

Maple Run Unified School District  
BASIC FINANCIAL STATEMENTS  
June 30, 2020

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**Kittell Branagan & Sargent**

*Certified Public Accountants*

Vermont License #167

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Maple Run Unified School District  
St. Albans, 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 Maple Run Unified School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the 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.

### **Auditor's 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 from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Maple Run Unified School District, as of June 30, 2020, and the respective changes in financial position 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 Schedule – General Fund on page 41, Budgetary Comparison Schedule – Special Revenue Fund on page 43, Schedule of Proportionate Share of the Net Pension Liability – VMERS on page 44, Schedule of Contributions – VMERS on page 45, Schedule of Proportionate Share of the Net Pension Liability – VSTRS on page 46, Schedule of Proportionate Share of the OPEB Pension Liability – VSTRS on page 47 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 Maple Run Unified School District's basic financial statements. The Combining Balance Sheet – Special Revenue Funds on page 48, the Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Funds on page 49, the Combining Statement of Net Position – Fiduciary Funds on page 50, and the Combining Statement of Changes in Net Position – Fiduciary Funds on page 51 is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Combining Balance Sheet – Special Revenue Funds on page 48, the Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Funds on page 49, the Combining Statement of Net Position – Fiduciary Funds on page 50, and the Combining Statement of Changes in Net Position – Fiduciary Funds on page 51 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2021, on our consideration of the Maple Run Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Maple Run Unified School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "K. Stoll Brannan & Sargent". The signature is written in a cursive, flowing style.

St. Albans, Vermont  
January 18, 2021

Maple Run Unified School District  
MANAGEMENT DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2020

Our discussion and analysis of the Maple Run Unified School District's financial performance is intended to provide a narrative introduction and overview of the District's financial activities for the fiscal year ended June 30, 2020. Please use it in conjunction with the District's financial statements.

Brief Explanation of the Basic Financial Statements

This annual report consists of financial presentations on all the various activities of the District. The District-Wide Financial Statements include presentations on the Statement of Net Assets and a Statement of Activities. These statements provide a perspective of the District as whole and present information on a longer-term basis. The District-Wide Financials are followed by Fund Financial Statements for governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the District-Wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefits of activities within the District.

Reporting the District-Wide Financials

One of the most important questions asked about the District's finances is, "is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District and about its activities in a way that helps answer this question. The Statements are prepared like private sector companies including all the assets and liabilities using the accrual basis of accounting. Under this basis of accounting all the current year's revenues and expenses are reported when earned or incurred regardless of when cash is paid or received.

The Statement of Net Assets is used to report all that the entity owns (assets) and owes (liabilities). The difference between assets and liabilities is reported as Net Assets. This classification of Net Assets is broken into three categories, the first being the portion invested in capital assets nets of the related debt to indicate that this amount is not accessible for other purposes. A second portion of Net Assets reflects resources not accessible for general use because their use is subject to restrictions enforceable by third parties. Any remaining Net Assets are classified as unrestricted. The Statement of Activities is used to report all changes in a District's net assets from one year to another. The Statement is presented using a net cost format designed to highlight the portion of each functional activity that must be financed from the District's own resources. The Statement first reports all direct costs associated with each functional activity, then reports dedicated outside resources (program revenues) as a direct reduction to arrive at the programs net cost to the District.

Reporting the District's Most Significant Funds

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 and by bond covenants. The District's Board of Directors may establish other funds to help them control and manage money for specific purposes, or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. This District uses only one type of fund – Governmental Funds.

Governmental Funds – Most of our operations are reported in the section on Governmental Funds, these funds place their focus on near-term financing needs. The Balance Sheet only reports financial assets associated with governmental activities. Financial Assets include cash as well as other assets that will convert to cash in the course of their ordinary lives. Governmental Funds do not report capital assets; because such assets will be used in operations rather than converted to cash and therefore are not spendable.

Maple Run Unified School District  
MANAGEMENT DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2020

District as Trustee

The District serves as trustee or fiduciary for various Grant Accounts. These activities are reported in separate Statements of Special Revenue Fund. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

School Consolidation

On March 1, 2016, the voters of St. Albans City, St. Albans Town and Fairfield authorized the creation of a Unified School District (Maple Run Unified School District) encompassing each of the following individual school districts that were governed by the Franklin Central Supervisory Union; St. Albans City School District; St. Albans Town School District, Bellows Free Academy Union High School District #48; Fairfield School District and the Northwest Technical Center.

Condensed Financial Information

District – Wide Financials

The following analysis focuses on the Net Position, and the changes in Net Position of the District as a whole. The total Net Position of the District increased \$1,004,073 from a net position in FY19 of \$23,565,033 to a net position in FY20 of \$24,660,106.

The following is a schedule of our District-Wide Net Assets:

	2019	2020
ASSETS AND DEFERRED OUTFLOWS		
Current and Other Assets	\$ 7,256,088	\$ 8,236,501
Capital Assets, net of depreciation	24,455,758	25,867,639
Deferred Outflows	<u>2,087,848</u>	<u>1,870,465</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS	 <u>\$ 33,799,694</u>	 <u>\$ 35,974,605</u>
 LIABILITIES AND DEFERRED OUTFLOWS		
Current Liabilities	\$ 3,348,732	\$ 3,653,485
Long Term Liabilities - Net Pension	7,201,517	7,224,463
Deferred Inflows	<u>593,412</u>	<u>436,551</u>
 TOTAL LIABILITIES AND DEFERRED OUTFLOWS	 <u>11,143,661</u>	 <u>11,314,499</u>
 NET POSITION		
Net investment in Capital Assets	19,788,313	20,793,917
Restricted	172,637	439,178
Unrestricted	<u>3,695,083</u>	<u>3,427,011</u>
 TOTAL NET POSITION	 <u>23,656,033</u>	 <u>24,660,106</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	 <u>\$ 34,799,694</u>	 <u>\$ 35,974,605</u>



Maple Run Unified School District  
MANAGEMENT DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2020

District-Wide Statement of Activities Resources

	<u>2019</u>	<u>2020</u>
Functions/Programs		
Governmental Activities Expenses	\$ 57,511,220	\$ 59,015,623
Charges for Services	(3,347,634)	(3,297,309)
Operating Grants and Revenues	<u>(54,572,161)</u>	<u>(56,498,010)</u>
Net (Expense) Revenue and Changes in Net Assets	408,575	779,696
General Revenues		
Net investment activity	6,835	5,098
Unrestricted investment earnings	133,972	83,592
Miscellaneous	<u>160,095</u>	<u>135,687</u>
Total General Revenues	<u>300,902</u>	<u>224,377</u>
Change in Net Assets	709,477	1,004,073
Net Position, Beginning	<u>22,946,556</u>	<u>23,656,033</u>
Net Position, Ending	<u><u>\$ 23,656,033</u></u>	<u><u>\$ 24,660,106</u></u>

Governmental Fund Balances and Transactions

Most decisions involving governmental (assessment supported) activities are made in the context of the annual appropriated operating budget, where the focus is on meeting the near-term financing needs of a government. Governmental funds, with their distinctive emphasis on inflows and outflows of spendable resources provide information useful for making decisions in a budgetary context. The original budgeted amount was not amended during the year.

The Unrestricted Fund Balance – the part of net assets that can be used to finance day-to-day operation without constraints established by debt covenants, enabling legislation or other legal requirements – is \$0 at June 30, 2020. The reason this balance is zero is based on the fact the electorate authorized all fund balances to be applied to a Capital Reserve Fund to be used for capital improvements and board authorized projects.

FUND FINANCIAL STATEMENTS  
BALANCE SHEET -- GOVERNMENTAL FUNDS

	<u>General Funds</u>	
	<u>2019</u>	<u>2020</u>
<u>ASSETS</u>		
TOTAL ASSETS	<u>\$ 6,250,440</u>	<u>\$ 6,643,451</u>
<u>LIABILITIES AND FUND BALANCES</u>		
TOTAL LIABILITIES	<u>1,589,109</u>	<u>1,563,006</u>

Maple Run Unified School District  
MANAGEMENT DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2020

FUND FINANCIAL STATEMENTS  
BALANCE SHEET -- GOVERNMENTAL FUNDS (cont'd)

FUND BALANCES		
Non-spendable (pre-paid)	58,807	116,399
Restricted	121,967	131,962
Committed	4,466,468	4,825,867
Committed - Board Designated	7,872	-
Assigned	<u>6,217</u>	<u>6,217</u>
 TOTAL FUND BALANCES	 <u>4,661,331</u>	 <u>5,080,445</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 6,250,440</u>	 <u>\$ 6,643,451</u>

FUND FINANCIAL STATEMENTS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE -- GOVERNMENTAL FUNDS

	<u>General Fund</u>	
	<u>2019</u>	<u>2020</u>
REVENUES	\$53,465,389	\$55,186,266
EXPENDITURES	<u>52,122,385</u>	<u>54,767,152</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,343,004	419,114
FUND BALANCE -- June 1st	<u>3,318,327</u>	<u>4,661,331</u>
FUND BALANCE -- June 30th	<u>\$ 4,661,331</u>	<u>\$ 5,080,445</u>

Capital Assets

To be in compliance with the New Governmental Financial Reporting Model (GASB 34) the District is reporting its Capital Assets as part of the Financial Statements. We have researched and documented the estimated historical costs of the various assets owned by the district and applied appropriate charges against the cost to record depreciation. This information is presented below.

Maple Run Unified School District  
MANAGEMENT DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2020

The following is a schedule of our Capital Assets:

<u>Description</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Construction In Progress	\$ 1,960,319	\$ -	\$ 1,960,319
Land and Land Improvements	3,406,948	(1,696,207)	1,710,741
Buildings and Improvements	49,666,417	(29,185,899)	20,480,518
Furniture, Computers & Equipment	<u>12,141,746</u>	<u>(10,425,685)</u>	<u>1,716,061</u>
 TOTALS	 <u>\$67,175,430</u>	 <u>\$ (41,307,791)</u>	 <u>\$25,867,639</u>

Retirement

In compliance with the Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions requires employers participating in a cost-sharing, multiple-employer defined benefit pension plan to recognize their proportional share of total pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. See Note 12, starting on page 19 for detailed information regarding Maple Run Unified School District's proportional share of the overall amounts of the Vermont State Teachers' Retirement System (VSTRS). During the year ended June 30, 2019, the State of Vermont contributed \$17,114,707 on behalf of the Maple Run Unified School District.

In compliance with the Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions requires employers participating in a cost-sharing, multiple-employer defined benefit pension plan to recognize their proportional share of total pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. See Note 13, starting on page 25 for detailed information regarding Maple Run Unified School District's proportional share of the overall amounts of the Vermont Municipal Employee Retirement System (VMERS). All eligible support staff employees of the Maple Run Unified School District are enrolled in Group A or B.

Other Post-Employment Benefits (OPEB) The schedule of employer allocations and schedule of OPEB amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. Generally Accepted Accounting Principles. The schedules present amounts that are elements of the financial statements of the Vermont State Teachers' Retirement System (VSTRS) or its participating employers. VSTRS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Comprehensive Annual Financial Report (CAFR). The CAFR can be viewed on the State's Department of Finance & Management website at <http://finance.vermont.gov/reports-and-publications/cafr>. See Note 14, starting on page 32 for detailed information. During the year ended June 30, 2019, the State of Vermont contributed \$3,599,466 on behalf of the Maple Run Unified School District.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all of its citizens, taxpayers, customers and creditors. Questions concerning any of the information provided in the report or requests for additional information should be sent to Maple Run Unified School District office, 28 Catherine St., St. Albans, VT 05478.

Maple Run Unified School District  
DISTRICT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF NET POSITION  
June 30, 2020

ASSETS AND DEFERRED OUTFLOWS

	Governmental Activities
CURRENT ASSETS	
Cash	\$ 5,933,082
Investments	106,033
Accounts receivable	2,068,245
Prepaid expenses	116,399
Inventory	<u>12,742</u>
TOTAL CURRENT ASSETS	<u>8,236,501</u>
CAPITAL ASSETS, net of depreciation	<u>25,867,639</u>
DEFERRED OUTFLOWS	<u>1,870,465</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u><u>\$ 35,974,605</u></u>

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

CURRENT LIABILITIES	
Accounts payable	\$ 1,497,709
Accrued salaries and benefits	66,944
Due to inter district	9,010
Unearned revenue	1,275,177
Current portion bonds payable	<u>804,645</u>
TOTAL CURRENT LIABILITIES	<u>3,653,485</u>
LONG-TERM LIABILITIES	
Bonds payable	4,269,077
Net pension liability	2,955,386
Deferred inflows	<u>436,551</u>
TOTAL LONG-TERM LIABILITIES	<u>7,661,014</u>
NET POSITION	
Net investment in capital assets	20,793,917
Restricted	439,178
Unrestricted	<u>3,427,011</u>
TOTAL NET POSITION	<u>24,660,106</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u><u>\$ 35,974,605</u></u>

See Accompanying Notes to Basic Financial Statements.

Maple Run Unified School District  
DISTRICT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
			Operating Grants and Revenues	Capital Grants and Revenues	
					Governmental Activities
Governmental activities:					
General Instruction	\$ 38,169,456	\$ 2,882,512	\$ 43,272,699	\$ -	\$ 7,985,755
Special Education	13,111,572	-	8,069,333	-	(5,042,239)
Adult Education	262,391	116,099	-	-	(146,292)
Northwest Technical Center					
Vocational	2,550,316	-	2,756,424	-	206,108
Food Service	1,222,031	298,698	1,179,831	-	256,498
Student Support	1,476,678	-	1,219,723	-	(256,955)
Interest on long-term debt	250,476	-	-	-	(250,476)
Repairs & Maintenance	90,980	-	-	-	(90,980)
Depreciation - unallocated	1,881,723	-	-	-	(1,881,723)
Total governmental activities	<u>\$ 59,015,623</u>	<u>\$ 3,297,309</u>	<u>\$ 56,498,010</u>	<u>\$ -</u>	<u>779,696</u>
General revenues:					
Net investment activity					5,098
Unrestricted investment earnings					83,592
Miscellaneous					<u>135,687</u>
					<u>224,377</u>
Change in net position					1,004,073
Net position, beginning					<u>23,656,033</u>
Net position, ending					<u>\$ 24,660,106</u>

See Accompanying Notes to Basic Financial Statements.

Maple Run Unified School District  
FUND FINANCIAL STATEMENTS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2020

ASSETS

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
ASSETS			
Cash	\$ 5,403,702	\$ 529,380	\$ 5,933,082
Investments	106,033	-	106,033
Accounts receivable	1,017,317	1,050,928	2,068,245
Prepaid expenses	116,399	-	116,399
Inventory	-	12,742	12,742
Due from other funds	-	762,962	762,962
	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL ASSETS	<u>\$ 6,643,451</u>	<u>\$ 2,356,012</u>	<u>\$ 8,999,463</u>

LIABILITIES AND FUND BALANCE

LIABILITIES			
Accounts payable	\$ 1,408,727	\$ 88,982	\$ 1,497,709
Accrued expenses	22,958	43,986	66,944
Unearned revenue	-	1,275,177	1,275,177
Due to other funds	131,321	640,651	771,972
	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL LIABILITIES	<u>1,563,006</u>	<u>2,048,796</u>	<u>3,611,802</u>
FUND BALANCES			
Nonspendable	116,399	-	116,399
Restricted	131,962	307,216	439,178
Committed	4,825,867	-	4,825,867
Assigned	6,217	-	6,217
	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL FUND BALANCE	<u>5,080,445</u>	<u>307,216</u>	<u>5,387,661</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 6,643,451</u>	<u>\$ 2,356,012</u>	<u>\$ 8,999,463</u>

See Accompanying Notes to Basic Financial Statements.

Maple Run Unified School District  
FUND FINANCIAL STATEMENTS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2020

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

<b>Total fund balances - governmental funds</b>	<b>\$ 5,387,661</b>
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Amounts reported for governmental activities in the statement of net assets  
are different because:

Capital assets used in governmental activities are not financial resources  
and therefore are not reported as assets in governmental funds.

Capital Assets	67,175,430
Accumulated Depreciation	(41,307,791)

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

Bond Payable	(5,073,722)
Net Pension Liability	(2,955,386)

Deferred outflows of resources represent the consumption of net assets that is applicable to a future reporting period and therefore not reported as assets in the funds.	1,870,465
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Deferred inflows of resources represent the acquisition of net assets applicable to a future reporting period and therefore are not reported as liabilities in the funds.	<u>(436,551)</u>
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<b>Net position of governmental activities</b>	<b><u>\$ 24,660,106</u></b>
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See Accompanying Notes to Basic Financial Statements.

Maple Run Unified School District  
FUND FINANCIAL STATEMENTS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2020

	General Fund	Special Revenue	Total
REVENUES			
General Instruction	\$ 44,708,894	\$ -	\$ 44,708,894
Pre-Kindergarten	200,643	-	200,643
PY Adjustment	171,118	-	171,118
Special Education Services	7,046,137	-	7,046,137
Adult Continuing Ed	116,099	-	116,099
Grants	-	5,044,354	5,044,354
Capital Projects	210,922	-	210,922
NWTC	<u>2,732,453</u>	<u>-</u>	<u>2,732,453</u>
 TOTAL REVENUES	 <u>55,186,266</u>	 <u>5,044,354</u>	 <u>60,230,620</u>
EXPENDITURES			
General Instruction	37,652,512	-	37,652,512
Special Education Services	12,289,020	-	12,289,020
Adult Continuing Ed	262,391	-	262,391
Grants	-	4,787,809	4,787,809
NWTC	2,563,976	-	2,563,976
Capital Expenditures	<u>1,999,253</u>	<u>-</u>	<u>1,999,253</u>
 TOTAL EXPENDITURES	 <u>54,767,152</u>	 <u>4,787,809</u>	 <u>59,554,961</u>
 NET CHANGE IN FUND BALANCE	 419,114	 256,545	 675,659
 FUND BALANCE, Beginning	 <u>4,661,331</u>	 <u>50,671</u>	 <u>4,712,002</u>
 FUND BALANCE, Ending	 <u>\$ 5,080,445</u>	 <u>\$ 307,216</u>	 <u>\$ 5,387,661</u>

See Accompanying Notes to Basic Financial Statements.



Franklin Central Supervisory Union  
FUND FINANCIAL STATEMENTS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2020

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

<b>Total net change in fund balances - governmental funds</b>	<b>\$ 675,659</b>
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Amounts reported for governmental activities in the statement of changes in net position are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense:

Depreciation Expense	(1,881,723)
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Capital Outlays	2,293,604
-----------------	-----------

Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	804,645
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Proceeds of bond issuance is revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position.	(210,922)
---	-----------

Governmental funds report expenditures when current resources are obligated but the governmental activities report the expenditures when the liability is incurred:

Net Pension Expense	(719,850)
---------------------	-----------

Long-term severance payments are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	<u>42,660</u>
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<b>Change in net position of governmental activities</b>	<b><u>\$ 1,004,073</u></b>
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See Accompanying Notes to Basic Financial Statements

Maple Run Unified School District  
FUND FINANCIAL STATEMENTS  
STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
June 30, 2020

	Private- Purpose Trusts	Agency Funds
<u>ASSETS</u>		
Cash	\$ 772,247	\$ 263,253
Investments	1,412,671	-
Due to other funds	<u>1,776</u>	<u>7,244</u>
 TOTAL ASSETS	 <u>\$ 2,186,694</u>	 <u>\$ 270,497</u>
 <u>LIABILITIES AND NET POSITION</u>		
 LIABILITIES		
Accounts Payable	\$ -	\$ 16
Due to Student Groups & Others	-	258,824
Deferred Revenue	-	11,647
Due to Other Funds	<u>-</u>	<u>10</u>
 TOTAL LIABILITIES	 <u>-</u>	 <u>270,497</u>
 NET POSITION		
Restricted	<u>2,186,694</u>	<u>-</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 2,186,694</u>	 <u>\$ 270,497</u>

See Accompanying Notes to Basic Financial Statements

Maple Run Unified School District  
FUND FINANCIAL STATEMENTS  
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
For the Year Ended June 30, 2020

	Private- Purpose Trusts
ADDITIONS	
Interest & Dividends	\$ 82,238
Donations	<u>778,613</u>
TOTAL ADDITIONS	<u>860,851</u>
DEDUCTIONS	
Trustee Fees	129,903
Scholarships	<u>2,450</u>
TOTAL DEDUCTIONS	<u>132,353</u>
CHANGE IN NET POSITION	728,498
NET POSITION AT BEGINNING OF YEAR	<u>1,458,196</u>
NET POSITION AT END OF YEAR	<u><u>\$ 2,186,694</u></u>

See Accompanying Notes to Basic Financial Statements

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

All operations of the Unified District are controlled by a ten-member Board of Directors who are responsible for all of the Unified District's activities. The financial statements include all of the Unified District's operations controlled by the Board of Directors. Based on criteria for determining the reporting entity (separate legal entity and fiscal or financial dependency on other governments), the Unified District is considered to be an independent reporting entity and has no component units. Members of the Unified District are the Fairfield Town School District, the St. Albans Town School District, the City of St. Albans, Department of Public Schools and the Bellows Free Academy Union School District #48, which included the Northwest Technical Center.

Government-wide and Fund Financial Statements

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

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

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

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

Measurement focus, basis of accounting, and financial statement presentation

The 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Unified District reports the following major governmental funds:

- \* The special revenue fund accounts for various state and federal grants
- \* The general fund is the Unified District's primary operating fund. It accounts for all financial resources of the Unified District, except those required to be accounted for in another fund.

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

Amounts reported as program revenues include 1) charges to members and grants for material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

When both restricted and unrestricted resources are available for use, it is the Unified District's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Data

Budgets are presented on the modified accrual basis of accounting for the general fund. Budgets are not adopted on a Unified District level for the special revenue fund. All annual appropriations lapse at fiscal yearend with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- \* During December of each year, the Unified District Superintendent submits to the Board a proposed operating budget for the next fiscal year commencing July 1<sup>st</sup>. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30<sup>th</sup>.
- \* Copies of the proposed budget are made available for public inspection and review by the Members of the Unified District.
- \* The full Unified District Board adopts the Unified District budget during the budget process.
- \* Once adopted, the budget can be amended by subsequent Board action. The Board upon recommendation of the Superintendent can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Vermont State law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- \* Expenditures may not legally exceed budgeted appropriations at the fund level.

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deposits

The Unified District's cash and cash equivalents are considered to be cash on hand and demand deposits.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of inter-fund loans) or "advances from/to other funds" (i.e., the non-current portion of inter-fund loans).

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

Capital Assets

Capital assets are property owned by the Unified District and include computers, computer equipment, software, and peripherals and equipment such as machinery, copiers, and office equipment.

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

- (1) The asset is tangible and complete.
- (2) The asset is used in the operation of the Unified District's activities.
- (3) The asset has a value and useful life at the date of acquisition that meets or exceeds the following:
  - \$5,000 value a useful life of one or more years

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

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

Estimates

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

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government Wide Net Position

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

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

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

Unrestricted – all other net assets reported in this category

Governmental Fund Balance

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

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

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

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

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

Unassigned – All amounts not included in other classifications.

NOTE 2 CASH

The cash deposits in the Unified District accounts as of June 30, 2020 consisted of the following:

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured	\$ 879,838	\$ 882,691
Collateralized	5,633,133	6,442,953
Uninsured	<u>455,611</u>	<u>455,611</u>
 TOTAL	 <u>\$ 6,968,582</u>	 <u>\$ 7,781,255</u>

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

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 3 INVESTMENTS

The Unified District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Unified District has the following recurring fair value measurements as of June 30, 2020:

General Fund:

Mutual Funds of \$106,033 are valued using quoted market prices (Level 1 inputs).

Private-Purpose Trust Funds:

Mutual Funds of \$1,412,671 are valued using quoted market prices (Level 1 inputs).

The Unified District investment policy is to comply with Vermont State law.

NOTE 4 ACCOUNTS RECEIVABLE

General Fund:

State of Vermont	\$ 891,930
Due from Other Districts	122,574
Miscellaneous	<u>2,813</u>
Total General Fund	<u>1,017,317</u>

Special Revenue Fund:

State of Vermont	<u>1,050,928</u>
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Total Accounts Receivable	<u><u>\$ 2,068,245</u></u>
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NOTE 5 INTERFUND RECEIVABLE AND PAYABLE BALANCES

Individual fund interfund receivable and payable balances are as follows at June 30, 2020:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ -	\$ 131,321
Special Revenue Funds	762,962	640,651
Fiduciary Fund - Cushing Trust	1,573	-
Fiduciary Fund - Childrens Health Trust	203	-
Fiduciary Fund - VT DECA	7,244	-
Fiduciary Fund - Student Activities	<u>-</u>	<u>10</u>
	<u><u>\$ 771,982</u></u>	<u><u>\$ 771,982</u></u>



Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 5 INTERFUND RECEIVABLE AND PAYABLE BALANCES (continued)

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

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 135,771	\$ -	\$ -	\$ 135,771
Construction in Progress	<u>85,608</u>	<u>1,912,756</u>	<u>(38,045)</u>	<u>1,960,319</u>
Total capital assets, not being depreciated	<u>221,379</u>	<u>1,912,756</u>	<u>(38,045)</u>	<u>2,096,090</u>
Capital assets, being depreciated				
Land Improvements	3,200,578	70,599	-	3,271,177
Building and Improvements	49,591,017	75,400	-	49,666,417
Furniture, Computers and Equipment	<u>11,868,852</u>	<u>272,894</u>	<u>-</u>	<u>12,141,746</u>
Total capital assets, not being depreciated	<u>64,660,447</u>	<u>418,893</u>	<u>-</u>	<u>65,079,340</u>
Governmental Activities:				
Accumulated depreciation for				
Land Improvements	(1,526,490)	(169,717)	-	(1,696,207)
Building and Improvements	(27,783,487)	(1,402,412)	-	(29,185,899)
Furniture, Computers and Equipment	<u>(10,116,091)</u>	<u>(309,594)</u>	<u>-</u>	<u>(10,425,685)</u>
Total accumulated depreciation	<u>(39,426,068)</u>	<u>(1,881,723)</u>	<u>-</u>	<u>(41,307,791)</u>
Total capital assets, being depreciated, net	<u>25,234,379</u>	<u>(1,462,830)</u>	<u>-</u>	<u>23,771,549</u>
Governmental activities capital assets, net	<u>\$ 25,455,758</u>	<u>\$ 449,926</u>	<u>\$ (38,045)</u>	<u>\$ 25,867,639</u>

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 7 RETIREMENT PAY LIABILITY

An employee of BFA hired before July 1, 1992 who has been employed in the school system for fifteen contractual years is eligible for retirement pay unless removed for just and sufficient cause. The employee has the option of having the pay calculated in either of the following ways:

- one percent of the amount of the employee's last contract, up to a maximum amount of \$500 multiplied by the number of years of service
- the number of the teacher's total accumulated, unused sick leave days multiplied by the daily rate being paid at the time to substitute teachers

The employee is required by December 15 of the final year of employment to notify the employer of his/her intention to leave at the conclusion of the contractual year.

Employees who otherwise meet the eligibility requirements may opt to receive the retirement pay without terminating employment. Any such employee who wishes to collect such pay shall notify the Board by December 15. The Board shall set aside a minimum of \$30,000 each year for employees who wish to elect this cash buyout but choose to continue teaching.

Upon notification of employees electing the buyout, the Board will calculate the amount due and will distribute said amounts up to the cap of \$30,000. Distribution will be given first to those with the greatest seniority within the district. Those employees who do not receive such a buyout due to the \$30,000 cap may apply the following year in accordance with the same procedures. Checks will be distributed no later than June 30. Any money not spent out of the \$30,000 will roll over into the following year's \$30,000 pool.

Once an employee has elected such a cash buyout, he/she shall accrue no further rights and shall not be eligible for any retirement pay regardless of when the employee actually retires.

<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
\$ 42,660	\$ 1,340	\$ (44,000)	\$ -

NOTE 8 ACCRUED EXPENSES

Accrued expenses consist of salaries due at June 30, 2020 but not disbursed until July 2020.

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 9      UNEARNED REVENUE

Unearned revenue consists of the following at June 30, 2020:

Special Revenue Fund:	
Medicaid	\$ 1,084,062
EPSDT	47,800
Various Grants	<u>143,315</u>
 Total Special Revenue Fund	 <u><u>\$ 1,275,177</u></u>

NOTE 10      LONG-TERM DEBT

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

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Principal Reduction</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Bond issued July, 21 2009, interest at 1.391% - 5.401% due in varying annual installments. The bond matures November 15, 2020. This bond is serviced by the General Fund.	\$ 1,605,000	\$ -	\$ 150,000	\$ 1,455,000	\$ 150,000
Bond issued May 1, 1998, interest at 1.19% - 4.69% due in varying annual installments. The bond matures December 2023. This bond is serviced by the General Fund.	325,000	-	65,000	260,000	65,000
Bond issued July 14, 2011, interest at .804% - 4.244% due in varying annual installments. This bond matures November 15, 2026. This bond is serviced by the General Fund.	415,000	-	55,000	360,000	55,000
Bond issued July 1, 2019, Variable interest rate during construction. The final interest rate and maturity date will be determined when the loan is formally approved by the bond bank. The total principal amount is \$5,722,153. This bond is serviced by the General Fund.	-	210,922	-	210,922	-

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 10      LONG-TERM DEBT (continued)

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Principal Reduction</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Note issued February 1, 2018, 100 principal only payments at \$4,150/month. Due May 2026. secured by buildings.	344,450	-	49,800	294,650	49,800
Qualified School Construction Bond, payable in varying amounts each May 15 and November 15 through 2025, with interest of \$8,260.	2,728,995	-	419,845	2,309,150	419,845
Qualified Zone Academy Bond, payable \$65,000 installments each May 15 and November 15 through 2023, interest rate 1.25%	<u>249,000</u>	<u>-</u>	<u>65,000</u>	<u>184,000</u>	<u>65,000</u>
 TOTAL GOVERNMENT TYPE FUNDS	 <u>\$ 5,667,445</u>	 <u>\$ 210,922</u>	 <u>\$ 804,645</u>	 <u>\$ 5,073,722</u>	 <u>\$ 804,645</u>

The annual debt service requirements to maturity, including principle and interest, for long-term debt as of June 30, 2020, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 804,645	\$ 111,976	\$ 916,621
2022	799,645	93,857	893,502
2023	783,645	81,964	865,609
2024	729,645	69,982	799,627
2025	664,645	59,944	724,589
2026-2030	<u>1,291,497</u>	<u>100,900</u>	<u>1,392,397</u>
	<u>\$ 5,073,722</u>	<u>\$ 518,623</u>	<u>\$ 5,592,345</u>

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 11      NONSPENDABLE/RESTRICTED/COMMITTED/ASSIGNED FUND BALANCE

Nonspendable Fund Balance as June 30, 2020 is as follows:

General Fund:	
Prepaid Expenses	\$ <u>116,399</u>

Restricted Fund Balance as June 30, 2020 is as follows:

Special Revenue Fund:	
Food Service	\$ 307,167
Other	<u>49</u>
	<u>\$ 307,216</u>

General Fund:	
Restricted per the Trust Agreement	\$ 113,969
Restricted for Causeway/Auditorium/History Renovation	<u>17,993</u>
	<u>\$ 131,962</u>

Fiduciary Fund:	
Restricted per the McArthur Fund	\$ 295,408
Restricted per the Scholarship Fund	1,071,242
Restricted per the Trustees Fund	109,371
Restricted per the Children's Health Fund	1,573
Restricted per the Cushing Fund	203
Restricted per the Blumenthal Trust Fund	705,611
Restricted per the Lawrence Callahan Trust Fund	<u>3,286</u>
	<u>\$ 2,186,694</u>

Committed Fund Balance as June 30, 2020 is as follows:

General Fund:	
Committed in accordance with the	
Capital Reserve Fund	\$ 4,731,671
Efficiency	36,398
Tech Access	<u>57,798</u>
	<u>\$ 4,825,867</u>

Assigned Fund Balance as June 30, 2020 is as follows:

General Fund:	
Open Doors	\$ <u>6,217</u>

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

**NOTE 11 NONSPENDABLE/RESTRICTED/COMMITTED/ASSIGNED FUND BALANCE (continued)**

When nonspendable, restricted, committed and assigned amounts of fund balance are available for use for expenditures incurred, the Maple Run Unified School District's board of directors determines the amounts to be expended on an annual basis based on the Maple Run Unified School District's required capital needs for the fiscal year.

**NOTE 12 TEACHERS RETIREMENT - VSTRS**

**Information Required Under GASB Statement No. 68**

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

**Schedule A – Employers' Allocation as of June 30, 2018**

Fiscal Year Ended June 30, 2018						
2018 Allocated Contribution	Employer Proportion	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.95% Discount Rate)	Net Pension Liability 1% Increase (8.95% Discount Rate)
\$ 22,148,239	3.27620%	\$ 49,493,698	\$ 37,100,558	\$ 868,960	\$ 59,766,256	\$ 39,210,593

**Schedule B – Employers' Allocation as of June 30, 2019**

Fiscal Year Ended June 30, 2019						
Portion of State Contribution	Employer Proportion	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.50% Discount Rate)	Net Pension Liability 1% Increase (8.50% Discount Rate)
\$ 22,148,944	3.22338%	\$ 50,304,918	\$ 24,658,621	\$ 1,063,977	\$ 62,473,035	\$ 40,038,406

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 12      TEACHERS RETIREMENT – VSTRS (continued)

**Schedule C – Employers' Allocation of Pension Amounts as of June 30, 2019**

Deferred Outflows of Resources							
Employer Proportion	Net Pension Liability	Difference Between Expected and Actual Experience	Changes in Assumptions	Changes in Benefits	Differences Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows
3.22338%	\$ 50,304,918	\$ 1,760,398	\$ 1,497,656	\$ -	\$ 862,539	\$ 20,538,028	\$ 24,658,621

Deferred Inflows of Resources						
Difference Between Expected and Actual Experience	Changes in Assumptions	Changes in Benefits	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows	
\$ -	\$ 531,159	\$ -	\$ -	\$ 532,818	\$ 1,063,977	

Pension Expense Recognized		
Proportionate Share of Pension Plan Expense	Net Amortization of Deferred Amounts from Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total
\$ 7,023,300	\$ 10,091,407	\$ 17,114,707

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 12 TEACHERS RETIREMENT – VSTRS (continued)

**Schedule D – Employers’ Allocation of Recognition of Deferred Outflows/Inflows as of June 30, 2019**

Fiscal Year					
2020	2021	2022	2023	2024	Thereafter
\$ 12,738,383	\$ 10,433,796	\$ 250,984	\$ 171,481	\$ -	\$ -

**Schedule E – Covered Payroll**

FY 2019	FY 2018	FY 2017
\$ 22,148,944	\$ 22,148,239	\$ -

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

[http://finance.vermont.gov/reports\\_and\\_publications/cafr](http://finance.vermont.gov/reports_and_publications/cafr)

**Plan Description**

The Vermont State Teachers' Retirement System is a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation. It covers nearly all public day school and nonsectarian private high school teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2019, the retirement system consisted of 379 participating employers.

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

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

The Pension Plan is divided into the following membership groups:

Group A - for public school teachers employed within the State of Vermont prior to July 1, 1981 and who elected to remain in Group A

Group C - for public school teachers employed within the State of Vermont on or after July 1, 1990, or hired before July 1, 1990 and were a member of Group B at that time



Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 12      TEACHERS RETIREMENT – VSTRS (continued)

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

VSTRS	GROUP A	GROUP C - GROUP #1*	Group C - Group #2++
Normal service retirement eligibility (no reduction)	Age 60 or 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
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
Disability Benefits	Unreduced, accrued benefit with minimum	Unreduced, accrued benefit with minimum	Unreduced, accrued benefit with minimum
Death-in-service Benefit	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently

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

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

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

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 12      TEACHERS RETIREMENT – VSTRS (continued)

**Significant Actuarial Assumptions and Methods**

The net pension liability as of June 30, 2019 was determined based on the June 30, 2018 actuarial valuation.

**Investment Rate of Return:** 7.50%

**Salary Increases:** Ranging from 3.75% to 9.09%. Representative values of the assumed annual rates of future salary increases are as follows:

Age	Annual Rate of Salary Increase
20	9.09%
25	7.78%
30	6.47%
35	5.60%
40	4.92%
45	4.43%
50	4.09%
55	3.85%
60	3.75%

**Mortality:**

Pre-retirement: 98% of RP-2006 White Collar Employee with generational projection using Scale SSA-2017.

Healthy Post-retirement: 98% of RP-2006 White Collar Annuitant with generational projection using Scale SSA-2017.

Disabled Post-retirement: RP-2006 Disabled Mortality Table with generational projection using Scale SSA-2017.

**Inflation:** 2.5%

**Spouse's Age:** Females three years younger than males.

**Cost-of-Living Adjustments:** Assumed to occur on January 1 following one year of retirement at the rate of 2.55% per annum for Group A members and 1.30% for 2019 Group C members.

**Inactive Members:** Valuation liability equals 250% of accumulated contributions.

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

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 12 TEACHERS RETIREMENT – VSTRS (continued)

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

**Long-term expected rate of return**

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

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50%. In accordance with paragraph 29 of GASB 68, professional judgement was applied to determine that the System’s projected fiduciary net position exceeds projected benefit payments for current active and inactive members for all years. The analysis was based on the expectation that employers will continue to contribute at the rates set by the Board, which exceeds the actuarially determined contribution, which is comprised on an employer normal cost payment and a payment to reduce the unfunded liability to zero by June 30, 2038. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 12      TEACHERS RETIREMENT – VSTRS (continued)

The following presents the net pension liability, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.50%) or one percent higher (8.50%) than the current rate:

1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
\$ 62,473,035	\$ 50,304,918	\$ 40,038,406

During the year ended June 30, 2019, the State of Vermont contributed \$17,114,707 on behalf of the Maple Run Unified School District.

NOTE 13      RETIREMENT - VMERS

**Information Required Under GASB Statement No. 68**

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

**Schedule A – Employers' Allocation as of June 30, 2018**

Fiscal Year Ended June 30, 2018						
Employer Contributions	Employer Proportion	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.95% (Disc Rate))	Net Pension Liability 1% Decrease (8.95% (Disc Rate))
\$ 285,885	1.63220%	\$ 2,296,061	\$ 1,723,247	\$ 36,714	\$ 3,889,009	\$ 1,000,553

**Schedule B – Employers' Allocation as of June 30, 2019**

Fiscal Year Ended June 30, 2019						
Employer Contributions	Employer Proportion	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.50% Disc Rate)	Net Pension Liability 1% Decrease (8.50% Disc Rate)
\$ 327,296	1.70347%	\$ 2,955,386	\$ 1,491,826	\$ 25,546	\$ 4,846,387	\$ 1,389,986

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 13 RETIREMENT – VMERS (continued)

**Schedule C – Employers’ Allocation of Pension Amounts as of June 30, 2019**

Deferred Outflows of Resources							
Employer Proportion	Net Pension Liability	Difference Between Expected and Actual Experience	Changes in Assumptions	Changes in Benefits	Difference Between Projected and Actual Investment Earnings	Changes in Proportional Share of Contributions and Proportionate Share of Contributions	Total Deferred Outflows
1.70347%	\$ 2,955,386	\$ 382,899	\$ 98,673	\$ -	\$ 201,294	\$ 808,960	\$ 1,491,826

Deferred Inflows of Resources					
Difference Between Expected and Actual Experience	Changes in Assumptions	Changes in Benefits	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows
\$ 25,546	\$ -	\$ -	\$ -	\$ -	\$ 25,546

Pension Expense Recognized		
Proportionate Share of Pension Plan Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total
\$ 941,918	\$ 264,957	\$ 1,206,875

**Schedule D – Employers’ Allocation of Recognition of Deferred Outflows/Inflows as of June 30, 2019**

Fiscal Year Ending June 30,					
2020	2021	2022	2023	2024	Thereafter
\$ 527,586	\$ 404,937	\$ 421,121	\$ 112,636	\$ -	\$ -

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 13 RETIREMENT – VMERS (continued)

**Schedule E – Contribution History for Fiscal Years 2017-2019**

FY 2019	FY 2018	FY 2017
\$ 327,296	\$ 285,885	\$ -

The schedule of employer allocations and schedule of pension amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of the Vermont Municipal Employees' Retirement System (VMERS) or its participating employers. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Comprehensive Annual Financial Report (CAFR). The CAFR can be viewed on the State's Department of Finance & Management website at:

[http://finance.vermont.gov/reports and publications/cafr](http://finance.vermont.gov/reports_and_publications/cafr)

The Vermont Municipal Employees' Retirement System is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for school districts and other municipal employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2019, the retirement system consisted of 379 participating employers.

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

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

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

**Summary of System Provisions**

Membership	Full time employees of participating municipalities. Municipality elects coverage under Groups A, B, C or D provisions.
Creditable service	Service as a member plus purchased service.

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 13 RETIREMENT – VMERS (continued)

Average Final Compensation (AFC)	<p>Group A – average annual compensation during highest 5 consecutive years.</p> <p>Groups B and C – average annual compensation during highest 3 consecutive years.</p> <p>Group D – average annual compensation during highest 2 consecutive years.</p>
Service Retirement Allowance	
Eligibility	<p>Group A – The earlier of age 65 with 5 years of service or age 55 with 35 years of service.</p> <p>Group B – The earlier of age 62 with 5 years of service or age 55 with 30 years of service.</p> <p>Groups C and D – Age 55 with 5 years of service.</p>
Amount	<p>Group A – 1.4% of AFC x service</p> <p>Group B – 1.7% of AFC x service as Group B member plus percentage earned as Group A member x AFC</p> <p>Group C – 2.5% of AFC x service as a Group C member plus percentage earned as a Group A or B member x AFC</p> <p>Group D – 2.5% of AFC x service as a Group D member plus percentage earned as a Group A, B or C member x AFC</p> <p>Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The above amounts include the portion of the allowance provided by member contributions.</p>
Early Retirement Allowance	
Eligibility	Age 55 with 5 years of service for Groups A and B; age 50 with 20 years of service for Group D.
Amount	Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes Normal Retirement Age for Group A and B member, and payable without reduction to Group D members.

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 13 RETIREMENT – VMERS (continued)

Vested Retirement Allowance

Eligibility	5 years of service.
Amount	Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on "Post-Retirement Adjustments" described below.

Disability Retirement Allowance

Eligibility	5 years of service and disability as determined by Retirement Board.
Amount	Immediate allowance based on AFC and service to date of disability; children's benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.

Death Benefit

Eligibility	Death after 5 years of service.
Amount	For Groups A, B and C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor's benefit under disability annuity computed as a date of death. For Group D, 70% of the unreduced accrued benefit plus children's benefit.

Optional Benefit and Death after Retirement

For Groups A, B and C, lifetime allowance or actuarially equivalent 50% or 100% joint or survivor allowance with refund of contribution guarantee. For Group D, lifetime allowance or 70% contingent annuitant option with no reduction.

Refund of Contribution

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

Post-Retirement Adjustments

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

Retirement Stipend

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



Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 13 RETIREMENT – VMERS (continued)

Member Contributions	Group	Effective 7/1/19	For the Fiscal year ended 6/30/19
	Group A	2.75%	2.63%
	Group B	5.125%	5.00%
	Group C	10.25%	10.125%
	Group D	11.60%	11.475%
Employer Contributions	Group	Effective 7/1/19	For the Fiscal year ended 6/30/19
	Group A	4.25%	4.13%
	Group B	5.75%	5.625%
	Group C	7.50%	7.375%
	Group D	10.10%	9.975%

**Significant Actuarial Assumptions and Methods**

**Interest Rate:** 7.50%, net of pension plan investment expenses, including inflation.

**Salary Increases:** 5% per year

**Mortality:**

Death in active service:

Groups A, B and C – 98% of RP-2006 blended 60% Blue Collar Employee, 40% Healthy Employee with generational projection using Scale SSA-2017

Group D – RP-2006 Blue Collar Annuitant Table with generational projection using Scale SSA-2017

Healthy Post-retirement:

Groups A, B and C – 98% of RP-2006 Mortality Table, blended 60% Blue Collar Annuitant and 40% Healthy Employee Annuitant with generational projection using Scale SSA-2017

Group D – 100% of RP-2006 Blue Collar Annuitant Table with generational projection using Scale SSA-2017

Disabled Post-retirement:

All Groups – RP-2006 Disabled Mortality Table with generational projection using Scale SSA-2017

**Spouse's Age:** Females three years younger than males.

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 13 RETIREMENT – VMERS (continued)

**Cost-of-Living Adjustments:** 1.15% for Group A members and 1.30% for Group B, C and D members. The January 1, 2019 and January 1, 2020 COLAs are 1.30% and .80%, respectively, for all groups.

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

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

**Inflation:** 2.50%

**Long-term expected rate of return**

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

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

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

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 13 RETIREMENT – VMERS (continued)

**Discount rate**

The discount rate used to measure the total pension liability was 7.50%. In accordance with paragraph 29 of GASB 68, professional judgement was applied to determine that the System's projected fiduciary net position exceeds projected benefit payments for current active and inactive members for all years. The analysis was based on the expectation that employers will continue to contribute at the rates set by the Board, which exceeds the actuarially determined contribution, which is comprised on an employer normal cost payment and a payment to reduce the unfunded liability to zero by June 30, 2038. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.50%) or one percent higher (8.50%):

1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
\$ 4,846,387	\$ 2,955,386	\$ 1,389,986

NOTE 14 OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

**Schedule A – Employers' Allocation**

2018 Employer Proportion	2019 Employer Proportion	Net OPEB Liability	Total Deferred Outflows	Total Deferred Inflows	Net OPEB Liability - 1% Decrease in Discount Rate (2.58%)	Net OPEB Liability - 1% Increase in Discount Rate (4.58%)	Net OPEB Liability - 1% Decrease in Healthcare Cost Trend Rates	Net OPEB Liability - 1% Increase in Healthcare Cost Trend Rates
3.04924%	3.04197%	\$ 31,659,428	\$ 18,963,546	\$ 1,274,701	\$ 37,021,441	\$ 27,289,186	\$ 26,693,982	\$ 38,083,821

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 14 OTHER POST EMPLOYMENT BENEFITS (OPEB) – (continued)

**Schedule B – Employers Allocation of OPEB Amounts as of June 30, 2019**

Deferred Outflows of Resources						
Employer Proportion	Net OPEB Liability	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Difference Between Expected and Actual Experience	Total Deferred Outflows
3.04197%	\$ 31,659,428	\$ 15,771,438	\$ 1,917,925	\$ -	\$ 1,274,183	\$ 18,963,549

Deferred Inflows of Resources				
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Difference Between Expected and Actual Experience	Total Deferred Inflows
\$ 54,524	\$ 1,136,581	\$ 83,596	\$ -	\$ 1,274,701

Pension Expense Recognized		
Proportionate Share of OPEB Expense	Net Amortization of Deferred Amounts from Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer OPEB Expense
\$ 1,575,854	\$ 6,723,155	\$ 8,299,009

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 14 OTHER POST EMPLOYMENT BENEFITS (OPEB) – (continued)

**Schedule C – Employers' Allocation of Recognition of Deferred Outflows/Inflows as of June 30, 2019**

Fiscal Year					
2020	2021	2022	2023	2024	Thereafter
\$ 7,174,718	\$ 7,328,265	\$ 3,004,546	\$ 181,317	\$ -	\$ -

**Plan Description**

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

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

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

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

**Summary of Plan**

**Eligibility:**

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

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

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

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 14 OTHER POST EMPLOYMENT BENEFITS (OPEB) – (continued)

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

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

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

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

**Duration of Coverage:** Lifetime.

**Spousal Benefits:** Same benefits as for retirees.

**Spousal Coverage:** Lifetime.

**Retiree Contributions:**

**Retired before June 30, 2010:**

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

**Retired after June 30, 2010:**

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

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

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

**Spouse Coverage with 80% Subsidy**

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

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 14 OTHER POST EMPLOYMENT BENEFITS (OPEB) – (continued)

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

**Premium Reduction Option:**

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

**Actuarial assumptions**

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

**Discount Rate:** 3.50% based on the index rate for 20 – year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher as of June 30, 2019 and a 7.50% long-term rate of return on invested plan assets blended as prescribed in GASB 75.

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

Age	Annual Rate of Salary Increase
20	9.09%
225	7.78%
30	6.47%
35	5.60%
40	4.92%
45	4.43%
50	4.09%
55	3.85%
60	3.75%

**Inflation:** 2.75%

**Retiree Contributions:** Retiree contributions were assumed to increase with health trend. Rates were based on premiums effective July 1, 2019. Plan premiums were weighted by actual retiree and dependent enrollment, separately for non-Medicare and Medicare.

**Pre-retirement Mortality:** 98% of RP-2006 White Collar Employee with generational projection using Scale SSA-2017

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 14      OTHER POST EMPLOYMENT BENEFITS (OPEB) – (continued)

**Post-retirement Mortality:** 98% of RP-2006 With Collar Annuitant with generational projection using Scale SSA-2017

**Disabled Mortality:** RP-2006 Disabled Mortality Table with generational projection using Scale SSA-2017

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

**Asset Valuation Method:** Market Value

**Measurement Date:** June 30, 2019

**Actuarial Valuation Date:** June 30, 2018

**Per Capita Cost Development:**

*Medical and Prescription Drug*

Per capita claims costs were based on claims for the period July 1, 2016 through June 30, 2019. Claims were separated by non-Medicare and Medicare retirees, and by medical and prescription drug. Claims were separated by plan year, then adjusted as follows:

- Total claims were divided by the number of adult members to yield a per capita claim,
- The per capita claim was trended to the midpoint of the valuation year at assumed trend rates, and
- The per capita claim was adjusted for the effect of any plan changes.

Per capita claims for each plan year were then combined by taking a weighted average. The weights used in this average account for a number of factors including each plan year's volatility of claims experience and distance to the valuation year. Actuarial factors were then applied to the weighted average cost to estimate individual retiree and spouse costs by age and by gender.

*Administrative Expenses*

Per capita claims costs were based on claims for the period July 1, 2016 through June 30, 2019. Claims were separated by plan year, then adjusted as described above to yield a combined weighted average per capita claims cost.

**Per Capita Health Costs:**

Medical and prescription drug claims for the year beginning July 1, 2019 are shown in the table below for retirees and for spouses at selected ages. These costs are net of deductibles and other benefit plan cost sharing provisions.



Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 14 OTHER POST EMPLOYMENT BENEFITS (OPEB) – (continued)

Age	Medical		Prescription Drugs					
	Retiree	Spouse	Retiree	Spouse	Male	Female	Male	Female
	Male	Female	Male	Female	Male	Female	Male	Female
50	\$ 8,609	\$ 9,806	\$ 6,013	\$ 7,873	\$ 1,553	\$ 1,769	\$ 1,085	\$ 1,421
55	10,224	10,555	8,046	9,113	1,845	1,905	1,452	1,644
60	12,142	11,377	10,772	10,570	2,191	2,053	1,944	1,907
64	13,930	12,070	13,598	11,897	2,514	2,178	2,454	2,147
65	1,502	1,277	1,502	1,277	2,053	1,745	2,053	1,745
70	1,741	1,376	1,741	376	2,379	1,881	2,379	1,881
75	1,876	1,481	1,876	1,481	2,564	2,024	2,564	2,024

**Administrative Expenses:**

An annual administrative expense of \$568 per participant with health and welfare coverage increasing at 3.0% per year was added to projected incurred claim costs in developing the benefit obligations.

**Health Care Cost Trend Rates:**

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

Year Ending June 30,	Rate (%)
	Health Costs
2020	7.150
2021	6.925
2022	6.700
2023	6.475
2024	6.250
2025	6.025
2026	5.800
2027	5.575
2028	5.350
2029	5.125
2030	4.900
2031	4.675
2032 & Later	4.500

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.

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 14      OTHER POST EMPLOYMENT BENEFITS (OPEB) – (continued)

**Retiree Contribution Increase Rate:**

Retiree contributions were assumed to increase with health trend. Retiree contribution rates were based on 2018 premiums. Plan premiums were weighted by actual retiree and dependent enrolment, separately for non-Medicare and Medicare.

**Health Care Reform Assumption:**

The Plan is assumed to be in compliance with the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act (HCERA) of 2010 as of the valuation date. The valuation includes the projected effect of the Act's provision which imposes an excise tax on high cost employer-sponsored health coverage beginning in 2022. The excise tax limit is assumed to increase by 2.0% each year after 2019.

During the year ended June 30, 2019 the state of Vermont contributed \$3,599,466 on behalf of Maple Run Unified School District.

NOTE 15      GRANTS

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

NOTE 16      NON-CASH TRANSACTIONS

The Unified District received Federal Commodities for use in food service in the amount of \$98,536 the cost of shipping. The value of the commodities received is not included in the food service budget and is not part of food service revenue or expenditures.

NOTE 17      CONCENTRATIONS

The majority of revenue at June 30, 2020 was from the State of Vermont.

NOTE 18      EXCESS OF EXPENDITURES OVER BUDGET

Expenditures exceeded budgeted amount in the Special Revenue Fund by \$1,299,818. The excess was offset by current year revenues in excess of budgeted amounts in the amount of \$1,556,363.

Maple Run Unified School District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 19      RISKS & UNCERTAINTIES

As a result of the spread of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact net income. Other financial impact could occur though such potential impact and the duration cannot be reasonably estimated at this time. In March 2020, the Governor of Vermont declared a state of emergency and issued an order to close all nonessential businesses. The closure lasted for months and has still not completely resumed. Some businesses continue to be impacted due to restrictions in operations and the requirement for at least partial student remote learning. Due to the uncertainty of the effect of the virus and whether there could be a resurgence, possible effects may include, but are not limited to, disruption to the Maple Run Unified School District's cash flow and receivable collections, absenteeism in the Maple Run Unified School District's labor workforce, unavailability of products and supplies used in operations, and decline in value of assets held by the Maple Run Unified School District's including property and equipment.

NOTE 20      SUBSEQUENT EVENTS

In accordance with professional accounting standards, the School District has evaluated subsequent events through January 18, 2021, which is the date the financial statement was available to be issued. All events requiring recognition as of June 30, 2020 have been included in the financial statement herein.

## REQUIRED SUPPLEMENTARY INFORMATION

Maple Run Unified School District  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
General Instruction	\$ 44,453,101	\$ 44,542,713	\$ 44,708,894	\$ 166,181
Pre-Kindergarten	200,643	200,643	200,643	-
PY Tuition Adjustment	-	-	171,118	171,118
Special Education Services	7,534,563	7,534,563	7,046,137	(488,426)
Adult Continuing Ed	99,500	99,500	116,099	16,599
Capital Projects	-	-	210,922	210,922
NWTC	2,626,180	2,626,180	2,732,453	106,273
<b>TOTAL REVENUES</b>	<b>54,913,987</b>	<b>55,003,599</b>	<b>55,186,266</b>	<b>182,667</b>
<b>EXPENDITURES:</b>				
General Instruction:				
Pre-Kindergarten	1,711,048	1,711,048	1,521,954	189,094
Direct Instruction	18,746,253	18,676,836	18,375,042	301,794
Academic Intervention	590,255	603,991	589,673	14,318
Support Services - Students	3,279,695	3,239,021	3,039,855	199,166
Support Services - Instruction	2,232,153	2,288,703	2,169,933	118,770
Board of Education	395,925	395,925	429,475	(33,550)
Direct Treasurer	3,230	3,230	3,230	-
Superintendent's Office	353,519	361,292	363,046	(1,754)
Support Services - School Admin	2,594,731	2,615,118	2,557,819	57,299
Central Services	875,018	960,260	969,477	(9,217)
Operations and Maintenance	4,501,563	4,545,918	4,371,227	174,691
Security Services	168,559	183,688	202,075	(18,387)
Student Transportation	1,483,125	1,484,100	994,011	490,089
Debt Service	939,960	939,960	1,055,121	(115,161)
Cafeteria Service	18,936	18,936	15,130	3,806
Co-Curricular	224,564	224,564	183,220	41,344
After/Summer School	224,113	212,281	233,443	(21,162)
Athletics	656,326	656,326	578,781	77,545
<b>Total General Instruction</b>	<b>38,998,973</b>	<b>39,121,197</b>	<b>37,652,512</b>	<b>1,468,685</b>
Special Education:				
Pre-Kindergarten	916,422	900,178	1,002,449	(102,271)
Direct Instruction	10,784,868	10,784,868	9,895,096	889,772
Support Services - Students	984,524	984,524	1,011,777	(27,253)
Administration	72,178	55,810	50,666	5,144
Student Transportation	365,000	365,000	329,032	35,968
<b>Total Special Education</b>	<b>13,122,992</b>	<b>13,090,380</b>	<b>12,289,020</b>	<b>801,360</b>

See Accompanying Notes to Basic Financial Statements.

Maple Run Unified School District  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Adult Continuing Education				
Direct Instruction	2,255	2,255	86,937	(84,682)
Administration	163,587	163,587	175,454	(11,867)
Total Adult Continuing Education	165,842	165,842	262,391	(96,549)
Northwest Technical Center:				
Direct Instruction	1,631,755	1,631,755	1,547,460	84,295
Administration	317,014	317,014	333,165	(16,151)
Support Services	365,646	365,646	370,982	(5,336)
Operations and Maintenance	249,250	249,250	267,260	(18,010)
Student Transportation	62,515	62,515	45,109	17,406
Total Northwest Technical Center	2,626,180	2,626,180	2,563,976	62,204
Capital Projects	-	-	1,999,253	(1,999,253)
TOTAL EXPENDITURES	54,913,987	55,003,599	54,767,152	236,447
NET CHANGE IN FUND BALANCE	-	-	419,114	419,114
FUND BALANCE, beginning of year	4,661,331	4,661,331	4,661,331	-
FUND BALANCE, end of year	<u>\$ 4,661,331</u>	<u>\$ 4,661,331</u>	<u>\$ 5,080,445</u>	<u>\$ 419,114</u>

See Accompanying Notes to Basic Financial Statements.

Maple Run Unified School District  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND  
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Grants:				
Pre Idea-B and Idea-B	\$ 830,954	\$ 851,346	\$ 822,553	\$ (28,793)
Title I & Title II-A (SWP)	905,309	1,442,583	1,152,522	(290,061)
Food Service	-	-	1,478,528	1,478,528
Other	662,548	1,194,062	1,590,751	396,689
TOTAL REVENUES	2,398,811	3,487,991	5,044,354	1,556,363
EXPENDITURES:				
Program Service:				
Pre Idea-B and Idea-B	830,954	851,346	822,553	28,793
Title I & Title II-A (SWP)	905,309	1,442,358	1,152,522	289,836
Food Service	-	-	1,222,032	(1,222,032)
Other	662,548	1,194,287	1,590,702	(396,415)
Total Program Service	2,398,811	3,487,991	4,787,809	(1,299,818)
NET CHANGE IN FUND BALANCE	-	-	256,545	256,545
FUND BALANCE, beginning of year	50,671	50,671	50,671	-
FUND BALANCE, end of year	\$ 50,671	\$ 50,671	\$ 307,216	\$ 256,545

See Accompanying Notes to Basic Financial Statements.

Maple Run Unified School District  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - VMERS  
For the Year Ended June 30, 2020

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability (asset)	1.7035%	1.6322%	0.8743%
District's proportionate share of the net pension liability (asset)	<u>\$ 2,955,386</u>	<u>\$ 2,296,061</u>	<u>\$ 1,059,250</u>
District's covered-employee payroll	<u>\$ 5,847,007</u>	<u>\$ 5,106,055</u>	<u>\$ 2,696,512</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	50.55%	44.97%	39.28%
Plan fiduciary net position as a percentage of the total pension liability	80.35%	82.60%	83.64%

*Significant Actuarial Assumptions and methods are described in Note 13 to the financial statements. There were no changes in assumptions and methods as of June 30, 2019.*

See Accompanying Notes to Basic Financial Statements.



Maple Run Unified School District  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS - VMERS  
June 30, 2020

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contributions (Actuarially Determined)	\$ 327,296	\$ 285,885	\$ 142,779
Contributions in Relation to the Actuarially Determined Contributions	<u>327,296</u>	<u>285,885</u>	<u>142,779</u>
Contribution Excess/(Deficiency) Covered Employee Payroll	<u>\$ 5,847,007</u>	<u>\$ 5,106,055</u>	<u>\$ 2,696,512</u>
Contributions as a Percentage of Covered Employee Payroll	5.60%	5.60%	5.29%

*Significant Actuarial Assumptions and methods are described in Note 13 to the financial statements. There were no changes in assumptions and methods as of June 30, 2019.*

See Accompanying Notes to Basic Financial Statements.

Maple Run Unified School District  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - VSTRS  
For the Year Ended June 30, 2020

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability (asset)	3.2234%	3.2762%	3.2612%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>50,304,918</u>	<u>49,493,698</u>	<u>48,344,503</u>
Total	<u>\$ 50,304,918</u>	<u>\$ 49,493,698</u>	<u>\$ 48,344,503</u>
District's covered-employee payroll	<u>\$ 22,148,944</u>	<u>\$ 22,148,239</u>	<u>\$ 21,550,333</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	-54.96%	-54.81%	-53.98%

*Significant Actuarial Assumptions and methods are described in Note 12 to the financial statements. There were no changes in assumptions and methods as of June 30, 2019.*

Maple Run Unified School District  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - VSTRS  
For the Year Ended June 30, 2020

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability (asset)	3.0420%	3.0492%	3.0412%
District's proportionate share of the net OPEB liability (asset)	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>31,659,428</u>	<u>29,098,520</u>	<u>28,358,143</u>
Total	<u>\$ 31,659,428</u>	<u>\$ 29,098,520</u>	<u>\$ 25,358,143</u>
Plan fiduciary net position as a percentage of the total pension liability	0.03%	-2.77%	-2.94%

*Significant Actuarial Assumptions and methods are described in Note 14 to the financial statements. The following were changes in methods or assumptions during the year ended June 30, 2019.*

1. In 2019, the discount rate was decreased from 3.87% to 3.50%.
2. The per capita valuation-year claims and retiree contribution rates were updated
3. The assumed health trend rates were modified.
4. The percentage of future retirees not eligible for a subsidy assumed to elect coverage was increased from 10% to 15%
5. 60% of terminated vested participants who are eligible for a subsidy and 0% of those not eligible for a subsidy were assumed to elect coverage. Previously 30% of future terminated vested participants who are eligible for a subsidy and 10% of those not eligible for a subsidy were assumed to elect coverage, and 30% of current terminated vested participants were assumed to elect coverage.

See Accompanying Notes to Basic Financial Statements.

## OTHER SUPPLEMENTARY INFORMATION

Maple Run Unified School District  
OTHER SUPPLEMENTARY INFORMATION  
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS  
June 30, 2020

ASSETS

	<u>Pre IDEA-B &amp; IDEA-B</u>	<u>Title I &amp; Title II-A (SWP)</u>	<u>Food Service</u>	<u>Other</u>	<u>Total</u>
ASSETS					
Cash	\$ -	\$ 242,367	\$ 201,207	\$ 85,806	\$ 529,380
Accounts receivable	143,539	254,979	122,388	530,022	1,050,928
Due from other funds	-	-	71,334	691,628	762,962
Inventory	-	-	12,742	-	12,742
	<u>-</u>	<u>-</u>	<u>12,742</u>	<u>-</u>	<u>12,742</u>
TOTAL ASSETS	<u>\$ 143,539</u>	<u>\$ 497,346</u>	<u>\$ 407,671</u>	<u>\$ 1,307,456</u>	<u>\$ 2,356,012</u>

LIABILITIES AND FUND BALANCES

LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 80,810	\$ 8,172	\$ 88,982
Accrued expenses	-	-	-	43,986	43,986
Deferred revenue	234	-	19,694	1,255,249	1,275,177
Due to other funds	143,305	497,346	-	-	640,651
	<u>143,305</u>	<u>497,346</u>	<u>-</u>	<u>-</u>	<u>640,651</u>
TOTAL LIABILITIES	<u>143,539</u>	<u>497,346</u>	<u>100,504</u>	<u>1,307,407</u>	<u>2,048,796</u>
FUND BALANCE					
Restricted	-	-	307,167	49	307,216
	<u>-</u>	<u>-</u>	<u>307,167</u>	<u>49</u>	<u>307,216</u>
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>307,167</u>	<u>49</u>	<u>307,216</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 143,539</u>	<u>\$ 497,346</u>	<u>\$ 407,671</u>	<u>\$ 1,307,456</u>	<u>\$ 2,356,012</u>

Maple Run Unified School District  
OTHER SUPPLEMENTARY INFORMATION  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUND  
For the Year Ended June 30, 2020

	<u>Pre IDEA-B &amp; IDEA-B</u>	<u>Title I &amp; Title II-A (SWP)</u>	<u>Food Service</u>	<u>Other</u>	<u>Total</u>
REVENUE					
Grants	<u>\$ 822,553</u>	<u>\$ 1,152,522</u>	<u>\$ 1,478,528</u>	<u>\$ 1,590,751</u>	<u>\$ 5,044,354</u>
EXPENDITURES					
Program Services	<u>822,553</u>	<u>1,152,522</u>	<u>1,222,032</u>	<u>1,590,702</u>	<u>4,787,809</u>
NET CHANGE IN FUND BALANCE	-	-	256,496	49	256,545
FUND BALANCE-Beginning	<u>-</u>	<u>-</u>	<u>50,671</u>	<u>-</u>	<u>50,671</u>
FUND BALANCE-Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 307,167</u>	<u>\$ 49</u>	<u>\$ 307,216</u>

Maple Run Unified School District  
OTHER SUPPLEMENTARY INFORMATION  
COMBINING STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
June 30, 2020

ASSETS

	Private - Purpose Trusts								Agency Funds		
	McArthur			Lunderville	Childrens Health	Cushing	Blumenthal	Lawrence			
	Trust Fund	Scholarship Fund	Trustees Fund	Trust Fund	Trust Fund	Trust Fund	Trust Fund	Callahan Trust Fund	Student Activities	VT DECA	Total
ASSETS											
Cash	\$ 15,195	\$ 40,504	\$ 7,651	\$ -	\$ -	\$ -	\$ 705,611	\$ 3,286	\$ 258,834	\$ 4,419	\$ 1,035,500
Investments	280,213	1,030,738	101,720	-	-	-	-	-	-	-	1,412,671
Due from other funds	-	-	-	-	1,573	203	-	-	-	7,244	9,020
TOTAL ASSETS	\$ 295,408	\$ 1,071,242	\$ 109,371	\$ -	\$ 1,573	\$ 203	\$ 705,611	\$ 3,286	\$ 258,834	\$ 11,663	\$ 2,457,191

LIABILITIES & NET POSITION

LIABILITIES											
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16	\$ 16
Due to Student Groups	-	-	-	-	-	-	-	-	258,824	-	258,824
Deferred Revenue	-	-	-	-	-	-	-	-	-	11,647	11,647
Due to Other Funds	-	-	-	-	-	-	-	-	10	-	10
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>258,834</u>	<u>11,663</u>	<u>258,850</u>
NET POSITION											
Restricted	<u>295,408</u>	<u>1,071,242</u>	<u>109,371</u>	<u>-</u>	<u>1,573</u>	<u>203</u>	<u>705,611</u>	<u>3,286</u>	<u>-</u>	<u>-</u>	<u>2,186,694</u>
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<u>\$ 295,408</u>	<u>\$ 1,071,242</u>	<u>\$ 109,371</u>	<u>\$ -</u>	<u>\$ 1,573</u>	<u>\$ 203</u>	<u>\$ 705,611</u>	<u>\$ 3,286</u>	<u>\$ 258,834</u>	<u>\$ 11,663</u>	<u>\$ 2,457,191</u>

Maple Run Unified School District  
OTHER SUPPLEMENTARY INFORMATION  
COMBINING STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
For the Year Ended June 30, 2020

	McArthur Trust Fund	Scholarship Fund	Trustees Fund	Lunderville Trust Fund	Childrens Health Trust Fund	Cushing Trust Fund	Blumenthal Trust Fund	Lawrence Callahan Trust Fund	Total
ADDITIONS									
Investment Earnings	\$ 13,874	\$ 65,695	\$ 4,890	\$ -	\$ -	\$ -	\$ (2,221)	\$ -	\$ 82,238
Donations	-	59,792	-	-	-	-	718,821	-	778,613
TOTAL ADDITIONS	13,874	125,487	4,890	-	-	-	716,600	-	860,851
DEDUCTIONS									
Trustee Fees	16,576	101,262	1,076	-	-	-	10,989	-	129,903
Scholarships	-	-	-	2,450	-	-	-	-	2,450
TOTAL DEDUCTIONS	16,576	101,262	1,076	2,450	-	-	10,989	-	132,353
CHANGE IN NET POSITION	(2,702)	24,225	3,814	(2,450)	-	-	705,611	-	728,498
NET POSITION AT BEGINNING OF YEAR	298,110	1,047,017	105,557	2,450	1,573	203	-	3,286	1,458,196
NET POSITION AT END OF YEAR	<u>\$ 295,408</u>	<u>\$ 1,071,242</u>	<u>\$ 109,371</u>	<u>\$ -</u>	<u>\$ 1,573</u>	<u>\$ 203</u>	<u>\$ 705,611</u>	<u>\$ 3,286</u>	<u>\$ 2,186,694</u>



Maple Run Unified School District  
ADDITIONAL REPORTS REQUIRED BY  
THE SINGLE AUDIT ACT

June 30, 2020

Maple Run Unified School District  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2020

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor Number</u>	<u>Federal Expenditures</u>
<b>Child Nutrition Cluster</b>			
<u>U.S Department of Agriculture</u>			
Passed through State of Vermont Agency of Education			
School Breakfast Program	10.553	4452-U057-20-00	\$ 193,053
National School Lunch Program	10.555	4450-U057-20-00	374,689
Passed through State of Vermont			
Summer Food Service Program for Children	10.559	4455-S023-20-00	<u>521,502</u>
Total Child Nutrition Cluster			<u>1,089,244</u>
<b>Food Distribution Cluster</b>			
<u>U.S Department of Agriculture</u>			
Passed through State of Vermont Agency of Education			
Emergency Food Assistance Program	10.569	4453-U057-20-00	<u>1,027</u>
<b>Special Education Cluster</b>			
<u>U.S. Department of Education</u>			
Passed through State of Vermont Agency of Education			
Special Education Grants to States	84.027	4226-U057-20-01	804,097
Special Education Preschool Grants	84.173	4228-U057-20-01	<u>18,220</u>
Total Special Education (IDEA) Cluster			<u>822,317</u>
<b>Other Programs</b>			
<u>U.S. Department of Education</u>			
Passed through State of Vermont Agency of Education			
Title I Grants to Local Educational Agencies	84.010	4250-U057-20-01	<u>922,803</u>
Career and Technical Education	84.048	4318-U057-20-01	<u>175,612</u>
Education for Homeless Children and Youth	84.196	4265-U057-20-01	<u>6,904</u>
Twenty-First Century Community Learning Centers	84.287	4611-U057-20-01	<u>65,489</u>
Improving Teacher Quality State Grants	84.367	4651-U057-20-01	<u>229,719</u>
Student Support and Academic Enrichment	84.424	4570-U057-20-01	<u>141,967</u>

Maple Run Unified School District  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor Number	Federal Expenditures
<u>Department of Treasury</u>			
Passed through State of Vermont Agency of Education			
Coronavirus Relief Funds	21.019	4593-U057-21-01	<u>461,062</u>
<u>U.S. Department of Agriculture</u>			
Passed through State of Vermont Agency of Education			
Child and Adult Care Food Program	10.558	4454-U057-20-00	<u>14,745</u>
Fresh Fruit and Vegetable Program	10.582	4449-U057-20-00	<u>45,387</u>
TOTAL			<u>\$ 3,976,276</u>

NOTE A BASIS OF PRESENTATION

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

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Maple Run Unified District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance because no indirect costs were allowed under the federal awards.



**Kittell Branagan & Sargent**

*Certified Public Accountants*

Vermont License # 167

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

To the Board of Directors  
Maple Run Unified School District  
St. Albans, 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 Maple Run Unified School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Maple Run Unified School District's basic financial statements, and have issued our report thereon dated January 18, 2021.

**Internal Control over Financial Reporting**

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

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 Maple Run 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.

A handwritten signature in dark ink, appearing to read "Kaitell Brungton". To the right of the signature is a small, stylized mark that looks like a cross or a plus sign.

St. Albans, Vermont  
January 18, 2021



**Kittell Branagan & Sargent**

*Certified Public Accountants*

Vermont License #167

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

Board of Directors  
Maple Run Unified School District  
St. Albans, Vermont 05478

**Report on Compliance for Each Major Federal Program**

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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



### ***Opinion on Each Major Federal Program***

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

### **Report on Internal Control over Compliance**

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

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

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

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

A handwritten signature in cursive script, appearing to read "K. Brannan" followed by a flourish and the word "Sugut".

St. Albans, Vermont  
January 18, 2021

Maple Run Unified School District  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2020

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Maple Run Unified School District
2. There were no significant deficiencies disclosed during the audit of the financial statements of Maple Run Unified School District
3. No instances of noncompliance material to the financial statements of the Maple Run Unified School District were disclosed during the audit.
4. There was no significant deficiency disclosed in independent report on compliance for each major program and on internal control over compliance required by the uniform guidance.
5. The auditor's report on compliance for the major federal award programs for the Maple Run Unified School District expresses a unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2CFR section 200.516(a) are reported in this schedule.
7. The programs tested as major programs were:

	<u>CFDA #</u>
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
Special Education - Grants to States	84.027
Special Education - Preschool Grants	84.173
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Maple Run Unified School District was not determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

There were no findings related to the financial statements audit.

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

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



Maple Run Unified School District  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2020

2019-1 Child Nutrition Cluster (School Breakfast Program – CFDA #10.553; Passed thru State of Vermont Agency of Education Grant #4452U0571900 Grant period – Year ended June 30, 2019, National School Lunch Program – CFDA #10.555; Passed thru the State of Vermont Agency of Education Grant #4450U0571900 – Year ended June 30, 2019, Summer Food Service Program for Children – CFDA #10.559; Passed thru State of Vermont Agency of Education Grant #4455S0231900 – Year ended June 30, 2019)

Criteria: Allowable cost criteria in 2 CFR part 200 require federal payments to be made in correct amounts and should not include overpayments.

Condition: The State of Vermont Agency of education conducted an administrative review in April 2019 and found that the VT CNP Web Claiming system was reimbursing the District more than the allowable amount under the terms of the Child Nutrition Program for federal lunch and federal breakfast.

Cause: The error was present in a field that the District could not edit and was caused by the web claiming system required to be used by the State of Vermont.

Effect: The federal grant was incorrectly charged without detection.

Questioned Costs: \$36,194

Context: The error only affected CEP schools. Reimbursements for schools not participating in the Community Eligibility Provision were paid the correct amount. The State of Vermont has indicated they will waive fiscal action.

Current Status: The State of Vermont has corrected the error in the system and no further fiscal action is expected as a result of this error.