

Federal Compliance Audit

Champlain Valley School District

June 30, 2020



Proven Expertise & Integrity

CHAMPLAIN VALLEY SCHOOL DISTRICT

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JUNE 30, 2020

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Champlain Valley School District
Shelburne, Vermont

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Champlain Valley School District as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Champlain Valley School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Champlain Valley School District as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB information on pages 4 through 12 and 71 through 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2021 on our consideration of Champlain Valley School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Champlain Valley School District's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
February 15, 2021

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

(UNAUDITED)

The following management's discussion and analysis of the Champlain Valley School District's financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the School District's financial statements.

Financial Statement Overview

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

Basic Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Notes to the Financial Statements

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

Required Supplementary Information

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

Other Supplementary Information

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

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the School District's governmental and business-type activities. The School District's total net position for governmental activities increased by \$50,995 from \$42,649,107 to a balance of \$42,700,102. The School District's total net position for business-type activities increased by \$6,528 from \$4,047 to a balance of \$10,575.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased for governmental activities to a balance of \$678,978 at the end of this year. The business-type activities do not have any unrestricted net position.

Table 1
Champlain Valley School District
Net Position
June 30,

	Governmental Activities		Business-type Activities	
	2020	2019	2020	2019
Assets:				
Current Assets	\$ 12,089,634	\$ 12,067,191	\$ 134,747	\$ 95,195
Noncurrent Assets - Capital Assets	74,588,106	75,236,341	10,575	4,047
Total Assets	<u>\$ 86,677,740</u>	<u>\$ 87,303,532</u>	<u>\$ 145,322</u>	<u>\$ 99,242</u>
Deferred Outflows of Resources:				
Deferred Outflows Related to Pensions	\$ 4,182,638	\$ 4,904,575	\$ -	\$ -
Total Deferred Outflows of Resources	<u>\$ 4,182,638</u>	<u>\$ 4,904,575</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities:				
Current Liabilities	\$ 5,136,077	\$ 5,480,250	\$ 134,747	\$ 95,195
Noncurrent Liabilities	41,318,112	42,330,820	-	-
Total Liabilities	<u>\$ 46,454,189</u>	<u>\$ 47,811,070</u>	<u>\$ 134,747</u>	<u>\$ 95,195</u>
Deferred Inflows of Resources:				
Deferred Revenues	\$ 1,609,962	\$ 1,659,361	\$ -	\$ -
Deferred Inflows Related to Pensions	96,125	88,569	-	-
Total Deferred Inflows of Resources	<u>\$ 1,706,087</u>	<u>\$ 1,747,930</u>	<u>\$ -</u>	<u>\$ -</u>
Net Position:				
Net Investment in Capital Assets	\$ 37,762,931	\$ 36,179,796	\$ 10,575	\$ 4,047
Restricted	4,258,193	3,573,606	-	-
Unrestricted	678,978	2,895,705	-	-
Total Net Position	<u>\$ 42,700,102</u>	<u>\$ 42,649,107</u>	<u>\$ 10,575</u>	<u>\$ 4,047</u>

Revenues and Expenses

Revenues for the School District's governmental activities increased by 3.96% from the prior year while expenses increased by 6.12%. The largest increase in revenues was in operating grants and contributions and grants and contributions not restricted to specific programs. The largest increase in expenses was in instructional programs and on-behalf payments. The increase in revenues and expenses are primarily attributable to VSTRS pension and OPEB expense paid by the State of Vermont on-behalf of the School District.

Revenues for the School District's business-type activities decreased by 15.24% from the prior year while expenses decreased by 6.74%.

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

	Governmental Activities		Business-type Activities	
	2020	2019	2020	2019
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 483,242	\$ 377,370	\$ 1,053,205	\$ 1,471,036
Operating grants and contributions	52,058,097	49,671,875	609,101	464,985
<i>General Revenues:</i>				
Grants and contributions not restricted to specific programs	69,575,487	67,346,061	-	-
Miscellaneous	1,369,284	1,383,832	53,547	88,232
Total Revenues	123,486,110	118,779,138	1,715,853	2,024,253
Expenses				
Instructional programs	48,297,562	43,404,077	-	-
Instructional support	9,224,224	8,906,273	-	-
Administrative/other support	8,474,905	8,132,454	-	-
Building operations and maintenance	3,813,801	4,085,449	-	-
Fiscal services	1,086,904	1,050,496	-	-
Transportation	2,989,851	3,596,488	-	-
Prior year	26,477	114,918	-	-
On-behalf payments	42,602,368	40,415,351	-	-
Program expenses	3,034,629	2,680,305	2,241,431	2,403,494
Interest on long-term debt	972,670	1,016,204	-	-
Unallocated depreciation (Note 4)	2,379,618	2,409,521	-	-
Total Expenses	122,903,009	115,811,536	2,241,431	2,403,494
Transfers	(532,106)	(315,753)	532,106	315,753
Change in Net Position	50,995	2,651,849	6,528	(63,488)
Net Position - July 1	42,649,107	39,997,258	4,047	67,535
Net Position - June 30	\$ 42,700,102	\$ 42,649,107	\$ 10,575	\$ 4,047

Financial Analysis of the School District's Fund Statements

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

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

	<u>2020</u>	<u>2019</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General Fund:			
Nonspendable	\$ 183,167	\$ 136,418	\$ 46,749
Committed	-	1,000,000	(1,000,000)
Assigned	2,475,407	2,323,698	151,709
Unassigned	1,239,812	676,709	563,103
Total General Fund	<u>\$ 3,898,386</u>	<u>\$ 4,136,825</u>	<u>\$ (238,439)</u>
Debt Service Fund:			
Restricted	\$ 3,229,588	\$ 2,733,120	\$ 496,468
Total Debt Service Fund	<u>\$ 3,229,588</u>	<u>\$ 2,733,120</u>	<u>\$ 496,468</u>
Construction Fund:			
Restricted	\$ 556,781	\$ 453,652	\$ 103,129
Total Construction Fund	<u>\$ 556,781</u>	<u>\$ 453,652</u>	<u>\$ 103,129</u>
Nonmajor Funds:			
Capital Projects Funds:			
Restricted	\$ 471,824	\$ 386,834	\$ 84,990
Total Nonmajor Funds	<u>\$ 471,824</u>	<u>\$ 386,834</u>	<u>\$ 84,990</u>

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

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

The food service program had an increase in net position of \$6,528 for the year ended June 30, 2020.

Budgetary Highlights

The general fund produced a deficit of \$239,034 for the year ended June 30, 2020. Actual expenditures exceeded actual revenues by that amount primarily due to intergovernmental revenues and transfers from other funds being receipted less than budgeted amounts, primarily offset by all expense categories being expended within or under budgeted amounts with the exception of prior year adjustments and transfers to other funds.

Capital Asset and Long-Term Debt Activity

Capital Assets

As of June 30, 2020, the School District capital assets decreased by \$641,707. This decrease was due to current year additions of \$1,756,457 less net disposals of \$7,938 and depreciation expense of \$2,433,113. Refer to Note 5 of Notes to Financial Statements for detailed information.

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

	<u>2020</u>	<u>2019</u>
Land	\$ 375,000	\$ 375,000
Construction in progress	29,483,651	29,209,402
Buildings and building improvements	42,136,624	43,094,705
Machinery, equipment and vehicles	2,603,406	2,561,281
Total	<u>\$ 74,598,681</u>	<u>\$ 75,240,388</u>

Debt

At June 30, 2020, the School District had \$36,825,175 in bonds and notes from direct borrowings payable versus \$39,056,545 in the prior fiscal year. Refer to Note 7 of the Notes to Financial Statements for detailed information.

Currently Known Facts, Decisions or Conditions

The 2021 - 2022 financial performance could be impacted by both the ongoing local compensation and state-wide health insurance negotiations for all unionized staff.

The School District has noted a subsequent event as a currently known fact. Refer to Note 19 of Notes to Financial Statements for more detailed information.

Economic Factors and Next Year's Budgets and Rates

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

At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the School District. No assurance can be given regarding future events or impacts because

these actions and events are unpredictable or unknowable at this time and are outside the control of the School District.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School District at 5420 Shelburne Road, Suite 300, Shelburne, Vermont 05482.

CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,654,703	\$ -	\$ 7,654,703
Investments	3,226,891	-	3,226,891
Accounts receivable (net of allowance for uncollectibles)	186,071	15,893	201,964
Due from other governments	817,878	62,543	880,421
Inventory	73,058	77,235	150,293
Prepaid items	110,109	-	110,109
Internal balances	20,924	(20,924)	-
Total current assets	<u>12,089,634</u>	<u>134,747</u>	<u>12,224,381</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	29,853,086	5,565	29,858,651
Buildings, building improvements and other assets, net of accumulated depreciation	<u>44,735,020</u>	<u>5,010</u>	<u>44,740,030</u>
Total noncurrent assets	<u>74,588,106</u>	<u>10,575</u>	<u>74,598,681</u>
TOTAL ASSETS	<u>86,677,740</u>	<u>145,322</u>	<u>86,823,062</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>4,182,638</u>	-	<u>4,182,638</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>4,182,638</u>	-	<u>4,182,638</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 90,860,378</u>	<u>\$ 145,322</u>	<u>\$ 91,005,700</u>

STATEMENT A (CONTINUED)
CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 479,631	\$ 134,747	\$ 614,378
Accrued payroll	182,543	-	182,543
Accrued expenses	590,621	-	590,621
Due to other governments	1,070,298	-	1,070,298
Current portion of long-term obligations	2,812,984	-	2,812,984
Total current liabilities	<u>5,136,077</u>	<u>134,747</u>	<u>5,270,824</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	32,894,448	-	32,894,448
Notes from direct borrowings payable	1,190,821	-	1,190,821
Accrued compensated absences	450,356	-	450,356
Net pension liability	6,748,112	-	6,748,112
Total noncurrent liabilities	<u>41,318,112</u>	<u>-</u>	<u>41,318,112</u>
TOTAL LIABILITIES	<u>46,454,189</u>	<u>134,747</u>	<u>46,588,936</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	1,609,962	-	1,609,962
Deferred inflows related to pensions	96,125	-	96,125
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,706,087</u>	<u>-</u>	<u>1,706,087</u>
NET POSITION			
Net investment in capital assets	37,762,931	10,575	37,773,506
Restricted	4,258,193	-	4,258,193
Unrestricted	678,978	-	678,978
TOTAL NET POSITION	<u>42,700,102</u>	<u>10,575</u>	<u>42,710,677</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 90,860,378</u>	<u>\$ 145,322</u>	<u>\$ 91,005,700</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - type Activities	Total
Governmental activities:							
Instructional programs	\$ 48,297,562	\$ 248,807	\$ 8,190,529	\$ -	\$ (39,858,226)	\$ -	\$ (39,858,226)
Instructional support	9,224,224	-	-	-	(9,224,224)	-	(9,224,224)
Administrative/Other support	8,474,905	-	-	-	(8,474,905)	-	(8,474,905)
Building operations and maintenance	3,813,801	-	-	-	(3,813,801)	-	(3,813,801)
Fiscal services	1,086,904	-	-	-	(1,086,904)	-	(1,086,904)
Transportation	2,989,851	-	1,265,200	-	(1,724,651)	-	(1,724,651)
Prior year	26,477	-	-	-	(26,477)	-	(26,477)
Program expenses	3,034,629	234,435	-	-	(2,800,194)	-	(2,800,194)
On-behalf payments	42,602,368	-	42,602,368	-	-	-	-
Interest on long-term debt	972,670	-	-	-	(972,670)	-	(972,670)
Unallocated depreciation (Note 4)*	2,379,618	-	-	-	(2,379,618)	-	(2,379,618)
Total governmental activities	<u>122,903,009</u>	<u>483,242</u>	<u>52,058,097</u>	<u>-</u>	<u>(70,361,670)</u>	<u>-</u>	<u>(70,361,670)</u>
Business-type activities:							
Food service	2,241,431	1,053,205	609,101	-	-	(579,125)	(579,125)
Total business-type activities	<u>2,241,431</u>	<u>1,053,205</u>	<u>609,101</u>	<u>-</u>	<u>-</u>	<u>(579,125)</u>	<u>(579,125)</u>
Total government	<u>\$ 125,144,440</u>	<u>\$ 1,536,447</u>	<u>\$ 52,667,198</u>	<u>\$ -</u>	<u>(70,361,670)</u>	<u>(579,125)</u>	<u>(70,940,795)</u>

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

STATEMENT B (CONTINUED)
CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Changes in net position:			
Net (expense) revenue	<u>(70,361,670)</u>	<u>(579,125)</u>	<u>(70,940,795)</u>
General revenues:			
Grants and contributions not restricted to specific programs	69,575,487	-	69,575,487
Miscellaneous	<u>1,369,284</u>	<u>53,547</u>	<u>1,422,831</u>
Total general revenues	<u>70,944,771</u>	<u>53,547</u>	<u>70,998,318</u>
Transfers	<u>(532,106)</u>	<u>532,106</u>	<u>-</u>
Change in net position	50,995	6,528	57,523
NET POSITION - JULY 1	<u>42,649,107</u>	<u>4,047</u>	<u>42,653,154</u>
NET POSITION - JUNE 30	<u><u>\$ 42,700,102</u></u>	<u><u>\$ 10,575</u></u>	<u><u>\$ 42,710,677</u></u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2020

	General Fund	Medicaid MAC	Debt Service Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 7,532,713	\$ -	\$ 2,697	\$ 119,293	\$ -	\$ 7,654,703
Investments	-	-	3,226,891	-	-	3,226,891
Accounts receivable (net of allowance for uncollectibles)	186,071	-	-	-	-	186,071
Due from other governments	129,533	39,956	-	-	648,389	817,878
Inventory	73,058	-	-	-	-	73,058
Prepaid items	110,109	-	-	-	-	110,109
Due from other funds	631,710	1,124,029	-	649,646	821,889	3,227,274
TOTAL ASSETS	\$ 8,663,194	\$ 1,163,985	\$ 3,229,588	\$ 768,939	\$ 1,470,278	\$ 15,295,984
LIABILITIES						
Accounts payable	\$ 260,032	\$ 1,379	\$ -	\$ 212,158	\$ 6,062	\$ 479,631
Accrued payroll	182,543	-	-	-	-	182,543
Accrued expenses	590,621	-	-	-	-	590,621
Due to other governments	1,070,298	-	-	-	-	1,070,298
Due to other funds	2,595,564	-	-	-	610,786	3,206,350
TOTAL LIABILITIES	4,699,058	1,379	-	212,158	616,848	5,529,443
DEFERRED INFLOWS OF RESOURCES						
Deferred revenues	65,750	1,162,606	-	-	381,606	1,609,962
TOTAL DEFERRED INFLOWS OF RESOURCES	65,750	1,162,606	-	-	381,606	1,609,962
FUND BALANCES						
Nonspendable	183,167	-	-	-	-	183,167
Restricted	-	-	3,229,588	556,781	471,824	4,258,193
Assigned	2,475,407	-	-	-	-	2,475,407
Unassigned	1,239,812	-	-	-	-	1,239,812
TOTAL FUND BALANCES	3,898,386	-	3,229,588	556,781	471,824	8,156,579
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,663,194	\$ 1,163,985	\$ 3,229,588	\$ 768,939	\$ 1,470,278	\$ 15,295,984

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

	Total Governmental Funds
Total Fund Balances	\$ 8,156,579
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	74,588,106
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	4,182,638
Long-term obligations shown below are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bonds payable	(35,121,901)
Notes from direct borrowings payable	(1,703,274)
Accrued compensated absences	(474,059)
Accrued severance payable	(83,750)
Net pension liability	(6,748,112)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(96,125)
Net position of governmental activities	\$ 42,700,102

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Medicaid MAC	Debt Service Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Intergovernmental revenues	\$ 82,675,955	\$ 464,792	\$ -	\$ -	\$ 2,414,042	\$ 85,554,789
Tuition	248,807	-	-	-	-	248,807
Charges for services	-	-	-	-	234,435	234,435
Interest income	344,010	-	60,569	3,728	555	408,862
Unrealized gains/(losses), net of activity	-	-	148,995	-	-	148,995
Miscellaneous revenues	618,552	-	-	56,990	135,885	811,427
TOTAL REVENUES	83,887,324	464,792	209,564	60,718	2,784,917	87,407,315
EXPENDITURES						
Current:						
Instructional programs	46,319,276	-	-	-	-	46,319,276
Instructional support	9,224,224	-	-	-	-	9,224,224
Administrative/Other support	8,474,905	-	-	-	-	8,474,905
Building operations and maintenance	4,477,595	-	-	-	-	4,477,595
Fiscal services	1,086,904	-	-	-	-	1,086,904
Transportation	2,989,851	-	-	-	-	2,989,851
On-behalf payments	6,523,573	-	-	-	-	6,523,573
Prior year adjustments	26,477	-	-	-	-	26,477
Program expenses	-	464,792	-	-	2,569,837	3,034,629
Debt service:						
Principal	2,716,368	-	-	-	-	2,716,368
Interest	958,574	-	14,096	-	-	972,670
Capital outlay	-	-	-	1,067,589	-	1,067,589
TOTAL EXPENDITURES	82,797,747	464,792	14,096	1,067,589	2,569,837	86,914,061
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,089,577	-	195,468	(1,006,871)	215,080	493,254
OTHER FINANCING SOURCES (USES)						
Debt proceeds	485,000	-	-	-	-	485,000
Transfers in	181,962	-	301,000	1,110,000	19,910	1,612,872
Transfers (out)	(1,994,978)	-	-	-	(150,000)	(2,144,978)
TOTAL OTHER FINANCING SOURCES (USES)	(1,328,016)	-	301,000	1,110,000	(130,090)	(47,106)
NET CHANGE IN FUND BALANCES	(238,439)	-	496,468	103,129	84,990	446,148
FUND BALANCES - JULY 1	4,136,825	-	2,733,120	453,652	386,834	7,710,431
FUND BALANCES - JUNE 30	\$ 3,898,386	\$ -	\$ 3,229,588	\$ 556,781	\$ 471,824	\$ 8,156,579

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 446,148</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	1,739,321
Capital asset disposals	(7,938)
Depreciation expense	<u>(2,379,618)</u>
	<u>(648,235)</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	
	<u>(721,937)</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position	
	<u>(485,000)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	
	<u>2,716,370</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	
	<u>(7,556)</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	(14,395)
Accrued severance payable	(25,250)
Net pension liability	<u>(1,209,150)</u>
	<u>(1,248,795)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 50,995</u></u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2020

	Enterprise Fund <u>Food Service</u>	<u>Total</u>
ASSETS		
Current assets:		
Accounts receivable (net of allowance for uncollectibles)	\$ 15,893	\$ 15,893
Due from other governments	62,543	62,543
Inventory	77,235	77,235
Total current assets	<u>155,671</u>	<u>155,671</u>
Noncurrent assets:		
Capital assets:		
Construction in progress	5,565	5,565
Building improvements	13,894	13,894
Furniture and equipment	172,693	172,693
Less: accumulated depreciation	(181,577)	(181,577)
Total noncurrent assets	<u>10,575</u>	<u>10,575</u>
TOTAL ASSETS	<u><u>\$ 166,246</u></u>	<u><u>\$ 166,246</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 134,747	\$ 134,747
Due to other funds	20,924	20,924
Total current liabilities	<u>155,671</u>	<u>155,671</u>
TOTAL LIABILITIES	<u>155,671</u>	<u>155,671</u>
NET POSITION		
Net investment in capital assets	<u>10,575</u>	<u>10,575</u>
TOTAL NET POSITION	<u>10,575</u>	<u>10,575</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 166,246</u></u>	<u><u>\$ 166,246</u></u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Enterprise Fund <u>Food Service</u>	<u>Total</u>
OPERATING REVENUES		
Intergovernmental	\$ 609,101	\$ 609,101
Charges for services	1,053,205	1,053,205
Miscellaneous	53,547	53,547
TOTAL OPERATING REVENUES	<u>1,715,853</u>	<u>1,715,853</u>
OPERATING EXPENSES		
Salaries	909,482	909,482
Benefits	438,538	438,538
Repairs and maintenance	29,293	29,293
Supplies and food	827,694	827,694
Travel	573	573
Software	199	199
Equipment and maintenance	18,861	18,861
Depreciation	10,608	10,608
Other	6,183	6,183
TOTAL OPERATING EXPENSES	<u>2,241,431</u>	<u>2,241,431</u>
OPERATING INCOME (LOSS)	<u>(525,578)</u>	<u>(525,578)</u>
NONOPERATING REVENUES (EXPENSES)		
Transfers in	532,106	532,106
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>532,106</u>	<u>532,106</u>
CHANGES IN NET POSITION	6,528	6,528
NET POSITION - JULY 1	<u>4,047</u>	<u>4,047</u>
NET POSITION - JUNE 30	<u>\$ 10,575</u>	<u>\$ 10,575</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Enterprise Funds</u>	
	<u>Food Service</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 1,116,402	\$ 1,116,402
Intergovernmental receipts	563,173	563,173
Internal activity - receipts (payments) from/to other funds	20,930	20,930
Payments to suppliers	<u>(2,215,475)</u>	<u>(2,215,475)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(514,970)</u>	<u>(514,970)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchases of capital assets	<u>(17,136)</u>	<u>(17,136)</u>
Net cash provided (used) by investing activities	<u>(17,136)</u>	<u>(17,136)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in (out)	<u>532,106</u>	<u>532,106</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>532,106</u>	<u>532,106</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS - JULY 1	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (525,578)	\$ (525,578)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	10,608	10,608
Changes in operating assets, liabilities and deferred inflows of resources:		
(Increase) decrease in accounts receivable	9,650	9,650
(Increase) decrease in due from other governments	(45,928)	(45,928)
(Increase) decrease in inventory	(24,204)	(24,204)
(Increase) decrease in due from other funds	6	6
(Decrease) increase in accounts payable	39,552	39,552
(Decrease) increase in due to other funds	20,924	20,924
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (514,970)</u>	<u>\$ (514,970)</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2020

	Agency Funds <u>Student Activities</u>	Total Private- Purpose Funds <u> </u>
ASSETS		
Accounts receivable (net of allowance for uncollectibles	\$ 578	\$ -
Due from other governments	730,670	372,569
TOTAL ASSETS	<u>\$ 731,248</u>	<u>\$ 372,569</u>
LIABILITIES		
Deposits held for others	\$ 731,248	\$ -
TOTAL LIABILITIES	<u>\$ 731,248</u>	<u>\$ -</u>
NET POSITION		
Restricted - held in trust	\$ -	\$ 372,569
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ 372,569</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Total Private- Purpose Funds
ADDITIONS	
Contributions	
Donations	\$ 55,150
Total contributions	<u>55,150</u>
Investment earnings:	
Income earned	485
Total investment earnings, net	<u>485</u>
Total additions	<u>55,635</u>
DEDUCTIONS	
Scholarship awards	8,826
Other disbursements	13,865
Total deductions	<u>22,691</u>
CHANGE IN NET POSITION	32,944
NET POSITION - JULY 1	<u>339,625</u>
NET POSITION - JUNE 30	<u>\$ 372,569</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

COVID-19 Outbreak

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

In response to the health crisis created by COVID-19 since early March, the Governor of Vermont issued multiple executive orders and declarations to protect the public health in an effort to reduce community spread of the virus and protect citizens. These measures have included, among others, closing or restricting access to certain business and activities, issuing a "stay at home" directive for most citizens, restricting nonessential travel and limiting movement of all persons in Vermont to those necessary to obtain or provide essential services or activities. See Executive Order 01-20 and its addendums. As of the date of this report, the state of emergency was extended to March 15, 2021 and may be further extended if circumstances warrant. While steps toward reopening the State have begun, the speed and scope of the reopening process will depend upon progress toward limiting the continued spread of the disease.

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact on and Results of Operations

On March 13, 2020, the Governor of Vermont directed the dismissal of Pre-K through 12 schools (Gubernatorial Directive to All School Boards and Superintendents - Continuity of Education Planning). Based on the March 17, 2020 directive from the Agency of Education, Districts were required to keep all employees on payroll, whether they were working or not, through the remainder of the school year. That requirement expired on June 30, 2020.

In accordance with Addendum 6 to Executive Order 01-20, issued by the Governor of Vermont on March 24, 2020 (also referred to as the "Stay Home, Stay Safe Order") and Directive 5 to Executive Order 01-20, issued by the Governor of Vermont on March 26, 2020, the District ceased in-house operations and moved to remote learning systems. The District chose to use various electronic platforms of remote learning to comply with the Governor's order to support the continuity of learning. The application of this Executive Order necessitated that this method remained in force for the remainder of the scheduled school year.

Impact on Finances

The District does not currently anticipate any additional FY 2020 expenditures due to COVID-19 that would not be covered by existing resources including authorized Coronavirus, Aid, Relief and Economic Security ("CARES") Act funding and applicable State programs.

Expected Federal/State Support

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

Conclusion

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Implementation of New Accounting Standards

During the year ended June 30, 2020, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 95 "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. (The following pronouncements exclude Statements No. 83 and No. 88 which were implemented prior to this Statement).

The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement No. 84, Fiduciary Activities; Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period; Statement No. 90, Majority Equity Interests; Statement No. 91, Conduit Debt Obligations; Statement No. 92, Omnibus 2020; Statement No. 93, Replacement of Interbank Offered Rates; Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting); Implementation Guide No. 2018-1, Implementation Guidance Update-2018; Implementation Guide No. 2019-1, Implementation Guidance Update-2019 and Implementation Guide No. 2019-2, Fiduciary Activities. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87, Leases and Implementation Guide No. 2019-3, Leases.

Statement No. 97 "Certain Component Unit Criteria (paragraphs 4 & 5)." The primary objectives of paragraphs 4 & 5 in this Statement are to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

Measurement Focus - Basic Financial Statements and Fund Financial Statements

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Governmental Funds:

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

Major Funds

- a. The General Fund is the general operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Medicaid MAC Fund is used to account for the proceeds of Medicaid revenues that are legally restricted to expenditures for specified purposes.
- c. The Debt Service Fund is used to account for debt proceeds related to capital asset purchases.
- d. The Construction Fund is used to account for the acquisition or construction of major capital facilities that are financed through transfer from the general fund or debt proceeds.

Nonmajor Funds

- e. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- f. The Capital Projects Fund is used to account for the acquisition or construction of major capital facilities.

2. Proprietary Funds:

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Fiduciary Funds:

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

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

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

Basis of Accounting

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

1. Accrual

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Modified Accrual

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

Budget

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

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

Revenues per budgetary basis	\$ 78,030,713
Add: On-behalf payments	<u>6,523,573</u>
Total GAAP basis	<u>\$ 84,554,286</u>
Expenditures per budgetary basis	\$ 78,269,152
Add: On-behalf basis	<u>6,523,573</u>
Total GAAP basis	<u>\$ 84,792,725</u>

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deposits and Investments

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

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

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

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

Receivables

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2020. Accounts receivable netted with allowances for uncollectible accounts were \$1,082,385 for the year ended June 30, 2020.

Inventories and Prepaid Items

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Interfund Receivables and Payables

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

Transactions Between Funds

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

Capital Assets

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

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

Estimated useful lives are as follows:

Buildings & improvements	20 - 50 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations

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

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

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

Pensions

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

OPEB

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

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

Fund Balance

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

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

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

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Deferred Outflows and Inflows of Resources

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

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

Program Revenues

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating/Nonoperating Proprietary Fund Revenues

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

Encumbrance Accounting

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

Use of Estimates

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits:

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

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

At June 30, 2020, the School District's cash balance of \$7,654,703 was comprised of bank deposits of \$8,039,610. The variance between the bank balances presented and the cash balances are reconciling items (i.e. deposits in transit, uncleared checks, etc.). This entire amount was either fully insured by federal

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

depository insurance or Securities Investor Protection Corporation (SIPC) and consequently was not exposed to custodial credit risk or was collateralized with securities held by the financial institution in the School District's name or by debt issued in the School District's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 1,830,318
Sweep account	5,721,963
Money market fund	365,339
Cash and cash equivalents	121,990
	<u>\$ 8,039,610</u>

Investments:

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

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

At June 30, 2020, the School District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Not Applicable</u>	<u>Less than 1 Year</u>	<u>1 - 5 Years</u>	<u>Over 5 Years</u>
Debt securities:					
US agency securities	<u>\$ 3,226,891</u>	<u>\$ -</u>	<u>\$ 138,922</u>	<u>\$ 669,334</u>	<u>\$ 2,418,635</u>

Of the School District's investments of \$3,226,891, \$497,303 was covered by the Securities Investor Protection Corporation (SIPC). The remaining investments of \$2,729,588 were uncollateralized and uninsured.

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Hierarchy

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The School District has the following recurring fair value measurements as June 30, 2020:

	June 30, 2020 Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Debt securities:				
US agency securities	\$ 3,226,891	\$ -	\$ 3,226,891	\$ -
Total investments by fair value level	<u>3,226,891</u>	<u>-</u>	<u>3,226,891</u>	<u>-</u>
<u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market mutual funds	121,990			
Total cash equivalents measured at the NAV	<u>\$ 121,990</u>			
Total investments and cash equivalents measured at fair value	<u>\$ 3,348,881</u>			

Debt securities classified in Level II of the fair value hierarchy are valued from publicly reliable sources or using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The School District has no Level I or III investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2020 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2020 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
General Fund	\$ 631,710	\$ 2,595,564
Medicaid Mac Fund	1,124,029	-
Construction Fund	649,646	-
Nonmajor Governmental Funds	821,889	610,786
Enterprise Funds	-	20,924
	<u>\$ 3,227,274</u>	<u>\$ 3,227,274</u>

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

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2020 consisted of the following:

	<u>Transfers From</u>	<u>Transfers To</u>
General Fund	\$ 181,962	\$ 1,994,978
Medicaid Mac Fund	-	-
Debt Service Fund	301,000	-
Construction Fund	1,110,000	-
Nonmajor Governmental Funds	19,910	150,000
Enterprise Funds	532,106	-
	<u>\$ 2,144,978</u>	<u>\$ 2,144,978</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2020:

	Balance 7/1/19	Additions	Disposals	Balance 6/30/20
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 375,000	\$ -	\$ -	\$ 375,000
Construction in progress	29,209,402	426,665	(157,981)	29,478,086
	<u>29,584,402</u>	<u>426,665</u>	<u>(157,981)</u>	<u>29,853,086</u>
Depreciated assets:				
Buildings and improvements	75,834,244	718,066	(18,000)	76,534,310
Machinery and equipment	11,245,968	752,571	(1,859,482)	10,139,057
	87,080,212	1,470,637	(1,877,482)	86,673,367
Less: accumulated depreciation	(41,428,273)	(2,379,618)	1,869,544	(41,938,347)
	<u>45,651,939</u>	<u>(908,981)</u>	<u>(7,938)</u>	<u>44,735,020</u>
Net governmental capital assets	<u>\$ 75,236,341</u>	<u>\$ (482,316)</u>	<u>\$ (165,919)</u>	<u>\$ 74,588,106</u>
<u>Business-type activities:</u>				
Non-depreciated assets:				
Construction in progress	\$ -	\$ 5,565	\$ -	\$ 5,565
Depreciated assets:				
Building improvements	13,894	-	-	13,894
Machinery and equipment	188,643	11,571	(27,521)	172,693
	202,537	11,571	(27,521)	186,587
Less: accumulated depreciation	(198,490)	(10,608)	27,521	(181,577)
	<u>4,047</u>	<u>963</u>	<u>-</u>	<u>5,010</u>
Net business-type capital assets	<u>\$ 4,047</u>	<u>\$ 6,528</u>	<u>\$ -</u>	<u>\$ 10,575</u>
Total capital assets	<u>\$ 75,240,388</u>	<u>\$ (475,788)</u>	<u>\$ (165,919)</u>	<u>\$ 74,598,681</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - SHORT-TERM DEBT

On July 1, 2019, the School District issued a tax/revenue anticipation note to provide liquidity for governmental operations financed by property taxes. The tax/revenue anticipation note allowed principal draws up to \$6,874,000 at 2.85% interest per annum with a maturity date of June 30, 2020. On June 30, 2020, the tax/revenue anticipation note was paid in full. Interest expense for the note was \$ 195,644.

Short-term debt activity for the year ended June 30, 2020, was as follows:

	Balance, 7/1/19	Additions	Reductions	Balance, 6/30/20
Tax anticipation note	\$ -	\$ 6,874,000	\$ (6,874,000)	\$ -

NOTE 7 - LONG-TERM DEBT

A summary of long-term debt for the year ended June 30, 2020 is as follows:

	Balance, 7/1/19	Additions	Deletions	Balance, 6/30/20	Current Year Portion
Bonds payable	\$ 37,349,355	\$ -	\$ (2,227,454)	\$ 35,121,901	\$ 2,227,453
Notes from direct borrowings payable	1,707,190	485,000	(488,916)	1,703,274	512,453
Total	<u>\$ 39,056,545</u>	<u>\$ 485,000</u>	<u>\$ (2,716,370)</u>	<u>\$ 36,825,175</u>	<u>\$ 2,739,906</u>

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

Bonds payable:

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

\$ 3,205,000

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

99,000

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 - LONG-TERM DEBT (CONTINUED)

\$540,000, 2016 General Obligation bond due to Vermont Municipal Bond Bank in annual preincipal installments of \$36,000 November of 2031. The fixed interest rate ranges from 1.491% to 2.861% per annum.	432,000
\$2,800,000, 2010 General Obligation bond due to Community Bank in full on March 1, 2027. The School District makes annual payments to a sinking fund in the amount of \$145,000. No interest is charged on this bond.	2,800,000
\$2,500,000, 2010 General Obligation bond due to Community Bank in full on March 1, 2027. The School District makes annual payments to a sinking fund in the amount of \$130,000. No interest is charged on this bond.	2,500,000
\$9,250,000, 2017 General Obligation bond due to Vermont Municipal Bond Bank in annual principal installments of \$462,500 through November 2036. The fixed interest rate charged is 2.732% per annum.	7,862,500
\$480,000, 2008 General Obligation bond due to Vermont Municipal Bond Bank in annual principal installments of \$30,000 to \$35,000 through November of 2023. The fixed interest rate ranges from 1.9% to 4.41% per annum.	120,000
\$365,000, 2011 General Obligation bond due to Vermont Municipal Bond Bank in semi-annual installments of \$11,227 through December 2027. The fixed interest rate charged is 0.179% per annum.	168,401
\$140,000, 2014 General Obligation bond due to Vermont Municipal Bond Bank in annual principal installments of \$14,000 through November of 2024. The fixed interest rate ranges from 0.513% to 3.223% per annum.	70,000
\$19,850,000, 2017 General Obligation bond due to Vermont Municipal Bond Bank in annual principal installments of \$992,500 through November of 2037. The fixed interest rate ranges from 1.55% to 3.82% per annum.	<u>17,865,000</u>
Total bonds payable	<u><u>\$ 35,121,901</u></u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Notes from direct borrowings payable:

Bus note payable to Community National Bank in annual principal installments of \$94,000 through July 2023. Interest is charged at a fixed rate of 2.75% per annum.	\$ 376,000
Bus note payable to Community Bank, interest is charged at a fixed rate of 1.60%, principal and interest due July 15, 2021.	79,879
Bus note payable to Community National Bank, interest is charged at a fixed rate of 1.50% per annum, principal and interest due July 15, 2020.	33,400
\$370,000, Capital improvement note payable to Community Bank in annual principal installments of \$24,667 through July 2030. Interest is a fixed rate of 2.45% per annum.	271,333
Bus note payable to Community National Bank, interest is charged at a fixed rate of 1.50% per annum, annual principal payments of \$20,200 and interest due July 15, 2020.	20,200
Bus note payable to Community Bank, interest is charged at a fixed rate of 1.60% per annum, annual principal payments of \$39,940 and interest due July 15, 2021.	79,879
Bus note payable to Community National Bank, interest is charged at a fixed rate of 1.50% per annum, annual principal payments of \$20,200 and interest due July 15, 2020.	20,200
Bus note payable to Merchants Bank, interest is charged at a fixed rate of 1.60% per annum, annual principal payments of \$39,940 and interest due July 15, 2021.	79,879
\$260,000, Financial/HR system note payable to Community National Bank in annual principal installments of \$52,000 through November of 2021. Interest is charged as a fixed rate of 1.50% per annum.	104,000
\$255,840, Bus note payable to Community National Bank in annual principal installments of \$51,168 through July of 2022. Interest is charged as a fixed rate of 2.25% per annum.	153,504
\$485,000, Bus note payable to Community National Bank in annual principal installments of \$97,000 through July of 2024. Interest is charged as a fixed rate of 2.40% per annum.	<u>485,000</u>
Total notes from direct borrowings payable	<u>\$ 1,703,274</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 - LONG-TERM DEBT (CONTINUED)

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

Year Ending June 30,	Governmental Activities			
	Bonds Payable		Notes from Direct Borrowings Payable	
	Principal	Interest	Principal	Interest
2021	\$ 2,227,453	\$ 917,085	\$ 512,453	\$ 38,437
2022	2,222,453	854,447	438,653	28,822
2023	2,222,453	788,639	266,835	18,544
2024	2,221,453	719,214	215,667	11,863
2025	2,167,453	647,478	121,667	6,346
2026-2030	12,775,136	2,416,931	123,333	14,802
2031-2035	7,383,000	1,394,447	24,666	306
2036-2040	3,902,500	233,686	-	-
	<u>\$ 35,121,901</u>	<u>\$ 7,971,927</u>	<u>\$ 1,703,274</u>	<u>\$ 119,120</u>

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

NOTE 8 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2020 is as follows:

	Balance, 7/1/19	Additions	Deletions	Balance, 6/30/20	Current Year Portion
Accrued compensated absences	\$ 459,664	\$ 14,395	\$ -	\$ 474,059	\$ 23,703
Accrued severance payable	58,500	68,750	(43,500)	83,750	49,375
Net pension liability	5,538,962	2,746,558	(1,537,408)	6,748,112	-
	<u>\$ 6,057,126</u>	<u>\$ 2,829,703</u>	<u>\$ (1,580,908)</u>	<u>\$ 7,305,921</u>	<u>\$ 73,078</u>

Refer to Notes 9, 10 and 16 for more detailed information regarding other long-term obligations.

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9 - ACCRUED COMPENSATED ABSENCES

The School District's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2020, the School District's liability for compensated absences is \$462,825.

NOTE 10 - ACCRUED SEVERANCE PAYABLE

Teachers that have taught a minimum of ten consecutive years and that are on the 14th step of the salary schedule are eligible for severance pay. The liability for accrued severance payable is recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the severance liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2020, the School District's liability for severance payable is \$83,750.

NOTE 11 - RESTRICTED NET POSITION/FUND BALANCES

At June 30, 2020, the School District had the following restricted net position balances:

Debt service fund	\$ 3,229,588
Capital projects fund	556,781
Williston impact fees fund	471,824
	<u>\$ 4,258,193</u>

NOTE 12 - NONSPENDABLE FUND BALANCES

At June 30, 2020, the School District had the following nonspendable fund balances:

General fund:	
Inventory	\$ 73,058
Prepaid items	110,109
	<u>\$ 183,167</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 - ASSIGNED FUND BALANCES

At June 30, 2020, the School District had the following assigned fund balances:

General fund:	
FY 2021 budget	\$ 725,000
Revenue for future budgets	<u>1,750,407</u>
	<u>\$ 2,475,407</u>

NOTE 14 - DEFINED BENEFIT PENSION PLANS

VERMONT STATE TEACHERS' RETIREMENT SYSTEM

Plan Description

All of the teachers employed by the School District participate in the Vermont State Teachers' Retirement System ("VSTRS"), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, covering nearly all public day school and nonsectarian private Union teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State of Vermont that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2018 (the most recent period available), the retirement system consisted of 22,561 participating members.

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

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

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

compensation (AFC) and years of creditable service. The Vermont State Agency of Administration issues a publicly available Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information for the VSTRS. That report may be viewed on the State's Department of Finance & Management website at: http://finance.vermont.gov/reports_and_publications/cafr.

Benefits Provided

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

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

VSTRS	Group A	Group C – Group # 1	Group C – Group # 2
Normal service retirement eligibility (no reduction)	Age 60 or 30 years of service	Age 62 or with 30 years of service	Age 65 or when the sum of age and service equals 90
Average Final Compensation (AFC)	Highest 3 consecutive years, including unused annual leave, sick leave and bonus/incentives	Highest 3 consecutive years, excluding all payments for anything other than service actually performed	Highest 3 consecutive years, excluding all payments for anything other than service actually performed
Benefit formula – normal service retirement	1.67% x creditable service x AFC	1.25% x service prior to 7/1/90 x AFC + 1.67% x service after 7/1/90 x AFC	1.25% x service prior to 7/1/90 x AFC + 1.67% x service after 7/1/90 x AFC, 2.0% after attaining 20 years

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Maximum Benefit Payable	100% of AFC	53.34% of AFC	60% of AFC
Post-Retirement COLA	Full CPI, up to a maximum of 5% after 12 months of retirement; minimum of 1%	50% CPI, up to a maximum of 5% after 12 months of retirement or with 30 years; minimum of 1%	50% CPI, up to a maximum of 5%, minimum of 1% after 12 months of normal retirement or age 65
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Early Retirement Reduction	Actuarial reduction	6% for each year prior to age 62	Actuarial reduction

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

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

Contributions

VSTRS is a cost-sharing public employee retirement system with one exception: all risks and costs are not shared by the School District but are the liability of the State of Vermont. VSTRS is funded through State and employee contributions and trust fund investment earnings; and the School District has no legal obligation for paying benefits. Required contributions to the System are made by the State of Vermont based upon a valuation report prepared by the System's actuary, which varies by plan group. The Vermont State Teachers Retirement System estimates the contributions on behalf of the School District's employees included in the teacher's retirement plan which approximates \$6,523,573 or 19.15% of total payroll for employees covered under the plan. Beginning in 2016, School Districts that pay for teachers with federal dollars are required to include costs of pensions in the federal grant, lowering the liability for the State. Federally funded pension costs reimbursed to the State by the School District for the fiscal year ending June 30, 2020 were \$193,492. The School District's total payroll for all federal funded employees covered under this plan was \$1,010,402 for the year ended June 30, 2020.

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Employee contribution rates by plan group follow:

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

Employee contributions totaled \$1,788,595 during the year and were paid by the School District to the State of Vermont. The School District has no other liability under the plan. The School District's total payroll for all employees covered under this plan was \$34,065,655 for the year ended June 30, 2020.

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost sharing, multi-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125. It is designed for persons employed on a regular basis by a school district or by a supervisory union for no fewer than 1,040 hours in a year and for no fewer than 30 hours a week for the school year, as defined in 16 V.S.A. § 1071, or for no fewer than 1,040 hours in a year and for no fewer than 24 hours a week year-round; provided, however, that if a person who was employed on a regular basis by a school district as either a special education or transportation employee and who was transferred to and is working in a supervisory union in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) and if that person is also employed on a regular basis by a school district within the supervisory union, then the person is an "employee" if these criteria are met by the combined hours worked for the supervisory union and school district. The term shall also mean persons employed on a regular basis by a municipality other than a school district for no fewer than 1,040 hours in a year and for no fewer than 24 hours per week, including persons employed in a library at least one-half of whose operating expenses are met by municipal funding. For the year ended June 30, 2019 (the most recent data available), the retirement system consisted of 14,755 participating members.

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

http://finance.vermont.gov/reports_and_publications/cafr.

Benefits Provided

The pension plan is divided into four membership groups:

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Contributions

Title 24 VSA Chapter 125 of Vermont Statutes grants the authority to the Retirement Board to annually review the amount of municipalities' contributions as recommended by the actuary of the retirement system in order to achieve and preserve the financial integrity of the fund and to certify the rates of contributions payable by employers. The Board of Trustees also certifies the rates of contribution payable by employees. Contribution rates for each group as of July 1, 2019 are as follows:

VMERS	Group A	Group B	Group C	Group D
Employee Contributions	2.750% of gross salary	5.125% of gross salary	10.250% of gross salary	11.600% of gross salary
Employer Contributions	4.250% of gross salary	5.750% of gross salary	7.500% of gross salary	10.100% of gross salary

Employee contributions are withheld pre-income tax by the School District and are remitted to the State of Vermont. Such withholdings for the year ended June 30, 2020 totaled \$875,644. The School District contributed \$807,915 for the year ended June 30, 2020. The School District's total payroll for the year ended June 30, 2020 for all employees covered under this plan was \$12,926,796.

Pension Liabilities

VSTRS Plan

The State is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of member employers. Therefore, these employers are considered to be in a special funding situation as defined in GASB No. 68 and the State is treated as a nonemployer to VSTRS. Since the School District does not contribute directly to VSTRS, no net pension liability was recorded at June 30, 2020. The State's portion of the collective net pension liability that was associated with the School District was as follows:

School District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the School District	<u>32,780,725</u>
Total	<u><u>\$ 32,780,725</u></u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

The State of Vermont's proportionate share of the net pension liability associated with the School District is equal to the collective net pension liability, actuarially measured as of June 30, 2019, multiplied by the School District's proportionate share percentage. The School District's proportionate share percentage was based on its reported salaries to the total reported salaries for all participating employers. At June 30, 2019, the School District's proportion was 4.77065% which was an increase of 0.00650% from its proportion measured as of June 30, 2018.

VMERS Plan

At June 30, 2020, the School District reported a liability of \$6,748,112 for its proportionate share of the net pension liabilities for each plan. The net pension liabilities were measured as of June 30, 2019 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liabilities were based on a projection of the School District's long-term share of contributions to each pension plan relative to the projected contributions of all participating towns, actuarially determined.

At June 30, 2019, the School District's proportion was 3.88959% for VMERS, which was a decrease of 0.04781% from its proportion measured as of June 30, 2018 for VMERS.

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

For the year ended June 30, 2020, the School District recognized total pension expense of \$25,349,327 and revenue of \$25,349,327 for support provided by the State of Vermont for the VSTRS plan. In the same period, the School District recognized pension expense of \$1,938,643 for the VMERS plan. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	VSTRS		VMERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ 874,284	\$ 58,329
Changes of assumptions	-	-	225,302	-
Net difference between projected and actual earnings on pension plan investments	-	-	459,620	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	1,815,517	37,796
Contributions subsequent to the measurement date	-	-	807,915	-
Total	\$ -	\$ -	\$ 4,182,638	\$ 96,125

\$807,915 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	VSTRS Plan	VMERS Plan
Plan year ended June 30:		
2020	\$ -	\$ 1,195,396
2021	-	915,348
2022	-	952,300
2023	-	215,554
2024	-	-
Thereafter	-	-

Significant Actuarial Assumptions and Methods

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using the actuarial assumptions outlined below.

Investment Rate of Return: For both plans, 7.50%, net of pension plan investment expenses, including inflation.

Inflation: For both plans, 2.50%.

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Salary Increases: For the VSTRS plan, increases ranging from 3.75% to 9.09%. For the VMERS plan, increases are 5.00% per year.

Deaths After Retirement: The VSTRS plan used 98% of the RP-2006 White Collar Employee with generational projection using Scale SSA-2018 for pre-retirement, 98% of the RP-2006 White Collar Annuitant with generational projection using Scale SSA-2018 for healthy retirees, and the RP-2006 Disabled Mortality Table with generational projection using Scale SSA-2018 for disabled retirees.

Mortality rates for pre-retirement, healthy retirees and disabled retirees in the VMERS plan for Groups A, B, C and D were based on variations of RP-2006 Tables with generational improvement using Scale SSA-2018 as follows:

Pre-retirement - Groups A, B, and C blended with a 60% Blue Collar Employee and 40% Healthy Employee, and Group D with a Blue Collar Annuitant Table

Healthy Retiree - Groups A, B and C with a 60% Blue Collar Annuitant and 40% Healthy Annuitant, and Group D with a Blue Collar Annuitant Table

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

Inactive Members: Valuation liability for the VSTRS plan equals 250.0% of accumulated contributions and 200% for the VMERS plan.

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

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

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Cost-of-Living Adjustments: Adjustments for both plans are assumed to occur on January 1 following one year of retirement. For the VSTRS plan this occurs at the rate of 2.55% per annum for Group A members and 1.40% per annum for Group C members (beginning at age 62 for Group C members who elect reduced early retirement). The January 1, 2020 COLA is assumed to be 1.60% for Group A and 1.00% for Group C. For the VMERS plan, this occurs at the rate of 1.15% per annum for Group A members and 1.30% per annum for Groups B, C and D members (beginning Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for Group A, B and D members who receive a disability retirement benefit and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2020 COLA is 0.80% for all groups.

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

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

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

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

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2019 are summarized in the following table:

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	29.00%	6.90%
US Equity - Large Cap	4.00%	5.94%
US Equity - Small/Mid Cap	3.00%	6.72%
Non-US Equity - Large Cap	5.00%	6.81%
Non-US Equity - Small Cap	2.00%	7.31%
Emerging Markets Debt	4.00%	4.26%
Core Bonds	14.00%	1.79%
Non-Core Bonds	6.00%	3.22%
Short Quality Credit	5.00%	1.81%
Private Credit	5.00%	6.00%
US TIPS	3.00%	1.45%
Core Real Estate	5.00%	4.26%
Non-Core Real Estate	3.00%	5.76%
Private Equity	10.00%	10.81%
Infrastructure/Farmland	2.00%	4.89%

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for the VSTRS plan and the VMERS plan. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy which exceeds the actuarially determined contribution rate. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.50% for both the VSTRS and VMERS plans, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
<u>VSTRS:</u>			
Discount rate	6.50%	7.50%	8.50%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
<u>VMERS:</u>			
Discount rate	6.50%	7.50%	8.50%
School District's proportionate share of the net pension liability	\$ 11,065,887	\$ 6,748,112	\$ 3,173,792

Pension Plan Fiduciary Net Position

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

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

VERMONT STATE TEACHERS' RETIREMENT SYSTEM

Plan Description

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

The plan covers nearly all public day school and nonsectarian private high school teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2019, the Plan consisted of 184

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

participating employers and at June 30, 2018 (the most recent period available), the plan consisted of 6,713 retired members or beneficiaries currently receiving benefits and 9,892 active members.

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

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

Benefits Provided

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

Contributions

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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

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

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

Retirees pay full cost of dental benefits.

OPEB Liabilities

The State is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of member employers. Therefore, these employers are considered to be in a special funding situation as defined in GASB No. 75 and the State is treated as a nonemployer to VSTRS. Since

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

the School District does not contribute directly to VSTRS, no net OPEB liability was recorded at June 30, 2020. The State's portion of the collective net OPEB liability that was associated with the School District was as follows:

School District's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the School District		<u>40,928,482</u>
Total	\$	<u><u>40,928,482</u></u>

The State of Vermont's proportionate share of the net OPEB liability associated with the School District is equal to the collective net OPEB liability, actuarially measured as of June 30, 2019, multiplied by the School District's proportionate share percentage. The School District's proportionate share percentage was based on its reported salaries to the total reported salaries for all participating employers. At June 30, 2019, the School District's proportion was 3.88959% which was a decrease of 0.00193% from its proportion measured as of June 30, 2018.

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

For the year ended June 30, 2020, the School District recognized total OPEB expense of \$10,729,468 and revenue of \$10,729,468 for support provided by the State of Vermont for the Plan. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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

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

	<u>VSTRS OPEB Plan</u>	
Plan year ended June 30:		
2020	\$	-
2021		-
2022		-
2023		-
2024		-
Thereafter		-

Discount Rate

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

	1% Decrease	Discount Rate	1% Increase
VSTRS OPEB Plan:			
Discount rate	2.50%	3.50%	4.50%
School District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -

Healthcare Trend Rate

Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The trend rate assumptions were developed using Segal's internal guidelines, which are established each year using data sources such as the 2020 Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the S&P Dow Jones Indices, consulting firms and brokers and CPI statistics published by the Bureau of Labor Statistics. The sensitivity of net OPEB liability to changes in healthcare trend rates are as follows:

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

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2019, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

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

Amortization

The total OPEB liability of this Plan is amortized on an open 30-year period. The amortization method is a level dollar amortization method.

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

Asset Valuation Method

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

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

The target allocation, long-term expected rates of return for each major asset class and expected inflation, as of June 30, 2019, are summarized below:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large cap equity	20.00%	7.50%
International equity	15.00%	7.75%
Emerging international equity	5.00%	9.25%
Core bonds	60.00%	4.37%
Inflation		2.75%
Total	100.00%	

Assumptions

The actuarial assumptions used to calculate the actuarially determined contribution rates can be found in the Report on the Actuarial Valuation of Post-Retirement Benefits of the Vermont State Teachers' Retirement System Prepared as of June 30, 2016 completed by Buck Consulting. As of June 30, 2019, they are as follows:

Discount Rate	3.50%
Salary Increase Rate	Varies by age
Non-Medicare	7.15% graded to 4.50% over 12 years
Medicare	7.15% graded to 4.50% over 12 years
Retiree Contributions	Equal to health trend
Pre-retirement Mortality	98% of RP-2006 White Collar Employee with generational projection using Scale SSA-2018.
Post-retirement Mortality	98% of RP-2006 White Collar Annuitant with generational projection using Scale SSA-2018.

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2019 with the following exceptions:

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period remaining was twenty-nine years as of July 1, 2019. For the fiscal year ended June 30, 2019, the discount rate was decreased from 3.87% to 3.50%.

OPEB Plan Fiduciary Net Position

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

NOTE 16 - RISK MANAGEMENT

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 - RISK MANAGEMENT (CONTINUED)

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

NOTE 17 - CONTINGENCIES

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

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

The School District participates in a medical insurance plan negotiated through VEHI. This plan is a high-deductible plan with an HRA (Health Reimbursement Arrangement) funded by the School District. The organization contracted to coordinate the processing of claims on behalf of the School District with HRA funds has not processed all claims as of June 30, 2020 and through the date of this report. Additionally, they were unable to provide management with the outstanding amount to be expensed by the School District through June 30, 2020. Therefore, the amount, if any, of any liabilities arising from the unprocessed claims cannot be determined at this time.

NOTE 18 - COMPARATIVE DATA/RECLASSIFICATIONS

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 19 - SUBSEQUENT EVENTS

On July 1, 2020, the School District issued a tax/revenue anticipation note in anticipation of tax revenues to meet its operating obligations during the fiscal year. The note allows principal draws up to \$8,991,000 at a fixed interest rate of 1.54% and a maturity date of June 30, 2021.

Required Supplementary Information

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,136,825	\$ 4,136,825	\$ 4,136,825	\$ -
Resources (Inflows):				
Intergovernmental:				
State/Town support	66,584,273	66,584,273	66,584,273	-
Other	11,163,839	11,163,839	9,568,109	(1,595,730)
Tuition	98,713	98,713	248,807	150,094
Interest income	225,000	225,000	344,010	119,010
Miscellaneous	263,865	263,865	618,552	354,687
Bond proceeds	485,000	485,000	485,000	-
Transfers from other funds	1,575,000	1,575,000	181,962	(1,393,038)
Amounts Available for Appropriation	<u>84,532,515</u>	<u>84,532,515</u>	<u>82,167,538</u>	<u>(2,364,977)</u>
Charges to Appropriations (Outflows):				
Instructional programs	47,263,573	47,263,573	46,319,276	944,297
Instructional support	9,819,205	9,819,205	9,224,224	594,981
Administrative/Other support	8,817,013	8,817,013	8,474,905	342,108
Building operations and maintenance	4,511,669	4,511,669	4,477,595	34,074
Fiscal services	1,121,236	1,121,236	1,086,904	34,332
Transportation	3,544,053	3,544,053	2,989,851	554,202
Debt service:				
Principal	2,727,368	2,727,368	2,716,368	11,000
Interest	967,573	967,573	958,574	8,999
Prior year adjustments	-	-	26,477	(26,477)
Transfers to other funds	1,624,000	1,624,000	1,994,978	(370,978)
Total Charges to Appropriations	<u>80,395,690</u>	<u>80,395,690</u>	<u>78,269,152</u>	<u>2,126,538</u>
Budgetary Fund Balance, June 30	<u>\$ 4,136,825</u>	<u>\$ 4,136,825</u>	<u>\$ 3,898,386</u>	<u>\$ (238,439)</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

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

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - PENSIONS
LAST 10 FISCAL YEARS*

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

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

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

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

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

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

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020

Changes of Assumptions

VSTRS Pension Plan:

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

VMERS Pension Plan:

There have been no changes in actuarial assumptions since last valuation.

VSTRS OPEB Plan:

The discount rate was decreased from 3.87% to 3.50%.

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

The assumed health trend rates were modified.

The percentage of future retirees not eligible for a subsidy assumed to elect coverage was increased from 10% to 15%.

60% of terminated vested participants who are eligible for a subsidy and 0% of those not eligible for a subsidy were assumed to elect coverage. Previously 30% of future terminated vested participants who are eligible for a subsidy and 10% of those not eligible for a subsidy were assumed to elect coverage and 30% of current terminated vested participants were assumed to elect coverage.

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

Other Supplementary Information

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

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Intergovernmental revenues:				
Education spending grant	\$ 66,202,582	\$ 66,202,582	\$ 66,202,582	\$ -
Supplemental assistance grant	381,691	381,691	381,691	-
State aid transportation	1,114,965	1,114,965	1,265,200	150,235
Driver education reimbursement	10,000	10,000	8,992	(1,008)
High school completion reimbursement	5,000	5,000	33,875	28,875
Medicaid EDPSDT	544,914	544,914	-	(544,914)
Special education reimbursement	5,862,080	5,862,080	5,647,991	(214,089)
Mainstream block grant	1,518,760	1,518,760	1,518,760	-
Extraordinary reimbursement	704,189	704,189	466,434	(237,755)
State-placed special education	106,659	106,659	241,077	134,418
IDEA-B	784,860	784,860	-	(784,860)
Special education EEE	316,267	316,267	316,267	-
Program grants	122,145	122,145	-	(122,145)
Vocational transportation	74,000	74,000	53,914	(20,086)
Unenrolled resident reimbursement	-	-	15,599	15,599
Charges for services:				
Tuition	98,713	98,713	248,807	150,094
Interest income	225,000	225,000	344,010	119,010
Miscellaneous:				
Prior year adjustments/other	11,020	11,020	138,554	127,534
Community service	-	-	238,012	238,012
Rentals	252,845	252,845	237,685	(15,160)
Gain/loss on sale of fixed assets	-	-	4,301	4,301
Bond proceeds	485,000	485,000	485,000	-
Transfers in	1,575,000	1,575,000	181,962	(1,393,038)
Amounts Available for Appropriation	<u>\$ 80,395,690</u>	<u>\$ 80,395,690</u>	<u>\$ 78,030,713</u>	<u>\$ (2,364,977)</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Instructional programs -				
Instructional programs	\$ 32,514,078	\$ 32,514,078	\$ 32,136,789	\$ 377,289
Special education				
Instructional programs	12,070,021	12,070,021	11,382,966	687,055
Summer	201,447	201,447	235,425	(33,978)
504	245,271	245,271	271,788	(26,517)
Vocational/tech ed	702,360	702,360	757,139	(54,779)
Athletics	868,494	868,494	1,071,470	(202,976)
Cocurriculars	611,942	611,942	316,607	295,335
Summer school	49,960	49,960	147,092	(97,132)
	<u>47,263,573</u>	<u>47,263,573</u>	<u>46,319,276</u>	<u>944,297</u>
Instructional support -				
Guidance	3,156,428	3,156,428	2,595,059	561,369
Health	737,839	737,839	729,883	7,956
Psychology	496,081	496,081	475,256	20,825
Speech and language	1,528,994	1,528,994	1,488,280	40,714
Occupational therapy	247,557	247,557	241,449	6,108
Physical therapy	120,788	120,788	146,984	(26,196)
Other student support services	-	-	299,080	(299,080)
Instructional and curricular development	1,221,279	1,221,279	998,190	223,089
Instructional staff training	893,748	893,748	651,133	242,615
Library/Media	1,094,801	1,094,801	1,123,650	(28,849)
Instructional technology	321,690	321,690	475,260	(153,570)
	<u>9,819,205</u>	<u>9,819,205</u>	<u>9,224,224</u>	<u>594,981</u>
Administrative/Other support -				
School board	152,835	152,835	128,979	23,856
Executive administration	1,188,720	1,188,720	1,049,907	138,813
Other executive administration	353,241	353,241	377,095	(23,854)
Campus administration	3,270,180	3,270,180	3,270,226	(46)
Special education administration	1,145,704	1,145,704	953,271	192,433
Other administrative support services	231,926	231,926	206,545	25,381
Personnel services	674,876	674,876	666,080	8,796
Technology services	1,799,531	1,799,531	1,822,802	(23,271)
	<u>8,817,013</u>	<u>8,817,013</u>	<u>8,474,905</u>	<u>342,108</u>

SCHEDULE B (CONTINUED)

CHAMPLAIN VALLEY SCHOOL DISTRICT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Building operations and maintenance	4,511,669	4,511,669	4,477,595	34,074
Fiscal service	1,121,236	1,121,236	1,086,904	34,332
Transportation	3,544,053	3,544,053	2,989,851	554,202
Debt service				
Principal	2,727,368	2,727,368	2,716,368	11,000
Interest	967,573	967,573	958,574	8,999
	<u>3,694,941</u>	<u>3,694,941</u>	<u>3,674,942</u>	<u>19,999</u>
Prior year adjustments	-	-	26,477	(26,477)
Transfer to other funds				
Debt service fund	314,000	314,000	301,000	13,000
Capital projects funds	1,110,000	1,110,000	1,110,000	-
Special revenue funds	-	-	51,872	(51,872)
Food service fund	200,000	200,000	532,106	(332,106)
	<u>1,624,000</u>	<u>1,624,000</u>	<u>1,994,978</u>	<u>(370,978)</u>
TOTAL DEPARTMENTAL OPERATIONS	<u>\$ 80,395,690</u>	<u>\$ 80,395,690</u>	<u>\$ 78,269,152</u>	<u>\$ 2,126,538</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Due from other governments	\$ 538,247	\$ 110,142	\$ 648,389
Due from other funds	385,207	436,682	821,889
TOTAL ASSETS	<u>\$ 923,454</u>	<u>\$ 546,824</u>	<u>\$ 1,470,278</u>
LIABILITIES			
Accounts payable	\$ 6,062	\$ -	\$ 6,062
Due to other funds	535,786	75,000	610,786
TOTAL LIABILITIES	<u>541,848</u>	<u>75,000</u>	<u>616,848</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenues	381,606	-	381,606
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>381,606</u>	<u>-</u>	<u>381,606</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	471,824	471,824
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>471,824</u>	<u>471,824</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 923,454</u>	<u>\$ 546,824</u>	<u>\$ 1,470,278</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 2,400,239	\$ 13,803	\$ 2,414,042
Interest income	-	555	555
Charges for services/fees	-	234,435	234,435
Other	135,885	-	135,885
TOTAL REVENUES	<u>2,536,124</u>	<u>248,793</u>	<u>2,784,917</u>
EXPENDITURES			
Other	2,536,124	33,713	2,569,837
TOTAL EXPENDITURES	<u>2,536,124</u>	<u>33,713</u>	<u>2,569,837</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>215,080</u>	<u>215,080</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	19,910	19,910
Transfers (out)	-	(150,000)	(150,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(130,090)</u>	<u>(130,090)</u>
NET CHANGE IN FUND BALANCES	-	84,990	84,990
FUND BALANCES - JULY 1	<u>-</u>	<u>386,834</u>	<u>386,834</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ 471,824</u>	<u>\$ 471,824</u>

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

Special Revenue Funds

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	Friends of Families Will/StG	Nellie Mae Ed Foundation	Rowland Foundation	CVU Misc Grants
ASSETS				
Due from other governments	\$ -	\$ -	\$ -	\$ -
Due from other funds	3,752	3,196	-	49,911
TOTAL ASSETS	<u>\$ 3,752</u>	<u>\$ 3,196</u>	<u>\$ -</u>	<u>\$ 49,911</u>
LIABILITIES				
Accounts payable	\$ -	\$ 3,196	\$ -	\$ -
Due to other funds	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>3,196</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenues	3,752	-	-	49,911
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,752</u>	<u>-</u>	<u>-</u>	<u>49,911</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,752</u>	<u>\$ 3,196</u>	<u>\$ -</u>	<u>\$ 49,911</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	Hinesburg Misc Grants	Charlotte Misc Grants	CVSD Misc Grants	VEHI VP3 Program	Vermont Children's Trust	Mobius VT Mentors Grant
ASSETS						
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -
Due from other funds	6,076	2,106	-	9,651	-	12
TOTAL ASSETS	<u>\$ 6,076</u>	<u>\$ 2,106</u>	<u>\$ -</u>	<u>\$ 9,651</u>	<u>\$ 20,000</u>	<u>\$ 12</u>
LIABILITIES						
Accounts payable	\$ 933	\$ -	\$ -	\$ -	\$ -	\$ 12
Due to other funds	-	-	-	-	20,000	-
TOTAL LIABILITIES	<u>933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>12</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenues	5,143	2,106	-	9,651	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>5,143</u>	<u>2,106</u>	<u>-</u>	<u>9,651</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 6,076</u>	<u>\$ 2,106</u>	<u>\$ -</u>	<u>\$ 9,651</u>	<u>\$ 20,000</u>	<u>\$ 12</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	Northwest VT Reading Recovery	Joint Collective Bargaining	Wellness Initiative	Champlain Valley Sup Assoc	Equity Literacy Grant	Stars	DOH Rev Prev Partnerships
ASSETS							
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ 1,250	\$ -	\$ 22,621
Due from other funds	25,337	-	1,037	-	-	4,223	-
TOTAL ASSETS	<u>\$ 25,337</u>	<u>\$ -</u>	<u>\$ 1,037</u>	<u>\$ -</u>	<u>\$ 1,250</u>	<u>\$ 4,223</u>	<u>\$ 22,621</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	1,250	-	22,621
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,250</u>	<u>-</u>	<u>22,621</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred revenues	25,337	-	1,037	-	-	4,223	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>25,337</u>	<u>-</u>	<u>1,037</u>	<u>-</u>	<u>-</u>	<u>4,223</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 25,337</u>	<u>\$ -</u>	<u>\$ 1,037</u>	<u>\$ -</u>	<u>\$ 1,250</u>	<u>\$ 4,223</u>	<u>\$ 22,621</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	Standards Board Grant	BEST/ ACT 230	BEST	EPSDT	SBSAS	Whole School Community Child
ASSETS						
Due from other governments	\$ 540	3,025	\$ -	\$ -	\$ 17,136	\$ -
Due from other funds	1,276	-	-	277,527	-	1,103
TOTAL ASSETS	<u>\$ 1,816</u>	<u>\$ 3,025</u>	<u>\$ -</u>	<u>\$ 277,527</u>	<u>\$ 17,136</u>	<u>\$ 1,103</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	3,025	-	-	17,136	-
TOTAL LIABILITIES	<u>-</u>	<u>3,025</u>	<u>-</u>	<u>-</u>	<u>17,136</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenues	1,816	-	-	277,527	-	1,103
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,816</u>	<u>-</u>	<u>-</u>	<u>277,527</u>	<u>-</u>	<u>1,103</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,816</u>	<u>\$ 3,025</u>	<u>\$ -</u>	<u>\$ 277,527</u>	<u>\$ 17,136</u>	<u>\$ 1,103</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	Sober Truth on Prevention	IDEA Proportionate Share	IDEA Preschool	IDEA Formula	IDEA-B CEIS
ASSETS					
Due from other governments	\$ 10,808	\$ 3,549	\$ 2,820	\$ 172,249	\$ 31,575
Due from other funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ 10,808</u>	<u>\$ 3,549</u>	<u>\$ 2,820</u>	<u>\$ 172,249</u>	<u>\$ 31,575</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	10,808	3,549	2,820	172,249	31,575
TOTAL LIABILITIES	<u>10,808</u>	<u>3,549</u>	<u>2,820</u>	<u>172,249</u>	<u>31,575</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 10,808</u>	<u>\$ 3,549</u>	<u>\$ 2,820</u>	<u>\$ 172,249</u>	<u>\$ 31,575</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	Title IV	Title III	Title II	Title I	Total
ASSETS					
Due from other governments	\$ 32,812	\$ 2,310	\$ 71,989	\$ 145,563	\$ 538,247
Due from other funds	-	-	-	-	385,207
TOTAL ASSETS	<u>\$ 32,812</u>	<u>\$ 2,310</u>	<u>\$ 71,989</u>	<u>\$ 145,563</u>	<u>\$ 923,454</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 1,921	\$ 6,062
Due to other funds	32,812	2,310	71,989	143,642	535,786
TOTAL LIABILITIES	<u>32,812</u>	<u>2,310</u>	<u>71,989</u>	<u>145,563</u>	<u>541,848</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues	-	-	-	-	381,606
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>381,606</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 32,812</u>	<u>\$ 2,310</u>	<u>\$ 71,989</u>	<u>\$ 145,563</u>	<u>\$ 923,454</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Friends of Families Will/StG	Nellie Mae Ed Foundation	Rowland Foundation	CVU Misc Grants
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ 12,047
Other	-	4,041	-	-
TOTAL REVENUES	<u>-</u>	<u>4,041</u>	<u>-</u>	<u>12,047</u>
EXPENDITURES				
Other	-	4,041	-	12,047
TOTAL EXPENDITURES	<u>-</u>	<u>4,041</u>	<u>-</u>	<u>12,047</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Hinesburg Misc Grants	Charlotte Misc Grants	CVSD Misc Grants	VEHI VP3 Program	Vermont Children's Trust	Mobius VT Mentors Grant
REVENUES						
Intergovernmental	\$ -	\$ -	\$ 74	\$ -	\$ -	\$ -
Other	1,998	5,958	-	8,648	20,000	25,750
TOTAL REVENUES	<u>1,998</u>	<u>5,958</u>	<u>74</u>	<u>8,648</u>	<u>20,000</u>	<u>25,750</u>
EXPENDITURES						
Other	<u>1,998</u>	<u>5,958</u>	<u>74</u>	<u>8,648</u>	<u>20,000</u>	<u>25,750</u>
TOTAL EXPENDITURES	<u>1,998</u>	<u>5,958</u>	<u>74</u>	<u>8,648</u>	<u>20,000</u>	<u>25,750</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Northwest VT Reading Recovery	Joint Collective Bargaining	Wellness Initiative	Champlain Valley Sup Assoc	Equity Literacy Grant	Stars	DOH Rev Prev Partnerships
REVENUES							
Intergovernmental	\$ -	\$ 29,586	\$ -	\$ 473	\$ 15,250	\$ 175	\$ 22,621
Other	68,707	-	-	-	-	-	-
TOTAL REVENUES	<u>68,707</u>	<u>29,586</u>	<u>-</u>	<u>473</u>	<u>15,250</u>	<u>175</u>	<u>22,621</u>
EXPENDITURES							
Other	68,707	29,586	-	473	15,250	175	22,621
TOTAL EXPENDITURES	<u>68,707</u>	<u>29,586</u>	<u>-</u>	<u>473</u>	<u>15,250</u>	<u>175</u>	<u>22,621</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-	-
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Standards Board Grant	BEST/ ACT 230	BEST	EPSDT	SBSAS	Whole School Community Child
REVENUES						
Intergovernmental	\$ -	\$ 5,215	\$ 1,586	\$ 18,685	\$ 60,000	\$ 2,805
Other	783	-	-	-	-	-
TOTAL REVENUES	<u>783</u>	<u>5,215</u>	<u>1,586</u>	<u>18,685</u>	<u>60,000</u>	<u>2,805</u>
EXPENDITURES						
Other	<u>783</u>	<u>5,215</u>	<u>1,586</u>	<u>18,685</u>	<u>60,000</u>	<u>2,805</u>
TOTAL EXPENDITURES	<u>783</u>	<u>5,215</u>	<u>1,586</u>	<u>18,685</u>	<u>60,000</u>	<u>2,805</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Sober Truth on Prevention	IDEA Proportionate Share	IDEA Preschool	IDEA Formula	IDEA-B CEIS
REVENUES					
Intergovernmental	\$ 28,568	\$ 27,200	\$ 26,486	\$ 1,141,810	\$ 152,429
Other	-	-	-	-	-
TOTAL REVENUES	<u>28,568</u>	<u>27,200</u>	<u>26,486</u>	<u>1,141,810</u>	<u>152,429</u>
EXPENDITURES					
Other	28,568	27,200	26,486	1,141,810	152,429
TOTAL EXPENDITURES	<u>28,568</u>	<u>27,200</u>	<u>26,486</u>	<u>1,141,810</u>	<u>152,429</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Title IV</u>	<u>Title III</u>	<u>Title II</u>	<u>Title I</u>	<u>Total</u>
REVENUES					
Intergovernmental	\$ 95,012	\$ 19,679	\$ 192,115	\$ 548,423	\$ 2,400,239
Other	-	-	-	-	135,885
TOTAL REVENUES	<u>95,012</u>	<u>19,679</u>	<u>192,115</u>	<u>548,423</u>	<u>2,536,124</u>
EXPENDITURES					
Other	95,012	19,679	192,115	548,423	2,536,124
TOTAL EXPENDITURES	<u>95,012</u>	<u>19,679</u>	<u>192,115</u>	<u>548,423</u>	<u>2,536,124</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Capital Projects Fund

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUND
JUNE 30, 2020

	Williston Impact Fees Fund	School Safety Security Grant	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Due from other governments	\$ 110,142	\$ -	\$ 110,142
Due from other funds	436,682	-	436,682
TOTAL ASSETS	<u>\$ 546,824</u>	<u>\$ -</u>	<u>\$ 546,824</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	75,000	-	75,000
TOTAL LIABILITIES	<u>75,000</u>	<u>-</u>	<u>75,000</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	471,824	-	471,824
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>471,824</u>	<u>-</u>	<u>471,824</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 546,824</u>	<u>\$ -</u>	<u>\$ 546,824</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Williston Impact Fees Fund	School Safety Security Grant	Total
REVENUES			
Intergovernmental	\$ -	\$ 13,803	\$ 13,803
Interest income	555	-	555
Charges for services/fees	234,435	-	234,435
TOTAL REVENUES	<u>234,990</u>	<u>13,803</u>	<u>248,793</u>
EXPENDITURES			
Other	-	33,713	33,713
TOTAL EXPENDITURES	<u>-</u>	<u>33,713</u>	<u>33,713</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>234,990</u>	<u>(19,910)</u>	<u>215,080</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	19,910	19,910
Transfers (out)	(150,000)	-	(150,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(150,000)</u>	<u>19,910</u>	<u>(130,090)</u>
NET CHANGE IN FUND BALANCES	84,990	-	84,990
FUND BALANCES - JULY 1	<u>386,834</u>	<u>-</u>	<u>386,834</u>
FUND BALANCES - JUNE 30	<u><u>\$ 471,824</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 471,824</u></u>

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

Fiduciary Funds

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF NET POSITION - FIDUCIARY FUNDS - PRIVATE-PURPOSE FUNDS
 JUNE 30, 2020

	<u>Charlotte</u>	<u>Hinesburg</u>	<u>Shelburne</u>	<u>Williston</u>	<u>CVU</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 6,045	\$ 45,804	\$ 62,301	\$ 5,062	\$ 253,357	\$ 372,569
TOTAL ASSETS	<u>\$ 6,045</u>	<u>\$ 45,804</u>	<u>\$ 62,301</u>	<u>\$ 5,062</u>	<u>\$ 253,357</u>	<u>\$ 372,569</u>
LIABILITIES						
Due to other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION						
Restricted - held in trust	\$ 6,045	\$ 45,804	\$ 62,301	\$ 5,062	\$ 253,357	\$ 372,569
TOTAL NET POSITION	<u>\$ 6,045</u>	<u>\$ 45,804</u>	<u>\$ 62,301</u>	<u>\$ 5,062</u>	<u>\$ 253,357</u>	<u>\$ 372,569</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
PRIVATE-PURPOSE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Charlotte</u>	<u>Hinesburg</u>	<u>Shelburne</u>	<u>Williston</u>	<u>CVU</u>	<u>Total</u>
ADDITIONS						
Contributions						
Donations	\$ -	\$ 45,000	\$ 1,350	\$ -	\$ 8,800	\$ 55,150
Total contributions	<u>-</u>	<u>45,000</u>	<u>1,350</u>	<u>-</u>	<u>8,800</u>	<u>55,150</u>
Investment earnings:						
Income earned	9	9	93	8	366	485
Total investment earnings, net	<u>9</u>	<u>9</u>	<u>93</u>	<u>8</u>	<u>366</u>	<u>485</u>
Total additions	<u>9</u>	<u>45,009</u>	<u>1,443</u>	<u>8</u>	<u>9,166</u>	<u>55,635</u>
DEDUCTIONS						
Scholarship awards	-	-	-	-	8,826	8,826
Administrative expenses	189	11,482	1,915	279	-	13,865
Total deductions	<u>189</u>	<u>11,482</u>	<u>1,915</u>	<u>279</u>	<u>8,826</u>	<u>22,691</u>
CHANGE IN NET POSITION	(180)	33,527	(472)	(271)	340	32,944
NET POSITION - JULY 1	<u>6,225</u>	<u>12,277</u>	<u>62,773</u>	<u>5,333</u>	<u>253,017</u>	<u>339,625</u>
NET POSITION - JUNE 30	<u>\$ 6,045</u>	<u>\$ 45,804</u>	<u>\$ 62,301</u>	<u>\$ 5,062</u>	<u>\$ 253,357</u>	<u>\$ 372,569</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal CFDA Number	Pass-through Grantor Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture Pass-through State of Vermont Agency of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	4452U056200	\$ 48,344	\$ -
National School Lunch Program	10.555	4450U056200	199,655	-
National School Lunch Program - Food Distribution	10.555	4456U056200	105,459	-
Summer Food Service Program for Children	10.559	4455U056200	224,200	-
Subtotal Child Nutrition Cluster			<u>577,658</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>577,658</u>	<u>-</u>
U.S. Department of the Treasury Pass-through State of Vermont Agency of Education:				
Coronavirus Relief Fund	21.019	4592U0562100	<u>835,002</u>	<u>-</u>
Total U.S. Department of the Treasury			<u>835,002</u>	<u>-</u>
U.S. Department of Education Pass-through State of Vermont Agency of Education:				
Title I Grants to Local Educational Agencies	84.010	4250U0562001	<u>548,423</u>	<u>-</u>
Special Education Cluster:				
Special Education-Grants to States (IDEA, Part B)	84.027	4226U0562001	1,321,438	-
Special Education-Preschool Grants (IDEA Preschool)	84.173	4228U0562001	26,486	-
Subtotal Special Education Cluster			<u>1,347,924</u>	<u>-</u>
English Language Acquisition State Grants	84.365	4375U0562001	<u>19,679</u>	<u>-</u>
Supporting Effective Instruction State Grants	84.367	4651U0562001	<u>192,115</u>	<u>-</u>
Race to the Top - Early Learning Challenge	84.412	4504U0562001	<u>95,012</u>	<u>-</u>
Total U.S. Department of Education			<u>2,203,153</u>	<u>-</u>
U.S. Department of Health and Human Services Centers for Disease Control and Prevention				
Direct Program:				
Sober Truth on Preventing Underage Drinking	93.243	SP023004-04	<u>28,567</u>	<u>-</u>
Pass-through State of Vermont Agency of Health and Human Services:				
Regional Prevention Partnership	93.243	03420-08002/RPP_CY2020	<u>22,621</u>	<u>-</u>
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	03420-68725	<u>2,805</u>	<u>-</u>
Block Grants for Prevention and Treatment of Substance Abuse	93.959	03420-08083	<u>60,000</u>	<u>-</u>
Total U.S. Department of Health and Human Services Centers for Disease Control and Prevention			<u>113,993</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 3,729,806</u>	<u>\$ -</u>

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

CHAMPLAIN VALLEY SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Champlain Valley School District under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Champlain Valley School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Champlain Valley School District.

2. Summary of Significant Accounting Policies

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

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



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

Board of School Directors
Champlain Valley School District
Shelburne, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Champlain Valley School District, as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise Champlain Valley School District's basic financial statements, and have issued our report thereon dated February 15, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Champlain Valley School District in a separate letter dated December 20, 2020.

Purpose of this Report

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

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
February 15, 2021



Proven Expertise & Integrity

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

Board of School Directors
Champlain Valley School District
Shelburne, Vermont

Report on Compliance for Each Major Federal Program

We have audited Champlain Valley School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Champlain Valley School District's major federal programs for the year ended June 30, 2020. Champlain Valley School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Champlain Valley School District's major federal programs based on our audit of the type of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Champlain Valley School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Champlain Valley School District, complied in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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

RHR Smith & Company

Buxton, Maine

Vermont Registration No. 092.0000697

February 15, 2021

CHAMPLAIN VALLEY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund
84.027/84.173	Special Education Cluster

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

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

None

Section III - Federal Awards Findings and Questioned Costs

None