

Federal Compliance Audit

**Slate Valley Unified Union School  
District**

June 30, 2020



*Proven Expertise & Integrity*

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

CONTENTS

JUNE 30, 2020

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 12
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET POSITION	13 - 14
STATEMENT B - STATEMENT OF ACTIVITIES	15 - 16
FUND FINANCIAL STATEMENTS	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	17
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	18
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	19
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	20
STATEMENT G - STATEMENT OF NET POSITION - PROPRIETARY FUNDS	21
STATEMENT H - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS	22
STATEMENT I - STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS	23
STATEMENT J - STATEMENT OF NET POSITION - FIDUCIARY FUNDS	24
STATEMENT K - STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS	25

NOTES TO FINANCIAL STATEMENTS	26 - 69
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REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	70
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND	71
SCHEDULE 2 - SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	72
SCHEDULE 3 - SCHEDULE OF CONTRIBUTIONS - PENSIONS	73
SCHEDULE 4 - SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY	74
SCHEDULE 5 - SCHEDULE OF CONTRIBUTIONS - OPEB	75
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	76

OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	77
SCHEDULE A - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND REVENUES	78
SCHEDULE B - SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND	79
SCHEDULE C - COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS	80
SCHEDULE D - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS	81
SPECIAL REVENUE FUNDS DESCRIPTION	82
SCHEDULE E - COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS	83 - 89

SCHEDULE F - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS	90 - 96
CAPITAL PROJECTS FUNDS DESCRIPTION	97
SCHEDULE G - COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUND	98
SCHEDULE H - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUND	99
PERMANENT FUNDS DESCRIPTION	100
SCHEDULE I - COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS	101
SCHEDULE J - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR PERMANENT FUNDS	102
FIDUCIARY FUNDS DESCRIPTION	103
SCHEDULE K - COMBINING SCHEDULE OF NET POSITION - PRIVATE-PURPOSE TRUST FUNDS	104
SCHEDULE L - COMBINING SCHEDULE OF CHANGES IN NET POSITION - PRIVATE-PURPOSE TRUST FUNDS	105
GENERAL CAPITAL ASSETS DESCRIPTION	106
SCHEDULE M - SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION	107
SCHEDULE N - SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION	108
<u>FEDERAL COMPLIANCE</u>	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	109
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	110

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 <i>GOVERNMENT AUDITING STANDARDS</i>	111 - 112
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	113 - 115
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	116



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## INDEPENDENT AUDITORS' REPORT

School Board  
Slate Valley Unified Union School District  
Fair Haven, 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 Slate Valley Unified Union School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Slate Valley Unified Union 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 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 Slate Valley Unified Union 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 and 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 Slate Valley Unified Union School District's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget an Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part

of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2021 on our consideration of Slate Valley Unified Union School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 Slate Valley Unified Union School District's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
Vermont Registration No. 092.0000697  
March 26, 2021



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

**(UNAUDITED)**

The following management's discussion and analysis of the Slate Valley Unified Union 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 type 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). Most of the School District's basic services are reported in governmental activities, which include direct services, student support services, instructional support services, general administration, fiscal services, central services, operations and maintenance, transportation, food services and program expenditures.
- *Business-type activities* – The activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges. This section is mostly supported by intergovernmental revenues (federal and state grants). All of the School District's basic charges are to external users for goods and/or services. These activities for the Slate Valley Unified Union School District include the food service fund.

### **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 two columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The School District's major fund is the general 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 Slate Valley Unified Union School District maintains one proprietary fund, the food service fund. This fund is 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 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 schedules and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

## **Government-Wide Financial Analysis**

Our analysis below focuses on the net position and changes in net position of the School District's governmental and business-type activities. The School District's total net position for governmental activities increased by \$1,004,525 from \$4,890,262 to \$5,894,787. The School District's total net position for business-type activities increased by \$43,444 from \$13,168 to \$56,612.

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 - increased for governmental activities by \$486,649 to a balance of \$2,540,481 at the end of this year. All of the net position for business-type activities is unrestricted.

**Table 1**  
**Slate Valley Unified Union School District**  
**Net Position**  
**June 30,**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2020</u>	<u>2019 (Restated)</u>	<u>2020</u>	<u>2019</u>
<b>Assets:</b>				
Current Assets	\$ 5,299,128	\$ 3,608,255	\$ 88,042	\$ 98,825
Noncurrent Assets - Capital Assets	3,308,273	3,090,827	-	-
Total Assets	<u>8,607,401</u>	<u>6,699,082</u>	<u>88,042</u>	<u>98,825</u>
<b>Deferred Outflows of Resources:</b>				
Deferred Outflows Related to Pensions	1,197,596	545,420	-	-
Total Deferred Outflows of Resources	<u>1,197,596</u>	<u>545,420</u>	<u>-</u>	<u>-</u>
<b>Liabilities:</b>				
Current Liabilities	662,842	279,999	31,430	85,657
Noncurrent Liabilities	2,707,285	2,010,936	-	-
Total Liabilities	<u>3,370,127</u>	<u>2,290,935</u>	<u>31,430</u>	<u>85,657</u>
<b>Deferred Inflows of Resources:</b>				
Deferred Inflows Related to Pensions	540,083	63,305	-	-
Total Deferred Inflows of Resources	<u>540,083</u>	<u>63,305</u>	<u>-</u>	<u>-</u>
<b>Net Position:</b>				
Net Investment in Capital Assets	2,776,246	2,266,518	-	-
Restricted	578,060	569,912	-	-
Unrestricted	2,540,481	2,053,832	56,612	13,168
Total Net Position	<u>\$ 5,894,787</u>	<u>\$ 4,890,262</u>	<u>\$ 56,612</u>	<u>\$ 13,168</u>

### Revenues and Expenses

Revenues for the School District's governmental activities increased by 10.34%, while total expenses increased by 9.48%. The increase in revenues was primarily due to increases in operating grants and contributions. The largest increase in expenses was in state on-behalf payments.

Revenues for the School District's business-type activities decreased by 3.26% while total expenses increased by 1.58%.

**Table 2**  
**Slate Valley Unified Union School District**  
**Change in Net Position**  
**For the Year Ended June 30,**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Revenues</b>				
<i>Program Revenues:</i>				
Charges for services	\$ -	\$ 224	\$ 48,047	\$ 174,676
Operating grants and contributions	14,137,470	8,642,529	-	-
<i>General Revenues:</i>				
Grants and contributions not restricted to specific programs	25,339,509	27,064,943	466,292	366,520
Miscellaneous	138,375	195,200	9,235	-
<b>Total Revenues</b>	<b>39,615,354</b>	<b>35,902,896</b>	<b>523,574</b>	<b>541,196</b>
<b>Expenses</b>				
Direct services	13,879,333	13,868,193	-	-
Student support services	2,104,246	1,822,613	-	-
Instructional support services	749,476	1,108,142	-	-
General administration	2,380,867	2,712,542	-	-
Fiscal services	527,143	503,642	-	-
Central services	603,819	3,492,257	566,200	557,374
Operations and maintenance	2,834,135	2,042,649	-	-
Transportation	1,013,618	1,130,708	-	-
Food services	10,691	25,077	-	-
Facilities acquisition and construction	221,560	714,869	-	-
Adjustment to prior years	-	14,102	-	-
State on-behalf payments	12,379,467	5,496,808	-	-
Program expenditures	1,792,092	2,235,948	-	-
Interest on long-term debt	28,312	22,310	-	-
<b>Total Expenses</b>	<b>38,524,759</b>	<b>35,189,860</b>	<b>566,200</b>	<b>557,374</b>
Transfers	(86,070)	(10,000)	86,070	10,000
<b>Change in Net Position</b>	<b>1,004,525</b>	<b>703,036</b>	<b>43,444</b>	<b>(6,178)</b>
<b>Net Position - July 1, Restated</b>	<b>4,890,262</b>	<b>4,187,226</b>	<b>13,168</b>	<b>19,346</b>
<b>Net Position - June 30</b>	<b>\$ 5,894,787</b>	<b>\$ 4,890,262</b>	<b>\$ 56,612</b>	<b>\$ 13,168</b>

## 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**  
**Slate Valley Unified Union School District**  
**Fund Balances - Governmental Funds**  
**June 30,**

	2020	2019	Increase (Decrease)
Major Fund:			
General Fund:			
Nonspendable	\$ 11,172	\$ 31,659	\$ (20,487)
Unassigned	2,673,626	2,646,777	26,849
	\$ 3,903,798	\$ 2,678,436	\$ 6,362
Nonmajor Funds:			
Nonmajor Special Revenue Funds:			
Restricted	\$ 540,036	\$ 532,162	\$ 7,874
Unassigned	(41)	-	(41)
Nonmajor Capital Projects Funds:			
Committed	341,239	239,642	101,597
Nonmajor Permanent Funds:			
Nonspendable	35,500	35,500	-
Restricted	2,524	2,250	274
Total Nonmajor Funds	\$ 919,258	\$ 809,554	\$ 109,704

The changes to total fund balances for the debt service 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.

## Budgetary Highlights

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

The general fund actual revenues were under budget by \$159,509. This was primarily attributable to all revenue categories exceeding budget with the exception of tuition revenue and state revenue.

The general fund actual expenditures were under budget by \$2,285,444. All expenditure categories were under or within budget with the exception of student support services, central services, facilities acquisition and construction and transfers to other funds.

## Capital Asset and Long-Term Debt Activity

### Capital Assets

As of June 30, 2020, the School District's capital assets increased by \$217,446 from the prior fiscal year. This increase was due to capital additions of \$590,820 less disposals of \$2,306 and current year depreciation expense of \$371,068.

**Table 4**  
**Slate Valley Unified Union School District**  
**Capital Assets (Net of Depreciation)**  
**June 30,**

	<u>2020</u>	<u>2019</u>
Land	\$ 60,409	\$ 60,409
Land improvements	4,617	5,037
Buildings and improvements	2,387,508	2,387,624
Furniture and fixtures	72,529	54,035
Infrastructure	43,768	47,256
Machinery and equipment	709,301	489,499
Vehicles	30,141	46,967
Total	<u>\$ 3,308,273</u>	<u>\$ 3,090,827</u>

### Debt

At June 30, 2020, the School District had \$532,027 in bonds and notes from direct borrowings payable versus \$660,169 last year. Refer to Note 7 of the Notes to the Financial Statements for detailed information.



### **Currently Known Facts, Decisions or Conditions**

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

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

The District also noted a subsequent event as a currently known fact. Refer to Note 24 of Notes to Financial Statements for more detailed information.

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

The 2020-2021 budget could be severely impacted by the reduction of funding from the State.

### **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 Superintendent's Office at 33 Mechanic Street, Fair Haven, Vermont 05743.

## SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF NET POSITION  
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 4,750,217	\$ 30,033	\$ 4,780,250
Accounts receivable (net of allowance for uncollectibles)	28,418	-	28,418
Due from other governments	509,321	47,895	557,216
Prepaid items	11,172	-	11,172
Inventory	-	10,114	10,114
Total current assets	<u>5,299,128</u>	<u>88,042</u>	<u>5,387,170</u>
Noncurrent assets:			
Land	60,409	-	60,409
Land improvements, net of accumulated depreciation	4,617	-	4,617
Buildings and improvements, net of accumulated depreciation	2,387,508	-	2,387,508
Furniture and fixtures, net of accumulated depreciation	72,529	-	72,529
Infrastructure, net of accumulated depreciation	43,768	-	43,768
Machinery and equipment, net of accumulated depreciation	709,301	-	709,301
Vehicles, net of accumulated depreciation	30,141	-	30,141
Total noncurrent assets	<u>3,308,273</u>	<u>-</u>	<u>3,308,273</u>
<b>TOTAL ASSETS</b>	<u>8,607,401</u>	<u>88,042</u>	<u>8,695,443</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	1,197,596	-	1,197,596
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,197,596</u>	<u>-</u>	<u>1,197,596</u>
<b>TOTAL ASSETS</b>	<u>\$ 9,804,997</u>	<u>\$ 88,042</u>	<u>\$ 9,893,039</u>

STATEMENT A (CONTINUED)  
SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF NET POSITION  
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 427,116	\$ 31,430	458,546
Accrued expenses	48,956	-	48,956
Current portion of long-term obligations	186,770	-	186,770
<b>Total current liabilities</b>	<b>662,842</b>	<b>31,430</b>	<b>694,272</b>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Retirement incentive program	281,733	-	281,733
Bond payable	430,000	-	430,000
Note from direct borrowings payable	18,933	-	18,933
Accrued compensated absences	311,027	-	311,027
Termination benefits	43,600	-	43,600
Net pension liability	1,621,992	-	1,621,992
<b>Total noncurrent liabilities</b>	<b>2,707,285</b>	<b>-</b>	<b>2,707,285</b>
<b>TOTAL LIABILITIES</b>	<b>3,370,127</b>	<b>31,430</b>	<b>3,401,557</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	540,083	-	540,083
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>540,083</b>	<b>-</b>	<b>540,083</b>
<b>NET POSITION</b>			
Net investment in capital assets	2,776,246	-	2,776,246
Restricted: Special revenue funds	540,036	-	540,036
Permanent funds	38,024	-	38,024
Unrestricted	2,540,481	56,612	2,597,093
<b>TOTAL NET POSITION</b>	<b>5,894,787</b>	<b>56,612</b>	<b>5,951,399</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 9,804,997</b>	<b>\$ 88,042</b>	<b>\$ 9,893,039</b>

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

## SLATE VALLEY UNIFIED UNION 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:							
Direct services	\$ 13,879,333	\$ -	\$ -	\$ -	\$ (13,879,333)	\$ -	\$ (13,879,333)
Student support services	2,104,246	-	-	-	(2,104,246)	-	(2,104,246)
Instructional support services	749,476	-	-	-	(749,476)	-	(749,476)
General administration	2,380,867	-	-	-	(2,380,867)	-	(2,380,867)
Fiscal services	527,143	-	-	-	(527,143)	-	(527,143)
Central services	603,819	-	-	-	(603,819)	-	(603,819)
Operations and maintenance	2,834,135	-	-	-	(2,834,135)	-	(2,834,135)
Transportation	1,013,618	-	-	-	(1,013,618)	-	(1,013,618)
Food services	10,691	-	-	-	(10,691)	-	(10,691)
Facilities acquisition and construction	221,560	-	-	-	(221,560)	-	(221,560)
Debt service:							
Interest	28,312	-	-	-	(28,312)	-	(28,312)
State on-behalf payments	12,379,467	-	12,379,467	-	-	-	-
Program expenditures	1,792,092	-	1,758,003	-	(34,089)	-	(34,089)
Total governmental activities	<u>38,524,759</u>	<u>-</u>	<u>14,137,470</u>	<u>-</u>	<u>(24,387,289)</u>	<u>-</u>	<u>(24,387,289)</u>
Business-type activities:							
Food service fund	566,200	48,047	-	-	-	(518,153)	(518,153)
Total business-type activities	<u>566,200</u>	<u>48,047</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(518,153)</u>	<u>(518,153)</u>
Total government	<u>\$ 39,090,959</u>	<u>\$ 48,047</u>	<u>\$ 14,137,470</u>	<u>\$ -</u>	<u>(24,387,289)</u>	<u>(518,153)</u>	<u>(24,905,442)</u>

STATEMENT B (CONTINUED)  
SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense) revenue	(24,387,289)	(518,153)	(24,905,442)
General revenues:			
Grants and contributions not restricted to specific programs	25,339,509	466,292	25,805,801
Miscellaneous	138,375	9,235	147,610
Total general revenues	25,477,884	475,527	25,953,411
Transfers	(86,070)	86,070	-
Change in net position	1,004,525	43,444	1,047,969
NET POSITION - JULY 1, RESTATED	4,890,262	13,168	4,903,430
NET POSITION - JUNE 30	<u>\$ 5,894,787</u>	<u>\$ 56,612</u>	<u>\$ 5,951,399</u>

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

## SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,370,954	\$ 379,263	\$ 4,750,217
Accounts receivable (net of allowance for uncollectibles)	28,418	-	28,418
Due from other governments	169,765	339,556	509,321
Prepaid items	11,172	-	11,172
Due from other funds	336,570	537,535	874,105
<b>TOTAL ASSETS</b>	<u>\$ 4,916,879</u>	<u>\$ 1,256,354</u>	<u>\$ 6,173,233</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 426,590	\$ 526	\$ 427,116
Accrued expenses	48,956	-	48,956
Due to other funds	537,535	336,570	874,105
<b>TOTAL LIABILITIES</b>	<u>1,013,081</u>	<u>337,096</u>	<u>1,350,177</u>
<b>FUND BALANCES</b>			
Nonspendable	11,172	35,500	46,672
Restricted	-	542,560	542,560
Committed	1,219,000	341,239	1,560,239
Assigned	-	-	-
Unassigned	2,673,626	(41)	2,673,585
<b>TOTAL FUND BALANCES</b>	<u>3,903,798</u>	<u>919,258</u>	<u>4,823,056</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,916,879</u>	<u>\$ 1,256,354</u>	<u>\$ 6,173,233</u>

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

## SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	Total Governmental Funds
Total Fund Balances	\$ 4,823,056
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	3,308,273
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	1,197,596
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bond payable	(495,000)
Note from direct borrowings payable	(37,027)
Accrued compensated absences	(414,703)
Termination benefits	(43,600)
Net pension liability	(1,621,992)
For governmental funds, the liability for retirement incentive payable is not recorded. The expense is recorded when incurred.	(281,733)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(540,083)
Net position of governmental activities	\$ 5,894,787

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

## SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Intergovernmental revenues	\$ 27,280,854	\$ 1,758,003	\$ 29,038,857
Interest income	34,355	1,874	36,229
Miscellaneous	60,265	41,881	102,146
<b>TOTAL REVENUES</b>	<b>27,375,474</b>	<b>1,801,758</b>	<b>29,177,232</b>
<b>EXPENDITURES</b>			
Current:			
Direct services	13,049,186	-	13,049,186
Student support services	2,149,583	-	2,149,583
Instructional support services	726,532	-	726,532
General administration	2,674,316	-	2,674,316
Fiscal services	527,143	-	527,143
Central services	603,819	-	603,819
Operations and maintenance	2,956,562	-	2,956,562
Transportation	1,000,041	-	1,000,041
Food services	20,605	-	20,605
Facilities acquisition and construction	221,560	-	221,560
Debt Service:			
Principal	65,000	-	65,000
Interest	28,312	-	28,312
State on-behalf payments	1,941,345	-	1,941,345
Program expenditures	-	1,792,092	1,792,092
<b>TOTAL EXPENDITURES</b>	<b>25,964,004</b>	<b>1,792,092</b>	<b>27,756,096</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,411,470</b>	<b>9,666</b>	<b>1,421,136</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	831,990	831,990
Transfers (out)	(186,108)	(731,952)	(918,060)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(186,108)</b>	<b>100,038</b>	<b>(86,070)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,225,362</b>	<b>109,704</b>	<b>1,335,066</b>
<b>FUND BALANCES - JULY 1, RESTATED</b>	<b>2,678,436</b>	<b>809,554</b>	<b>3,487,990</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 3,903,798</b>	<b>\$ 919,258</b>	<b>\$ 4,823,056</b>

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



## SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 1,335,066</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	590,820
Capital assets disposals	(2,306)
Depreciation expense	<u>(371,068)</u>
	<u>217,446</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>652,176</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	<u>128,142</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>(476,778)</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	(414,703)
Retirement incentive payable	18,778
Termination benefits	38,210
Net pension liability	<u>(493,812)</u>
	<u>(851,527)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 1,004,525</u>

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

## SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
JUNE 30, 2020

	Enterprise Fund
	<u>Food Service Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 30,033
Due from other governments	47,895
Inventory	10,114
Total current assets	<u>88,042</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 88,042</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 31,430
Total current liabilities	<u>31,430</u>
<b>TOTAL LIABILITIES</b>	<u>31,430</u>
<b>NET POSITION</b>	
Unrestricted	<u>56,612</u>
<b>TOTAL NET POSITION</b>	<u>56,612</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 88,042</u></u>

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

## SLATE VALLEY UNIFIED UNION 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 Fund</u>
OPERATING REVENUES	
Intergovernmental revenue	\$ 466,292
Charges for services	48,047
Miscellaneous revenue	9,235
TOTAL OPERATING REVENUES	<u>523,574</u>
OPERATING EXPENSES	
Contract services	521,701
Other	44,499
TOTAL OPERATING EXPENSES	<u>566,200</u>
OPERATING INCOME (LOSS)	<u>(42,626)</u>
NONOPERATING REVENUES (EXPENSES)	
Transfer from other funds	86,070
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>86,070</u>
CHANGE IN NET POSITION	43,444
NET POSITION - JULY 1	<u>13,168</u>
NET POSITION - JUNE 30	<u><u>\$ 56,612</u></u>

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

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	Enterprise Fund <hr/> Food Service Fund <hr/>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 89,677
Intergovernmental receipts	466,292
Interfund activity	(47,895)
Payments to suppliers	(618,538)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b><u>(110,464)</u></b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Transfer from other funds	<u>86,070</u>
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b><u>86,070</u></b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(24,394)</b>
<b>CASH AND CASH EQUIVALENTS - JULY 1</b>	<b><u>54,427</u></b>
<b>CASH AND CASH EQUIVALENTS - JUNE 30</b>	<b><u><u>\$ 30,033</u></u></b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (42,626)
Changes in operating assets, liabilities and deferred inflows of resources:	
(Increase) decrease in accounts receivables	32,395
(Increase) decrease in due from other governments	(47,895)
(Increase) decrease in inventory	1,889
Increase (decrease) in accounts payable	(54,227)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b><u><u>\$ (110,464)</u></u></b>

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

## SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
JUNE 30, 2020

	Agency Fund <u>Student Activities</u>	Private Purpose <u>Trust Funds Total</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 208,950	\$ 43,658
<b>TOTAL ASSETS</b>	<u>\$ 208,950</u>	<u>\$ 43,658</u>
<b>LIABILITIES</b>		
Deposits held for others	\$ 208,950	-
<b>TOTAL LIABILITIES</b>	<u>\$ 208,950</u>	-
<b>NET POSITION</b>		
Restricted		43,658
<b>TOTAL NET POSITION</b>		<u>43,658</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>		<u>\$ 43,658</u>

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

## SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
JUNE 30, 2020

	Private Purpose Trust Funds <u>Total</u>
ADDITIONS	
Interest income	\$ 252
Total additions	<u>252</u>
DEDUCTIONS	
Other	-
Total deductions	<u>-</u>
Change in net position	252
NET POSITION - JULY 1	<u>43,406</u>
NET POSITION - JUNE 30	<u><u>\$ 43,658</u></u>

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

# SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Reporting Entity**

The School District was incorporated under the laws of the State of Vermont. The School District operates under a School Board-superintendent form of government and provides services the following services: direct services, student support services, instructional support services, general administration, fiscal services, central services, operations and maintenance, transportation, food services and program expenditures.

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 April 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.

SLATE VALLEY UNIFIED UNION 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 zoom, google hangout and other such methods 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.



SLATE VALLEY UNIFIED UNION 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).

SLATE VALLEY UNIFIED UNION 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 either governmental or business-type. The School District's food service fund 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, 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 and business-type activities (direct services, student support services, instructional support services, general administration, fiscal services, central services, operations and maintenance, transportation, food services, facilities acquisition and construction, program expenditures, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) 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.

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

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Governmental Funds:

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

Major Fund

- 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.

Nonmajor Funds

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment. Funding is provided by bond proceeds and interfund transfers.
- d. Permanent Funds are used to account for assets held by the School District that are legally restricted and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the School District or its citizenry. The School District's policy for authorizing and spending investment income follows State statutes.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Proprietary Funds

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

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

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.

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 either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues per budgetary basis	\$ 25,434,129
Add: On-behalf payments	1,941,345
Total GAAP basis	<u>\$ 27,375,474</u>
Expenditures per budgetary basis	\$ 24,208,767
Add: On-behalf basis	1,941,345
Total GAAP basis	<u>\$ 26,150,112</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.
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 evidences of deposits at banks, savings and loan associations and credit unions

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Repurchase agreements
- Money market mutual funds

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

**Receivables**

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2020. Allowances for uncollectible accounts netted with accounts receivable were \$550,941 for the year ended June 30, 2020.

**Interfund Receivables and Payables**

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

**Transactions Between Funds**

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

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. 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.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are 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	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years

**Long-term Obligations**

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

All long-term obligations to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term obligations consist of a bond payable, a note from direct borrowings payable, accrued compensated absences, termination benefits, retirement incentive 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.



SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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.

**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.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Board of Directors meetings are the highest level of decision-making authority of the School District. Commitments may be established, modified, or rescinded only through a School District meeting vote.

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

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

**Deferred Outflows and Inflows of Resources**

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

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 inflows related to pensions qualify for reporting in this category. 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).

**Operating/Nonoperating Proprietary Fund Revenues**

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

**Encumbrance Accounting**

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The School District uses 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.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

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 \$5,032,858 was comprised of bank deposits of \$5,147,663. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the School District's cash balance. Bank deposits were either fully covered by federal depository insurance and consequently were not exposed to custodial credit risk or were collateralized by securities held by the financial institution in the School District's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 981,913
ICS	4,165,750
	<u>\$ 5,147,663</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.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2020, the School District did not have any investments.

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

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	\$ 336,570	\$ 537,535
Nonmajor Special Revenue Funds	537,535	336,570
	<u>\$ 874,105</u>	<u>\$ 874,105</u>

The result of amounts owed between funds are considered to be in the course of normal operations by the 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.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 4 - INTERFUND TRANSFERS

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

	Transfers From	Transfers To
General Fund	\$ 186,108	\$ -
Nonmajor Special Revenue Funds	731,952	731,990
Nonmajor Capital Projects Funds	-	100,000
Enterprise Funds	-	86,070
	\$ 918,060	\$ 918,060

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

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 (Restated)	Additions	Disposals	Balance 6/30/20
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 60,409	\$ -	\$ -	\$ 60,409
Construction in progress	-	-	-	-
	60,409	-	-	60,409
Depreciated assets:				
Land improvements	18,329	-	-	18,329
Buildings and improvements	14,838,729	227,739	-	15,066,468
Furniture and fixtures	167,774	25,556	-	193,330
Infrastructure	47,256	-	-	47,256
Machinery and equipment	2,060,860	337,525	(64,618)	2,333,767
Vehicles	203,034	-	-	203,034
	17,335,982	590,820	(64,618)	17,862,184

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 5 - CAPITAL ASSETS (CONTIUED)

	Balance 7/1/19 (Restated)	Additions	Disposals	Balance 6/30/20
Less: accumulated depreciation				
Land improvements	(13,292)	(420)	-	(13,712)
Buildings and improvements	(12,451,105)	(227,855)	-	(12,678,960)
Furniture and fixtures	(113,739)	(7,062)	-	(120,801)
Infrastructure	-	(3,488)	-	(3,488)
Machinery and equipment	(1,571,361)	(115,417)	62,312	(1,624,466)
Vehicles	(156,067)	(16,826)	-	(172,893)
	<u>(14,305,564)</u>	<u>(371,068)</u>	<u>62,312</u>	<u>(14,614,320)</u>
Net capital assets	<u>\$ 3,090,827</u>	<u>\$ 219,752</u>	<u>\$ (2,306)</u>	<u>\$ 3,308,273</u>

Current year depreciation:

Direct services	\$ 217,160
Support services students	3,577
Support services staff	10,963
Other support services	17,603
Area administration	2,878
Operations and maintenance	102,158
Transportation	13,577
Food services	3,152
Total depreciation expense	<u>\$ 371,068</u>

NOTE 6 - SHORT-TERM DEBT

The following is a summary of changes in the short-term debt for the year ended June 30, 2020:

	Balance 7/1/19	Additions	Disposals	Balance 6/30/20
Tax anticipation note	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ (500,000)</u>	<u>\$ -</u>

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 \$2,000,000 at 2.650% interest per annum with a maturity date of June 30, 2020. On June 23, 2020, the tax/revenue anticipation note was paid in full. Interest expense for the note was \$8,613.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 7 - LONG-TERM DEBT

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

	Balance 7/1/19	Additions	Deletions	Balance 6/30/20	Current Portion
Bond payable	\$ 560,000	\$ -	\$ (65,000)	\$ 495,000	\$ 65,000
Note from direct borrowings payable	100,169	-	(63,142)	37,027	18,094
	<u>\$ 660,169</u>	<u>\$ -</u>	<u>\$ (128,142)</u>	<u>\$ 532,027</u>	<u>\$ 83,094</u>

The following is a summary of the outstanding bond and note from direct borrowing payable:

Governmental activities

Bond payable:

\$1,325,000, Vermont Municipal Bond Bank 2007 Bond due in principal installments of \$70,000 through December of 2017, \$65,000 through December of 2026 and a final payment of \$40,000 in December of 2027. Fixed interest rate of 4.498% payable semi-annually. \$ 495,000

Note from direct borrowings payable:

On August 15, 2018, the School District entered into a capital lease with KS State Bank for the purchase of radios. Three annual payments of principal and interest of \$19,811 through August of 2021. Fixed interest rate of 4.640% paid annually. 37,027

Total bond and note from direct borrowings payable \$ 532,027



SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of the outstanding bonds principal and interest requirements of the fiscal years ending June 30:

Year	Governmental Activities				Total Debt Service
	Bonds Payable		Notes from direct borrowings		
	Principal	Interest	Principal	Interest	
2021	\$ 65,000	\$ 16,942	\$ 18,094	\$ 1,718	\$ 101,754
2022	65,000	13,897	18,933	879	98,709
2023	65,000	10,936	-	-	75,936
2024	65,000	8,152	-	-	73,152
2025	65,000	5,213	-	-	70,213
2026-2030	170,000	3,611	-	-	173,611
	<u>\$ 495,000</u>	<u>\$ 58,751</u>	<u>\$ 37,027</u>	<u>\$ 2,597</u>	<u>\$ 593,375</u>

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

NOTE 8 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in the other long-term obligations for the year ended June 30, 2020:

	Balance 7/1/19	Additions	Deletions	Balance 6/30/20	Current Portion
Accrued compensated absences	\$ -	\$ 414,703	\$ -	\$ 414,703	\$ 103,676
Termination benefits	62,378	43,600	(62,378)	43,600	-
Retirement incentive	319,943	-	(38,210)	281,733	-
Net pension liability	1,128,180	1,178,068	(684,256)	1,621,992	-
	<u>\$ 1,510,501</u>	<u>\$ 1,636,371</u>	<u>\$ (784,844)</u>	<u>\$ 2,362,028</u>	<u>\$ 103,676</u>

Refer to Notes 10, 11, 12 and 18 of Notes to Financial Statements for more detailed information.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 9 - OPERATING LEASES

The following is a summary of operating leases for the year ended June 30, 2020:

On December 13, 2016, the School District entered into a lease agreement with Canon Financial Services for the lease of copiers. The total amount of the contract is \$30,624, to be paid in monthly installments of \$638 over four years	\$ 3,190
On June 14, 2018, the School District entered into a lease agreement with Canon Financial Services for the lease of copiers. The total amount of the contract is \$72,540, to be paid in monthly installments of \$1,209 over five years.	43,524
On May 30, 2018, the School District entered into a lease agreement with Canon Financial Services for the lease of copiers. The total amount of the contract is \$12,432, to be paid in monthly installments of \$259 over four years.	<u>6,216</u>
Total Operating Leases Payable	<u>\$ 52,930</u>

The annual payment requirements to amortize the operating leases are as follows:

Year Ending June 30:	
<u>2021</u>	\$ 20,806
2022	17,616
2023	<u>14,508</u>
Total minimum lease payments	<u>\$ 52,930</u>

NOTE 10 - ACCRUED COMPENSATED ABSENCES

The School'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's liability for compensated absences is \$414,703.

NOTE 11 - TERMINATION BENEFITS

Upon leaving the employment of the School District, support staff employees with ten (10) or more continuous years of service shall be awarded a severance grant in the amounts of \$500 for the first 10 years of service and an additional \$100 for each additional year of service to a maximum of \$1,500. As of June 30, 2020, the District's liability for termination benefits are \$43,600.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 12 - RETIREMENT INCENTIVE

Upon leaving the employment of the School District, employees (administrators are excluded) with ten (10) or more continuous years of service shall be reimbursed for unused sick days at \$25 per day up to 180 days of their cap of 225 days. As of June 30, 2020, the School District's liability for termination benefits was \$281,733.

NOTE 13 - RESTRICTED NET POSITION

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

Nonmajor special revenue funds	
Medicaid IEP	\$ 440,833
Medicaid EPSDT	78,096
Local licensing board	1,429
VEHI pathpoints	850
Multi-line safety grant	3,326
Vermont Community Preschool Collaboration	325
United Way backpack program	1,117
Nellie Mae foundation	3,854
Vermont Humanities Council FHG	365
Exxon Mobil FHG	2,697
Exxon Mobil CES	500
Exxon Mobil FHU	40
STARS CES	1,786
STARS FHG	1,280
Vermont Community Foundation BVS	793
Vermont Community Foundation CES	7
Vermont Community Foundation FHG	20
Vermont Community Foundation FHU	98
Vermont Community Foundation OVS	1,207
VT NEA dirt divas	500
Misc local grants	293
Nonmajor permanent funds	
Hornbeck trust	5,457
Hughes trust	13,968
Franke trust	8,657
Schworer trust	5,327
Ira Hyde trust	4,615
	\$ 577,440

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 14 - NONSPENDABLE FUND BALANCES

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

General fund:	
Prepaid items	\$ 11,172
Nonmajor permanent funds (Schedule I)	35,500
	<u>\$ 46,672</u>

NOTE 15 - RESTRICTED FUND BALANCES

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

Nonmajor special revenue funds (Schedule E)	\$ 540,036
Nonmajor permanent funds (Schedule I)	2,524
	<u>\$ 542,560</u>

NOTE 16 - COMMITTED FUND BALANCE

At June 30, 2020, the School District had the following committed fund balance:

General fund:	
FY21 budget	\$ 1,019,000
Capital projects reserve fund	200,000
Nonmajor capital project fund (Schedule G)	341,239
	<u>\$ 1,560,239</u>

NOTE 17 - DEFICIT FUND BALANCES

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

Nonmajor special revenue funds (Schedule E):	
VSAC FHG	26
VSAC	15
	<u>\$ 41</u>

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 18 - 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 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](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

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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:

<b>VSTRS</b>	<b>Group A</b>	<b>Group C – Group # 1</b>	<b>Group C – Group # 2</b>
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
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

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

<b>VSTRS</b>	<b>Group A</b>	<b>Group C – Group # 1</b>	<b>Group C – Group # 2</b>
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 \$1,941,345 or 19.15% of total payroll for employees covered under the plan.

Employee contribution rates by plan group follow:

<b>VSTRS</b>	<b>Group A</b>	<b>Group C – Group # 1</b>	<b>Group C – Group # 2</b>
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

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Employee contributions totaled \$559,036 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 \$10,137,573 for the year ended June 30, 2020. 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 \$127,404. The School District's total payroll for all federally funded employees covered under this plan was \$665,294 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 School District 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 School District 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 School District, then the person is an "employee" if these criteria are met by the combined hours worked for the School District 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.



SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 18 - 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 & Management website at:

[http://finance.vermont.gov/reports\\_and\\_publications/cafr](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 & C – general employees whose legislative bodies have elected to become members of Group B or Group C
- Group D – sworn police officers, firefighters and emergency medical personnel

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

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

<b>VMERS</b>	<b>Group A</b>	<b>Group B</b>	<b>Group C</b>	<b>Group D</b>
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.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 18 - 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:

<b>VMERS</b>	<b>Group A</b>	<b>Group B</b>	<b>Group C</b>	<b>Group D</b>
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 \$178,671. The School District contributed \$207,478 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 \$3,765,439.

**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:

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Supervisory Union's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Supervisory Union	<u>22,589,971</u>
Total	<u><u>\$ 22,589,971</u></u>

The State of Vermont's proportionate share of the net pension liability associated with the School District is equal to the collective net pension liability, actuarially measured as of June 30, 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 1.44748% which was an decrease of 0.02753% from its proportion measured as of June 30, 2018.

*VMERS Plan*

At June 30, 2020, the School District reported a liability of \$1,621,992 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 0.93493% for VMERS, which was an increase of 0.13759% 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 \$7,077,722 and revenue of \$7,077,722 for support provided by the State of Vermont for the VSTRS plan. In the same period, the School District recognized pension expense of \$318,414 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:

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 18 - 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	\$ -	\$ -	\$ 210,144	\$ 14,021
Changes of assumptions	-	-	54,154	-
Net difference between projected and actual earnings on pension plan investments	-	-	110,476	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	615,344	526,062
Contributions subsequent to the measurement date	-	-	207,478	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,197,596</u>	<u>\$ 540,083</u>

\$207,478 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	VMERS
Plan year ended June 30:		
2020	\$ -	\$ 164,164
2021	-	96,850
2022	-	108,664
2023	-	80,359
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.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*Inflation:* For both plans, 2.50%.

*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-2017 for pre-retirement, 98% of the RP-2006 White Collar Annuitant with generational projection using Scale SSA-2017 for healthy retirees and the RP-2006 Disabled Mortality Table with generational projection using Scale SSA-2017 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-2017 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.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 18 - 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.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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:

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. 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.



SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 18 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.50% 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:

	1% Decrease	Discount Rate	1% Increase
<u>VSTRS:</u>			
Discount rate	6.50%	7.50%	8.50%
Supervisory Union's proportionate share of the net pension liability	\$ -	\$ -	\$ -
<u>VMERS:</u>			
Discount rate	6.50%	7.50%	8.50%
Supervisory Union's proportionate share of the net pension liability	\$ 2,659,822	\$ 1,621,992	\$ 762,859

**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 & Management website at: [http://finance.vermont.gov/reports\\_and\\_publications/cafr](http://finance.vermont.gov/reports_and_publications/cafr)

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 19 - 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 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 & Management website at: [http://finance.vermont.gov/reports\\_and\\_publications/cafr](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).

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

**Contributions**

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

	<b>Retiree Subsidy</b>		<b>Spouse Subsidy*</b>	
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.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

**OPEB Liabilities**

The State is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of member employers. Therefore, these employers are considered to be in a special funding situation as defined in GASB No. 75 and the State is treated as a nonemployer to VSTRS. Since the School District does not contribute directly to VSTRS, no net OPEB liability was recorded at June 30, 2020. The State's portion of the collective net OPEB liability that was associated with the School District was as follows:

Supervisory Union's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Supervisory Union	<u>17,419,306</u>
Total	<u><u>\$ 17,419,306</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 1.67370% which was a decrease of 0.11697% 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 \$3,360,400 and revenue of \$3,360,400 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:

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 19 - 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	-	-
<b>Total</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

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:

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

**Healthcare Trend Rate**

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

	1% Decrease	Healthcare Trend Rates	1% Increase
Supervisory Union'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.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 19 - 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-2017.
Post-retirement Mortality	98% of RP-2006 White Collar Annuitant with generational projection using Scale SSA-2017.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 19 - 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](http://finance.vermont.gov/reports_and_publications/cafr)

NOTE 20 - 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 natural disasters for which the School District carries commercial insurance or participates in a public entity and self-insured risk pool.

Based on the coverage provided by the insurance purchased, the School District is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2020. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.



SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 20 - RISK MANAGEMENT (CONTINUED)

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

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

To provide unemployment coverage, VSBIT has established a separate trust of funds from member contributions to pay administrative costs, unemployment claims and to provide excess reinsurance protection. Contributions are based on payroll expense and the previous two-year unemployment compensation experience. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VSBIT is unable to meet its required obligations, the Program will be terminated with each members' assessed their proportionate share of the deficit.

To provide worker's compensation coverage, VSBIT has established a separate trust of funds from member contributions to pay administrative costs and workers compensation coverage. Contributions are based upon formulas applied to payroll expense. At the end of the coverage period, the members will be assessed or refunded any difference between estimated contributions and actual expenses.

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

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 21 - CONTINGENCIES

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

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

NOTE 22 - COMPARATIVE DATA/RECLASSIFICATIONS

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

NOTE 23 - RESTATEMENTS

In 2020, the School District determined that certain transactions were recorded incorrectly or omitted. Therefore, a restatement to the governmental activities net position was required. The accumulated depreciation beginning balance was restated by a decrease of \$164,141 from \$14,469,705 to \$14,305,564.

The internal service fund was reclassified into the general fund. The general fund balance was increased by \$2,891 from \$2,565,745 to \$2,678,436.

The net restatement to the governmental activities net position beginning balance was an increase of \$167,032 from \$4,723,230 to \$4,890,262.

NOTE 24 - SUBSEQUENT EVENT

On July 1, 2020, the school district entered into a current expense note/line of credit with Peoples United Bank, NA in the amount of \$2,500,000. The note is due on June 30, 2021 along with 1.75% fixed interest.

## 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

## SLATE VALLEY UNIFIED UNION 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	\$ 2,678,436	\$ 2,678,436	\$ 2,678,436	\$ -
Resources (Inflows):				
Intergovernmental:				
Tuition revenue	74,000	74,000	49,776	(24,224)
State revenue	25,444,938	25,444,938	25,163,408	(281,530)
Other	31,000	31,000	126,325	95,325
Interest income	25,000	25,000	34,355	9,355
Miscellaneous	18,700	18,700	60,265	41,565
Amounts Available for Appropriation	<u>28,272,074</u>	<u>28,272,074</u>	<u>28,112,565</u>	<u>(159,509)</u>
Charges to Appropriations (Outflows):				
Current:				
Direct services	14,644,026	14,644,026	13,049,186	1,594,840
Student support services	2,141,581	2,141,581	2,149,583	(8,002)
Instructional support services	1,269,600	1,269,600	726,532	543,068
General administration	2,866,951	2,866,951	2,674,316	192,635
Fiscal services	552,568	552,568	527,143	25,425
Central services	312,069	312,069	603,819	(291,750)
Operations and maintenance	3,207,638	3,207,638	2,956,562	251,076
Transportation	1,303,000	1,303,000	1,000,041	302,959
Food services	31,800	31,800	20,605	11,195
Facilities acquisition and construction	-	-	221,560	(221,560)
Debt Service:				
Principal	65,000	65,000	65,000	-
Interest	99,405	99,405	28,312	71,093
Transfers to other funds	-	-	186,108	(186,108)
Total Charges to Appropriations	<u>26,493,638</u>	<u>26,493,638</u>	<u>24,208,767</u>	<u>2,284,871</u>
Budgetary Fund Balance, June 30	<u>\$ 1,778,436</u>	<u>\$ 1,778,436</u>	<u>\$ 3,903,798</u>	<u>\$ 2,125,362</u>
Utilization of assigned fund balance	<u>\$ 900,000</u>	<u>\$ 900,000</u>	<u>\$ -</u>	<u>\$ (900,000)</u>

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

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>VSTRS:</u>						
Proportion of the net pension liability	1.45%	1.48%	1.49%	1.47%	1.37%	1.52%
Proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Supervisory Union	<u>22,589,971</u>	<u>22,405,703</u>	<u>21,945,899</u>	<u>19,340,503</u>	<u>16,169,766</u>	<u>14,589,510</u>
Total	<u>\$ 22,589,971</u>	<u>\$ 22,405,703</u>	<u>\$ 21,945,899</u>	<u>\$ 19,340,503</u>	<u>\$ 16,169,766</u>	<u>\$ 14,589,510</u>
Covered payroll	\$ 9,973,833	\$ 9,986,323	\$ 9,800,674	\$ 9,567,401	\$ 7,600,627	\$ 8,913,930
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%
Plan fiduciary net position as a percentage of the total pension liability	54.96%	54.81%	53.98%	55.31%	58.22%	64.02%
<u>VMERS:</u>						
Proportion of the net pension liability	0.93%	0.80%	0.82%	0.84%	0.89%	0.98%
Proportionate share of the net pension liability	\$ 1,621,992	\$ 1,128,180	\$ 997,795	\$ 1,089,554	\$ 690,697	\$ 88,631
Covered payroll	\$ 3,368,112	\$ 3,042,183	\$ 2,924,657	\$ 2,818,266	\$ 2,754,525	\$ 2,700,504
Proportionate share of the net pension liability as a percentage of its covered payroll	48.16%	37.08%	34.12%	38.66%	25.07%	3.28%
Plan fiduciary net position as a percentage of the total pension liability	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

\* 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.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - PENSIONS  
LAST 10 FISCAL YEARS\*

	2020	2019	2018	2017	2016	2015
<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>
Covered payroll	\$ 10,137,573	\$ 9,973,833	\$ 9,986,323	\$ 9,800,674	\$ 9,567,401	\$ 7,600,627
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>VMERS:</u>						
Contractually required contribution	\$ 207,478	\$ 179,628	\$ 140,472	\$ 134,497	\$ 128,671	\$ 125,232
Contributions in relation to the contractually required contribution	<u>(207,478)</u>	<u>(179,628)</u>	<u>(140,472)</u>	<u>(134,497)</u>	<u>(128,671)</u>	<u>(125,232)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,765,539	\$ 3,368,112	\$ 3,042,183	\$ 2,924,657	\$ 2,818,266	\$ 2,754,525
Contributions as a percentage of covered payroll	5.51%	5.33%	4.62%	4.60%	4.57%	4.55%

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

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

## SLATE VALLEY UNIFIED UNION 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 Supervisory Union's proportionate share of the net OPEB liability	1.67%	1.79%	1.75%
	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Supervisory Union Total	<u>17,419,306</u> <u>\$ 17,419,306</u>	<u>17,136,028</u> <u>\$ 17,136,028</u>	<u>16,294,428</u> <u>\$ 16,294,428</u>
Covered payroll	\$ 9,973,833	\$ 9,986,323	\$ 9,800,674
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.

## SLATE VALLEY UNIFIED UNION 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	\$ 10,137,573	\$ 9,973,833	\$ 9,986,323
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.



SLATE VALLEY UNIFIED UNION 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
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

SLATE VALLEY UNIFIED UNION 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:				
Tuition - VT LEA	\$ 74,000	\$ 74,000	\$ 49,776	\$ (24,224)
State revenue:				
Education spending grant	21,557,697	21,557,697	21,557,697	-
Vocational supplemental assistance	315,241	315,241	315,241	-
Small schools grant	210,000	210,000	116,436	(93,564)
Special education block grant	513,000	513,000	513,144	144
Special education expenditure reimbursement	2,046,000	2,046,000	1,972,171	(73,829)
Special education extraordinary reimbursement	3,000	3,000	5,052	2,052
State placed students	240,000	240,000	150,028	(89,972)
Early essential education	100,000	100,000	100,695	695
Transportation	410,000	410,000	398,384	(11,616)
Vocational transportation	50,000	50,000	34,560	(15,440)
Other	31,000	31,000	126,325	95,325
Interest income	25,000	25,000	34,355	9,355
Miscellaneous revenue	18,700	18,700	60,265	41,565
Amounts Available for Appropriation	<u>\$ 25,593,638</u>	<u>\$ 25,593,638</u>	<u>\$ 25,434,129</u>	<u>\$ (159,509)</u>

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

## SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Direct services:				
Direct instruction	\$ 9,835,087	\$ 9,835,087	\$ 8,956,853	\$ 878,234
Special education	4,256,237	4,256,237	3,668,790	587,447
Athletics	443,117	443,117	350,401	92,716
Cocurricular	109,585	109,585	73,142	36,443
Total direct services	<u>14,644,026</u>	<u>14,644,026</u>	<u>13,049,186</u>	<u>1,594,840</u>
Student support services:				
Social worker - attendance services	45,696	45,696	-	45,696
Guidance services	630,170	630,170	709,809	(79,639)
Health services	549,765	549,765	473,318	76,447
Psychological services	6,250	6,250	32,550	(26,300)
Speech services	316,817	316,817	308,560	8,257
Occupational therapy services	159,100	159,100	105,595	53,505
Physical therapy services	55,073	55,073	32,579	22,494
Visual impairment	12,000	12,000	5,900	6,100
Other support services	366,710	366,710	481,272	(114,562)
Total student support services	<u>2,141,581</u>	<u>2,141,581</u>	<u>2,149,583</u>	<u>(8,002)</u>
Instructional support services:				
Instructional staff training	155,918	155,918	108,594	47,324
Library media services	321,230	321,230	263,173	58,057
Technology	792,452	792,452	354,765	437,687
Total instructional support services	<u>1,269,600</u>	<u>1,269,600</u>	<u>726,532</u>	<u>543,068</u>
General administration:				
Board of education	189,905	189,905	105,272	84,633
Superintendent's office	323,214	323,214	375,214	(52,000)
Principal's office	1,771,261	1,771,261	1,738,231	33,030
Other support services	582,571	582,571	455,599	126,972
Total general administration	<u>2,866,951</u>	<u>2,866,951</u>	<u>2,674,316</u>	<u>192,635</u>
Fiscal services	<u>552,568</u>	<u>552,568</u>	<u>527,143</u>	<u>25,425</u>
Central services	<u>312,069</u>	<u>312,069</u>	<u>603,819</u>	<u>(291,750)</u>
Operations and maintenance	<u>3,207,638</u>	<u>3,207,638</u>	<u>2,956,562</u>	<u>251,076</u>
Transportation	<u>1,303,000</u>	<u>1,303,000</u>	<u>1,000,041</u>	<u>302,959</u>
Food services	<u>31,800</u>	<u>31,800</u>	<u>20,605</u>	<u>11,195</u>
Facilities acquisition and construction	<u>-</u>	<u>-</u>	<u>221,560</u>	<u>(221,560)</u>
Debt service:				
Principal	65,000	65,000	65,000	-
Interest	99,405	99,405	28,312	71,093
Total debt service	<u>164,405</u>	<u>164,405</u>	<u>93,312</u>	<u>71,093</u>
Transfers to other funds	<u>-</u>	<u>-</u>	<u>186,108</u>	<u>(186,108)</u>
<b>TOTAL DEPARTMENTAL OPERATIONS</b>	<u><u>\$ 26,493,638</u></u>	<u><u>\$ 26,493,638</u></u>	<u><u>\$ 24,208,767</u></u>	<u><u>\$ 2,284,871</u></u>

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

## SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 341,239	\$ 38,024	\$ 379,263
Due from other governments	339,556	-	-	339,556
Due from other funds	537,535	-	-	537,535
<b>TOTAL ASSETS</b>	<b>\$ 877,091</b>	<b>\$ 341,239</b>	<b>\$ 38,024</b>	<b>\$ 1,256,354</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 526	\$ -	\$ -	\$ 526
Due to other funds	336,570	-	-	336,570
<b>TOTAL LIABILITIES</b>	<b>337,096</b>	<b>-</b>	<b>-</b>	<b>337,096</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	35,500	35,500
Restricted	540,036	-	2,524	542,560
Committed	-	341,239	-	341,239
Assigned	-	-	-	-
Unassigned	(41)	-	-	(41)
<b>TOTAL FUND BALANCES</b>	<b>539,995</b>	<b>341,239</b>	<b>38,024</b>	<b>919,258</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 877,091</b>	<b>\$ 341,239</b>	<b>\$ 38,024</b>	<b>\$ 1,256,354</b>

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

SCHEDULE D

SLATE VALLEY UNIFIED UNION 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	Permanent Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Intergovernmental	\$ 1,758,003	\$ -	\$ -	\$ 1,758,003
Interest income	-	1,600	274	1,874
Other income	41,881	-	-	41,881
<b>TOTAL REVENUES</b>	<u>1,799,884</u>	<u>1,600</u>	<u>274</u>	<u>1,801,758</u>
<b>EXPENDITURES</b>				
Other	1,792,089	3	-	1,792,092
<b>TOTAL EXPENDITURES</b>	<u>1,792,089</u>	<u>3</u>	<u>-</u>	<u>1,792,092</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>7,795</u>	<u>1,597</u>	<u>274</u>	<u>9,666</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	731,990	100,000	-	831,990
Transfers (out)	(731,952)	-	-	(731,952)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>38</u>	<u>100,000</u>	<u>-</u>	<u>100,038</u>
<b>NET CHANGE IN FUND BALANCES</b>	7,833	101,597	274	109,704
<b>FUND BALANCES - JULY 1</b>	<u>532,162</u>	<u>239,642</u>	<u>37,750</u>	<u>809,554</u>
<b>FUND BALANCES - JUNE 30</b>	<u>\$ 539,995</u>	<u>\$ 341,239</u>	<u>\$ 38,024</u>	<u>\$ 919,258</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 fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	BEST	Act 230	IDEA-B	IDEA-B Preschool	Title I	Title I School Improvement	Title IV SSAE
<b>ASSETS</b>							
Due from other governments	\$ 1,125	\$ 2,200	\$ 41,263	\$ 606	\$ 74,185	\$ 8,415	\$ 74,298
Due from other funds	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,125</b>	<b>\$ 2,200</b>	<b>\$ 41,263</b>	<b>\$ 606</b>	<b>\$ 74,185</b>	<b>\$ 8,415</b>	<b>\$ 74,298</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ 13	\$ -	\$ -	\$ -	\$ -
Due to other funds	1,125	2,200	41,250	606	74,185	8,415	74,298
<b>TOTAL LIABILITIES</b>	<b>1,125</b>	<b>2,200</b>	<b>41,263</b>	<b>606</b>	<b>74,185</b>	<b>8,415</b>	<b>74,298</b>
<b>FUND BALANCES (DEFICITS)</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 1,125</b>	<b>\$ 2,200</b>	<b>\$ 41,263</b>	<b>\$ 606</b>	<b>\$ 74,185</b>	<b>\$ 8,415</b>	<b>\$ 74,298</b>



SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	Title IIA	CNP Fresh Fruits and Vegetables	SAMSHA Project Aware	CRF LEA	CRF Summer Food	Medicaid IEP	Medicaid EPSDT
<b>ASSETS</b>							
Due from other governments	\$ 26,553	\$ -	\$ 8,245	\$ 51,776	\$ 1,639	\$ 2,000	\$ -
Due from other funds	-	-	-	-	-	438,841	78,177
<b>TOTAL ASSETS</b>	<b>\$ 26,553</b>	<b>\$ -</b>	<b>\$ 8,245</b>	<b>\$ 51,776</b>	<b>\$ 1,639</b>	<b>\$ 440,841</b>	<b>\$ 78,177</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ 8	\$ 81
Due to other funds	26,549	-	8,245	51,776	1,639	-	-
<b>TOTAL LIABILITIES</b>	<b>26,553</b>	<b>-</b>	<b>8,245</b>	<b>51,776</b>	<b>1,639</b>	<b>8</b>	<b>81</b>
<b>FUND BALANCES (DEFICITS)</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	440,833	78,096
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>440,833</b>	<b>78,096</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 26,553</b>	<b>\$ -</b>	<b>\$ 8,245</b>	<b>\$ 51,776</b>	<b>\$ 1,639</b>	<b>\$ 440,841</b>	<b>\$ 78,177</b>

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	Tobacco Litigation Settlement	Local Licensing Board	Regional Standards Board	CFP Consolidated Administration	School-wide Programs	Student Assistance Program	VSAC FHUHS
<b>ASSETS</b>							
Due from other governments	\$ 809	\$ -	\$ 1,240	\$ -	\$ -	\$ 13,949	\$ -
Due from other funds	-	1,429	-	1	29	-	-
<b>TOTAL ASSETS</b>	<b>\$ 809</b>	<b>\$ 1,429</b>	<b>\$ 1,240</b>	<b>\$ 1</b>	<b>\$ 29</b>	<b>\$ 13,949</b>	<b>\$ -</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ 1	\$ 29	\$ 390	\$ -
Due to other funds	809	-	620	-	-	13,559	26
<b>TOTAL LIABILITIES</b>	<b>809</b>	<b>-</b>	<b>620</b>	<b>1</b>	<b>29</b>	<b>13,949</b>	<b>26</b>
<b>FUND BALANCES (DEFICITS)</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	1,429	620	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(26)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>-</b>	<b>1,429</b>	<b>620</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(26)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 809</b>	<b>\$ 1,429</b>	<b>\$ 1,240</b>	<b>\$ 1</b>	<b>\$ 29</b>	<b>\$ 13,949</b>	<b>\$ -</b>

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	VSAC FHG	VSAC BVS	VEHI Pathpoints	Multi Line Safety Grant	Vermont Community Preschool Collaboration	United Way Backpack Program	Nellie Mae Foundation	Vermont Humanities Council FHG
<b>ASSETS</b>								
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	850	3,326	325	1,117	3,854	365
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 850</b>	<b>\$ 3,326</b>	<b>\$ 325</b>	<b>\$ 1,117</b>	<b>\$ 3,854</b>	<b>\$ 365</b>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	15	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	850	3,326	325	1,117	3,854	365
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	(15)	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>(15)</b>	<b>-</b>	<b>850</b>	<b>3,326</b>	<b>325</b>	<b>1,117</b>	<b>3,854</b>	<b>365</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 850</b>	<b>\$ 3,326</b>	<b>\$ 325</b>	<b>\$ 1,117</b>	<b>\$ 3,854</b>	<b>\$ 365</b>

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	Exxon Mobil FHG	Exxon Mobil CES	Exxon Mobil FHU	STARS CES	STARS FHG	Vermont Community Foundation BVS	Vermont Community Foundation CES
<b>ASSETS</b>							
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	2,697	500	40	1,786	1,280	793	7
<b>TOTAL ASSETS</b>	<b>\$ 2,697</b>	<b>\$ 500</b>	<b>\$ 40</b>	<b>\$ 1,786</b>	<b>\$ 1,280</b>	<b>\$ 793</b>	<b>\$ 7</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	2,697	500	40	1,786	1,280	793	7
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>2,697</b>	<b>500</b>	<b>40</b>	<b>1,786</b>	<b>1,280</b>	<b>793</b>	<b>7</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 2,697</b>	<b>\$ 500</b>	<b>\$ 40</b>	<b>\$ 1,786</b>	<b>\$ 1,280</b>	<b>\$ 793</b>	<b>\$ 7</b>

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	Vermont Community Foundation FHG	Vermont Community Foundation FHU	Vermont Community Foundation OVS	E911 BVS	E911 CES	E911 CVS	E911 OVS
<b>ASSETS</b>							
Due from other governments	\$ -	\$ -	\$ -	\$ 6,217	\$ 11,575	\$ 6,593	\$ 6,868
Due from other funds	20	98	1,207	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 20</b>	<b>\$ 98</b>	<b>\$ 1,207</b>	<b>\$ 6,217</b>	<b>\$ 11,575</b>	<b>\$ 6,593</b>	<b>\$ 6,868</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	6,217	11,575	6,593	6,868
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,217</b>	<b>11,575</b>	<b>6,593</b>	<b>6,868</b>
<b>FUND BALANCES (DEFICITS)</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	20	98	1,207	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>20</b>	<b>98</b>	<b>1,207</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 20</b>	<b>\$ 98</b>	<b>\$ 1,207</b>	<b>\$ 6,217</b>	<b>\$ 11,575</b>	<b>\$ 6,593</b>	<b>\$ 6,868</b>

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	School Safety and Security	VT NEA Dirt Divas	Misc. Local Grants	Total
<b>ASSETS</b>				
Due from other governments	\$ -	\$ -	\$ -	\$ 339,556
Due from other funds	-	500	293	537,535
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ 293</b>	<b>\$ 877,091</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 526
Due to other funds	-	-	-	336,570
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>337,096</b>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	-	-
Restricted	-	500	293	540,036
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(41)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>-</b>	<b>500</b>	<b>293</b>	<b>539,995</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ 293</b>	<b>\$ 877,091</b>

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

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	BEST	Act 230	IDEA-B	IDEA-B Preschool	Title I	Title I School Improvement	Title IV SSAE
REVENUES							
Intergovernmental	\$ 1,125	\$ 2,200	\$ 386,327	\$ 14,019	\$ 669,587	\$ 15,341	\$ 98,539
Other income	-	-	1,200	-	-	-	-
TOTAL REVENUES	1,125	2,200	387,527	14,019	669,587	15,341	98,539
EXPENDITURES							
Other	1,125	2,200	387,527	14,019	17,165	15,341	30,829
TOTAL EXPENDITURES	1,125	2,200	387,527	14,019	17,165	15,341	30,829
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	652,422	-	67,710
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	(652,423)	-	(67,710)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(652,423)	-	(67,710)
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	-	-	(1)	-	-
FUND BALANCES (DEFICITS) - JULY 1	-	-	-	-	1	-	-
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	Title IIA	CNP Fresh Fruits and Vegetables	SAMSHA Project Aware	CRF LEA	CRF Summer Food	Medicaid IEP	Medicaid EPSDT
REVENUES							
Intergovernmental	\$ 111,926	\$ 12,401	\$ 8,245	\$ 51,776	\$ 1,639	\$ 223,424	\$ 41,959
Other income	-	-	-	-	-	49	-
TOTAL REVENUES	<u>111,926</u>	<u>12,401</u>	<u>8,245</u>	<u>51,776</u>	<u>1,639</u>	<u>223,473</u>	<u>41,959</u>
EXPENDITURES							
Other	100,108	12,401	8,245	51,776	1,639	241,311	19,093
TOTAL EXPENDITURES	<u>100,108</u>	<u>12,401</u>	<u>8,245</u>	<u>51,776</u>	<u>1,639</u>	<u>241,311</u>	<u>19,093</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,838)</u>	<u>22,866</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	(11,819)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(11,819)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(1)	-	-	-	-	(17,838)	22,866
FUND BALANCES (DEFICITS) - JULY 1	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>458,671</u>	<u>55,230</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 440,833</u>	<u>\$ 78,096</u>



SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	Tobacco Litigation Settlement	Local Licensing Board	Regional Standards Board	CFP Consolidated Administration	School-wide Programs	Student Assistance Program	VSAC FHUHS
REVENUES							
Intergovernmental	\$ 20,313	\$ -	\$ 1,240	\$ -	\$ -	\$ 51,420	\$ 9,167
Other income	-	-	-	-	-	-	-
TOTAL REVENUES	<u>20,313</u>	<u>-</u>	<u>1,240</u>	<u>-</u>	<u>-</u>	<u>51,420</u>	<u>9,167</u>
EXPENDITURES							
Other	20,313	-	620	35,156	696,834	51,420	9,193
TOTAL EXPENDITURES	<u>20,313</u>	<u>-</u>	<u>620</u>	<u>35,156</u>	<u>696,834</u>	<u>51,420</u>	<u>9,193</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>620</u>	<u>(35,156)</u>	<u>(696,834)</u>	<u>-</u>	<u>(26)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	35,156	696,834	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,156</u>	<u>696,834</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>-</u>	<u>-</u>	<u>620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26)</u>
FUND BALANCES (DEFICITS) - JULY 1	<u>-</u>	<u>1,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ 1,429</u>	<u>\$ 620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26)</u>

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	VSAC FHG	VSAC BVS	VEHI Pathpoints	Multi Line Safety Grant	Vermont Community Preschool Collaboration	United Way Backpack Program	Nellie Mae Foundation	Vermont Humanities Council FHG
REVENUES								
Intergovernmental	\$ 4,577	\$ 92	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	5,200	10,000	-	21,532	-	2,400
TOTAL REVENUES	4,577	92	5,200	10,000	-	21,532	-	2,400
EXPENDITURES								
Other	4,592	92	6,306	7,263	(325)	22,525	114	2,521
TOTAL EXPENDITURES	4,592	92	6,306	7,263	(325)	22,525	114	2,521
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(15)	-	(1,106)	2,737	325	(993)	(114)	(121)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(15)	-	(1,106)	2,737	325	(993)	(114)	(121)
FUND BALANCES (DEFICITS) - JULY 1	-	-	1,956	589	-	2,110	3,968	486
FUND BALANCES (DEFICITS) - JUNE 30	\$ (15)	\$ -	\$ 850	\$ 3,326	\$ 325	\$ 1,117	\$ 3,854	\$ 365

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	Exxon Mobil FHG	Exxon Mobil CES	Exxon Mobil FHU	STARS CES	STARS FHG	Vermont Community Foundation BVS	Vermont Community Foundation CES
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	500	500	-	-	-	-	-
TOTAL REVENUES	<u>500</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES							
Other	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>500</u>	<u>500</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 (DEFICITS)	500	500	-	-	-	-	-
FUND BALANCES (DEFICITS) - JULY 1	<u>2,197</u>	<u>-</u>	<u>40</u>	<u>1,786</u>	<u>1,280</u>	<u>793</u>	<u>7</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 2,697</u>	<u>\$ 500</u>	<u>\$ 40</u>	<u>\$ 1,786</u>	<u>\$ 1,280</u>	<u>\$ 793</u>	<u>\$ 7</u>

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	Vermont Community Foundation FHG	Vermont Community Foundation FHU	Vermont Community Foundation OVS	E911 BVS	E911 CES	E911 CVS	E911 OVS
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ 6,217	\$ 11,575	\$ 6,593	\$ 6,868
Other income	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	6,217	11,575	6,593	6,868
EXPENDITURES							
Other	-	-	-	6,217	11,575	6,593	6,868
TOTAL EXPENDITURES	-	-	-	6,217	11,575	6,593	6,868
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS) - JULY 1	20	98	1,207	-	-	-	-
FUND BALANCES (DEFICITS) - JUNE 30	\$ 20	\$ 98	\$ 1,207	\$ -	\$ -	\$ -	\$ -

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	School Safety and Security	VT NEA Dirt Divas	Misc. Local Grants	Total
<b>REVENUES</b>				
Intergovernmental	\$ 1,433	\$ -	\$ -	\$ 1,758,003
Other income	-	500	-	41,881
<b>TOTAL REVENUES</b>	<b>1,433</b>	<b>500</b>	<b>-</b>	<b>1,799,884</b>
<b>EXPENDITURES</b>				
Other	1,433	-	-	1,792,089
<b>TOTAL EXPENDITURES</b>	<b>1,433</b>	<b>-</b>	<b>-</b>	<b>1,792,089</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>7,795</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	731,990
Transfers (out)	-	-	-	(731,952)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38</b>
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>7,833</b>
<b>FUND BALANCES (DEFICITS) - JULY 1</b>	<b>-</b>	<b>-</b>	<b>293</b>	<b>532,162</b>
<b>FUND BALANCES (DEFICITS) - JUNE 30</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ 293</b>	<b>\$ 539,995</b>

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

## Capital Project Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

## SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	Capital Reserve Fund	Total
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 341,239	\$ 341,239
<b>TOTAL ASSETS</b>	<u>\$ 341,239</u>	<u>\$ 341,239</u>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>		
Nonspendable	-	-
Restricted	-	-
Committed	341,239	341,239
Assigned	-	-
Unassigned	-	-
<b>TOTAL FUND BALANCES</b>	<u>341,239</u>	<u>341,239</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 341,239</u>	<u>\$ 341,239</u>

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

## SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	Capital Reserve Fund	Total
	<u>          </u>	<u>          </u>
REVENUES		
Interest income	\$ 1,600	\$ 1,600
TOTAL REVENUES	<u>1,600</u>	<u>1,600</u>
EXPENDITURES		
Other	3	3
TOTAL EXPENDITURES	<u>3</u>	<u>3</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,597</u>	<u>1,597</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	100,000	100,000
Transfers (out)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>100,000</u>	<u>100,000</u>
NET CHANGE IN FUND BALANCES	101,597	101,597
FUND BALANCES - JULY 1	<u>239,642</u>	<u>239,642</u>
FUND BALANCES - JUNE 30	<u>\$ 341,239</u>	<u>\$ 341,239</u>

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



## Permanent Funds

Permanent Funds are used to account for assets held by the School District that are legally restricted and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the School District. The School's policy for authorizing and spending investment income follows State statutes.

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2020

	Hornbeck Trust	Hughes Trust	Franke Trust	Schworer Trust	Ira Hyde Trust	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 5,457	\$ 13,968	\$ 8,657	\$ 5,327	\$ 4,615	\$ 38,024
<b>TOTAL ASSETS</b>	<b>\$ 5,457</b>	<b>\$ 13,968</b>	<b>\$ 8,657</b>	<b>\$ 5,327</b>	<b>\$ 4,615</b>	<b>\$ 38,024</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>						
Nonspendable	5,000	13,000	8,000	5,000	4,500	35,500
Restricted	457	968	657	327	115	2,524
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>5,457</b>	<b>13,968</b>	<b>8,657</b>	<b>5,327</b>	<b>4,615</b>	<b>38,024</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,457</b>	<b>\$ 13,968</b>	<b>\$ 8,657</b>	<b>\$ 5,327</b>	<b>\$ 4,615</b>	<b>\$ 38,024</b>

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

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	Hornbeck Trust	Hughes Trust	Franke Trust	Schworer Trust	Ira Hyde Trust	Total
REVENUES						
Interest income	\$ 9	\$ 237	\$ 14	\$ 8	\$ 6	\$ 274
TOTAL REVENUES	<u>9</u>	<u>237</u>	<u>14</u>	<u>8</u>	<u>6</u>	<u>274</u>
EXPENDITURES						
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	9	237	14	8	6	274
FUND BALANCES - JULY 1	<u>5,448</u>	<u>13,731</u>	<u>8,643</u>	<u>5,319</u>	<u>4,609</u>	<u>37,750</u>
FUND BALANCES - JUNE 30	<u>\$ 5,457</u>	<u>\$ 13,968</u>	<u>\$ 8,657</u>	<u>\$ 5,327</u>	<u>\$ 4,615</u>	<u>\$ 38,024</u>

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

## Fiduciary Funds - Private-Purpose Trust 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.

## SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	Memorial Trust	Incentive Trust	Whitcomb Trust	Total
ASSETS				
Cash and cash equivalents	\$ 26,035	\$ 5,984	\$ 11,639	\$ 43,658
TOTAL ASSETS	<u>\$ 26,035</u>	<u>\$ 5,984</u>	<u>\$ 11,639</u>	<u>\$ 43,658</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Restricted	26,035	5,984	11,639	43,658
TOTAL NET POSITION	<u>26,035</u>	<u>5,984</u>	<u>11,639</u>	<u>43,658</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 26,035</u>	<u>\$ 5,984</u>	<u>\$ 11,639</u>	<u>\$ 43,658</u>

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

## SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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

	Memorial Trust	Incentive Trust	Whitcomb Trust	Total
<b>ADDITIONS</b>				
Interest income	\$ 41	\$ 9	\$ 202	\$ 252
Total additions	<u>41</u>	<u>9</u>	<u>202</u>	<u>252</u>
<b>DEDUCTIONS</b>				
Other	-	-	-	-
Total deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	41	9	202	252
<b>NET POSITION - JULY 1</b>	<u>25,994</u>	<u>5,975</u>	<u>11,437</u>	<u>43,406</u>
<b>NET POSITION - JUNE 30</b>	<u>\$ 26,035</u>	<u>\$ 5,984</u>	<u>\$ 11,639</u>	<u>\$ 43,658</u>

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

## General Capital Assets

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

## SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2020

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Machinery, Equipment and Vehicles	Infrastructure	Total
Direct services	\$ 60,409	\$ 10,415,037	\$ 1,400,247	\$ -	\$ 11,875,693
Support services students	-	312,822	54,414	-	367,236
Support services staff	-	709,600	236,019	-	945,619
Other support services	-	318,958	62,459	-	381,417
Area administration	-	410,868	91,895	-	502,763
Operations and maintenance	-	2,732,255	548,497	47,256	3,328,008
Transportation	-	5,389	158,071	-	163,460
Food services	-	179,868	178,529	-	358,397
Total General Capital Assets	60,409	15,084,797	2,730,131	47,256	17,922,593
Less: Accumulated Depreciation	-	(12,692,672)	(1,918,160)	(3,488)	(14,614,320)
Net General Capital Assets	\$ 60,409	\$ 2,392,125	\$ 811,971	\$ 43,768	\$ 3,308,273

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



## SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED JUNE 30, 2020

	General Capital Assets 7/1/19 (Restated)	Additions	Deletions	General Capital Assets 6/30/20
Direct services	\$ 11,875,693	\$ -	\$ -	\$ 11,875,693
Support services students	318,322	48,914	-	367,236
Support services staff	939,997	5,622	-	945,619
Other support services	381,417	-	-	381,417
Area administration	231,868	296,327	(25,432)	502,763
Operations and maintenance	3,139,711	226,891	(38,594)	3,328,008
Transportation	163,460	-	-	163,460
Food services	345,923	13,066	(592)	358,397
Total General Capital Assets	17,396,391	590,820	(64,618)	17,922,593
Less: Accumulated Depreciation	<u>(14,305,564)</u>	<u>(371,068)</u>	<u>62,312</u>	<u>(14,614,320)</u>
Net General Capital Assets	<u>\$ 3,090,827</u>	<u>\$ 219,752</u>	<u>\$ (2,306)</u>	<u>\$ 3,308,273</u>

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

SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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				
Passed through State of Vermont - Agency of Education and Cultural Services:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	4452-U062-20-01	\$ 63,673	\$ -
National School Lunch Program	10.555	4450-U062-20-01	149,922	-
National School Lunch Program	10.555	4448-U062-20-01	819	-
Summer Food Service Program for Children	10.559	4455-U062-20-01	192,886	-
Subtotal Child Nutrition Cluster			<u>407,300</u>	<u>-</u>
Fresh Fruit and Vegetable Program	10.582	4449-U062-20-01	12,401	-
Total U.S. Department of Agriculture			<u>419,701</u>	<u>-</u>
U.S. Treasury				
Passed through State of Vermont - Agency of Education and Cultural Services:				
Coronavirus Relief Fund	21.019	4592-U062-20-01	51,776	-
Coronavirus Relief Fund	21.019	4593-U062-20-01	1,639	-
			<u>53,415</u>	<u>-</u>
Total U.S. Treasury			<u>53,415</u>	<u>-</u>
U.S. Department of Education				
Passed through State of Vermont - Agency of Education and Cultural Services:				
Special Education Cluster (IDEA):				
Special Education - Grants to States	84.027	4226-U062-20-01	387,527	-
Special Education - Preschool Grants	84.173	4228-U062-20-01	14,019	-
Subtotal Special Education Cluster (IDEA)			<u>401,546</u>	<u>-</u>
Other Programs:				
Title I Grants to Local Educational Agencies	84.010	4250-U062-20-01	669,587	-
Title I Grants to Local Educational Agencies	84.010	4255-U062-20-01	15,341	-
			<u>684,928</u>	<u>-</u>
Improving Teacher Quality State Grants	84.367	4651-U062-20-01	111,926	-
Student Support and Academic Enrichment Program	84.424	4570-U062-20-01	98,539	-
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	84.334	Benson Village School	92	-
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	84.334	Fair Haven Grade School	4,592	-
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	84.334	Fair Haven UHS	9,192	-
			<u>13,876</u>	<u>-</u>
Total U.S. Department of Education			<u>1,310,815</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed through State of Vermont - Agency of Health and Human Services:				
Block grants for prevention and treatment of substance abuse	93.959	3420-A18022S	51,420	-
Substance abuse and mental health services projects	93.243	4515-U062-20-01	8,245	-
Total U.S. Department of Health and Human Services			<u>59,665</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 1,843,596</u>	<u>\$ -</u>

# SLATE VALLEY UNIFIED UNION 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 Slate Valley Unified Union 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 Slate Valley Unified Union School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Slate Valley Unified Union School District.

### 2. Summary of Significant Accounting Policies

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

### 3. Noncash Awards

The Slate Valley Unified Union School District reports U.S. Department of Agriculture (USDA) Foods consumed on the Schedule at the fair value [or entitlement value]. The State of Vermont allocated USDA Foods to the respective program(s) that benefitted from the use of those USDA Foods.

### 4. Expenditures to Subrecipients

The Slate Valley Unified Union School District did not subgrant any federal awards during the fiscal year ended June 30, 2020.



Proven Expertise & Integrity

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

School Board  
Slate Valley Unified Union School District  
Fair Haven, 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 Slate Valley Unified Union School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Slate Valley Unified Union School District's basic financial statements and have issued our report thereon dated March 26, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Slate Valley Unified Union 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 Slate Valley Unified Union School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Slate Valley Unified Union School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these

limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Slate Valley Unified Union 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 Slate Valley Unified Union School District in a separate letter dated February 3, 2021.

### 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  
March 26, 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

School Board  
Slate Valley Unified Union School District  
Fair Haven, Vermont

Report on Compliance for Each Major Federal Program

We have audited Slate Valley Unified Union 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 Slate Valley Unified Union School District's major federal programs for the year ended June 30, 2020. Slate Valley Unified Union School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Slate Valley Unified Union 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 Slate Valley Unified Union School

District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

#### Opinion on Each Major Federal Program

In our opinion, Slate Valley Unified Union 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 Slate Valley Unified Union 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 Slate Valley Unified Union 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 Slate Valley Unified Union 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  
March 26, 2021



SLATE VALLEY UNIFIED UNION 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 §200.516 of Uniform Guidance? yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Educational Agencies

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