

9/11/23

hardout - Barnett

Barnet

Fountas and Pinnell Reading Assessment Results 2023-2024

September 2023

Grade	K	1	2	3	4	5	6	7	8
Number of Students	10	9	7	15	11	18	19	16	19
# Meet/Exceed	Not Applicable	7	6	9	8	16	17	9	13
% Meet/Exceed	Not Applicable	77	86	60	73	89	89	56	68

September 2023

Fountas and Pinnell Reading Assessment Results 2023-2024

Grade Groupings	1-3	4-5	6-8	1-8
Number of Students	31	29	54	114
# Meet/Exceed	22	24	39	85
% Meet/Exceed	71	83	72	75

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
DANVILLE, VERMONT**

**FINANCIAL STATEMENTS
JUNE 30, 2022
AND
INDEPENDENT AUDITOR'S REPORTS**

CALEDONIA COOPERATIVE SCHOOL DISTRICT

JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Superintendent and Board of Education
Caledonia Cooperative School District

Report on the Audit of 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 Caledonia Cooperative School District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Caledonia Cooperative School District as of June 30, 2022, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Caledonia Cooperative School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules 1 and 2 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2023 on our consideration of the District's internal control over financial reporting; on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements; and on 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 District's internal control over financial reporting and compliance.

Montpelier, Vermont
April 17, 2023

Melgett Jernott 9
Shosh-Nisa, P.L.

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

This discussion and analysis of the financial performance of the Caledonia Cooperative School District (the District) provides an overview of the District's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the District's financial statements which follow this analysis. The District was created effective July 1, 2018 by the voters of the Barnet Town School District, Walden Town School District, and Waterford Town School District and is managed by Caledonia Central Supervisory Union (CCSU).

Financial Highlights

- The District's net position increased by \$307,658, or 5.3%, during fiscal year 2022.
- The cost of all of the District's programs was \$16,059,792 for the fiscal year 2022.
- The District began the fiscal year at July 1, 2021 with a \$814,807 fund balance in the General Fund. The General Fund reported an increase in fund balance this year of \$258,948, to a fund balance of \$1,073,755 at June 30, 2022.
- The Special Revenue Fund, which reports all activity related to the District's investments, had an investment loss of \$39,850 during the year ended June 30, 2022. The Special Revenue Fund reports a nonspendable fund balance of \$117,621, a restricted fund balance of \$188,086, an assigned fund balance of \$152,852, and an unassigned deficit of \$1,224.
- The Grants Fund, which reports all activity of the District's grant programs had a restricted fund balance of \$11,868 at June 30, 2022.
- The Capital Projects Fund, which reports capital project related activity, had an assigned fund balance of \$95,195 at June 30, 2022.

Using This Annual Report

This annual report consists of a series of financial statements. The Government-wide Statement of Net Position and the Government-wide Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The governmental fund financial statements, the Balance Sheet - Governmental Funds, the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, and the Statement of Revenues and Expenditures - Budget and Actual - General Fund, provide information about the District's governmental funds. These statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. All other nonmajor funds are presented in a single column labeled Other Governmental Funds.

Reporting the District as a Whole

The financial statements of the District as a whole are provided in the Government-wide Statement of Net Position and the Government-wide Statement of Activities. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Government-wide Statement of Net Position and the Government-wide Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets, liabilities and deferred inflows of resources using the accrual basis of accounting,

which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and change in net position. The District's net position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the District's financial health. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the District's student population, should be considered as well to assess the overall health of the District.

All of the District's basic services are governmental activities. They include general education, special education, early education, student support, capital asset improvements and additions, and fiscal services. The State of Vermont education spending grant and other state and federal grants finance most of these activities.

Reporting the District's Governmental Funds

The financial statements of the District's major governmental funds are reflected in the fund financial statements. The fund financial statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required to be established by state law. The Board has established funds to help it control and manage money for particular purposes and to show that it is meeting legal responsibilities for using certain grants and other money (such as grants received from the State of Vermont Agency of Education).

All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using the modified accrual accounting method, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's activities and programs.

The District as a Whole

The analysis below focuses on the net position (Table 1) of the District's governmental activities at the end of this fiscal year, with a comparison to the end of the prior fiscal year.

	Table 1 Net Position		
	<u>2022</u>	<u>2021</u>	<u>Net Change</u>
<i>Assets</i>			
Current assets	\$ 2,094,650	\$ 2,170,805	\$ (76,155)
Noncurrent assets	<u>4,483,494</u>	<u>4,317,411</u>	<u>166,083</u>
<i>Total Assets</i>	<u>6,578,144</u>	<u>6,488,216</u>	<u>89,928</u>
<i>Deferred Outflows of Resources</i>			
Deferred pension expense	<u>24,900</u>	<u>44,372</u>	<u>(19,472)</u>
<i>Liabilities</i>			
Current liabilities	421,721	388,394	33,327
Noncurrent liabilities	<u>38,574</u>	<u>338,222</u>	<u>(299,648)</u>
<i>Total Liabilities</i>	<u>460,295</u>	<u>726,616</u>	<u>(266,321)</u>

	<u>2022</u>	<u>2021</u>	<u>Net Change</u>
<i>Deferred Inflows of Resources</i>			
Deferred pension credits	31,346	2,227	29,119
<i>Net Position</i>			
Net investment in capital assets	4,483,494	4,028,502	454,992
Restricted	317,575	353,111	(35,536)
Unrestricted	1,310,334	1,422,132	(111,798)
<i>Total Net Position</i>	<u>\$ 6,111,403</u>	<u>\$ 5,803,745</u>	<u>\$ 307,658</u>

The Statement of Net Position shows total assets of the District at June 30, 2022 are \$6,578,144, compared to \$6,488,216 at June 30, 2021. Of the reported June 30, 2022 total assets balance, \$2,094,650 or 31.8% represents current assets (cash and cash equivalents, investments, receivables and due from other districts). Noncurrent assets represent net capital assets (land, buildings and improvements, furniture, equipment and vehicles with related depreciation). At June 30, 2022, this balance is 68.2% of total assets or \$4,483,494. Noncurrent assets increased by \$166,083 due to net capital asset additions of \$423,723, which was offset by depreciation of \$257,640.

Total deferred outflows of resources consist of deferred pension expense of \$24,900 at June 30, 2022, and deferred inflows of resources consist of deferred pension credits of \$31,346. Both accounts are related to the District's participation in the Vermont Municipal Employee's Retirement System (VMERS). See note 11.

Reported total liabilities of the District are \$460,295 at June 30, 2022, compared to \$726,616 at June 30, 2021, a decrease of \$266,321. Of the June 30, 2022 total liabilities balance, \$421,721 or 91.6%, represents current liabilities (payables and accrued expenses). Noncurrent liabilities are net pension liability. At June 30, 2022, this balance is \$38,574 or 8.4% of all liabilities.

Net position of the District is \$6,111,403 at June 30, 2022, an increase of \$307,658 from the \$5,803,745 at June 30, 2021. \$4,483,494 represents a net investment in capital assets (cost of capital assets minus accumulated depreciation and any debt related to the acquisition of these assets) at June 30, 2022.

The table below presents summarized information from the District's Statement of Activities for the year ended June 20, 2022, with comparative information from the prior year.

Table 2
Change in Net Position

	<u>2022</u>	<u>2021</u>	<u>Net Change</u>
<i>Expenses</i>			
Education	\$ 16,035,202	\$ 16,404,441	\$(369,239)
Food service	-	99,815	(99,815)
Interest	24,590	23,800	790
<i>Total Expenses</i>	<u>16,059,792</u>	<u>16,528,056</u>	<u>(468,264)</u>
<i>Program Revenues</i>			
Grants and contributions	4,729,607	5,505,978	(776,371)
Charges for services	249,366	193,503	55,863
Other	7,549	10,806	(3,257)
<i>Total Program Revenues</i>	<u>4,986,522</u>	<u>5,710,287</u>	<u>(723,765)</u>

	<u>2022</u>	<u>2021</u>	<u>Net Change</u>
<i>General Revenues</i>			
Education spending grant	11,391,246	11,202,408	188,838
Investment income	<u>(10,318)</u>	<u>184,378</u>	<u>(194,696)</u>
<i>Total General Revenues</i>	<u>11,380,928</u>	<u>11,386,786</u>	<u>(5,858)</u>
<i>Change in Net Position</i>	<u>\$ 307,658</u>	<u>\$ 569,017</u>	<u>\$ (261,359)</u>

Expenses include all governmental expenditures plus depreciation expense on capital assets but exclude principal payments on long-term debt and leases and the costs related to capital asset purchases. Program revenues are equal to expenses for specific programs. Program revenues are derived from three sources: grants and contributions, charges for services, and other sources.

General revenues received by the District during the year ended June 30, 2022 total \$11,380,928 and include \$11,391,246 from the State of Vermont Education Spending Grant and investment loss of \$10,318.

Interfund transfers are eliminated in the Government-wide Statement of Activities.

Program costs of \$16,059,792 were less than total revenues of \$16,367,450 which resulted in an increase in net position of \$307,658 for the fiscal year ending June 30, 2022. This compared to the prior year when program costs of \$16,528,056 were less than total revenues of \$17,097,073, which resulted in an increase in net position of \$569,017.

The District's Funds

As the District completed the year, its governmental funds (as presented in the Balance Sheet - Governmental Funds) reported a combined fund balance of \$1,672,929, compared to \$1,812,404 at June 30, 2021. Of this fund balance, \$117,621 is nonspendable related to Special Revenue Fund amounts that must remain intact, \$199,954 are restricted and \$282,823 are assigned for specific purposes. The unassigned fund balance in the General Fund is \$1,073,755, compared to the unassigned fund balance of \$814,807 at June 30, 2021, an increase of \$258,948. The Special Revenue Fund reports an unassigned deficit of \$1,224, compared to the unassigned fund balance of \$1,581 at June 30, 2021.

Capital Assets and Debt Administration

As of June 30, 2022, the District had invested \$9,439,895 in a broad range of capital assets that include land, buildings and related improvements, furniture, equipment and vehicles. The net value of the District's capital assets, after deducting accumulated depreciation of \$4,956,401 is \$4,483,494. Depreciation expense related to these capital assets was \$257,640 for the fiscal year. The District added \$423,723 to capital assets this year, net of dispositions, with roofing the Walden School, replacing the alarm/fire system on the Barnet School and replacing windows and siding on the Waterford School.

The District had no outstanding long-term debt or lease liabilities at June 30, 2022. The District paid off \$285,000 it borrowed previously for capital projects using its General Fund fund balance.

General Fund Budgetary Highlights

Financial reports reviewed by the Board served as the vehicle for monitoring the budget for the fiscal year. Actual General Fund revenues were \$333,948 more than expenditures for the fiscal year. The budget and actual variances that are reported include actual revenues that are \$120,159 more than budgeted revenues and actual expenditures that are \$213,789 less than budgeted expenditures, which, combined with other financing uses, resulted in a net increase in fund balance of \$258,948.

Contacting the District's Financial Management

The District is financially stable, committed to providing a quality education, and proud of the community support for its schools.

This financial report is designed to provide our citizens, taxpayers, customers, and investors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance and Operations at Caledonia Central Supervisory Union, PO Box 216, Danville, VT 05828.

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2022**

	<u>Governmental Activities</u>
ASSETS:	
Current assets -	
Cash and cash equivalents	\$ 1,040,052
Investments	344,546
Accounts receivable	7,126
Due from other districts	<u>702,926</u>
Total current assets	<u>2,094,650</u>
Noncurrent assets -	
Capital assets	9,439,895
less - accumulated depreciation	<u>(4,956,401)</u>
Total noncurrent assets	<u>4,483,494</u>
Total assets	<u>6,578,144</u>
 DEFERRED OUTFLOWS OF RESOURCES:	
Deferred pension expense	<u>24,900</u>
 LIABILITIES:	
Current liabilities -	
Accounts payable	14,605
Accrued expenses	<u>407,116</u>
Total current liabilities	<u>421,721</u>
Noncurrent liabilities -	
Net pension liability	<u>38,574</u>
Total liabilities	<u>460,295</u>
 DEFERRED INFLOWS OF RESOURCES:	
Deferred pension credits	<u>31,346</u>
 NET POSITION:	
Net investment in capital assets	4,483,494
Restricted	317,575
Unrestricted	<u>1,310,334</u>
Total net position	<u>\$ 6,111,403</u>

The notes to financial statements are an integral part of this statement.

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

		Program Revenues				
	<u>Expenses</u>	<u>Grants and Contributions</u>	<u>Charges for Services</u>	<u>Other</u>		<u>Net (Expense) Revenue and Change in Net Position</u>
FUNCTIONS/PROGRAMS:						
Governmental activities -						
Education	\$ 16,035,202	\$ 4,729,607	\$ 249,366	\$ 7,549		\$ (11,048,680)
Interest	<u>24,590</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>(24,590)</u>
Total governmental activities	\$ <u>16,059,792</u>	\$ <u>4,729,607</u>	\$ <u>249,366</u>	\$ <u>7,549</u>		<u>(11,073,270)</u>
GENERAL REVENUES						
					- EDUCATION SPENDING GRANT	11,391,246
					- INVESTMENT INCOME (loss)	<u>(10,318)</u>
						<u>11,380,928</u>
CHANGE IN NET POSITION						307,658
NET POSITION, July 1, 2021						<u>5,803,745</u>
NET POSITION, June 30, 2022						\$ <u>6,111,403</u>

The notes to financial statements are an integral part of this statement.

CALEDONIA COOPERATIVE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022
(Page 1 of 3)

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Grants</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Totals</u> <u>Governmental</u> <u>Funds</u>
ASSETS						
Cash and cash equivalents	\$ 893,279	\$ 111,997	\$ -	\$ -	\$ 34,776	\$ 1,040,052
Investments	-	344,546	-	-	-	344,546
Accounts receivable	7,126	-	-	-	-	7,126
Due (to) from other districts	267,028	-	435,940	-	(42)	702,926
Due from other funds	<u>327,743</u>	<u>792</u>	<u>-</u>	<u>95,195</u>	<u>42</u>	<u>423,772</u>
 Total assets	 \$ <u>1,495,176</u>	 \$ <u>457,335</u>	 \$ <u>435,940</u>	 \$ <u>95,195</u>	 \$ <u>34,776</u>	 \$ <u>2,518,422</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY						
LIABILITIES:						
Accounts payable	\$ 14,305	\$ -	\$ 300	\$ -	\$ -	\$ 14,605
Accrued expenditures	407,116	-	-	-	-	407,116
Due to other funds	-	-	<u>423,772</u>	-	-	<u>423,772</u>
Total liabilities	<u>421,421</u>	<u>-</u>	<u>424,072</u>	<u>-</u>	<u>-</u>	<u>845,493</u>

The notes to financial statements are an integral part of this statement.

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS**

JUNE 30, 2022

(Page 2 of 3)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Grants Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Totals Governmental Funds</u>
FUND EQUITY:						
Fund balances -						
Nonspendable	-	117,621	-	-	-	117,621
Restricted	-	188,086	11,868	-	-	199,954
Assigned	-	152,852	-	95,195	34,776	282,823
Unassigned	<u>1,073,755</u>	<u>(1,224)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,072,531</u>
Total fund balances	<u>1,073,755</u>	<u>457,335</u>	<u>11,868</u>	<u>95,195</u>	<u>34,776</u>	<u>1,672,929</u>
Total liabilities						
deferred inflows of resources						
and fund equity	\$ <u>1,495,176</u>	\$ <u>457,335</u>	\$ <u>435,940</u>	\$ <u>95,195</u>	\$ <u>34,776</u>	\$ <u>2,518,422</u>

The notes to financial statements are an integral part of this statement.

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS**

JUNE 30, 2022

(Page 3 of 3)

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION:**

Amount reported on Balance Sheet - Governmental Funds - total fund balances	\$ 1,672,929
Amounts reported for governmental activities in the Government-wide Statement of Net Position are different because -	
Capital assets used in governmental funds are not financial resources and are therefore not reported in the funds.	
Capital assets	9,439,895
Accumulated depreciation	(4,956,401)
Balances related to net pension asset or liability and related deferred outflows/inflows of resources are not reported in the governmental funds.	
Deferred pension expense	24,900
Deferred pension credits	(31,346)
Net pension liability	<u>(38,574)</u>
Net position of governmental activities - Government-wide Statement of Net Position	\$ <u><u>6,111,403</u></u>

The notes to financial statements are an integral part of this statement.

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

(Page 1 of 3)

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Grants <u>Fund</u>	Capital Projects <u>Fund</u>	Other Governmental <u>Funds</u>	Totals Governmental <u>Funds</u>
REVENUES:						
Education spending grant	\$ 11,391,246	\$ -	\$ -	\$ -	\$ -	\$ 11,391,246
Intergovernmental						
- State	284,361	-	-	-	-	284,361
- Federal	-	-	439,921	-	-	439,921
VSTRS on be-half payments	4,000,325	-	-	-	-	4,000,325
Grants from private sources	3,000	-	2,000	-	-	5,000
Investment income	29,532	(39,850)	-	-	-	(10,318)
Charges for services	248,009	-	-	-	1,357	249,366
Other	7,549	-	-	-	-	7,549
Total revenues	<u>15,964,022</u>	<u>(39,850)</u>	<u>441,921</u>	<u>-</u>	<u>1,357</u>	<u>16,367,450</u>
EXPENDITURES:						
Instruction	7,492,478	4,243	442,020	-	-	7,938,741
Special education	906,781	-	-	-	-	906,781
Extracurricular	4,149	-	-	-	6,865	11,014
Guidance	205,766	-	-	-	-	205,766
Health services	217,035	-	-	-	-	217,035
Library and media	182,456	-	-	-	-	182,456
Technology	260,100	-	-	-	-	260,100
Professional development	165,556	-	-	-	-	165,556
General administration	26,851	-	-	-	-	26,851
School administration	676,893	-	-	-	-	676,893
Fiscal services	184,052	-	-	-	-	184,052

The notes to financial statements are an integral part of this statement.

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

(Page 2 of 3)

	General Fund	Special Revenue Fund	Grants Fund	Capital Projects Fund	Other Governmental Funds	Totals Governmental Funds
EXPENDITURES (CONTINUED):						
Plant operation	752,415	-	-	-	-	752,415
Transportation	180,446	-	-	-	-	180,446
VSTRS on be-half payments	4,000,325	-	-	-	-	4,000,325
Food service	61,272	-	-	-	-	61,272
Capital outlay	-	-	-	423,723	-	423,723
Debt service - Principal	285,000	-	-	-	-	285,000
Debt service - Interest	24,429	-	-	-	-	24,429
Debt service - Principal leases	3,909	-	-	-	-	3,909
Debt service - Interest leases	161	-	-	-	-	161
Total expenditures	<u>15,630,074</u>	<u>4,243</u>	<u>442,020</u>	<u>423,723</u>	<u>6,865</u>	<u>16,506,925</u>
EXCESS OF REVENUES OR (EXPENDITURES)	333,948	(44,093)	(99)	(423,723)	(5,508)	(139,475)
OTHER FINANCING SOURCES (USES):						
SOURCES (USES):						
Interfund transfers in (out), net	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	258,948	(44,093)	(99)	(348,723)	(5,508)	(139,475)
FUND BALANCES, July 1, 2021	<u>814,807</u>	<u>501,428</u>	<u>11,967</u>	<u>443,918</u>	<u>40,284</u>	<u>1,812,404</u>
FUND BALANCES, June 30, 2022	\$ <u>1,073,755</u>	\$ <u>457,335</u>	\$ <u>11,868</u>	\$ <u>95,195</u>	\$ <u>34,776</u>	\$ <u>1,672,929</u>

The notes to financial statements are an integral part of this statement.

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

(Page 3 of 3)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES:**

Net change in fund balances - total governmental funds \$ (139,475)

Amounts reported for governmental activities in the Government-wide Statement of Activities are different because -

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Additions to capital assets, net of dispositions	423,723
Depreciation	(257,640)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Principal payments on long term debt	285,000
Principal payments on leases	3,909

Changes in net pension asset or liability and related deferred outflows/inflows of resources will increase or decrease the amounts reported in the government-wide statements, but are only recorded as an expenditure when paid in the governmental funds.

Net (increase) decrease in net pension obligation	<u>(7,859)</u>
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Change in net position of governmental activities - Government-wide Statement of Activities	<u>\$ 307,658</u>
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The notes to financial statements are an integral part of this statement.

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Original and Final <u>Budget</u>	Actual (Budgetary Basis)	Variance Over (Under)
REVENUES:			
Education spending grant	\$ 11,391,246	\$ 11,391,246	\$ -
Intergovernmental - State	201,542	284,361	82,819
Grants from private sources	3,000	3,000	-
Investment income	60,000	29,532	(30,468)
Charges for services	187,500	248,009	60,509
Other	250	7,549	7,299
Total revenues	<u>11,843,538</u>	<u>11,963,697</u>	<u>120,159</u>
EXPENDITURES:			
Instruction	7,413,934	7,492,478	78,544
Special education	1,122,157	906,781	(215,376)
Extracurricular	7,700	4,149	(3,551)
Guidance	216,464	205,766	(10,698)
Health services	204,012	217,035	13,023
Library	185,159	182,456	(2,703)
Technology	202,770	260,100	57,330
Professional development	189,255	165,556	(23,699)
General administration	48,871	26,851	(22,020)
School administration	868,500	676,893	(191,607)
Fiscal services	174,857	184,052	9,195
Plant operation	793,500	752,415	(41,085)
Transportation	207,149	180,446	(26,703)
Food service	145,755	61,272	(84,483)
Debt service - Principal	-	285,000	285,000
Debt service - Interest	63,455	24,429	(39,026)
Debt service - Principal leases	-	3,909	3,909
Debt service - Interest leases	-	161	161
Total expenditures	<u>11,843,538</u>	<u>11,629,749</u>	<u>(213,789)</u>
EXCESS OF REVENUES OR (EXPENDITURES)	-	333,948	333,948
OTHER FINANCING SOURCES (USES):			
Interfund transfers in (out), net	-	(75,000)	(75,000)
NET CHANGE IN FUND BALANCE	\$ <u>-</u>	\$ <u>258,948</u>	\$ <u>258,948</u>

The notes to financial statements are an integral part of this statement.

CALEDONIA COOPERATIVE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. Summary of significant accounting policies:

The Caledonia Cooperative School District (the District or CCSD) is organized according to State law under the governance of the Board of Education (the Board) to provide public school education for the Towns of Barnet, Walden, and Waterford, Vermont. The District provides elementary educational services. All secondary students attend neighboring schools under tuition arrangements. Functions of the Office of the Superintendent are provided to the District by the Caledonia Central Supervisory Union (CCSU), of which the district is a member. Other members of the CCSU are Cabot Town School District (CTSD), Danville Town School District (DTSD), Peacham Town School District (PTSD) and Twinfield Union School District (TUSD).

- A. Reporting entity - The District is a primary unit of government under reporting criteria established by the Governmental Accounting Standards Board (GASB). Those criteria include a separately elected governing body, separate legal standing, and fiscal independence from other state and local governmental entities. Based on these criteria, there are no other entities which are component units of the District.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing *Governmental Accounting and Financial Reporting Standards* which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes U.S. GAAP for governmental units.

- B. Government-wide and fund financial statements - The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

In the government-wide Statement of Net Position, the financial position of the District is consolidated and incorporates capital assets as well as all long-term debt and obligations. The government-wide Statement of Activities reflects both the gross and net costs by category. Direct expenses that are clearly identifiable with the category are offset by program revenues of the category. Program revenues include charges for services provided by a particular function or program and grants that are restricted to meeting the operational or capital requirements of the particular segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds, if any, are summarized in a single column.

- C. Basis of presentation - The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate

CALEDONIA COOPERATIVE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. Summary of significant accounting policies (continued):

C. Basis of presentation (continued) -

set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/inflows of resources, fund balances or net position, revenues, and expenditures or expenses, as appropriate. The District reports the following major governmental funds:

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

Special Revenue Fund - The Special Revenue Fund is used for the recording of the District's investments and related activity.

Grants Fund - The Grants Fund, a special revenue fund, is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified services. This fund is used to account for grants from federal, state and local sources.

Capital Project Fund - The Capital Project Fund is used to account for funds set aside for future capital projects.

The District also reports the Student Activities Fund, a nonmajor governmental fund, to account for funds for student activities at the District's schools in Barnet and Walden.

- D. Measurement focus and basis of accounting - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become both measurable and available. "Measurable" means the amount of the transaction that can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the fund liability is incurred, if measurable, as under accrual accounting. However, debt service expenditures are recorded only when payment is made.

- E. Budgets and budgetary accounting - The District adopts a budget for the General Fund at an Annual Meeting. The accounting method used for the budget presentation varies from U.S. GAAP as described in note 10. Formal budgetary integration is employed as a management control during the year for the General Fund. The District does not legally adopt budgets for other governmental funds. All budgeted amounts lapse at year end.

- F. Use of estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflows/inflows of resources as well as disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

CALEDONIA COOPERATIVE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. Summary of significant accounting policies (continued):

- G. Risk management - The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and others; environmental liability; and natural disasters. The District manages these risks through commercial insurance packages covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. There were no settlements in excess of the insurance coverage in any of the past three fiscal years.
- H. Cash, cash equivalents and investments - The District considers all cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition to be cash and cash equivalents. Investments and unrealized gains and losses are reflected in the individual fund and government-wide financial statements. Investments of the District are reported at fair value using quoted prices in active markets for identical assets. This is considered a level 1 input valuation technique under the framework established by U.S. GAAP for measuring fair value. The District does not own investments valued with level 2 or level 3 inputs, which would use quoted prices for similar assets, or in inactive markets, or other methods for estimating fair value.
- I. Capital assets - Capital assets, which include land, buildings, equipment, vehicles and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The District does not retroactively report infrastructure assets. There have been no infrastructure additions since the implementation of GASB Statement No. 34. Donated capital assets are recorded at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest costs are capitalized on projects during the construction period. Normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not capitalized. Capital assets are depreciated using the straight-line method over the useful lives shown below:
- | | |
|-----------------------------------|---------------|
| Building and improvements | 20 - 50 years |
| Furniture, equipment and vehicles | 7 - 10 years |
- J. Deferred outflows/inflows of resources - In addition to assets and liabilities, deferred outflows of resources and deferred inflows of resources are reported as separate sections in the applicable statement of net position or balance sheet. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources in the current period. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources in the current period.
- K. Compensated absences - The District's personnel policies do not provide for accumulating vacation and sick leave pay.
- L. Long-term obligations - Governmental activities report long-term debt and other long-term obligations as liabilities in the statement of net position. Governmental funds report the amount of debt issued as other financing sources and the repayment of debt as debt service expenditures.

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

1. Summary of significant accounting policies (continued):

M. Fund equity - In the fund financial statements, governmental funds may report five categories of fund balances: nonspendable, restricted, committed, assigned and unassigned.

Nonspendable fund balance includes amounts associated with inventory, prepaid expenditures, long-term loans or notes receivable, and trust fund principal to be held in perpetuity.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance includes amounts that can be used only for specific purposes determined by the District's highest level of decision making authority, the voters, as a result of articles passed at Annual or Special Meetings.

Assigned fund balance includes amounts that are intended to be used by the District for specific purposes as authorized by the Board.

Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in another classification. Deficits are also classified as unassigned.

The District's policy is to apply expenditures to fund balance in the order of restricted, committed, assigned and unassigned unless the Board specifies otherwise.

N. On-behalf payments - The State of Vermont makes payments on behalf of the District's teachers to the Vermont State Teachers' Retirement System (VSTRS) for pension and other postemployment benefits (OPEB). The District recognizes these on-behalf payments as intergovernmental grant revenues and education expenses or expenditures, as appropriate, in the government-wide financial statements and in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. The amounts are not budgeted and have been excluded from the budget basis statement; see note 10 for reconciling details.

2. Deposits and investments:

Fair value and classification - Deposits and investments are stated at fair value as described in note 1.H. The classification of investments as of June 30, 2022 are as follows:

<u>Investment</u>	<u>Fair Value</u>
Unit trusts - fixed income	\$ 8,824
Mutual funds	<u>335,722</u>
	\$ <u>344,546</u>

Custodial credit risk - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

2. Deposits and investments (continued):

not be able to recover the value of its investments or collateral securities that are in the possession of another party. The District does not have a policy for custodial credit risk. As of June 30, 2022, the District's depository accounts were fully insured or collateralized.

Interest rate risk - Interest rate risk is the risk that changes in interest rates will affect the fair value of certain investments. The District does not have a policy for interest rate risk. As of June 30, 2022, only the District's \$8,824 in fixed income investments is subject to interest rate risk.

Concentration of credit risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District does not have a policy for concentration of credit risk. As of June 30, 2022, the District does not hold more than 5% of its investments in any one issuer.

3. Capital assets:

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2022</u>
Capital assets, not depreciated:				
Land	\$ 85,000	\$ -	\$ -	\$ 85,000
Construction in progress	80,437	-	80,437	-
Total capital assets, not depreciated	<u>165,437</u>	<u>-</u>	<u>80,437</u>	<u>85,000</u>
Capital assets, depreciated:				
Land improvements	261,369	-	-	261,369
Buildings and improvements	8,044,814	504,160	-	8,548,974
Furniture and equipment	544,552	-	-	544,552
Total capital assets, depreciated	<u>8,850,735</u>	<u>504,160</u>	<u>-</u>	<u>9,354,895</u>
Less accumulated depreciation for:				
Land improvements	107,576	15,854	-	123,430
Buildings and improvements	4,160,361	206,179	-	4,366,540
Furniture and equipment	430,824	35,608	-	466,431
Total accumulated depreciation	<u>4,698,761</u>	<u>257,640</u>	<u>-</u>	<u>4,956,401</u>
Total capital assets, depreciated, net	<u>4,151,974</u>	<u>246,520</u>	<u>-</u>	<u>4,398,494</u>
Capital assets, net	\$ <u>4,317,411</u>	\$ <u>246,520</u>	\$ <u>80,437</u>	\$ <u>4,483,494</u>

During the fiscal year, the District added \$423,723 to capital assets, net of the \$80,437 construction in progress last year. The District completed roofing the Walden School, replacing the alarm/fire system on the Barnet School and replacing windows and siding on the Waterford School.

Depreciation expense of \$257,640 in the governmental activities was fully allocated to the education function.

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

4. Interfund receivable and payable balances:

Interfund receivable and payable balances, due to the pooling of cash for cash receipts and disbursements, as of June 30, 2022 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds -		
General Fund	\$ 327,743	\$ -
Special Revenue Fund	792	-
Grants Fund	-	423,772
Capital Projects Fund	95,195	-
Other Governmental Funds	<u>42</u>	<u>-</u>
	<u>\$ 423,772</u>	<u>\$ 423,772</u>

5. Interfund transfers:

Interfund transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. The transfer of \$75,000 from the General Fund to the Capital Projects Fund is to fund capital projects at the schools in future fiscal years.

6. Related parties:

The District paid assessments of \$1,852,079 and reimbursements for special education excess costs of \$216,885 to the Supervisory Union for the year ended June 30, 2022. The District has \$702,926 in accounts receivable from the Supervisory Union and member districts at June 30, 2022. The following are the accounts receivable from and the accounts payable to the Supervisory Union and related member districts at June 30, 2022.

	<u>Accounts Receivable</u>	<u>Accounts Payable</u>
CCSU	\$ 435,318	\$ 2,007,103
CTSD	281,034	300,158
CCSD	702,926	-
DTSD	518,318	60
PTSD	82,053	34,996
TUSD	<u>322,944</u>	<u>276</u>
	<u>\$ 2,342,593</u>	<u>\$ 2,342,593</u>

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

7. Long-term obligations:

Long-term obligations activity for the year ended June 30, 2022 was as follows:

	Balance July 1, <u>2021</u>	<u>Additions</u>	<u>Retirements</u>	Balance June 30, <u>2022</u>	Due Within <u>One Year</u>
Governmental activities -					
Lease liability	\$ 3,909	\$ -	\$ 3,909	\$ -	\$ -
Long term debt	285,000	-	285,000	-	-
Net pension liability	<u>79,306</u>	-	<u>40,732</u>	<u>38,574</u>	-
	<u>\$ 368,215</u>	<u>\$ -</u>	<u>\$ 329,641</u>	<u>\$ 38,574</u>	<u>\$ -</u>

8. Debt:

Short-term - During the year, the District borrowed and repaid a tax anticipation note in the amount of \$1,683,359, at an interest rate of 1.00%, which matured June 30, 2022. Interest related to this note was \$16,787.

Subsequent to year end, the District obtained a tax anticipation note in the amount of \$1,790,711, at an interest rate of 1.15%, which matures June 30, 2023. The note must be borrowed in full and may not be prepaid. As of the date of this report, the District has borrowed this note in full.

Long-term - During the year, the District repaid a capital improvement note in the amount of \$285,000, at an interest rate of 2.48%, with ten annual payments of \$32,454, which was scheduled to mature December 15, 2030.

Long-term debt activity for the year ended June 30, 2022 was as follows:

	Balance <u>July 1, 2021</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>June 30, 2022</u>	Due Within <u>One Year</u>
Governmental activities -					
Notes from direct borrowings:					
Capital Improvement Note	\$ <u>285,000</u>	\$ -	\$ <u>285,000</u>	\$ -	\$ -

9. Fund balances:

The Grants Fund reported a restricted fund balance of \$11,868 for purposes specified by the donors. The Capital Projects Fund reported an assigned fund balance of \$95,195 for current and future capital projects. The Other Governmental Funds reported an assigned fund balance of \$34,776 for student activities at the District's schools in Barnet and Walden.

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

9. Fund balances (continued):

As of June 30, 2022, the fund balance of the Special Revenue Fund consists of the following:

Nonspendable -		
The Marion Dubuque Art Fund	\$	40,000
The Esden Fund		<u>77,621</u>
Total nonspendable fund balance	\$	<u>117,621</u>
Restricted -		
The Marion Dubuque Art Fund	\$	164,593
The Esden Fund		<u>23,493</u>
Total restricted fund balance	\$	<u>188,086</u>
Assigned -		
The Utley Fund	\$	49,125
The Roy Watson Fund		51,533
Waterford Educational Reserve Fund		<u>52,194</u>
Total assigned fund balance	\$	<u>152,852</u>
Unassigned deficit	\$	<u>(1,224)</u>

10. Budgetary basis of accounting:

These financial statements include totals for General Fund revenues and expenditures on the District's budgetary accounting, which vary from the totals of revenues and expenditures recognized on the basis of accounting prescribed by U.S. GAAP, as follows:

	<u>Revenues</u>	<u>Expenditures</u>
U.S. GAAP basis	\$ 15,964,022	\$ 15,630,074
On-behalf payments -		
VSTRS pension	(2,431,506)	(2,431,506)
VSTRS OPEB	<u>(1,568,819)</u>	<u>(1,568,819)</u>
Budget basis	\$ <u>11,963,697</u>	\$ <u>11,629,749</u>

11. Pension plans:

Vermont Municipal Employees' Retirement System -

Plan description: The District contributes to the Vermont Municipal Employees' Retirement System (VMERS or the Plan) a cost-sharing multiple-employer public employee retirement system with defined benefit and defined contribution plans, administered by the State of Vermont. The state statutory provisions, found in Title 24, Chapter 125, of the V.S.A., govern eligibility for benefits, service requirements and benefit provisions. The general administration and responsibility for the proper operation of VMERS is vested in the Board of Trustees consisting of five members. VMERS issues annual financial information which is available and may be reviewed at the VMERS' office, 109 State Street, Montpelier, Vermont, 05609-6200, by calling (802) 828-2305 or online at <http://www.vermonttreasurer.gov>.

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

11. Pension plans (continued):

Vermont Municipal Employees' Retirement System (continued) -

Benefits provided: VMERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits do vary between the groups included in the plan, but are determined for the members of each group as a percentage of average compensation in a certain number of the highest consecutive years of service. Eligibility for benefits requires five years of service.

Contributions: Defined benefit plan members are required to contribute 3.25% (Group A), 5.625% (Group B), 10.75% (Group C) or 12.1% (Group D) of their annual covered salary, and the District is required to contribute 4.75% (Group A), 6.25% (Group B), 8.0% (Group C) or 10.6% (Group D) of the employees' compensation. Defined contribution plan members are required to contribute 5.0% of their annual covered salary and the District is required to contribute an equal dollar amount. The contribution requirements of plan members and the District are established and may be amended by the Board of Trustees. The District's contributions to VMERS for the years ended June 30, 2022, 2021, and 2020, were \$4,319, \$5,827, and \$6,497, respectively. The amounts contributed were equal to the required contributions for each year. The District contributes only for district employees of the Waterford Town School who were previously plan members and continue to be plan members, although the District voted not to participate in the Plan for any employees that were not already plan members.

Pension liabilities, deferred outflows of resources, deferred inflows of resources: These financial statements include the District's proportionate share of the VMERS net pension liability, deferred outflows of resources for pension expense, deferred inflows of resources from investment earnings and contributions, and the related effects on government-wide net position and activities. The State of Vermont has provided the following information to all employers participating in VMERS, which is based on its calculation of the District's 0.0262% proportionate share of VMERS defined benefit plan.

District's share of VMERS net pension liability	\$ 38,574
Deferred outflows of resources - Deferred pension expense	\$ 24,900
Deferred inflows of resources - Deferred pension credits	\$ 31,346

Additional information: VMERS obtains an annual actuarial valuation for the pension plan. Detailed information is provided in that report for actuarial assumptions of inflation rates, salary increases, investment rates of return, mortality rates, discount rates, and the calculations used to develop annual contributions and the VMERS net position.

The District adopted GASB Statement No. 68 in fiscal year 2015 and is developing the ten years of required supplementary information in schedules 1 and 2. This historical pension information includes the District's Proportionate Share of Net Pension Liability of VMERS and District's Contributions to VMERS.

Vermont State Teachers' Retirement System -

Plan description: The District participates in the Vermont State Teachers' Retirement System (VSTRS or the Plan), a cost-sharing multiple-employer defined benefit public employee retirement system with a special funding situation in which the State of Vermont contributes to the Plan on behalf of the participation

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

1. Pension plans (continued):

Vermont State Teachers' Retirement System (continued) -

employers. The Plan was created in 1947, and is governed by Title 16, V.S.A. Chapter 55. It covers nearly all teachers and school administrators in schools supported by the state. The general administration and responsibility for the proper operation of VSTRS is vested in a Board of Trustees consisting of eight members. VSTRS issues annual financial information which is available and may be reviewed at the VSTRS' office, 109 State Street, Montpelier, Vermont, 05609-6200, by calling (802) 828-2305 or online at <http://www.vermonttreasurer.gov>.

Benefits provided: The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on the number of years of creditable service and are determined as a percentage of average final compensation in the three highest consecutive years of service. Eligibility for benefits requires five years of service.

Contributions: Member teachers are required to contribute 5.5% (Group A); or 5.0% (Group C if member has five or more years of service at July 1, 2014); otherwise 6.0% (Group C) of their annual covered salary and the State contributes the balance of an actuarially determined rate. The state is a nonemployer contributor to the Plan and is required by statute to make all actuarially determined employer contributions on behalf of member employers. The District's teachers contributed \$177,544, \$176,997, and \$164,235, to the Plan in 2022, 2021, and 2020, respectively.

Pension liabilities and pension expense: The District does not contribute directly to the Plan; therefore no net pension liability needs to be recorded by the District. However, the District is required to report the District's portion of the following items as calculated by the State of Vermont:

District's share of -	
VSTRS net pension liability	\$ 7,492,081
VSTRS net pension expense	\$ 2,431,506

12. Other postemployment benefits (OPEB) plan:

Retired Teachers' Health and Medical Benefit Fund -

Plan description: The District participates in the Retired Teachers' Health and Medical Benefit Fund of the Vermont State Teachers' Retirement System (VSTRS), which provides postemployment benefits to eligible retired employees through a cost-sharing, multiple-employer postemployment benefit 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 Plan for those covered classes is a condition of employment.

Vermont Statute Title 16 Chapter 55 assigns the authority to VSTRS to establish and amend the benefit 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, consisting of eight members. The Plan issues annual financial information which is available and may be reviewed at the State Treasurer's office, 109 State Street, Montpelier, Vermont, 05609-6200, by calling (802) 828-2305 or online at <http://www.vermonttreasurer.gov>.

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

12. Other postemployment benefits (OPEB) plan (continued):

Retired Teachers' Health and Medical Benefit Fund (continued) -

Benefits provided and eligibility: The Plan provides medical and prescription drug benefits for plan members and their spouses; retirees pay the full cost of dental benefits. Benefits are based on the number of years of creditable service. Eligibility requirements are summarized below:

Group A - Public school teachers employed within the State of Vermont prior to July 1, 1981 and elected to remain in Group A qualify for retirement at the attainment of 30 years of service or age 55.

Group C - Public school teachers employed within the State of Vermont on or after July 1, 1990. Teachers hired before July 1, 1990 and were Group B members in service on July 1, 1990 are now Group C members, and qualify for benefits at the age of 65, or age plus creditable service equal to 90, or age 55 with 5 years of creditable service. Grandfathered participants are Group C members who were within five years of normal retirement eligibility as defined prior to July 1, 2010, and qualify for benefits at the attainment of age 62, or 30 years of service, or age 55 with 5 years of service.

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

Total OPEB liability: The State of Vermont is a nonemployer contributing entity and is presently the sole entity required to contribute to the Plan. The District does not contribute to the Plan; therefore, no net OPEB liability needs to be recorded by the District. However, the District is required to report the District's share of the Plan's net OPEB liability (\$6,522,661) and OPEB expense (\$1,568,819) as determined by an actuarial valuation. The liability was measured as of June 30, 2021 for the reporting period of June 30, 2022.

Sensitivity of the total OPEB liability: A change in assumptions can have a large effect of the estimated OPEB obligation. A decrease of 1% in the 2.20% discount rate used to calculate future costs would increase the District's share of OPEB liability to \$7,717,978, while an increase of 1% would reduce the District's share of OPEB liability to \$5,569,787. A decrease of 1% in the current healthcare cost trend rate would reduce the District's share of OPEB liability to \$5,403,750, while an increase of 1% would increase the District's share of OPEB liability to \$8,003,416.

Collective OPEB Plan liability and expense: The Plan's collective net OPEB liability is \$1,275,587,042 and total OPEB expense for the year is \$75,721,839.

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

12. Other postemployment benefits (OPEB) plan (continued):

Retired Teachers' Health and Medical Benefit Fund (continued) -

Actuarial assumptions and other inputs: The total OPEB liability used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increase rate	Varies by age
Discount rate	2.20%
Inflation rate	2.00%
Healthcare cost trend rates	6.7% Non-Medicare 6.0% Medicare
Retiree Contributions	Equal to health trend
Mortality tables	Various PubT-2010, and PubNS-2010 tables using Scale MP-20919
Actuarial cost method	Projected Unit Credit
Asset valuation method	Market value

13. Subsequent events:

The District has evaluated subsequent events through April 17, 2023, the date on which the financial statements were available to be issued.

**CALEDONIA COOPERATIVE SCHOOL DISTRICT
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

Schedule 1

VMERS

JUNE 30, 2022

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.0262%	0.0314%	0.0332%	0.0665%	0.0636%	0.0790%	0.0872%	0.0817%
District's proportionate share of the net pension liability	\$ 38,574	\$ 79,306	\$ 57,588	\$ 93,515	\$ 77,106	\$ 101,700	\$ 67,200	\$ 7,459
District's covered payroll	\$ 90,932	\$ 129,488	\$ 152,875	\$ 154,606	\$ 265,956	\$ 259,825	\$ 300,250	\$ 304,600
District's proportionate share of the net pension liability as a percentage of its covered payroll	42.421%	61.246%	37.670%	60.486%	28.992%	39.142%	22.381%	2.449%
VMERS net position as a percentage of the total pension liability	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

SCHEDULE OF DISTRICT'S CONTRIBUTIONS

Schedule 2

VMERS

JUNE 30, 2022

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 4,319	\$ 5,827	\$ 6,497	\$ 6,378	\$ 10,638	\$ 10,393	\$ 12,010	\$ 12,184
Contributions in relation to the contractually required contribution	<u>4,319</u>	<u>5,827</u>	<u>6,497</u>	<u>6,378</u>	<u>10,638</u>	<u>10,393</u>	<u>12,010</u>	<u>12,184</u>
Contribution deficiency (excess)	\$ <u>-</u>							
District's covered payroll	\$ 90,932	\$ 129,488	\$ 152,875	\$ 154,606	\$ 265,956	\$ 259,825	\$ 300,250	\$ 304,600
Contributions as a percentage of covered payroll	4.750%	4.500%	4.250%	4.125%	4.000%	4.000%	4.000%	4.000%

NOTE: The District contributes to VMERS only for district employees of the Waterford Town School who were previously plan members and continue to be plan members, although the District voted not to participate in the Plan for any employees that were not already plan members.

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

The Superintendent and Board of Education
Caledonia Cooperative School District

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 Caledonia Cooperative School District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 17, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Montpelier, Vermont
April 17, 2023

Melgett Jennett 9
Shosh-Nisa, P.L.

April 17, 2023

The Board of Education
Caledonia Cooperative School District

In connection with audit engagements, we are required by auditing standards generally accepted in the United States of America to communicate certain matters with those charged with governance. The term “those charged with governance” means the persons with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity, for example, the Board of Education (the Board) or a designated Board officer or committee. This communication is provided in connection with our audit of financial statements of the Caledonia Cooperative School District (the District) as of and for the year ended June 30, 2022.

These standards require us to communicate with you any matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. They also set the expectation that our communication will be two way, and that the Board or their designee will communicate with us matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing, and extent of audit procedures.

This letter summarizes those matters which we are required by professional standards to communicate to you in your oversight responsibility for the District’s financial reporting process.

Auditor’s Responsibility under Professional Standards

Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States were described in our arrangement letter dated June 22, 2022. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

An Overview of the Planned Scope and Timing of the Audit

The scope of the audit was also described in our arrangement letter dated June 22, 2022. The audit was conducted in October and November, 2022; our exit conference with management was held on November 10, 2022; drafts of the financial statements and reports were provided to management on March 29, 2023.

Accounting Policies and Practices

- **Preferability of Accounting Policies and Practices**

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

- **Adoption of, or Change in, Accounting Policies**

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period.

- **Significant or Unusual Transactions**

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

- **Management's Judgments and Accounting Estimates**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. The significant accounting estimates reflected in the District's 2022 financial statements are depreciation expense; the State of Vermont's estimates of the District's pension expense, pension deferrals, and net pension liability for the Vermont Municipal Employees' Retirement System; and the State of Vermont's estimates of the District's share of pension and OPEB (other postemployment benefits) expenses for teachers in the Vermont State Teachers' Retirement System.

Audit Adjustments

During the audit we proposed five adjustments to the general ledger account balances provided for audit. Management accepted the proposed audit adjustments, and those changes are reflected in the 2022 financial statements. The significant effects of these adjustments were to (1) adjust equity balances and the recording of investment income and expenditures in the Special Revenue Fund, (2) record the State of Vermont's estimates of the on-behalf payments for the District's share of pension and OPEB expenses for teachers in the Vermont State Teachers' Retirement System, (3) to record the District's share of pension expense, pension deferrals and net pension liability for the Vermont Municipal Employees' Retirement System; and (4) to record the activity in the Student Activity Fund accounts.

Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are not aware of any consultations that management may have had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

We discussed accounting matters relating to capital assets and depreciation, and pension reporting related to the District's participation in the Vermont State Teachers' Retirement System and the Vermont Municipal Employees' Retirement System. We also discussed accounting matters relating to the District's accounting estimates and audit adjustments.

We recommended to management that the Board specifically vote to approve the Tax Anticipation Note (TAN) because a TAN is a contract to provide more than \$1,600,000 in funds to the District for the year, in exchange for the interest on the TAN. It was not clear in the minutes we reviewed that a vote had occurred on the FY22 TAN contract. Management accepted this recommendation and will have the Board vote on the TAN contract and record it in the minutes going forward.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in working with current management during the audit.

Material Weaknesses

We identified no material weaknesses in the District's system of internal control during our audit of the financial statements.

Certain Written Communications between Management and Our Firm

Management provided written representations in connection with the audit in a letter to our firm dated March 20, 2023. A copy of the letter is available upon your request.

This report is intended solely for the information and use of the Board and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this letter. We appreciate the opportunity to be of service to the District.

Very truly yours,
Mudgett, Jennett & Krogh-Wisner, P.C.

Handwritten signature in cursive script, appearing to read "Mudgett, Jennett & Krogh-Wisner, P.C."