on the revenue anticipation note during the year ended June 30, 2025 was \$209,556.

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 9 LEASES

Lease agreements are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease	Ending Balance
Hyde Park Copier Lease	8/18/2022	48 mos.	\$ 1,080	3.0%	\$ 48,777	\$ 14,835
Johnson Copier Lease	4/1/2021	48 mos.	207	3.0%	9,363	2,044
Johnson Copier Lease 2	11/1/2024	48 mos.	440	4.7%	19,235	16,649
High School Copier Lease	8/18/2022	48 mos.	557	3.0%	25,172	7,656
Total Lease Agreements						<u>\$ 41,184</u>

Copier leases for all schools have a term of 48 months at a fixed interest rate of 3.00%. The Johnson Elementary School copier lease ends in 2025, and the Hyde Park Elementary School and Lamoille Union High School copier leases end in 2027.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30,	Principal	Interest
2026	\$ 25,874	\$ 1,124
2027	8,082	476
2028	5,052	232
2029	<u>2,176</u>	<u>26</u>
Total	<u>\$ 41,184</u>	<u>\$ 1,858</u>

NOTE 10 TERMINATION BENEFITS

Teachers

Upon retirement, teachers with at least fifteen years of service to the district and have reached the age of 55 are entitled to reimbursement for unused sick leave at the rate of \$50 per day up to a maximum of \$9,250 per the contract with the Teachers' Association.

Support Staff

Upon retirement, support staff with at least ten years of consecutive service to the district and have reached the age of 55 are entitled to reimbursement for unused sick leave at the rate of \$50 per day up to a maximum of \$7,500 per the contract for support staff. Also, upon termination all support staff are eligible to be paid up to 180 hours of accrued vacation time.

The total amount of these termination benefits accumulated as of June 30, 2025 is \$344,353.

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 10 TERMINATION BENEFITS (continued)

	<u>Balance at 06/30/2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at 06/30/2025</u>	<u>Current Portion</u>
Sick leave payable	\$ 260,705	\$ 90,832	\$ (81,077)	\$ 270,460	\$ 36,264
Vacation leave payable	<u>48,649</u>	<u>37,764</u>	<u>(12,520)</u>	<u>73,893</u>	<u>73,893</u>
Leave benefits payable	<u>\$ 309,354</u>	<u>\$ 128,596</u>	<u>\$ (93,597)</u>	<u>\$ 344,353</u>	<u>\$ 110,157</u>

NOTE 11 CHANGES IN ACCOUNTING PRINCIPLE

On July 1, 2024, Lamoille North Modified Unified Union School District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. GASB No. 101 will supersede GASB No. 16, which was issued in 1992. This statement requires retrospective application of material accruals. GASB No. 101 will result in a more robust estimate of liabilities for compensated absences and greater consistency in how these liabilities are reported. This change had no effect on the financial statements.

NOTE 12 NET POSITION HELD IN TRUST

The district sold an old schoolhouse building after they closed. The proceeds from the sale of the asset is held in a trust in the fiduciary fund as it is non-expendable. The District is allowed to spend interest earned on this original investment. The total asset held in trust at year end June 30, 2025 is \$23,839.

NOTE 13 FUND BALANCE AND NET POSITION

Fund Financial Statements:

Nonspendable Fund Balances at June 30, 2025 are as follows:

General Fund:	
Nonspendable for Prepaid Expenses	\$ <u>106,406</u>
	<u>\$ 106,406</u>

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 13 FUND BALANCE AND NET POSITION (continued)

Committed Fund Balances at June 30, 2025 are as follows:

General Fund:

Committed for FY26 Elementary Expenditures	\$ 579,000
Committed for FY26 High School/Middle School Expenditures	215,824
Committed for FY26 GMTCC Expenditures	39,856
Committed for FY26 Transfer Funds	343,108
Special Reserve - HRA/HAS	151,414
Special Reserve - GMTCC Tuition	70,000
Rowland Epic Academy	7,855
DEI	726
NEA Foundation	4,500
JUUL Settlement	26,146
After School Program	69,183
Y.E.S. Program	35,002
Substance Misuse Prevention	53
Adult Education	<u>63,188</u>
	<u>\$ 1,605,855</u>

Capital Projects Fund:

Capital Expenditures	\$ 312,148
Committed for Cricket Hill Trail	6,728
Committed for LUSD Technology	2,057
Committed for GMTCC O & M	96,050
Capital Reserve	<u>299,667</u>
	<u>\$ 716,650</u>

Restricted Fund Balances at June 30, 2025 are as follows:

Restricted by Donors	<u>\$ 335,121</u>
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Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 13 FUND BALANCE AND NET POSITION (continued)

District-Wide Financial Statements:

Restricted Net Position at June 30, 2025 is as follows:

Government Types:	
Restricted by Donors	<u>\$ 335,121</u>
Proprietary Fund:	
Restricted for Vocational Building Trades	<u>\$ 58,679</u>

NOTE 14 DEFINED CONTRIBUTION PLANS

The Lamoille North Modified Unified Union School District participates in the Lamoille North Supervisory Retirement Plan, which is a 403 (b) defined contribution plan. Employees not participating in the Vermont State Teachers' Retirement System Plan, who are at least 21 years of age and have completed one year of service (defined as 1,000 hours of service in a plan year) are eligible to participate in the plan. Employer contributions to the plan are discretionary and allocated among participants as a uniform percent of pay.

Lamoille North Supervisory Union began a new retirement plan on July 1, 2008. Under this, new plan employees hired prior to July 1, 2008, will receive an employer match of up to 4% of eligible wages. Employees hired after July 1 will receive an employer match of up to 3% of eligible employee wages. Covered wages under the plan were \$3,057,492 in fiscal year 2025. Contributions accrued at year end by the District to be paid in fiscal year 2025 were \$95,229.

NOTE 15 TEACHERS RETIREMENT- VSTRS

Information Required Under GASB Statement No. 68

Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions requires employers participating in a cost-sharing, multiple-employer defined benefit pension plan to recognize their proportional share of total pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The schedules below have been prepared to the Lamoille North Modified Unified Union School District's proportional share of the overall amounts of the Vermont State Teachers' Retirement System (VSTRS) plan. Lamoille North Modified Unified Union School District's portion has been allocated based on Lamoille North Modified Unified Union School District's proportional share of employer contributions to the total contributions to VSTRS during the fiscal year.

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 15 TEACHERS RETIREMENT- VSTRS (continued)

Reporting Date, Measurement Date, and Valuation Date

Net pension liabilities, deferred pension outflows of resources, deferred pension inflows of resources, and pension expense are all presented as of the Lamoille North Modified Unified Union School District's reporting date (June 30, 2025) and for the Lamoille North Modified Unified Union School District's reporting period (the year ended June 30, 2025). These amounts are measured as of the measurement date and for the measurement period (the period between the prior and current measurement dates). GASB Statement No. 68 requires that the current measurement date be no earlier than the end of the employer's prior fiscal year. For the reporting date of June 30, 2025, the State has chosen to use the end of the prior fiscal year (June 30, 2024) as the measurement date, and the year ended June 30, 2024 as the measurement period.

The total pension liability is determined by an actuarial valuation performed as of the measurement date, or by the use of update procedures to roll forward to the measurement date amounts from an actuarial valuation as of a date no more than 30 months and 1 day earlier than the employer's most recent fiscal year-end. The State has elected to apply update procedures to roll forward amounts from an actuarial valuation performed as of June 30, 2023, to the measurement date of June 30, 2024.

Schedule A – Employers' Allocation as of June 30, 2023

Fiscal Year Ended June 30, 2023						
2023 Covered Payroll	Employer Proportion	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.00% Discount Rate)	Net Pension Liability 1% Increase (8.00% Discount Rate)
\$ 10,639,687	1.34459%	\$ 25,144,583	\$ 2,510,817	\$ 562,250	\$ 32,389,081	\$ 19,103,346

Schedule B – Employers' Allocation as of June 30, 2024

Fiscal Year Ended June 30, 2024						
2024 Covered Payroll	Employer Proportion	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.00% Discount Rate)	Net Pension Liability 1% Increase (8.00% Discount Rate)
\$ 11,456,475	1.37618%	\$ 24,126,377	\$ 1,891,518	\$ 432,547	\$ 31,791,379	\$ 17,732,464

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 15 TEACHERS RETIREMENT- VSTRS (continued)

Schedule C – Employers’ Allocation of Pension Amounts as of June 30, 2024

Deferred Outflows of Resources						
Employer Proportion	Net Pension Liability	Difference Between Expected and Actual Experience	Differences Between Projected and Actual Investment Earnings	Changes in Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows
1.37619%	\$ 24,126,377	\$1,247,125	\$ 126,258	\$ -	\$ 518,135	\$ 1,891,518

Deferred Inflows of Resources			
Difference Between Expected and Actual Experience	Changes in Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows
\$ -	\$ 163,389	\$ 269,258	\$ 432,647

Pension Expense Recognized		
Proportionate Share of Plan Pension Expense	Net Amortization of Deferred Amounts from Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense
\$ 2,289,365	\$ 19,397	\$ 2,308,762

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 15 TEACHERS RETIREMENT- VSTRS (continued)

Schedule D – Employers’ Allocation of Recognition of Deferred Outflows/Inflows as of June 30, 2024

Fiscal Year					
2025	2026	2027	2028	2029	Thereafter
\$ 195,306	\$ 1,233,010	\$ (11,522)	\$ (115,868)	\$ 157,944	\$ -

Schedule E – Covered Payroll

FY 2024	FY 2023	FY 2022
\$ 10,639,687	\$ 10,639,687	\$ 10,264,983

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 VSTRS or its 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 (ACFR). The ACFR can be viewed on the State's Department of Finance & Management website at:

<https://finance.vermont.gov/reports-and-publications/annual-comprehensive-financial-report>

Plan Description

The Vermont State Teachers' Retirement System is a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation. It covers nearly all public day school and nonsectarian private high school teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2024, the retirement system consisted of 135 participating employees.

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

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

The Pension Plan is divided into the following membership groups:

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

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 15 TEACHERS RETIREMENT- VSTRS (continued)

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service, and are summarized below:

VSTRS	GROUP A	GROUP C - GROUP #1*	Group C - Group #2++
Normal service retirement eligibility (no reduction)	Age 60 or with 30 years of service	Age 62 or with 30 years of service	Age 65 or when the sum of age and service equals 90
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 creditable service prior to 6/30/90 x AFC + 1.67% x creditable service after 7/1/90 x AFC	1.25% x creditable service prior to 6/30/90 x AFC + 1.67% x service after 7/1/90 x AFC, 2.0% x AFC 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%	If retired or eligible for retirement on 06/30/2022 or before: 50% CPI, up to a maximum of 5% after 12 months of normal retirement or with 30 years, or age 62; minimum of 1%. If eligible for retirement on 07/01/2022 or after: 50% CPI, up to a maximum of 4% after 24 months of retirement prior to the COLA effective date.	If retired or eligible for retirement on 06/30/2022 or before: 50% CPI, up to a maximum of 5% after 12 months of normal retirement or with 30 years, or age 62; minimum of 1%. If eligible for retirement on 07/01/2022 or after: 50% CPI, up to a maximum of 4% after 24 months of retirement prior to the COLA effective date.
Early Retirement Eligibility	Age 50 with 5 years of service	Age 50 with 5 years of service	Age 50 with 5 years of service
Early Retirement Reduction	Actuarial reduction	6% per year from age 62	Actuarial reduction
Disability Benefits	Unreduced, accrued benefit minimum of 25% of AFC	Unreduced, accrued benefit minimum of 25% of AFC	Unreduced, accrued benefit minimum of 25% of AFC
Death-in-Service Benefit	Accrued retirement benefit with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 15 TEACHERS RETIREMENT- VSTRS (continued)

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

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

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

Significant Actuarial Assumptions and Methods

The total pension liability as of June 30, 2024 was determined based on the June 30, 2023 actuarial valuation:

Investment rate of return: 7.00%

Salary Increases: Ranging from 3.19% to 8.50%.

Mortality:

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

Retiree Healthy Post-retirement: PubT-2010 Teacher Retiree Table Amount-Weighted Table, with creditability adjustments of 103% and 93% for the Male and Female tables, respectively, with generational projection using scale MP-2021

Beneficiary Healthy Post-retirement: PubT-2010 Teacher Employee Amount-Weighted Table with generational projection using scale MP-2021

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

Inflation: 2.30%

Spouse's Age: Females three years younger than males

Cost-of-Living Adjustments: 2.30% (3.80% for 2025 and 2.20% for 2024) for Group A members and 1.20% (1.90% for 2025 and 1.10% for 2024) for Group B & C members.

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

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 15 TEACHERS RETIREMENT- VSTRS (continued)

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

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2024, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
US Aggregate Fixed Income	19.00%	1.70%
TIPS	2.00%	1.70%
Large/Mid Cap US Security	4.00%	4.20%
Small Cap US Equity	3.00%	4.70%
Dev Large/Mid Cap Int'l Eq	5.00%	5.95%
Global Equity	32.00%	5.25%
Core Real Estate	3.00%	3.45%
Non-Core Real Estate	4.00%	5.70%
Private Credit	11.00%	5.70%
Private Equity	11.00%	7.45%
Private Core Infrastructure	4.00%	4.95%
Agriculture/Farmland	2.00%	3.95%
	100.00%	

Discount rate

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

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 15 TEACHERS RETIREMENT- VSTRS (continued)

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

1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
\$ 31,791,379	\$ 24,126,377	\$ 17,732,464

During the year ended June 30, 2024 the state of Vermont contributed \$3,028,990 on behalf of Lamoille North Modified Unified Union School District.

NOTE 16 RETIREMENT PLAN - VMERS

Information Required Under GASB Statement No. 68

Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions requires employers participating in a cost-sharing, multiple-employer defined benefit pension plan to recognize their proportional share of total pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The schedules below have been prepared to provide Lamoille North Modified Unified Union School District's proportional share of the overall amounts of the VMERS plan. Lamoille North Modified Unified Union School District's portion has been allocated based on Lamoille North Modified Unified Union School District's proportional share of employer contributions to the total contributions to VMERS during the fiscal year.

Reporting Date, Measurement Date, and Valuation Date

Net pension liabilities, deferred pension outflows of resources, deferred pension inflows of resources, and pension expense are all presented as of the Lamoille North Modified Unified Union School District's reporting date June 30, 2025 and for the Lamoille North Modified Unified Union School District's reporting period (the year ended June 30, 2025). These amounts are measured as of the measurement date and for the measurement period (the period between the prior and current measurement dates). GASB Statement No. 68 requires that the current measurement date be no earlier than the end of the employer's prior fiscal year. For the reporting date of Lamoille North Modified Unified Union School District, the State has chosen to use the end of the prior fiscal year (June 30, 2024) as the measurement date, and the year ended June 30, 2024, as the measurement period.

The total pension liability is determined by an actuarial valuation performed as of the measurement date, or by the use of update procedures to roll forward to the measurement date amounts from an actuarial valuation as of a date no more than 30 months and 1 day earlier than the employer's most recent fiscal year-end. The State has elected to apply update procedures to roll forward amounts from an actuarial valuation performed as of June 30, 2024, to the measurement date of June 30, 2024.

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 16 RETIREMENT PLAN - VMERS (continued)

Schedule A – Employer Allocations as of June 30, 2023

Fiscal Year Ended June 30, 2023						
Employer Contributions	Employer Proportion	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.00% Disc Rate)	Net Pension Liability 1% Increase (8.00% Disc Rate)
\$ 10,889	0.03820%	\$ 122,358	\$ 25,583	\$ 30,581	\$ 184,168	\$ 71,553

Schedule B – Employers' Allocation as of June 30, 2024

Fiscal Year Ended June 30, 2024						
Employer Contributions	Employer Proportion	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.00% Disc Rate)	Net Pension Liability 1% Increase (8.00% Disc Rate)
\$ 8,306	0.02522%	\$ 83,754	\$ 11,588	\$ 42,762	\$ 128,048	\$ 47,399

Schedule C – Employers' Allocation of Pension Amounts as of June 30, 2024

Deferred Outflows of Resources							
Employer Proportion	Net Pension Liability	Difference Between Expected and Actual Experience	Changes in Assumptions	Changes in Benefits	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportional Share of Contributions	Total Deferred Outflows
0.02522%	\$ 83,754	\$ 9,071	\$ 451	\$ -	\$ 2,066	\$ -	\$ 11,588

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 16 RETIREMENT PLAN - VMERS (continued)

Deferred Inflows of Resources					
Difference Between Expected and Actual Experience	Changes in Assumptions	Changes in Benefits	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows
\$ -	\$ -	\$ -	\$ -	\$ 42,762	\$ 42,762

Pension Expense Recognized		
Proportionate Share of Pension Plan Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense
\$ 16,593	\$ (20,714)	\$ (4,121)

Schedule D – Employers’ Allocation of Recognition of Deferred Outflows/Inflows as of June 30, 2024

Fiscal Year Ending June 30, 2024					
2025	2026	2027	2028	2029	Thereafter
\$ (14,693)	\$ (7,436)	\$ (7,690)	\$ (1,355)	\$ -	\$ -

For entities with a reporting date in 2024, the amounts shown will be recognized in the expense for plan years ending in 2025, 2026, 2027 and 2028.

Schedule E – Contributions History for Fiscal Years 2022-2024

FY 2024	FY 2023	FY 2022
\$ 8,306	\$ 10,889	\$ 12,944

The full report containing the schedules of all employers in the VMERS plan will be available on the State of Vermont Treasurer's website at:

<http://www.vermonttreasurer.gov/content/retirement/vmers/financial-reports>

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 16 RETIREMENT PLAN - VMERS (continued)

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 Vermont Municipal Employees' Retirement System (VMERS) or its participating employers. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Annual Comprehensive Financial Report (ACFR). The ACFR can be viewed on the State's Department of Finance & Management website at:

<http://finance.vermont.gov/reports-and-publications/annual-comprehensive-financial-report>

Plan Description

The Vermont Municipal Employees' Retirement System is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for school districts and other municipal employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2023, the retirement system consisted of 362 participating employees.

The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125.

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.

Summary of System Provisions

Summary of System Provisions

Membership	Full time employees of participating municipalities. Municipality elect's coverage under Groups A, B, C or D provisions.
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Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 16 RETIREMENT PLAN - VMERS (continued)

Creditable service	Service as a member plus purchased service.
Average Final Compensation (AFC)	Group A – average annual compensation during highest 5 consecutive years. Groups B and C – average annual compensation during the highest 3 consecutive years. Group D – average annual compensation during the highest 2 consecutive years.
Service Retirement Allowance	
Eligibility	Group A – The earlier of age 65 with 5 years of service or age 55 with 35 years of service. Group B – The earlier of age 62 with 5 years of service or age 55 with 30 years of service. Groups C and D – Age 55 with 5 years of service.
Amount	Group A – 1.4% of AFC x service Group B – 1.7% of AFC x service as Group B member plus percentage earned as Group A member x AFC. Group C – 2.5% of AFC x service as a Group C member plus percentage earned as a Group A or B member x AFC. Group D – 2.5% of AFC x service as a Group D member plus percentage earned as a Group A, B or C member x AFC. The maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The above amounts include the portion of the allowance provided by member contributions.
Early Retirement Allowance	
Eligibility	Age 55 with 5 years of service for Groups A and B; age 50 with 20 years of service for Group D.

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 16 RETIREMENT PLAN - VMERS (continued)

Amount	Normal retirement allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes Normal Retirement Age for Group A and B member, payable without reduction to Group D members.
Vested Retirement Allowance	
Eligibility	5 years of service.
Amount	Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on "Post-Retirement Adjustments" described below.
Disability Retirement Allowance	
Eligibility	5 years of service and disability as determined by Retirement Board.
Amount	Immediate allowance based on AFC and service to date of disability; children's benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.
Death Benefit	
Eligibility	Death after 5 years of service.
Amount	For Groups A, B and C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor's benefit under disability annuity computed as a date of death. For Group D, 70% of the unreduced accrued benefit plus children's benefit.
Optional Benefit and Death after Retirement	
	For Groups A, B and C, lifetime allowance or actuarially equivalent 50% or 100% joint or survivor allowance with refund of contribution guarantee. For Group D, lifetime allowance or 70% contingent annuitant option with no reduction.

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 16 RETIREMENT PLAN - VMERS (continued)

Refund of Contribution Upon termination, if the member so elects or if no other benefit is payable, the member's accumulated contributions are refunded.

Post-Retirement Adjustments Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in consumer price index but not more than 2% for Group A and 3% for Groups B, C and D.

Retirement Stipend \$25 per month payable at the option of the Board of retirees.

Member Contributions

<u>Group</u>	<u>For Fiscal Year ended 6/30/2024</u>	<u>Effective 7/1/2024</u>
Group A	3.75%	4.00%
Group B	6.125%	6.375%
Group C	11.25%	11.50%
Group D	12.60%	12.85%

Employer Contributions

<u>Group</u>	<u>For Fiscal Year ended 6/30/2024</u>	<u>Effective 7/1/2024</u>
Group A	5.25%	5.50%
Group B	6.75%	7.00%
Group C	8.50%	8.75%
Group D	11.10%	11.35%

Significant Actuarial Assumptions and Methods

Investment Rate of Return: 7.00%, net of pension plan investment expenses, including inflation

Salary Increases: Varying service-based rates from 0-10 years of service, then a single rate of 4.50% (individuals assumed inflation rate of 2.30%) for all subsequent year.

Mortality:

Pre-Retirement:

Groups A, B – 60% PubG-2010 General Employee Amount-Weighted below-median and 40% of PubG-2010 General Employee, with generational projection using scale MP-2021.

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 16 RETIREMENT PLAN - VMERS (continued)

Group C – PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021.

Group D – PubS-2010 Public Safety Employee Amount-Weighted below-median, with generational projection using scale MP-2021.

Healthy Post-Retirement - Retirees:

Groups A, B – 104% of 40% PubG-2010 General Healthy Retiree Amount-Weighted below median table with credibility adjustments of 90% to 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:

Groups A, B, C, D – Pub-2010 Contingent Survivor Amount-Weighted Below-Median Table, with generational projection using scale MP-2021.

Disabled Post-Retirement:

Groups A, B, C – PubNS-2010 Non-Safety Disable 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.

Spouse's Age: Females three years younger than males

Cost-of-Living Adjustments: 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members. The January 1, 2024, COLA is expected to be 1.10% for Group A and 1.10% for Groups B, C and D. The January 1, 2023, COLAs were 2.00% for Group A members and 3.00% for Groups B, C and D members.

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

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

Inflation: 2.30% per year

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 16 RETIREMENT PLAN - VMERS (continued)

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023, is summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
US Agg Fixed Income	19.00%	1.70%
TIPS	2.00%	1.70%
Large/Mid Cap US Security	4.00%	4.20%
Small Cap US Equity	3.00%	4.70%
Dev'd Large/Mid Cap Int'l Eq	5.00%	5.95%
Global Equity	32.00%	5.25%
Core Real Estate	3.00%	3.45%
Non-Core Real Estate	4.00%	5.70%
Private Credit	11.00%	5.70%
Private Equity	11.00%	7.45%
Private Core Infrastructure	4.00%	4.95%
Agriculture/Farmland	2.00%	3.95%

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the rates set by the Board (employers) and statute (members). For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's FNP was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability as of June 30, 2024.

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

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 16 RETIREMENT PLAN - VMERS (continued)

1% Decrease (6.00%)	Discount Rate (7.0%)	1% Increase (8.00%)
\$ 128,048	\$ 83,754	\$ 47,399

NOTE 17 OTHER POST EMPLOYMENT BENEFITS (OPEB) - VSTRS

The schedule of employer allocations and schedule of OPEB amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of the VSTRS or its participating employer. VSTRS does not issue standalone financial reports, but instead are included as part of the State of Vermont's Annual Comprehensive Financial Report (ACFR). The ACFR can be viewed on the State's Department of Finance and Management website at:

<https://finance.vermont.gov/reports-and-publications/annual-comprehensive-financial-report>

Schedule A – Employers' Allocation

2024 Employer Proportion	2023 Employer Proportion	Net OPEB Liability	Total Deferred Outflows	Total Deferred Inflows
1.58500%	1.57208%	\$ 13,652,151	\$ 2,428,080	\$ 5,550,771

Net OPEB Liability - 1% Decrease in Discount Rate (6.00%)	Net OPEB Liability - 1% Increase in Discount Rate (8.00%)	Net OPEB Liability - 1% Decrease in Healthcare Cost Trend Rates	Net OPEB Liability - 1% Increase in Healthcare Cost Trend Rates
\$ 15,790,006	\$ 11,879,681	\$ 11,654,127	\$ 16,150,466

Schedule B – Employers Allocation of OPEB Amounts as of June 30, 2024

Deferred Outflows of Resources						
Employers Portion	Net OPEB Liability	Difference Between Expected and Actual Experience	Difference Between Projected and Actual Investment Earnings	Changes in Assumptions	Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows
1.57208%	\$ 13,652,151	\$ 526,434	\$ -	\$ 1,595,311	\$ 306,335	\$ 2,428,080

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 17 OTHER POST EMPLOYMENT BENEFITS (OPEB) – VSTRS (continued)

Deferred Inflows of Resources				
Changes in Assumptions or Other Inputs	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Net Difference Between Projected and Actual Earnings on plan Investments	Difference Between Expected and Actual Experience	Total Deferred Inflows
\$ 5,039,331	\$ 377,556	\$ 133,884	\$ -	\$ 5,550,771

Pension Expense Recognized		
Proportionate Share of OPEB Expense	Net Amortization of Deferred Amounts from Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer OPEB Expense
\$ 254,818	\$ (46,376)	\$ 208,442

Schedule C – Employers’ Allocation of Recognition of Deferred Outflows/Inflows as of June 30, 2024

Fiscal Year					
2025	2026	2027	2028	2029	Thereafter
\$ (1,120,843)	\$ (1,123,259)	\$ (1,136,348)	\$ (159,999)	\$ 235,954	\$ 181,806

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).

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 17 OTHER POST EMPLOYMENT BENEFITS (OPEB) – VSTRS (continued)

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, 2024, the plan consisted of 138 participating employees.

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

All assets of the Plan are held in a single trust and are available to pay OPEB benefits to all members.

Summary of Plan

Eligibility:

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

Group A – Public school teachers employed within the State of Vermont prior to July 1, 1981, and elected to remain in Group A

- Retirement: Attainment of 30 years of creditable service, or age 55

Group C – Public school teachers employed within the State of Vermont on or after July 1, 1990. Teachers hired before July 1, 1990, and were Group B members in service on July 1, 1990, are now Group C members. Grandfathered participants are Group C members who were within five years of normal retirement eligibility as defined prior to July 1, 2010.

- Retirement Group C Grandfathered: Attainment of age 62-, or 30-years creditable service, or age 55 with 5 years of creditable service.
- Retirement Group C Non-grandfathered: Attainment of age 65, or age plus creditable service equal to 90, or age 55 with 5 years of creditable service.

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

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 17 OTHER POST EMPLOYMENT BENEFITS (OPEB) – VSTRS (continued)

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

Duration of Coverage: Lifetime.

Spousal Benefits: Same benefits as for retirees.

Spousal Coverage: Lifetime.

Retired before June 30, 2010:

Retirees with at least 10 years of service pay premium costs in excess of an 80% VSTRS subsidy. Retirees with less than 10 years of service do not receive any premium subsidy. Spouses do not receive any premium subsidy, regardless of the retiree's service.

Retired after June 30, 2010:

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

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

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

Spouse Coverage with 80% Subsidy

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

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

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 17 OTHER POST EMPLOYMENT BENEFITS (OPEB) – VSTRS (continued)

Actuarial assumptions

The Total OPEB Liability used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate: 7.00%

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

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

Retiree Contributions: Retiree contributions were assumed to increase with health trend. Rates were based on premiums effective January 1, 2025, trended back to the valuation date.

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

Healthy Post-Retirement - Retiree:
PubT-2010 Teacher Healthy Retiree Headcount-Weighted Table with generational projection using scale MP-2021.

Healthy Post-Retirement - Spouses:
Pub2010 Teacher Contingent Survivor Headcount-Weighted Table with generational projection using scale MP-2021.

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

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 17 OTHER POST EMPLOYMENT BENEFITS (OPEB) – VSTRS (continued)

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

Asset Valuation Method: Market Value

Measurement Date: June 30, 2024

Actuarial Valuation Date: June 30, 2023

Per Capita Cost Development:

Non-Medicare Medical and Prescription Drug

Per capita claims costs were based on a weighted average of the margin-free pro forma premium rates effective January 1, 2025. Actuarial factors were then applied to the weighted average cost to estimate individual retiree and spouse costs by age and by gender.

Medicare Medical and Prescription Drug \$300 Comprehensive and JY Plan:

Per capita claims costs were based on a weighted average of the premium rates effective January 1, 2025. Actuarial factors were then applied to the weighted average cost to estimate individual retiree and spouse costs by age and by gender.

Medicare Medical VSTRS 65:

Per capita claims costs were based on a weighted average of the premium rates effective January 1, 2025. Actuarial factors were then applied to the weighted average cost to estimate individual retiree and spouse costs by age and by gender.

Administrative Expenses

Per capita expenses were based on expenses effective for calendar year 2025.

Per Capita Health Costs:

Medical and prescription drug claims for the year beginning July 1, 2024, are shown in the table below for retirees and for spouses at selected ages. These costs are net of deductibles and other benefit plan cost sharing provisions.

Non-Medicare Medical				
Retiree				
Age	Male		Female	
50	\$	13,479	\$	14,233
55		15,210		15,450
60		17,512		16,749
64		21,283		18,183
Medicare \$300 Comprehensive and JY Plan				
65		4,579	3,803	1,906 1,583
70		5,143	4,255	2,141 1,771
75		5,681	4,473	2,365 1,862

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 17 OTHER POST EMPLOYMENT BENEFITS (OPEB) – VSTRS (continued)

Administrative Expenses:

For participants under age 65 with health and welfare coverage, an annual administrative expense of \$138 for the year beginning July 1, 2024, was added to projected incurred claim costs in developing the benefit obligations. The annual administrative expenses are projected to increase at 3.0% per year thereafter.

Health Care Cost Trend Rates:

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

Year Ending June 30,	Rate (%)		
	Non-Medicare		VSTRS 65
		Medicare \$300 Comprehensive and JY Plan	
2025	8.100	8.440	5.50
2026	7.800	8.090	5.40
2027	7.500	7.740	5.30
2028	7.200	7.390	5.20
2029	6.900	7.040	5.10
2030	6.600	6.690	5.00
2031	6.300	6.340	4.90
2032	6.000	5.990	4.80
2033	5.700	5.640	4.70
2034	5.400	5.290	4.60
2035	5.100	4.940	4.50
2036	4.800	4.590	4.50
2037 & Later	4.500	4.500	4.50

The trend rate assumptions were developed using Segal's internal guidelines, which are established each year using data sources such as the 2021 Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the S&P Dow Jones Indices, consulting firms and brokers, and CPI statistics published by the Bureau of Labor Statistics.

Retiree Contribution Increase Rate:

Retiree contributions were assumed to increase with health trend. Retiree contribution rates were based on premiums effective January 1, 2025, trended back to the valuation date using the 2025 rates shown above.

During the year ended June 30, 2025 the State of Vermont contributed \$254,818 on behalf of Lamoille North Modified Unified Union School District.

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 18 ASSESSMENTS

Supervisory Union Assessment - The District pays for its proportionate share of expenses relating to the Lamoille North Supervisory Union. The District paid \$6,365,690 of such expenses during the year ended June 30, 2025.

NOTE 19 COLLECTIVE BARGAINING AGREEMENT

The Supervisory Union has entered into two collective bargaining agreements with the Lamoille North Unified Education Association/VT-NEA. The support staff and the para-educator collective bargaining agreements expire on June 30, 2026. The teacher collective bargaining agreements expire on June 30, 2027.

NOTE 20 CONTINGENCY

The School District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the School District's Independent Auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable fund. Based on prior experience, the School District Administration believes such disallowance, if any, would be immaterial.

NOTE 21 RISK MANAGEMENT

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

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

To provide health insurance coverage, VSBIT has established a self-funded fully insured program in conjunction with Blue Cross and Blue Shield (BCBS). A portion of member contributions is used to purchase reinsurance and to fund a reserve required by the reinsurance. Contributions in excess of claims requirements, reserve fund requirements, reinsurance and administrative costs are returned to participants.

Lamoille North Modified Unified Union School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 21 RISK MANAGEMENT (continued)

To provide unemployment coverage, VSBIT has established a separate trust of funds from member contributions to pay administrative costs, unemployment claims, and to provide excess reinsurance protection. Contributions are based on payroll expense and the previous two-year unemployment compensation experience. In the event that total contributions assessed to and made by all members results 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 proportioned share of the deficit.

NOTE 22 OPERATING TRANSFERS

Fund transfers consist of the following at June 30, 2025:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Fund</u>	<u>Private Purpose Trust Fund</u>
Operating Transfers	\$ (537,619)	\$ -	\$ 537,619	\$ -	\$ -

NOTE 23 EXPENDITURES OVER BUDGET

The General Fund's expenditures were in excess of budgeted amounts by \$545,257. The excess was offset by revenues that were in excess of the budgeted amounts by \$1,775,453. The School District budgeted for a loss of \$474,014 to be offset by the prior year surplus.

NOTE 24 SUBSEQUENT EVENTS

On July 1, 2025, the School District obtained a Tax Anticipation Note for \$6,060,790. The note is due with 3.60% interest on June 30, 2026.

In accordance with professional accounting standards, the School District has evaluated subsequent events through January 8, 2026, which is the date the financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2025, have been incorporated into these basic financial statements herein.

REQUIRED SUPPLEMENTARY INFORMATION

Lamoille North Modified Unified Union School District
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Elementary Education:				
Tuition	\$ 5,000	\$ 5,000	\$ 11,264	\$ 6,264
Education Spending Grants:				
General Support Grant	15,598,765	15,610,582	15,511,683	(98,899)
Federal Grants:				
21st Century	-	191,900	99,906	(91,994)
Consolidated Federal Program	-	659,902	621,556	(38,346)
Title IV and Title IIA	-	7,000	-	(7,000)
ARP ESSER	-	-	244,397	244,397
Fresh Fruits & Vegetables	-	48,000	46,203	(1,797)
Other LEA's	30,000	30,000	-	(30,000)
EPSDT/Medicaid	82,000	83,000	207,742	124,742
Interest Income	40,000	40,000	176,698	136,698
Miscellaneous	5,000	388,342	376,263	(12,079)
Total Elementary Education	15,760,765	17,063,726	17,295,712	231,986
High School & Middle School Education:				
Tuition	200,000	200,000	130,194	(69,806)
Education Spending Grants:				
General Support Grant	19,273,218	19,273,218	19,323,218	50,000
Other Grants	-	150,730	191,835	41,105
Federal Grants				
ARP ESSER	-	-	77,095	77,095
Other LEA's	15,000	15,000	1,224	(13,776)
Driver Education	10,000	10,000	8,824	(1,176)
EPSDT/Medicaid	90,000	90,000	108,240	18,240
Interest Income	40,000	40,000	218,698	178,698
Miscellaneous	7,999	7,999	47,004	39,005
Total High School and Middle School Education	19,636,217	19,786,947	20,106,332	319,385
Vocational Education:				
Tuition	1,563,511	1,563,511	1,677,902	114,391
State Aide and Grants	2,190,627	2,331,728	2,360,409	28,681
Federal Grants	130,493	289,245	327,864	38,619
Adult Continuing Education	-	20,000	59,046	39,046

See Accompanying Notes to Financial Statements

Lamoille North Modified Unified Union School District
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Vocational Education (continued):				
Interest Income	10,000	10,000	43,933	33,933
Miscellaneous	1,000	2,909	18,718	15,809
Total Vocational Education	3,895,631	4,217,393	4,487,872	270,479
TOTAL REVENUES	39,292,613	41,068,066	41,889,916	821,850
EXPENDITURES				
Elementary Education:				
Instruction Services	5,466,847	6,684,867	6,585,281	99,586
Special Education Services	-	-	(9,833)	9,833
Athletic Activities	8,900	8,900	1,834	7,066
Art	245,315	245,315	242,257	3,058
Music	198,934	198,934	201,938	(3,004)
Co-Curricular Activities	9,275	9,275	7,303	1,972
Early Education	686,089	686,089	569,259	116,830
EEE Services	-	-	1,692	(1,692)
Guidance Services	783,024	783,024	803,240	(20,216)
Health Services	348,224	348,224	398,543	(50,319)
Psychological Services	5,000	5,000	-	5,000
Speech Services	-	-	3,140	(3,140)
Other Support Services	300	300	204	96
Instructional Staff Training Services	150,428	174,865	100,533	74,332
Media Services	333,321	333,321	259,869	73,452
Instructional Technology	141,544	101,147	86,330	14,817
Board of Education Services	42,321	42,321	20,720	21,601
Office of Treasurer	3,827	3,827	3,802	25
Office of Superintendent	738,076	738,076	738,076	-
Legal Services	3,000	3,000	10,019	(7,019)
Office of Principal	1,049,622	1,049,622	1,115,596	(65,974)
Special Education Administration	2,119,830	2,119,830	2,119,830	-
Fiscal Services	66,000	66,000	84,188	(18,188)
Operation and Maintenance	1,615,543	1,627,361	1,806,165	(178,804)
Pupil Transportation	532,264	531,764	301,064	230,700
Technical Support/Network Service	476,023	517,607	436,632	80,975
Food Service	-	48,000	50,097	(2,097)
Debt Service	866,973	866,973	863,482	3,491
Total Elementary Education	15,890,680	17,193,642	16,801,261	392,381

See Accompanying Notes to Financial Statements

Lamoille North Modified Unified Union School District
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
High School & Middle School Education:				
Instruction Services	8,789,034	8,776,584	8,273,882	502,702
Special Education Services	-	-	50,902	(50,902)
Athletic Activities	561,587	561,587	564,592	(3,005)
Co-Curricular Activities	193,566	208,566	268,562	(59,996)
Guidance Services	1,172,703	1,157,703	840,909	316,794
Health Services	185,394	245,394	240,795	4,599
Speech/Audiology Services	1,592	1,592	-	1,592
Other Support Services	124,524	127,524	210,531	(83,007)
Instructional Staff Training Services	149,307	145,307	60,248	85,059
Media Services	211,870	211,870	208,465	3,405
Board of Education Services	35,626	35,626	25,975	9,651
Office of Treasurer	9,535	9,535	4,269	5,266
Office of Superintendent	3,367,086	3,367,086	3,367,086	-
Legal Services	4,100	4,100	1,350	2,750
Office of Principal	981,058	981,058	930,947	50,111
Fiscal Services	73,000	73,000	104,463	(31,463)
Operation and Maintenance	2,256,321	2,256,321	2,515,743	(259,422)
Pupil Transportation	585,852	589,852	446,020	143,832
Technical Support/Network Service	350,487	428,801	777,737	(348,936)
Technology, Audio/Visual Services	238,590	169,726	272,528	(102,802)
Drivers Education	131,324	131,324	132,941	(1,617)
Food Service	-	90,730	92,183	(1,453)
Debt Service	150,205	150,205	150,205	-
Total High School and Middle School Education	19,572,761	19,723,491	19,540,333	183,158
Vocation Education:				
Vocational Education Instruction	1,836,508	2,143,760	2,143,377	383
Co-operative Education	51,817	51,817	50,036	1,781
Co-Curricular	46,885	46,885	100,603	(53,718)
Continuing Education	-	20,000	73,269	(53,269)
Guidance	178,067	152,725	145,743	6,982
Health	29,920	29,920	27,910	2,010
Staff Training	11,097	19,802	12,460	7,342
Board of Education	3,559	3,559	5,514	(1,955)
Office of Treasurer	912	912	945	(33)
Office of Superintendent	140,698	140,698	140,698	-
Office of Vocational Director	410,181	410,181	425,186	(15,005)
Fiscal Services	17,000	17,000	20,906	(3,906)
Operation and Maintenance	709,140	709,140	810,530	(101,390)

See Accompanying Notes to Financial Statements

Lamoille North Modified Unified Union School District
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Vocation Education (continued):				
Transportation	16,500	16,500	38,870	(22,370)
Technology Services	86,141	85,756	72,994	12,762
Instructional Technology	10,998	22,530	44,894	(22,364)
Legal/Audit	-	-	21	(21)
Debt Service	423,762	423,762	404,480	19,282
 Total Vocational Education	 3,973,185	 4,294,947	 4,518,436	 (223,489)
 TOTAL EXPENDITURES	 39,436,626	 41,212,080	 40,860,030	 352,050
 EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	 (144,013)	 (144,014)	 1,029,886	 1,173,900
 OTHER FINANCING SOURCE/(USES)				
Proceeds from Sale of Asset	-	-	5,000	5,000
Transfers In	-	-	27,233	27,233
Transfers Out	(330,000)	(330,000)	(564,852)	(234,852)
 TOTAL OTHER FINANCING SOURCES/(USES)	 (330,000)	 (330,000)	 (532,619)	 (202,619)
 NET CHANGE IN FUND BALANCE	 \$ (474,013)	 \$ (474,014)	 \$ 497,267	 \$ 971,281

See Accompanying Notes to Financial Statements

Lamoille North Modified Unified Union School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY- VSTRS
For the Year Ended June 30, 2025

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability (asset)	1.37619%	1.34459%	1.35984%	1.3517%	1.3710%	1.3727%	1.3660%	1.3547%
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 24,126,377</u>	<u>\$ 25,144,583</u>	<u>\$ 26,225,401</u>	<u>\$ 22,918,019</u>	<u>\$ 26,751,566</u>	<u>\$ 21,423,056</u>	<u>\$ 20,636,236</u>	<u>\$ 19,982,688</u>
Total	<u>\$ 24,126,377</u>	<u>\$ 25,144,583</u>	<u>\$ 26,225,401</u>	<u>\$ 22,918,019</u>	<u>\$ 26,751,566</u>	<u>\$ 21,423,056</u>	<u>\$ 20,636,236</u>	<u>\$ 19,982,688</u>
District's covered-employee payroll	<u>\$ 11,456,475</u>	<u>\$ 10,639,687</u>	<u>\$ 10,264,983</u>	<u>\$ 9,803,912</u>	<u>\$ 9,786,583</u>	<u>\$ 9,432,439</u>	<u>\$ 9,234,636</u>	<u>\$ 8,952,178</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.65%	57.48%	54.81%	58.83%	50.00%	54.96%	54.81%	53.98%

Significant Actuarial Assumptions and methods are described in Note 15 to the financial statements.
The following were changes in methods or assumptions during the year ended June 30, 2025:

Benefit Changes:

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

Changes in Assumptions:

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

See Accompanying Notes to Financial Statements

Lamoille North Modified Unified Union School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY- VMERS
For the Year Ended June 30, 2025

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net pension liability (asset)	2.5216%	0.0517%	0.0517%	0.05470%	0.05860%	0.06882%	0.72700%
District's proportionate share of the net pension liability (asset)	<u>\$ 83,754</u>	<u>\$ 122,358</u>	<u>\$ 156,944</u>	<u>\$ 80,449</u>	<u>\$ 148,120</u>	<u>\$ 119,405</u>	<u>\$ 102,323</u>
District's covered-employee payroll	<u>\$ 174,824</u>	<u>\$ 158,211</u>	<u>\$ 217,776</u>	<u>\$ 272,495</u>	<u>\$ 270,052</u>	<u>\$ 285,529</u>	<u>\$ 320,570</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	47.91%	77.34%	72.07%	29.52%	54.85%	31.92%	29.68%
Plan fiduciary net position as a percentage of the total pension liability	75.22%	74.01%	73.60%	86.29%	74.52%	80.35%	82.60%

Significant Actuarial Assumptions and methods are described in Note 16 to the financial statements.
The following were changes in methods or assumptions during the year ended June 30, 2025:

Changes in Assumptions:

Assumed rates of salary increase, mortality, active retirement rates, termination rates, and disability rates were adjusted based on plan experience.

See Accompanying Notes to Basic Financial Statements

Lamoille North Modified Unified Union School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - VMERS
For the Year Ended June 30, 2025

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contributions (Actuarially Determined)	\$ <u>8,306</u>	\$ <u>10,889</u>	\$ <u>12,944</u>	\$ <u>12,152</u>	\$ <u>12,135</u>	\$ <u>13,224</u>	\$ <u>12,740</u>
Contributions in Relation to the Actuarially Determined Contributions	\$ <u>8,306</u>	\$ <u>10,889</u>	\$ <u>12,944</u>	\$ <u>12,152</u>	\$ <u>12,135</u>	\$ <u>13,224</u>	\$ <u>12,740</u>
Covered Employee Payroll	\$ <u>174,824</u>	\$ <u>158,211</u>	\$ <u>217,776</u>	\$ <u>272,495</u>	\$ <u>270,052</u>	\$ <u>320,570</u>	\$ <u>469,995</u>
Contributions as a Percentage of Covered Employee Payroll	4.75%	6.88%	5.94%	4.46%	4.49%	4.13%	2.71%

Significant Actuarial Assumptions and methods are described in Note 16 to the financial statements.
The following were changes in methods or assumptions during the year ended June 30, 2025:

See Accompanying Notes to Basic Financial Statements

Lamoille North Modified Unified Union School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY- VSTRS
For the Year Ended June 30, 2025

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability (asset)	1.58500%	1.57208%	1.58731%	1.55550%	1.62205%	1.58654%	1.57920%	1.57002%
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 13,652,151</u>	<u>\$ 12,254,927</u>	<u>\$ 11,394,516</u>	<u>\$ 19,841,783</u>	<u>\$ 20,428,055</u>	<u>\$ 16,512,006</u>	<u>\$ 15,070,091</u>	<u>\$ 14,637,139</u>
Total	<u>\$ 13,652,151</u>	<u>\$ 12,254,927</u>	<u>\$ 11,394,516</u>	<u>\$ 19,841,783</u>	<u>\$ 20,428,055</u>	<u>\$ 16,512,006</u>	<u>\$ 15,070,091</u>	<u>\$ 14,637,139</u>
Plan fiduciary net position as a percentage of the total pension liability	11.62%	8.48%	5.34%	1.13%	0.69%	0.03%	-2.85%	-2.94%

Significant Actuarial Assumptions and methods are described in Note 17 to the financial statements.
The following were changes in methods or assumptions during the year ended June 30, 2025:

Benefit Changes:

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

Changes in Assumptions

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

See Accompanying Notes to Basic Financial Statements

OTHER SUPPLEMENTARY INFORMATION

Lamoille North Modified Unified Union School District
OTHER SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2025

	<u>Student Activities</u>	<u>Food Services</u>	<u>Total</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash	\$ 345,328	\$ 767	\$ 346,095
Due from LNSU and CES	-	197,021	197,021
Other Receivables	-	1,983	1,983
Inventory	-	3,190	3,190
Prepaid Expenses	-	9,779	9,779
	<u>345,328</u>	<u>212,740</u>	<u>558,068</u>
TOTAL CURRENT ASSETS	<u>345,328</u>	<u>212,740</u>	<u>558,068</u>
TOTAL ASSETS	<u>\$ 345,328</u>	<u>\$ 212,740</u>	<u>\$ 558,068</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts Payable	\$ -	\$ 9,375	\$ 9,375
Accrued Payroll and Related Liabilities	-	23,716	23,716
Due to Other Funds	10,207	179,649	189,856
	<u>10,207</u>	<u>212,740</u>	<u>222,947</u>
TOTAL CURRENT LIABILITIES	<u>10,207</u>	<u>212,740</u>	<u>222,947</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	335,121	-	335,121
Unassigned	-	-	-
	<u>335,121</u>	<u>-</u>	<u>335,121</u>
TOTAL FUND BALANCE	<u>335,121</u>	<u>-</u>	<u>335,121</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 345,328</u>	<u>\$ 212,740</u>	<u>\$ 558,068</u>

See Accompanying Notes to Basic Financial Statements.

Lamoille North Modified Unified Union School District
OTHER SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2025

	<u>Student Activities</u>	<u>Food Services</u>	<u>Total</u>
REVENUES			
Elementary Education	\$ -	\$ 594,616	\$ 594,616
High School and Middle School Education	-	653,631	653,631
Interest Income	1,197	-	1,197
Donations	349,327	-	349,327
Scholarships	6,720	-	6,720
Miscellaneous Income	<u>702</u>	<u>-</u>	<u>702</u>
 TOTAL REVENUES	 <u>357,946</u>	 <u>1,248,247</u>	 <u>1,606,193</u>
EXPENDITURES			
Elementary Education	-	797,188	797,188
High School and Middle School Education	-	988,678	988,678
Miscellaneous Expense	<u>340,437</u>	<u>-</u>	<u>340,437</u>
 TOTAL EXPENDITURES	 <u>340,437</u>	 <u>1,785,866</u>	 <u>2,126,303</u>
EXCESS/(DEFICIENCIES) OF REVENUES OVER/(UNDER) EXPENDITURES	 <u>17,509</u>	 <u>(537,619)</u>	 <u>(520,110)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	3,178	537,619	540,797
Transfers Out	<u>(3,178)</u>	<u>-</u>	<u>(3,178)</u>
 TOTAL OTHER FINANCING SOURCES	 <u>-</u>	 <u>537,619</u>	 <u>537,619</u>
NET CHANGE IN FUND BALANCE	17,509	-	17,509
FUND BALANCE, Beginning of Year	<u>317,612</u>	<u>-</u>	<u>317,612</u>
FUND BALANCE, End of Year	<u>\$ 335,121</u>	<u>\$ -</u>	<u>\$ 335,121</u>

See Accompanying Notes to Basic Financial Statements.

Lamoille North Modified Unified Union School District

ADDITIONAL REPORTS REQUIRED BY
THE SINGLE AUDIT ACT

June 30, 2025

LAMOILLE NORTH MODIFIED UNIFIED UNION SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

<i>Award Information</i>	<i>Pass-Through Entity Number</i>	<i>Assistance Listing Number</i>	<i>Federal Expenditures (\$)</i>
Child Nutrition Cluster-Cluster			
United States Department of Agriculture			
School Breakfast Program			
School Breakfast Program	05100-4452S0252500	10.553	\$ 155,583
Total School Breakfast Program			155,583
National School Lunch Program			
National School Lunch Program	05100-4450S0252500	10.555	446,081
National School Lunch Program	2025 4556	10.555	58,293
Total National School Lunch Program			504,374
Summer Food Service Program for Children	05100-4455S0252400	10.559	101,832
Total Summer Food Service Program for Children			101,832
Fresh Fruit and Vegetable Program	05100-4449S0252500	10.582	46,203
Total Fresh Fruit and Vegetable Program			46,203
Total United States Department of Agriculture			807,992
Total Child Nutrition Cluster-Cluster			807,992
Other Programs			
United States Department of Agriculture			
Child and Adult Care Food Program	05100-4453S0252500	10.558	6,890
Child and Adult Care Food Program	05100-4453S0252400	10.558	842
Child and Adult Care Food Program	05100-4454S0252500	10.558	99,257
Child and Adult Care Food Program	05100-4454S0252400	10.558	14,948
Total Child and Adult Care Food Program			121,937
Total United States Department of Agriculture			121,937
Department of Education			
Title I Grants to Local Educational Agencies	05100-4250S0252501	84.010	481,619
Career and Technical Education -- Basic Grants to States			
	05100-4320U0582501	84.048	5,646
Career and Technical Education -- Basic Grants to States			
	05100-4318U0582501	84.048	198,154
Total Career and Technical Education -- Basic Grants to States			203,800
Twenty-First Century Community Learning Centers	05100-4611S0252502	84.287	99,906
Supporting Effective Instruction State Grants	05100-4651S0252501	84.367	131,768
Student Support and Academic Enrichment Program	05100-4570S0252501	84.424	8,169

LAMOILLE NORTH MODIFIED UNIFIED UNION SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

<i>Award Information</i>	<i>Pass-Through Entity Number</i>	<i>Assistance Listing Number</i>	<i>Federal Expenditures (\$)</i>
Education Stabilization Fund	05100-4617U0582501	84.425	77,162
Education Stabilization Fund	05100-4623S0252301	84.425	126,148
Education Stabilization Fund	05100-4599S0252101	84.425	242,246
Total Education Stabilization Fund			445,556
<i>Total Department of Education</i>			1,370,818
Department of Health and Human Services			
Block Grants for Prevention and Treatment of Substance Abuse	03420-010152	93.959	50,806
<i>Total Department of Health and Human Services</i>			
<i>Total Other Programs</i>			1,543,561
<i>Total Expenditures of Federal Awards</i>			\$ 2,351,553

NOTE A BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of Lamoille North Modified 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 Lamoille North Supervisory Union, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Lamoille North Modified Unified Union School District.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Lamoille North Modified Unified Union School District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance



Kittell Branagan & Sargent

Certified Public Accountants

Vermont License #167

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

To the School Board
Lamoille North Modified Unified Union School District
Hyde Park, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lamoille North Modified 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 Lamoille North Modified Unified Union School District's basic financial statements, and have issued our report thereon dated January 8, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lamoille North Modified 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 Lamoille North Modified Unified Union School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lamoille North Modified 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lamoille North Modified 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

A handwritten signature in black ink that reads "Kaitell Branagan Esq." with a stylized flourish at the end.

St. Albans, Vermont
January 8, 2026



Kittell Branagan & Sargent

Certified Public Accountants

Vermont License #167

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

To the School Board
Lamoille North Modified Unified Union School District
Hyde Park, Vermont

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lamoille North Modified 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 the Lamoille North Modified Unified Union School District's major federal programs for the year ended June 30, 2025. Lamoille North Modified 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, Lamoille North Modified Unified Union School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 Lamoille North Modified 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 Lamoille North Modified Unified Union School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Lamoille North Modified 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 Lamoille North Modified 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 generally accepted auditing standards, *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 Lamoille North Modified Unified Union School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Lamoille North Modified 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 Lamoille North Modified 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 Lamoille North Modified 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.

A handwritten signature in cursive script that reads "Kaitell Brannan & Sargent". The signature is written in dark ink and is positioned above the date and location text.

St. Albans, Vermont
January 8, 2026

Lamoille North Modified Unified Union School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2025

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements Lamoille North Modified Unified Union School District.
2. There were no significant deficiencies disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Lamoille North Modified Unified Union School District were disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for Lamoille North Modified Unified Union School District expresses an unmodified opinion.
6. There were no audit findings relative to the major federal award programs for Lamoille North Modified Unified Union School District.
7. The programs tested as major programs were:

AL #10.553	School Breakfast Program
AL #10.555	National School Lunch Program
AL #10.559	Summer Food Service Program for Children
AL #10.582	Fresh Fruit and Vegetable Program
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Lamoille North Modified Unified Union School District was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

- There were no findings related to the financial statements audit.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

- There were no findings or questioned costs related to the major federal award programs.