

Audited Financial Statements and
Other Financial Information

Green Mountain Unified School District

June 30, 2019



Proven Expertise & Integrity

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Green Mountain Unified School District
Ludlow, Vermont

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Green Mountain Unified School District, as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Green Mountain Unified 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

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609
www.rhrsmith.com

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, each major fund and the aggregate remaining fund information of the Green Mountain Unified School District as of June 30, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB information on pages 4 through 11 and 60 through 65 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 the Green Mountain Unified School District's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget to Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedule - Budgetary Basis - Budget to Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund and combining and individual nonmajor fund financial statements 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 to Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund and combining and individual nonmajor fund financial statements 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 January 15, 2020, on our consideration of the Green Mountain Unified School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Green Mountain Unified School District's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
January 15, 2020

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

(UNAUDITED)

The following management's discussion and analysis of the Green Mountain Unified School District's financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the Green Mountain Unified 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 schedules 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 one column for the type of School District activity. The type of activity presented for the School District is:

- *Governmental activities* – The activities in this section are mostly supported by intergovernmental revenues (federal and state grants). All of the School District's basic services are reported in governmental activities which include regular instruction, special education, support services - student based, administrative support services, vocational education, operations and maintenance, transportation, food service and other.

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 two categories: governmental and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The School District presents three columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in

fund balances. The School District's major funds are the general fund and capital projects 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.

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 statements because the resources of these funds are not available to support the School District's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

Notes to the Financial Statements

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

Required Supplementary Information

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

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regard to nonmajor funds, 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 decreased by \$118,239 from \$2,981,430 to \$2,863,191.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling

legislation, or other legal requirements - decreased for governmental activities to a deficit balance of \$298,740 at the end of this year.

Table 1
Green Mountain Unified School District
Net Position
June 30,

	Governmental Activities	
	2019	2018 (Restated)
Assets		
Current Assets	\$ 1,162,193	\$ 1,085,217
Noncurrent Assets	4,846,498	4,763,601
Total Assets	<u>6,008,691</u>	<u>5,848,818</u>
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	<u>277,886</u>	<u>286,947</u>
Total Deferred Outflows of Resources	<u>277,886</u>	<u>286,947</u>
Liabilities		
Current Liabilities	1,589,677	1,031,505
Noncurrent Liabilities	1,793,217	2,077,301
Total Liabilities	<u>3,382,894</u>	<u>3,108,806</u>
Deferred Inflows of Resources		
Deferred Revenue	8,770	5,523
Deferred Inflows Related to Pensions	<u>31,722</u>	<u>40,006</u>
Total Deferred Inflows of Resources	<u>40,492</u>	<u>45,529</u>
Net Position		
Net Investment in Capital Assets	3,038,183	3,001,384
Restricted	123,748	173,555
Unrestricted (Deficit)	<u>(298,740)</u>	<u>(193,509)</u>
Total Net Position	<u>\$ 2,863,191</u>	<u>\$ 2,981,430</u>

Revenues and Expenses

The School District's revenues increased by 3.47% from the prior year while expenses decreased by 2.61%. The increase in revenues was primarily due to grants and contributions not restricted to specific programs and miscellaneous. The decrease in expenses was primarily due to regular instruction and other.

Table 2
Green Mountain Unified School District
Changes in Net Position
For the Years Ended June 30,

	Governmental Activities	
	2019	2018
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 246,088	\$ 486,513
Operating grants and contributions	2,604,034	2,759,518
<i>General Revenues:</i>		
Grants and contributions not restricted to specific programs	11,135,366	10,644,672
Interest income	5,869	77
Miscellaneous	518,580	132,208
Total Revenues	<u>14,509,937</u>	<u>14,022,988</u>
Expenses		
Regular instruction	5,053,406	5,506,551
Special education	2,111,946	1,962,220
Support services - student based	1,251,208	1,253,705
Administrative support services	1,447,194	1,484,861
Vocational education	250,742	18,193
Operations and maintenance	1,566,461	1,294,969
Transportation	210,680	483,279
Food service	347,930	414,654
Other	187,950	679,728
On-behalf payments	1,692,149	1,600,583
Capital outlay	7,146	-
Interest on long-term debt	58,772	38,861
Unallocated depreciation	442,592	282,566
Total Expenses	<u>14,628,176</u>	<u>15,020,170</u>
Change in Net Position	(118,239)	(997,182)
Net Position - July 1, Restated	<u>2,981,430</u>	<u>3,978,612</u>
Net Position - June 30	<u>\$ 2,863,191</u>	<u>\$ 2,981,430</u>

Financial Analysis of the School District's Fund Statements

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

Table 3
Green Mountain Unified School District
Fund Balances - Governmental Funds
June 30,

	<u>2019</u>	<u>2018</u>
Major Funds:		
General Fund:		
Nonspendable	\$ 16,854	\$ 4,744
Assigned	-	100,000
Unassigned	(308,352)	(246,743)
Total General Fund	<u>\$ (291,498)</u>	<u>\$ (141,999)</u>
Capital Projects Fund		
Committed	\$ 151,814	\$ 118,882
Total Capital Projects Fund	<u>\$ 151,814</u>	<u>\$ 118,882</u>
Nonmajor Funds:		
Special Revenue Fund		
Assigned	\$ 19,781	\$ 31,772
Capital Projects Funds		
Restricted	15,000	-
Committed	175,198	138,138
Permanent Funds		
Restricted	123,748	120,271
Total Nonmajor Funds	<u>\$ 333,727</u>	<u>\$ 290,181</u>

The general fund total fund balance decreased by \$149,499 from the prior fiscal year due to expenditures exceeding revenues and other financing sources. The capital projects fund increased by \$32,932 primarily due to transfers from other funds. The nonmajor funds total fund balance increased by \$43,546 primarily due to transfers from other funds.

Budgetary Highlights

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

The general fund actual revenues exceeded budgeted amounts by \$68,899 due to all revenue categories exceeding budget with the exception of intergovernmental, charges for services and investment income.

The general fund actual expenditures exceeded budgeted amounts by \$245,570 due to all expenditure categories being exceeding budgeted amounts with the exception of regular instruction, support services - student based, administrative support services, and transfers to other funds.

Capital Asset and Long-Term Debt Activity

Capital Assets

As of June 30, 2019, the School District's capital assets increased by \$82,897. This increase was the result of capital additions of \$525,489 less current year depreciation expense of \$442,592.

**Table 4
Green Mountain Unified School District
Capital Assets (Net of Depreciation)
June 30,**

	2019	2018 (Restated)
Land	\$ 45,100	\$ 45,100
Land improvements	50,831	54,219
Buildings/improvements	3,705,794	3,787,189
Furniture/fixtures	47,999	27,281
Machinery and equipment	627,947	342,058
Vehicles	299,523	403,391
Infrastructure	69,304	104,363
Total	\$ 4,846,498	\$ 4,763,601

Debt

At June 30, 2019, the School District had \$1,808,315 in bonds and notes from direct borrowings payable versus \$1,762,217 in the prior year. Refer to Note 6 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions, or Conditions

Economic Factors and Next Year's Budgets and Rates

The 2019-2020 budget could be impacted by the reduction of funding from the State. There is no indication of reduced funding from the State for 2019-2020 as of the date this report was issued.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School District at 609 Vermont Route 103, Ludlow, Vermont 05149.

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2019

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 677,182
Investments	122,737
Accounts receivable (net of allowance for uncollectibles)	40,457
Due from other governments	301,386
Prepaid items	16,854
Inventory	3,577
Total current assets	<u>1,162,193</u>
Noncurrent assets:	
Land and other assets not being depreciated	45,100
Buildings, building improvements and other assets net of accumulated depreciation	<u>4,801,398</u>
Total noncurrent assets	<u>4,846,498</u>
TOTAL ASSETS	<u>6,008,691</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>277,886</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>277,886</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 6,286,577</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 408,709
Accrued expenses	52,382
Accrued payroll	498,289
Current portion of long-term obligations	630,297
Total current liabilities	<u>1,589,677</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	1,054,640
Notes from direct borrowings payable	134,048
Employee termination and retirement benefits	24,896
Net pension liability	579,633
Total noncurrent liabilities	<u>1,793,217</u>
TOTAL LIABILITIES	<u>3,382,894</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue	8,770
Deferred inflows related to pensions	31,722
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>40,492</u>
NET POSITION	
Net investment in capital assets	3,038,183
Restricted	123,748
Unrestricted (deficit)	<u>(298,740)</u>
TOTAL NET POSITION	<u>2,863,191</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 6,286,577</u>

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

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
Governmental activities:					
Regular instruction	\$ 5,053,406	\$ 169,008	\$ 23,597	\$ -	\$ (4,860,801)
Special education	2,111,946	-	538,962	-	(1,572,984)
Support services - student based	1,251,208	-	-	-	(1,251,208)
Administrative support services	1,447,194	-	-	-	(1,447,194)
Vocational education	250,742	-	153,349	-	(97,393)
Operations and maintenance	1,566,461	-	-	-	(1,566,461)
Transportation	210,680	-	1,010	-	(209,670)
Food service	347,930	77,080	194,967	-	(75,883)
Other	187,950	-	-	-	(187,950)
On-behalf payments	1,692,149	-	1,692,149	-	-
Capital outlay	7,146	-	-	-	(7,146)
Interest on long-term debt	58,772	-	-	-	(58,772)
Unallocated depreciation (Note 4)*	442,592	-	-	-	(442,592)
Total government	<u>\$ 14,628,176</u>	<u>\$ 246,088</u>	<u>\$ 2,604,034</u>	<u>\$ -</u>	<u>(11,778,054)</u>

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

STATEMENT B (CONTINUED)
GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(11,778,054)</u>
General revenues:	
Grants and contributions not restricted to specific programs	11,135,366
Interest income	5,869
Miscellaneous	518,580
Total general revenues	<u>11,659,815</u>
Change in net position	(118,239)
NET POSITION - JULY 1, RESTATED	<u>2,981,430</u>
NET POSITION - JUNE 30	<u><u>\$ 2,863,191</u></u>

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

STATEMENT C

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 322,805	\$ 151,814	\$ 202,563	\$ 677,182
Investments	-	-	122,737	122,737
Accounts receivable (net of allowance for uncollectibles)	-	-	40,457	40,457
Due from other governments	301,386	-	-	301,386
Prepaid items	16,854	-	-	16,854
Inventory	3,577	-	-	3,577
Due from other funds	50,227	-	19,472	69,699
TOTAL ASSETS	<u>\$ 694,849</u>	<u>\$ 151,814</u>	<u>\$ 385,229</u>	<u>\$ 1,231,892</u>
LIABILITIES				
Accounts payable	\$ 407,434	\$ -	\$ 1,275	\$ 408,709
Accrued expenses	52,382	-	-	52,382
Accrued payroll	498,289	-	-	498,289
Due to other funds	19,472	-	50,227	69,699
TOTAL LIABILITIES	<u>977,577</u>	<u>-</u>	<u>51,502</u>	<u>1,029,079</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	8,770	-	-	8,770
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>8,770</u>	<u>-</u>	<u>-</u>	<u>8,770</u>
FUND BALANCES (DEFICITS)				
Nonspendable-prepaid items and inventory	16,854	-	-	16,854
Restricted	-	-	138,748	138,748
Committed	-	151,814	175,198	327,012
Assigned	-	-	19,781	19,781
Unassigned	(308,352)	-	-	(308,352)
TOTAL FUND BALANCES (DEFICITS)	<u>(291,498)</u>	<u>151,814</u>	<u>333,727</u>	<u>194,043</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 694,849</u>	<u>\$ 151,814</u>	<u>\$ 385,229</u>	<u>\$ 1,231,892</u>

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Intergovernmental revenues	\$ 12,663,987	\$ -	\$ -	\$ 12,663,987
Charges for services	246,088	-	-	246,088
Interest income	5,724	78	67	5,869
Miscellaneous revenues	329,151	10,000	179,429	518,580
TOTAL REVENUES	13,244,950	10,078	179,496	13,434,524
EXPENDITURES				
Current:				
Regular instruction	4,971,389	-	-	4,971,389
Special education	2,111,946	-	-	2,111,946
Support services - student based	1,391,242	-	-	1,391,242
Administrative support services	1,447,194	-	-	1,447,194
Vocational education	250,742	-	-	250,742
Operations and maintenance	1,763,521	-	-	1,763,521
Transportation	262,977	-	-	262,977
Food service	347,930	-	-	347,930
Other	-	-	187,950	187,950
On-behalf payments	616,736	-	-	616,736
Capital outlay	-	7,146	-	7,146
Debt service:				
Principal	90,000	-	-	90,000
Interest	58,772	-	-	58,772
TOTAL EXPENDITURES	13,312,449	7,146	187,950	13,507,545
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(67,499)	2,932	(8,454)	(73,021)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	30,653	52,000	82,653
Transfers (out)	(82,000)	(653)	-	(82,653)
TOTAL OTHER FINANCING SOURCES (USES)	(82,000)	30,000	52,000	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(149,499)	32,932	43,546	(73,021)
FUND BALANCES (DEFICITS) - JULY 1	(141,999)	118,882	290,181	267,064
FUND BALANCES (DEFICITS) - JUNE 30	\$ (291,498)	\$ 151,814	\$ 333,727	\$ 194,043

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Total Governmental Funds
Total Fund Balances	\$ 194,043
Amounts reported for governmental activities in the Statement of Net Activities 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	4,846,498
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	277,886
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(1,169,000)
Notes from direct borrowings payable	(639,315)
Employee termination and retirement benefits	(35,566)
Net pension liability	(579,633)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(31,722)
Net position of governmental activities	\$ 2,863,191

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

GREEN MOUNTAIN UNIFIED 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, 2019

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (73,021)</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 purchases capitalized	525,489
Depreciation expense	<u>(442,592)</u>
	<u>82,897</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>(9,061)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	<u>282,331</u>
Debt proceeds provide current financial resources to governmental funds, but increase long-term obligations in the Statement of Net Position	<u>(328,429)</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>8,284</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:	
Employee termination and retirement benefits	(8,746)
Net pension liability	<u>(72,494)</u>
	<u>(81,240)</u>
Change in net position of governmental activities (Statement B)	<u>\$ (118,239)</u>

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2019

	<u>Agency Funds</u> Student Activities	<u>Private- Purpose Funds</u> Total
ASSETS		
Cash and cash equivalents	\$ 122,164	\$ 100,262
TOTAL ASSETS	<u>\$ 122,164</u>	<u>\$ 100,262</u>
LIABILITIES		
Due to other governments	\$ -	\$ 726
Deposits held for others	122,164	-
TOTAL LIABILITIES	<u>\$ 122,164</u>	<u>726</u>
NET POSITION		
Held in trust for special purposes		<u>\$ 99,536</u>

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Private- Purpose Funds Total</u>
ADDITIONS	
Contributions	\$ 19,479
Interest	<u>49</u>
Total additions	<u>19,528</u>
DEDUCTIONS	
Scholarship awards	<u>4,723</u>
Total deductions	<u>4,723</u>
Change in net position	14,805
NET POSITION - JULY 1	<u>84,731</u>
NET POSITION - JUNE 30	<u>\$ 99,536</u>

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Green Mountain Unified School District was incorporated under the laws in the State of Vermont on July 1, 2018. The School District operates under the Board of Directors-superintendent form of government and provides the following services: regular instruction, special education, support services - student based, administrative support services, vocational education, operations and maintenance, transportation, food service and other.

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

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

Implementation of New Accounting Standards

During the year ended June 30, 2019, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 83 "Certain Asset Retirement Obligations." This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

estimates of the liabilities and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefor. This Statement requires similar disclosures for a government's minority shares of AROs. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 88 "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements." This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences and significant subjective acceleration clauses. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

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

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All activities of the School District are categorized as governmental.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column and (b) is 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 are 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 (instruction, administration, etc.) excluding fiduciary activities. The functions are also supported by

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

general government revenues (support from the School District, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

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

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

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

Measurement Focus - Basic Financial Statements and Fund Financial Statements

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

1. Governmental Funds:

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

Major Funds

- a. The General Fund is the general operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund.

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. The Capital Projects Fund is used to account for financial resources to be used for acquisition or construction of major capital facilities or equipment.

Nonmajor Funds

- c. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- d. The Capital Projects Funds are used to account for financial resources to be used for acquisition or construction of major capital facilities or equipment.
- e. The 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.

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues per budgetary basis	\$ 12,628,214
Add: On-behalf payments	616,736
Total GAAP basis	<u>\$ 13,244,950</u>
Expenditures per budgetary basis	\$ 12,777,713
Add: On-behalf basis	616,736
Total GAAP basis	<u>\$ 13,394,449</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 State of Vermont Educational Act 60/Act 68 guidelines.
2. The Board budget process includes input from School District administration and staff, central administration, 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. The public vote on the budget is held on Town Meeting Day.

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:

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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
- Repurchase agreements
- Money market mutual funds

Green Mountain Unified School District has no formal investment policy but instead follows the State of Vermont Statutes.

Receivables

Receivables include amounts due from governmental agencies. 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. Allowances for uncollectible accounts netted with accounts receivable were \$341,843 for the year ended June 30, 2019. The allowance for uncollectible amounts in the food service fund is estimated to be \$0 as of June 30, 2019.

Interfund Receivables and Payables

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

Transactions Between Funds

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more for 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.

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

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

Estimated useful lives are as follows:

Buildings	30 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	8 years
Infrastructure	30 - 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 are reported as liabilities in government-wide statements. The long-term obligations consist primarily of bonds payable, notes from direct borrowings payable, employee termination and retirement benefits and net pension liability.

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

Pensions

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB

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

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.

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the School Board.

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

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

Deferred Outflows and Inflows of Resources

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

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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).

Encumbrance Accounting

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

Use of Estimates

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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.

Deposits:

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. However, the School District maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF.

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2019, the School District's cash balance of \$899,608 was comprised of bank balances and cash equivalents of \$819,219. Of these deposits, \$385,333 were fully covered by federal depository insurance and consequently were not exposed to custodial credit risk. \$234,170 were collateralized by securities held by the financial institution in the School District's name. The remaining deposits of \$199,716 were uninsured and uncollateralized.

Account Type	Bank Balance
Checking accounts	\$ 581,431
Savings accounts	2,607
Repurchase agreement	234,170
Cash equivalents	1,011
	\$ 819,219

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.

Of the School District's investments of \$122,737, \$9,000 was fully insured by federal depository insurance and consequently was not exposed to custodial credit risk and the remainder of \$113,737 was uninsured and consequently was exposed to custodial credit risk.

The School District had the following investments and maturities at June 30, 2019:

Investment Type	Fair Value	Not Applicable	Less than 1 Year	1 - 5 Years	Over 5 Years
Equity securities:					
ETF-Equity	\$ 13,403	\$ 13,403	\$ -	\$ -	\$ -
Mutual funds:					
Equity	79,861	79,861	-	-	-
Fixed income	20,473	20,473	-	-	-
Certificate of deposit	9,000	-	9,000	-	-
	\$ 122,737	\$ 113,737	\$ 9,000	\$ -	\$ -

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Hierarchy

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The School District has the following recurring fair value measurements as June 30, 2019:

	Total June 30, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Equity securities:				
Mutual funds and exchange-traded funds	\$ 113,737	\$ 113,737	\$ -	\$ -
Total investments by fair value level	<u>113,737</u>	<u>113,737</u>	<u>-</u>	<u>-</u>
<u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market fund	1,011			
Total cash equivalents measured at the NAV	<u>1,011</u>			
Total investments and cash equivalents measured at fair value	<u>\$ 114,748</u>			

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. The School District has no Level 2 or 3 investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2019 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

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

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.

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2019 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General fund	\$ 50,227	\$ 19,472
Nonmajor special revenue funds	19,472	50,227
	\$ 69,699	\$ 69,699

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2019:

	Balance, 7/1/18 (Restated)	Additions	Disposals	Balance, 6/30/19
Non-Depreciated assets:				
Land	\$ 45,100	\$ -	\$ -	\$ 45,100
	45,100	-	-	45,100
Depreciated assets:				
Land improvements	\$ 67,774	\$ -	-	\$ 67,774
Buildings/improvements	11,009,248	26,687	-	11,035,935
Furniture/fixtures	98,073	29,497	-	127,570
Machinery and equipment	1,364,350	469,305	(61,948)	1,771,707
Vehicles	750,232	-	-	750,232
Infrastructure	766,846	-	-	766,846
	14,056,523	525,489	(61,948)	14,520,064
Less: accumulated depreciation	(9,338,022)	(442,592)	61,948	(9,718,666)
	4,718,501	82,897	-	4,801,398
Net capital assets	\$ 4,763,601	\$ 82,897	\$ -	\$ 4,846,498

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 - SHORT-TERM DEBT

On July 2, 2018, the Green Mountain Unified 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 1.95% interest per annum with a maturity date of June 28, 2019. On November 23, 2018, the tax/revenue anticipation note was paid in full. Interest expense for the note was \$10,447.

Short-term debt activity for the year ended June 30, 2019 was as follows:

	Balance 7/1/18	Additions	Deletions	Balance, 6/30/19
Tax/revenue anticipation note	\$ -	\$ 1,450,000	\$ (1,450,000)	\$ -
	\$ -	\$ 1,450,000	\$ (1,450,000)	\$ -

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2019:

	Balance 7/1/18	Additions	Deletions	Balance, 6/30/19	Current Portion
Bonds payable	\$ 1,259,000	\$ -	\$ (90,000)	\$ 1,169,000	\$ 114,360
Notes from direct borrowings payable	503,217	328,429	(192,331)	639,315	505,267
	\$ 1,762,217	\$ 328,429	\$ (282,331)	\$ 1,808,315	\$ 619,627

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 - LONG- TERM DEBT (CONTINUED)

The following is a summary of the outstanding bonds and note from direct borrowings payable for the year ended June 30, 2019:

General Obligation bond due to Vermont Municipal Bond Bank in annual principal installments of \$70,000 through November of 2024. The fixed interest rate ranges from 1.87% to 5.09% per annum.	\$ 420,000
\$240,000 Vermont Municipal Bond Bank 2014 Series 2 Refunding Bond due in annual principal installments of \$20,000 through November 2025. Fixed interest ranging from (0.65%) to 3.46% payable semiannually through November of 2025, with savings allocations ranging from \$588 to \$1,352 rebated through November of 2025.	140,000
\$609,000, General Obligation bond due to Vermont Municipal Bond Bank in annual principal installments of \$24,360 through November of 2034. The semi-annual fixed interest rate varies from 1.75% to 3.86%.	<u>609,000</u>
Total bonds payable	<u>1,169,000</u>
Capital lease for seven buses. Annual principal and interest payments due in the amount of \$55,634. Maturity of this lease is in August of 2019 with a balloon payment due in the amount of \$330,000.	323,011
Capital lease for seven buses. Annual principal and interest payments due in the amount of \$7,540. Maturity of this lease is in December of 2019 with a balloon payment due in the amount of \$55,000.	53,939
Capital lease with Apple Finance and Wells Fargo for computers. Annual principal and interest payments \$74,779 with interest charged at a fixed rate of 3.49% per annum. Maturity of this lease is July of 2018.	<u>262,365</u>
Total notes from direct borrowings payable	<u>639,315</u>
Total bonds and notes from direct borrowings payable	<u><u>\$ 1,808,315</u></u>

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 - LONG- TERM DEBT (CONTINUED)

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

Year	Bonds payable		Notes from direct borrowings payable	
	Principal	Interest	Principal	Interest
2020	\$ 114,360	\$ 38,821	\$ 505,267	\$ 22,497
2021	114,360	34,121	134,048	5,986
2022	114,360	29,431	-	-
2023	114,360	24,037	-	-
2024	114,360	20,343	-	-
2025-2029	231,800	73,908	-	-
2030-2034	121,800	58,698	-	-
2035-2039	121,800	35,081	-	-
2040-2044	121,800	11,754	-	-
	<u>\$ 1,169,000</u>	<u>\$ 326,194</u>	<u>\$ 639,315</u>	<u>\$ 28,483</u>

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in the other long-term obligations for the year ended June 30, 2019:

	Balance 7/1/18	Additions	Deletions	Balance, 6/30/19	Current Portion
Employee termination and retirement benefits	\$ 26,820	\$ 8,746	\$ -	\$ 35,566	\$ 10,670
Net pension liability	507,139	167,549	(95,055)	579,633	-
	<u>\$ 533,959</u>	<u>\$ 176,295</u>	<u>\$ (95,055)</u>	<u>\$ 615,199</u>	<u>\$ 10,670</u>

Refer to Notes 8 and 15 for detailed information on each of the other long-term obligations.

NOTE 8 - EMPLOYEE TERMINATION AND RETIREMENT BENEFITS

The School District has a contract that allows teachers (when they retire or become deceased) to receive payment of accumulated sick leave. Teachers must have at least twenty years of cumulative service to be eligible. Compensation is \$40 per day up to a maximum of 140 days resulting in a maximum benefit of \$5,600 per retiree. As of June 30, 2019, no termination payable is recorded in the fund statements because no benefits will be paid from expendable available resources. As of June 30, 2019, the amount recorded in the government-wide statements as a long-term liability is \$35,566.

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 - NONSPENDABLE FUND BALANCE

At June 30, 2019, the School District had the following nonspendable fund balance:

General fund:	
Prepaid items	\$ 16,854
Inventory	<u>3,577</u>
	<u>\$ 20,431</u>

NOTE 10 - RESTRICTED FUND BALANCES

At June 30, 2019, the School District had the following restricted fund balances:

Nonmajor capital projects funds (Schedule C)	\$ 15,000
Nonmajor permanent funds (Schedule G)	<u>123,748</u>
	<u>\$ 138,748</u>

NOTE 11 - COMMITTED FUND BALANCES

At June 30, 2019, the School District had the following committed fund balances:

Capital projects fund	\$ 151,814
Nonmajor special revenue funds (Schedule E)	<u>175,198</u>
	<u>\$ 327,012</u>

NOTE 12 - ASSIGNED FUND BALANCES

At June 30, 2019, the School District had the following assigned fund balances:

Nonmajor special revenue funds (Schedule E)	<u>\$ 19,781</u>
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NOTE 13 - DEFICIT FUND BALANCES

At June 30, 2019, the School District had the following deficit fund balances:

General fund	\$ 291,498
School safety and security grant	<u>11,045</u>
	<u>\$ 302,543</u>

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOT 14 - OVERSEPT APPROPRIATIONS

The School District was noncompliant with the legally adopted budget, overspending the entire allowed appropriation of \$12,532,143 by \$297,715 at June 30, 2019.

NOTE 15 - 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, 2017 (the most recent period available), the retirement system consisted of 22,193 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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

the VSTRS. That report may be viewed on the State's Department of Finance and Management website at: http://finance.vermont.gov/reports_and_publications/cafr.

Benefits Provided

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

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

VSTRS	Group A	Group C – Group # 1	Group C – Group # 2
Normal service retirement eligibility (no reduction)	Age 60 or 30 years of service	Age 62 or with 30 years of service	Age 65 or when the sum of age and service equals 90
Average Final Compensation (AFC)	Highest 3 consecutive years, including unused annual leave, sick leave, and bonus/incentives	Highest 3 consecutive years, excluding all payments for anything other than service actually performed	Highest 3 consecutive years, excluding all payments for anything other than service actually performed
Benefit formula – normal service retirement	1.67% x creditable service x AFC	1.25% x service prior to 6/30/90 x AFC + 1.67% x service after 7/1/90 x AFC	1.25% x service prior to 6/30/90 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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

VSTRS	Group A	Group C – Group # 1	Group C – Group # 2
Post-Retirement COLA	Full CPI, up to a maximum of 5% after 12 months of retirement; minimum of 1%	50% CPI, up to a maximum of 5% after 12 months of retirement or with 30 years; minimum of 1%	50% CPI, up to a maximum of 5%, minimum of 1% after 12 months of normal retirement or age 65
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Early Retirement Reduction	Actuarial reduction	6% per year from age 62	Actuarial reduction

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

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

Contributions

VSTRS is a cost-sharing public employee retirement system with one exception: all risks and costs are not shared by the School District but are the liability of the State of Vermont. VSTRS is funded through State and employee contributions and trust fund investment earnings; and the School District has no legal obligation for paying benefits. Required contributions to the System are made by the State of Vermont based upon a valuation report prepared by the System's actuary, which varies by plan group. The Vermont State Teachers Retirement System estimates the contributions on behalf of the School District's employees included in the teacher's retirement plan which approximates \$616,736 or 15.75% of total payroll for employees covered under the plan.

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Employee contribution rates by plan group follow:

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

Employee contributions totaled \$209,564 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 \$3,915,782 for the year ended June 30, 2019.

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-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 school districts and other municipal employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. Employees of the School other than Teachers are eligible to participate in the VMERS providing they work on a regular basis for not less than 30 hours a week and for not less than 1,040 hours for the school year. For the year ended June 30, 2017 (the most recent data available), the retirement system consisted of 13,262 participating members.

The general administration and responsibility for formulating administrative policy and procedures of the Retirement System for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system and two employer representatives - one elected by the governing bodies of participating

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

employers of the system and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Schools and the Vermont School Boards Association.

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

Benefits Provided

The pension plan is divided into four membership groups:

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

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

VMERS	Group A	Group B	Group C	Group D
Normal service retirement eligibility	Age 65 with 5 years of service, or age 55 with 35 years of service	Age 62 with 5 years of service, or age 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

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

Contributions

Title 24 VSA Chapter 125 of Vermont Statutes grants the authority to the Retirement Board to annually review the amount of municipalities' contributions as recommended by the actuary of the retirement system in order to achieve and preserve the financial integrity of the fund, and to certify the rates of contributions payable by employers. The Board of Trustees also certifies the rates of contribution payable by employees. Contribution rates for each group as of July 1, 2018 are as follows:

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

VMERS	Group A	Group B	Group C	Group D
Employee Contributions	2.625% of gross salary	5.0% of gross salary	10.125% of gross salary	11.475% of gross salary
Employer Contributions	4.125% of gross salary	5.625% of gross salary	7.375% of gross salary	9.975% 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, 2019 totaled \$70,010. The School District contributed \$85,994 for the year ended June 30, 2019. The School District's total payroll for the year ended June 30, 2019 for all employees covered under this plan was \$1,693,355.

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, 2019. The State's portion of the collective net pension liability that was associated with the School District was as follows:

District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the District	<u>8,503,687</u>
Total	<u><u>\$ 8,503,687</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, 2018, 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, 2018, the School District's proportion was 0.56% which was a decrease of 0.0071% from its proportion measured as of June 30, 2017.

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

VMERS Plan

At June 30, 2019, the School District reported a liability of \$579,633 for its proportionate share of the net pension liabilities for each plan. The net pension liabilities were measured as of June 30, 2018 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of June 30, 2017. 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, 2018, the School District's proportion was 0.41% for VMERS, which was a decrease of 0.0179% from its proportion measured as of June 30, 2017 for VMERS.

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

For the year ended June 30, 2019, the School District recognized total pension expense of \$872,457 and revenue of \$872,457 for support provided by the State of Vermont for the VSTRS plan. In the same period, the School District recognized pension expense of \$73,271 for the VMERS plan. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	VSTRS		VMERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ 50,347	\$ 9,268
Changes of assumptions	-	-	64,186	-
Net difference between projected and actual earnings on pension plan investments	-	-	67,177	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	10,182	22,454
Contributions subsequent to the measurement date	-	-	85,994	-
Total	\$ -	\$ -	\$ 277,886	\$ 31,722

\$85,994 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	VSTRS	VMERS
Plan year ended June 30:		
2019	\$ -	\$ 105,716
2020	-	35,595
2021	-	5,928
2022	-	12,931
2023	-	-
Thereafter	-	-

Significant Actuarial Assumptions and Methods

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using the actuarial assumptions outlined below.

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

Inflation: For both plans, 2.50%.

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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.

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, 2019 COLA is assumed to be 2.60% for Group A and 1.30% 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, 2019 COLA is 1.30% 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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

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

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US Equity	18.00%	6.10%
Non-US Equity	16.00%	7.45%
Global Equity	9.00%	6.74%
Fixed Income	26.00%	2.25%
Real Estate	8.00%	5.11%
Private Markets	15.00%	7.60%
Hedge Funds	8.00%	3.86%

Discount Rate

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

discount rate has been determined in accordance with the method prescribed by GASB 68.

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

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

	1% Decrease	Discount Rate	1% Increase
<u>VSTRS:</u>			
Discount rate	6.50%	7.50%	8.50%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
<u>VMERS:</u>			
Discount rate	6.50%	7.50%	8.50%
District's proportionate share of the net pension liability	\$ 981,766	\$ 579,633	\$ 252,586

Pension Plan Fiduciary Net Position

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 16 - 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, 2017 (the most recent period available), the plan consisted of 4,878 retired members or beneficiaries currently receiving benefits and 8,941 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 (es-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.

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).

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 16 - 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:

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

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

the School District does not contribute directly to VSTRS, no net OPEB liability was recorded at June 30, 2019. The State's portion of the collective net OPEB liability that was associated with the School District was as follows:

District's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the District		<u>4,585,755</u>
Total	\$	<u><u>4,585,755</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, 2018, 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, 2018, the School District's proportion was 0.48054% which was an increase of 0.7096% from its proportion measured as of June 30, 2017.

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

For the year ended June 30, 2019, the School District recognized total OPEB expense of \$202,956 and revenue of \$202,956 for support provided by the State of Vermont for the Plan. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

	VSTRS OPEB Plan	
Plan year ended June 30:		
2019	\$	-
2020		-
2021		-
2022		-
2023		-
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 non included in (1) using a yield or index rate for 20 year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The sensitivity of net OPEB liability to changes in discount rate are as follows:

	1% Decrease	Discount Rate	1% Increase
VSTRS OPEB Plan:			
Discount rate	2.87%	3.87%	4.87%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -

Healthcare Trend Rate

Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The trend rate assumptions were developed using Segal's internal guidelines, which are established each year using data sources such as the 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:

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2017, 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.

Asset Valuation Method

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.

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.

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2018 are summarized in the following table:

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%	3.75%
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, 2017 completed by Buck Consulting. As of June 30, 2018, they are as follows:

Discount Rate	3.87%
Salary Increase Rate	Varies by age
Non-Medicare	7.15% graded to 4.50% over 12 years
Medicare	7.30% graded to 4.50% over 11 years
Retiree Contributions	Equal to health trend
Pre-retirement Mortality	98% of RP-2014 White Collar Employee with generational projection using Scale SSA-2017.
Post-retirement Mortality	98% of RP-2014 White Collar Annuitant with generational projection using Scale SSA-2017.

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:

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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 was six years for June 30, 2018. For the fiscal year ended June 30, 2018, the discount rate was increased from 3.58% to 3.87%.

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 and Management website at: http://finance.vermont.gov/reports_and_publications/cafr

NOTE 17 - RISK MANAGEMENT

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

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

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 18 - 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 19 - RELATED ORGANIZATION

The District has an ongoing financial responsibility to Two Rivers Supervisory Union as defined in GASB 14, paragraph 71. Through Two Rivers Supervisory Union's assessment process, the District's assessment can be increased to cover a share of any prior year deficits and decreased to share in any prior year surpluses. Separate financial statements on Two Rivers Supervisory Union are available from Two Rivers Supervisory Union.

NOTE 20 - RESTATEMENTS

In 2019, the School District recognized that certain transactions had been omitted, therefore, a restatement to the governmental activities net position for July 1, 2018 was required. The beginning net position was restated by \$354,831 to correct errors in the fixed assets and the associated accumulated depreciation. The resulting restatements increased net position from \$2,626,599 to \$2,981,430.

NOTE 21 - SUBSEQUENT EVENT

On July 1, 2019, the Green Mountain Unified School District issued a capital improvement note to finance the purchase of student transportation vehicles in the amount of \$708,863 at 2.95% fixed interest per annum with a maturity date of July 14, 2023.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Government 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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ (141,999)	\$ (141,999)	\$ (141,999)	\$ -
Resources (Inflows):				
Intergovernmental:				
Education spending grant	11,087,235	11,087,235	10,840,828	(246,407)
Special education	636,156	636,156	538,962	(97,194)
Other	463,350	463,350	667,461	204,111
Charges for services	342,955	342,955	246,088	(96,867)
Investment income	7,619	7,619	5,724	(1,895)
Miscellaneous	22,000	22,000	329,151	307,151
Amounts Available for Appropriation	<u>12,417,316</u>	<u>12,417,316</u>	<u>12,486,215</u>	<u>68,899</u>
Charges to Appropriations (Outflows):				
Current:				
Regular instruction	5,118,901	5,118,901	4,971,389	147,512
Special education	2,000,706	2,000,706	2,111,946	(111,240)
Support services - student based	1,458,831	1,458,831	1,391,242	67,589
Administrative support services	1,649,317	1,649,317	1,447,194	202,123
Vocational education	250,482	250,482	250,742	(260)
Operations and maintenance	1,290,728	1,260,728	1,763,521	(502,793)
Transportation	244,842	244,842	262,977	(18,135)
Food service	325,132	325,132	347,930	(22,798)
Debt service:				
Principal	90,000	90,000	90,000	-
Interest	51,204	51,204	58,772	(7,568)
Transfers to other funds	52,000	82,000	82,000	-
Total Charges to Appropriations	<u>12,532,143</u>	<u>12,532,143</u>	<u>12,777,713</u>	<u>(245,570)</u>
Budgetary Fund Balance (Deficit), June 30	<u>\$ (114,827)</u>	<u>\$ (114,827)</u>	<u>\$ (291,498)</u>	<u>\$ (176,671)</u>
Utilization of unassigned fund balance	<u>\$ (27,172)</u>	<u>\$ (27,172)</u>	<u>\$ -</u>	<u>\$ 27,172</u>

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>VSTRS:</u>					
Proportion of the net pension liability	0.56%	0.57%	0.59%	0.70%	0.63%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	<u>8,503,687</u>	<u>8,504,463</u>	<u>7,645,879</u>	<u>8,353,087</u>	<u>6,829,445</u>
Total	<u>\$ 8,503,687</u>	<u>\$ 8,504,463</u>	<u>\$ 7,645,879</u>	<u>\$ 8,353,087</u>	<u>\$ 6,829,445</u>
Covered payroll	\$ 3,720,957	\$ 3,792,519	\$ 3,782,278	\$ 4,058,971	\$ 3,719,821
Proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	54.81%	53.98%	55.31%	58.22%	64.02%
<u>VMERS:</u>					
Proportion of the net pension liability	0.41%	0.43%	0.45%	0.44%	0.44%
Proportionate share of the net pension liability	\$ 579,633	\$ 507,139	\$ 569,919	\$ 337,049	\$ 39,420
Covered payroll	\$ 1,512,930	\$ 1,438,949	\$ 1,326,563	\$ 1,236,885	\$ 1,192,621
Proportionate share of the net pension liability as a percentage of its covered payroll	38.31%	35.24%	42.96%	27.25%	3.31%
Plan fiduciary net position as a percentage of the total pension liability	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.

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - PENSIONS
LAST 10 FISCAL YEARS*

	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>
Covered payroll	\$ 3,915,782	\$ 3,720,957	\$ 3,792,519	\$ 3,782,278	\$ 4,058,971
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
<u>VMERS:</u>					
Contractually required contribution	\$ 85,994	\$ 72,131	\$ 68,359	\$ 67,305	\$ 59,692
Contributions in relation to the contractually required contribution	<u>(85,994)</u>	<u>(72,131)</u>	<u>(68,359)</u>	<u>(67,305)</u>	<u>(59,692)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,693,355	\$ 1,512,930	\$ 1,438,949	\$ 1,326,563	\$ 1,236,885
Contributions as a percentage of covered payroll	5.08%	4.77%	4.75%	5.07%	4.83%

* 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.

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>VSTRS OPEB Plan:</u>			
Proportion of the net OPEB liability District's proportionate share of the net OPEB liability	0.48%	0.41%	0.12%
	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	<u>4,585,755</u>	<u>3,818,494</u>	-
Total	<u>\$ 4,585,755</u>	<u>\$ 3,818,494</u>	<u>\$ -</u>
Covered-employee payroll	\$ 3,720,957	\$ 3,792,519	\$ 3,782,278
Proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.76%	1.52%	0.00%

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

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</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-employee payroll	\$ 3,915,782	\$ 3,720,957	\$ 3,792,519
Contributions as a percentage of covered- employee 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.

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

Changes of Assumptions

VSTRS Pension Plan:

For the VSTRS Plan, the valuation liability for inactive members as reported by the System was lowered from 332.5% of accumulated contributions to 250.0% of accumulated contributions.

VSTRS OPEB Plan:

The discount rate increased from 3.58% to 3.87% for the VSTRS OPEB liability.

The percentage of non-DC Plan current retirees assumed to have life insurance coverage was increased from 65% to 75%.

Future male retirees were assumed to be two years older than their spouses, decreased from three years. Future female retirees were assumed to be one year younger than their spouses, decreased from three years.

The percentage of future retirees assumed to have a spouse electing coverage was increased from 60% to 70% for male retirees and from 50% to 60% for female retirees.

The claims cost development methodology was modified for non-Medicare participants.

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

The assumed health trend rates were modified.

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 Government Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Intergovernmental revenues:				
Education spending grant	\$ 11,087,235	\$ 11,087,235	\$ 10,840,828	\$ (246,407)
Special education-intensive	636,156	636,156	538,962	(97,194)
Medicaid	166,000	166,000	166,000	-
High school completion	3,500	3,500	23,597	20,097
Vocation-on-behalf	-	-	153,349	153,349
Transportation aid	2,885	2,885	1,010	(1,875)
Food service	213,600	213,600	194,967	(18,633)
Other	77,365	77,365	128,538	51,173
Charges for services:				
Tuition	218,298	218,298	141,732	(76,566)
Food service	97,100	97,100	77,080	(20,020)
Reimbursements	27,557	27,557	27,276	(281)
Investment income:				
Earnings on investments	7,619	7,619	5,724	(1,895)
Other revenues:				
Rentals	13,500	13,500	10,400	(3,100)
Miscellaneous	8,500	8,500	318,751	310,251
Amounts Available for Appropriation	<u>\$ 12,559,315</u>	<u>\$ 12,559,315</u>	<u>\$ 12,628,214</u>	<u>\$ 68,899</u>

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Instructional services				
Regular instruction	\$ 4,722,687	\$ 4,722,687	\$ 4,612,100	\$ 110,587
Health	2,850	2,850	1,268	1,582
Art	18,450	18,450	11,816	6,634
English	7,240	7,240	5,846	1,394
Foreign language	2,396	2,396	2,044	352
Physical education	4,925	4,925	3,283	1,642
Tech education	14,392	14,392	12,153	2,239
Math	4,600	4,600	3,749	851
Music	13,878	13,878	10,598	3,280
Science	13,752	13,752	5,412	8,340
Social studies	11,400	11,400	9,128	2,272
Drivers' education	52,017	52,017	49,824	2,193
504 accommodations	12,621	12,621	4,770	7,851
Out of school program	4,268	4,268	6,377	(2,109)
Athletics and co-curricular	209,711	209,711	205,827	3,884
High school completion	-	-	22,028	(22,028)
Title I	23,714	23,714	5,166	18,548
	<u>5,118,901</u>	<u>5,118,901</u>	<u>4,971,389</u>	<u>147,512</u>
Special education				
Special education assessment	-	-	917,746	(917,746)
EEE assessment	1,951,271	1,951,271	1,128,735	822,536
Medicaid	28,495	28,495	15,669	12,826
Opportunities	20,940	20,940	49,796	(28,856)
	<u>2,000,706</u>	<u>2,000,706</u>	<u>2,111,946</u>	<u>(111,240)</u>
Support services - student based				
Guidance	421,302	421,302	395,869	25,433
School to work	48,655	48,655	51,225	(2,570)
Nurse	185,419	185,419	155,299	30,120
Mental health	107,802	107,802	126,401	(18,599)
Technology	415,396	415,396	387,836	27,560
Mentors	-	-	6,392	(6,392)
Staff training	68,842	68,842	49,358	19,484
Education media services	211,415	211,415	218,862	(7,447)
	<u>1,458,831</u>	<u>1,458,831</u>	<u>1,391,242</u>	<u>67,589</u>
Administrative support services				
Supervisory Union assessment	604,089	604,089	603,606	483
Board of Education	259,665	259,665	87,456	172,209
Principal's office	785,563	785,563	756,132	29,431
	<u>1,649,317</u>	<u>1,649,317</u>	<u>1,447,194</u>	<u>202,123</u>
Vocational education	<u>250,482</u>	<u>250,482</u>	<u>250,742</u>	<u>(260)</u>
Operations and maintenance	<u>1,290,728</u>	<u>1,260,728</u>	<u>1,763,521</u>	<u>(502,793)</u>
Transportation	<u>244,842</u>	<u>244,842</u>	<u>262,977</u>	<u>(18,135)</u>
Food service	<u>325,132</u>	<u>325,132</u>	<u>347,930</u>	<u>(22,798)</u>
Debt service:				
Principal	90,000	90,000	90,000	-
Interest	51,204	51,204	58,772	(7,568)
	<u>141,204</u>	<u>141,204</u>	<u>148,772</u>	<u>(7,568)</u>
Transfer to other funds:				
Bus reserve	52,000	52,000	52,000	-
Capital projects fund	-	30,000	30,000	-
	<u>52,000</u>	<u>82,000</u>	<u>82,000</u>	<u>-</u>
TOTAL DEPARTMENTAL OPERATIONS	<u>\$ 12,532,143</u>	<u>\$ 12,532,143</u>	<u>\$ 12,777,713</u>	<u>\$ (245,570)</u>

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

SCHEDULE C

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 26,354	\$ 175,198	\$ 1,011	\$ 202,563
Investments	-	-	122,737	122,737
Accounts receivable (net of allowance for uncollectibles)	40,457	-	-	40,457
Due from other funds	4,472	15,000	-	19,472
TOTAL ASSETS	<u>\$ 71,283</u>	<u>\$ 190,198</u>	<u>\$ 123,748</u>	<u>\$ 385,229</u>
LIABILITIES				
Accounts payable	\$ 1,275	\$ -	\$ -	\$ 1,275
Due to other funds	50,227	-	-	50,227
TOTAL LIABILITIES	<u>51,502</u>	<u>-</u>	<u>-</u>	<u>51,502</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	15,000	123,748	138,748
Committed	-	175,198	-	175,198
Assigned	19,781	-	-	19,781
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>19,781</u>	<u>190,198</u>	<u>123,748</u>	<u>333,727</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 71,283</u>	<u>\$ 190,198</u>	<u>\$ 123,748</u>	<u>\$ 385,229</u>

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Interest income	\$ 7	\$ 60	\$ -	\$ 67
Other income	174,269	-	5,160	179,429
TOTAL REVENUES	<u>174,276</u>	<u>60</u>	<u>5,160</u>	<u>179,496</u>
EXPENDITURES				
Capital outlay	177,829	-	-	177,829
Other	8,438	-	1,683	10,121
TOTAL EXPENDITURES	<u>186,267</u>	<u>-</u>	<u>1,683</u>	<u>187,950</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(11,991)</u>	<u>60</u>	<u>3,477</u>	<u>(8,454)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	52,000	-	52,000
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>52,000</u>	<u>-</u>	<u>52,000</u>
NET CHANGE IN FUND BALANCES	(11,991)	52,060	3,477	43,546
FUND BALANCES - JULY 1	<u>31,772</u>	<u>138,138</u>	<u>120,271</u>	<u>290,181</u>
FUND BALANCES - JUNE 30	<u>\$ 19,781</u>	<u>\$ 190,198</u>	<u>\$ 123,748</u>	<u>\$ 333,727</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.

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2019

	Wellness	H1N1 Vaccinations	Healthy Living	Outdoor Environmental	Mentoring	V. Stillwell Ski Scholarship
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 557
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-
Due from other funds	-	-	36	3,936	-	-
TOTAL ASSETS	\$ -	\$ -	\$ 36	\$ 3,936	\$ -	\$ 557
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	36	3,936	-	557
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	-	-	36	3,936	-	557
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ 36	\$ 3,936	\$ -	\$ 557

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	Chamber of Commerce Instrument	Wheeler/White Fund	Readfield Proctor Fund	Playground Construction	School Safety and Security Grant	VT Arts Council	Total
ASSETS							
Cash and cash equivalents	\$ 1,040	\$ 10,562	\$ 14,195	\$ -	\$ -	\$ -	\$ 26,354
Accounts receivable (net of allowance for uncollectibles)	-	-	-	40,457	-	-	40,457
Due from other funds	-	-	-	-	-	500	4,472
TOTAL ASSETS	\$ 1,040	\$ 10,562	\$ 14,195	\$ 40,457	\$ -	\$ 500	\$ 71,283
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,275	\$ -	\$ 1,275
Due to other funds	-	-	-	40,457	9,770	-	50,227
TOTAL LIABILITIES	-	-	-	40,457	11,045	-	51,502
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	1,040	10,562	14,195	-	(11,045)	500	19,781
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	1,040	10,562	14,195	-	(11,045)	500	19,781
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,040	\$ 10,562	\$ 14,195	\$ 40,457	\$ -	\$ 500	\$ 71,283

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Wellness</u>	<u>H1N1 Vaccinations</u>	<u>Healthy Living</u>	<u>Outdoor Environmental</u>	<u>Mentoring</u>	<u>V. Stillwell Ski Scholarship</u>
REVENUES						
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	421	96	624	-	2	-
TOTAL EXPENDITURES	<u>421</u>	<u>96</u>	<u>624</u>	<u>-</u>	<u>2</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(421)	(96)	(624)	-	(2)	-
FUND BALANCES (DEFICITS) - JULY 1	<u>421</u>	<u>96</u>	<u>660</u>	<u>3,936</u>	<u>2</u>	<u>557</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 3,936</u>	<u>\$ -</u>	<u>\$ 557</u>

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Chamber of Commerce Instrument	Wheeler/White Fund	Readfield Proctor Fund	Playground Construction	School Safety and Security Grant	VT Arts Council	Total
REVENUES							
Interest income	\$ -	\$ 6	\$ 1	\$ -	\$ -	\$ -	\$ 7
Other income	-	1,684	-	157,424	14,661	500	174,269
TOTAL REVENUES	<u>-</u>	<u>1,690</u>	<u>1</u>	<u>157,424</u>	<u>14,661</u>	<u>500</u>	<u>174,276</u>
EXPENDITURES							
Capital outlay	-	-	-	157,424	20,405	-	177,829
Other	-	1,994	-	-	5,301	-	8,438
TOTAL EXPENDITURES	<u>-</u>	<u>1,994</u>	<u>-</u>	<u>157,424</u>	<u>25,706</u>	<u>-</u>	<u>186,267</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	-	(304)	1	-	(11,045)	500	(11,991)
FUND BALANCES (DEFICITS) - JULY 1	<u>1,040</u>	<u>10,866</u>	<u>14,194</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,772</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 1,040</u>	<u>\$ 10,562</u>	<u>\$ 14,195</u>	<u>\$ -</u>	<u>\$ (11,045)</u>	<u>\$ 500</u>	<u>\$ 19,781</u>

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

Capital Projects Funds

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2019

	Heating System Maintenance Fund	Transportation Fund	Technology Fund	Total
ASSETS				
Cash and cash equivalents	\$ 19,091	\$ 156,107	\$ -	\$ 175,198
Due from other funds	-	-	15,000	15,000
TOTAL ASSETS	<u>\$ 19,091</u>	<u>\$ 156,107</u>	<u>\$ 15,000</u>	<u>\$ 190,198</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	15,000	15,000
Committed	19,091	156,107	-	175,198
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>19,091</u>	<u>156,107</u>	<u>15,000</u>	<u>190,198</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 19,091</u>	<u>\$ 156,107</u>	<u>\$ 15,000</u>	<u>\$ 190,198</u>

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Heating System Maintenance Fund	Transportation Fund	Technology Fund	Total
REVENUES				
Interest income	\$ 9	\$ 51	\$ -	\$ 60
TOTAL REVENUES	<u>9</u>	<u>51</u>	<u>-</u>	<u>60</u>
EXPENDITURES				
Other	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>9</u>	<u>51</u>	<u>-</u>	<u>60</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	52,000	-	52,000
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>52,000</u>	<u>-</u>	<u>52,000</u>
NET CHANGE IN FUND BALANCES	9	52,051	-	52,060
FUND BALANCES - JULY 1	<u>19,082</u>	<u>104,056</u>	<u>15,000</u>	<u>138,138</u>
FUND BALANCES - JUNE 30	<u>\$ 19,091</u>	<u>\$ 156,107</u>	<u>\$ 15,000</u>	<u>\$ 190,198</u>

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

Permanent Funds

The 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.

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2019

	Wheeler Fund	Benjamin White Trust	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ 1,011	\$ 1,011
Investments	9,000	113,737	122,737
TOTAL ASSETS	<u>\$ 9,000</u>	<u>\$ 114,748</u>	<u>\$ 123,748</u>
LIABILITIES			
Due to other funds	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable			-
Restricted	9,000	114,748	123,748
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>9,000</u>	<u>114,748</u>	<u>123,748</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,000</u>	<u>\$ 114,748</u>	<u>\$ 123,748</u>

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Wheeler Fund	Benjamin White Trust	Total
REVENUES			
Other income	\$ 22	\$ 5,138	\$ 5,160
TOTAL REVENUES	<u>22</u>	<u>5,138</u>	<u>5,160</u>
EXPENDITURES			
Other	22	1,661	1,683
TOTAL EXPENDITURES	<u>22</u>	<u>1,661</u>	<u>1,683</u>
NET CHANGE IN FUND BALANCES	-	3,477	3,477
FUND BALANCES - JULY 1	<u>9,000</u>	<u>111,271</u>	<u>120,271</u>
FUND BALANCES - JUNE 30	<u>\$ 9,000</u>	<u>\$ 114,748</u>	<u>\$ 123,748</u>

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

Fiduciary Funds

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

COMBINING SCHEDULE OF NET POSITION - FIDUCIARY FUNDS - NONMAJOR PRIVATE-PURPOSE FUNDS
 JUNE 30, 2019

	Private-Purpose Funds			
	John & Mary Noor Scholarship	Penny Woodell Scholarship	Henry Haber Scholarship	Aaron Manner Scholarship
ASSETS				
Cash and cash equivalents	\$ 17,510	\$ 12,583	\$ 69,443	\$ -
TOTAL ASSETS	\$ 17,510	\$ 12,583	\$ 69,443	\$ -
LIABILITIES				
Due to other governments	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-
NET POSITION				
Restricted - held in trust	17,510	12,583	69,443	-
TOTAL NET POSITION	\$ 17,510	\$ 12,583	\$ 69,443	\$ -

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

COMBINING SCHEDULE OF NET POSITION - FIDUCIARY FUNDS - NONMAJOR PRIVATE-PURPOSE FUNDS
 JUNE 30, 2019

	Private-Purpose Funds			
	Heath Gordon Scholarship	Senior Assistance	Jackson Lloyd	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 726	\$ 100,262
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 726</u>	<u>\$ 100,262</u>
LIABILITIES				
Due to other governments	\$ -	\$ -	\$ 726	\$ 726
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>726</u>	<u>726</u>
NET POSITION				
Restricted - held in trust	-	-	-	99,536
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,536</u>

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

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

COMBINING SCHEDULE OF CHANGES IN NET POSITION - NONMAJOR FIDUCIARY FUNDS
PRIVATE-PURPOSE FUNDS
JUNE 30, 2019

	Private-Purpose Funds			
	John & Mary Noor Scholarship	Penny Woodell Scholarship	Henry Haber Scholarship	Aaron Manner Scholarship
ADDITIONS				
Contributions:				
Other	\$ -	\$ 2,095	\$ -	\$ 1,198
Investment income	8	5	35	-
Total additions	<u>8</u>	<u>2,100</u>	<u>35</u>	<u>1,198</u>
DEDUCTIONS				
Scholarship awards	-	1,000	3,723	-
Total deductions	<u>-</u>	<u>1,000</u>	<u>3,723</u>	<u>-</u>
CHANGE IN NET POSITION	8	1,100	(3,688)	1,198
NET POSITION - JULY 1	<u>17,502</u>	<u>11,483</u>	<u>73,131</u>	<u>(1,198)</u>
NET POSITION - JUNE 30	<u>\$ 17,510</u>	<u>\$ 12,583</u>	<u>\$ 69,443</u>	<u>\$ -</u>

GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT

COMBINING SCHEDULE OF CHANGES IN NET POSITION - NONMAJOR FIDUCIARY FUNDS
 PRIVATE-PURPOSE FUNDS
 JUNE 30, 2019

	Private-Purpose Funds			Total
	Heath Gordon Scholarship	Senior Assistance	Jackson Lloyd	
ADDITIONS				
Contributions:				
Other	\$ 6,000	\$ -	\$ 10,186	\$ 19,479
Investment income	-	-	1	49
Total additions	<u>6,000</u>	<u>-</u>	<u>10,187</u>	<u>19,528</u>
DEDUCTIONS				
Scholarship awards	-	-	-	4,723
Total deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,723</u>
CHANGE IN NET POSITION	6,000	-	10,187	14,805
NET POSITION - JULY 1	<u>(6,000)</u>	<u>-</u>	<u>(10,187)</u>	<u>84,731</u>
NET POSITION - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,536</u>

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



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

Board of Directors
Green Mountain Unified School District
Ludlow, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Green Mountain Unified School District as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Green Mountain Unified School District's basic financial statements and have issued our report thereon dated January 15, 2020.

Internal Control Over Financial Reporting

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

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

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609
www.rhrsmith.com

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

Purpose of this Report

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

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
January 15, 2020