

Federal Compliance Audit

River Valley Technical Center

June 30, 2024



Proven Expertise & Integrity

RIVER VALLEY TECHNICAL CENTER

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JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

School Board
River Valley Technical Center
Springfield, Vermont

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the River Valley Technical Center, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the River Valley Technical Center's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of River Valley Technical Center as of June 30, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the River Valley Technical Center's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the River Valley Technical Center's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB information on pages 5 through 12 and 65 through 71 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the River Valley Technical Center's basic financial statements. The Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other

records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements, capital asset schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2024 on our consideration of the River Valley Technical Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the River Valley Technical Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the River Valley Technical Center's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
November 26, 2024

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

(UNAUDITED)

The following management's discussion and analysis of the River Valley Technical Center's financial performance provides an overview of the Technical Center's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the Technical Center's financial statements.

Financial Statement Overview

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

Basic Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

- *Governmental activities* - The activities in this section are mostly supported by intergovernmental revenues (federal and state grants), support from the town and charges for services. Most of the Technical Center's basic services are reported in governmental activities, which include direct services, support services, fiscal services, operations and maintenance, transportation, central support services and program expenses.
- *Business-type activities* - These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. The activity for the Technical Center includes the Vermont Virtual Learning Cooperative and fifteen nonmajor enterprise funds.

Fund Financial Statements

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

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

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

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

The Technical Center presents four columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Technical Center's major funds are the general fund, the adult education fund and the ESSER II fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

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

Proprietary Funds: The Technical Center maintains sixteen proprietary funds, the Vermont Virtual Learning Cooperative fund and fifteen nonmajor funds. These funds are used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

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

Notes to the Financial Statements

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

Required Supplementary Information

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

Proportionate Share of the Net OPEB Liability, Schedule of Contributions - OPEB and Notes to Required Supplementary Information.

Other Supplementary Information

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

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Technical Center's governmental and business-type activities. The Technical Center's total net position for governmental activities decreased by \$157,898 from \$472,092 to \$314,194. For business-type activities, the Technical Center's total net position increased by \$244,778 from \$962,905 to \$1,207,683.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased for governmental activities to a deficit balance of \$378,714 at the end of the fiscal year. The business-type activities do not have unrestricted net position.

Table 1
River Valley Technical Center
Net Position
June 30,

	Governmental Activities		Business-type Activities	
	2024	2023	2024	2023
Assets:				
Current Assets	\$ 741,265	\$ 660,012	\$ 1,298,899	\$ 1,081,252
Noncurrent Assets - Capital Assets	418,089	316,220	-	-
Total Assets	<u>1,159,354</u>	<u>976,232</u>	<u>1,298,899</u>	<u>1,081,252</u>
Deferred Outflows of Resources:				
Deferred Outflows Related to Pensions	270,774	281,341	-	-
Total Deferred Outflows of Resources	<u>270,774</u>	<u>281,341</u>	<u>-</u>	<u>-</u>
Liabilities:				
Current Liabilities	480,576	255,958	91,216	118,347
Noncurrent Liabilities	635,358	529,523	-	-
Total Liabilities	<u>1,115,934</u>	<u>785,481</u>	<u>91,216</u>	<u>118,347</u>
Net Position:				
Net Investment in Capital Assets	418,089	316,220	-	-
Restricted	274,819	293,246	1,207,683	962,905
Unrestricted (Deficit)	(378,714)	(137,374)	-	-
Total Net Position	<u>\$ 314,194</u>	<u>\$ 472,092</u>	<u>\$ 1,207,683</u>	<u>\$ 962,905</u>

Revenues and Expenses

Revenues for the Technical Center’s governmental activities increased by 12.79%, while total expenses increased by 12.12%. The increase in revenues was mainly due to an increase in grants and contributions not restricted to specific programs. The increase in expenses was mainly due to increases in operations and maintenance, on-behalf payments and program expenses.

Revenues for the Technical Center’s business-type activities increased by 11.87%, while total expenses increased by 13.52%. The increase in revenues was mainly due to an increase in charges for services. The increase in expenses was due to an increase in program expenses.

Table 2
River Valley Technical Center
Changes in Net Position
For the Years Ended June 30,

	Governmental Activities		Business-type Activities	
	2024	2023	2024	2023
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 1,186,634	\$ 1,120,161	\$ 734,671	\$ 660,468
Operating grants and contributions	5,476,421	5,430,960	-	-
<i>General Revenues:</i>				
Grants and contributions not restricted to specific programs	2,605,461	1,703,161	-	-
Miscellaneous	129,799	78,404	5,224	925
Total Revenues	9,398,315	8,332,686	739,895	661,393
Expenses				
Direct services	1,481,859	1,558,357	-	-
<i>Support services:</i>				
Students	387,586	347,436	-	-
Instructional staff	139,357	116,320	-	-
General administration	71,006	61,026	-	-
Area administration	435,984	420,191	-	-
Fiscal services	54,085	53,431	-	-
Operations and maintenance	626,664	415,280	-	-
Transportation	10,750	9,602	-	-
Central support services	-	18,692	-	-
On-behalf payments	2,743,041	2,135,207	-	-
Program expenses	3,570,310	3,387,819	495,117	436,149
Capital outlay	35,571	-	-	-
Total Expenses	9,556,213	8,523,361	495,117	436,149
Change in Net Position	(157,898)	(190,675)	244,778	225,244
Net Position - July 1	472,092	662,767	962,905	737,661
Net Position - June 30	\$ 314,194	\$ 472,092	\$ 1,207,683	\$ 962,905

Financial Analysis of the Technical Center's Fund Statements

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

Table 3
River Valley Technical Center
Fund Balances - Governmental Funds
June 30,

	2024	2023	Increase/ (Decrease)
Major Funds:			
General Fund:			
Nonspendable	\$ 1,495	\$ -	\$ 1,495
Unassigned (deficit)	(295)	119,349	(119,644)
Total General Fund	1,200	119,349	(118,149)
Adult Education Fund:			
Restricted	36,350	36,350	-
Total Adult Education Fund	36,350	36,350	-
 Total Major Funds	 \$ 37,550	 \$ 155,699	 \$ (118,149)
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 157,627	\$ 166,198	\$ (8,571)
Permanent Funds:			
Restricted	80,842	90,698	(9,856)
Total Nonmajor Funds	\$ 238,469	\$ 256,896	\$ (18,427)

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

Budgetary Highlights

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

The general fund actual revenues were under budgeted amounts by \$83,727. This is primarily due to all revenue categories coming in under budgeted amounts with the exception of interest income and transfers from other funds.

The general fund actual expenditures exceeded budgeted expenses by \$34,422. All expenditure categories were expended over budgeted amounts with the exception of support services - students and fiscal services.

Capital Asset and Long-Term Debt Activity

Capital Assets

As of June 30, 2024, the net book value of capital assets recorded by the Technical Center increased by \$101,869. This increase was due to current year capital additions of \$159,545 less net disposals of \$1,609 and current year depreciation expense of \$56,067.

**Table 4
River Valley Technical Center
Capital Assets (Net of Depreciation)
June 30,**

	2024	2023
Buildings, building improvements and land improvements	\$ 27,508	\$ 29,297
Machinery and equipment	390,581	286,923
Total	\$ 418,089	\$ 316,220

Debt

The Technical Center had no long-term debt as of June 30, 2024.

Currently Known Facts, Decisions or Conditions

Economic Factors and Next Year's Budgets and Rates

The 2024 - 2025 budget could be impacted by the reduction of funding from the State. There is no indication of reduced funding from the State for 2024 - 2025 as of the date of this report was issued.

Contacting the Technical Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Technical Center's finances and to show the Technical Center's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Technical Center at 307 South Street, Springfield, Vermont 05156.

RIVER VALLEY TECHNICAL CENTER

STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,729,665	\$ -	\$ 1,729,665
Accounts receivable (net of allowance for uncollectible accounts)	289,540	19,464	309,004
Prepaid items	1,495	-	1,495
Internal balances	(1,279,435)	1,279,435	-
Total current assets	<u>741,265</u>	<u>1,298,899</u>	<u>2,040,164</u>
Noncurrent assets:			
Capital assets:			
Buildings, building improvements and other assets, net of accumulated depreciation	418,089	-	418,089
Total noncurrent assets	<u>418,089</u>	<u>-</u>	<u>418,089</u>
TOTAL ASSETS	<u>1,159,354</u>	<u>1,298,899</u>	<u>2,458,253</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	270,774	-	270,774
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>270,774</u>	<u>-</u>	<u>270,774</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,430,128</u>	<u>\$ 1,298,899</u>	<u>\$ 2,729,027</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 300,411	\$ -	\$ 300,411
Accrued expenses	65,962	-	65,962
Other liabilities	98,873	91,216	190,089
Current portion of long-term obligations	15,330	-	15,330
Total current liabilities	<u>480,576</u>	<u>91,216</u>	<u>571,792</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Accrued compensated absences	45,990	-	45,990
Net pension liability	589,368	-	589,368
Total noncurrent liabilities	<u>635,358</u>	<u>-</u>	<u>635,358</u>
TOTAL LIABILITIES	<u>1,115,934</u>	<u>91,216</u>	<u>1,207,150</u>
NET POSITION			
Net investment in capital assets	418,089	-	418,089
Restricted	274,819	1,207,683	1,482,502
Unrestricted (deficit)	(378,714)	-	(378,714)
TOTAL NET POSITION	<u>314,194</u>	<u>1,207,683</u>	<u>1,521,877</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,430,128</u>	<u>\$ 1,298,899</u>	<u>\$ 2,729,027</u>

See accompanying independent auditor's report and notes to financial statements.

STATEMENT B

RIVER VALLEY TECHNICAL CENTER

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government	
						Business-type Activities	Total
Governmental activities:							
Direct services	\$ 1,481,859	\$ 1,144,501	\$ -	\$ -	\$ (337,358)	\$ -	\$ (337,358)
Support services:							
Students	387,586	-	-	-	(387,586)	-	(387,586)
Instructional staff	139,357	-	-	-	(139,357)	-	(139,357)
General administration	71,006	-	-	-	(71,006)	-	(71,006)
Area administration	435,984	-	-	-	(435,984)	-	(435,984)
Fiscal services	54,085	-	-	-	(54,085)	-	(54,085)
Operations and maintenance	626,664	-	-	-	(626,664)	-	(626,664)
Transportation	10,750	-	-	-	(10,750)	-	(10,750)
On-behalf payments	2,743,041	-	2,743,041	-	-	-	-
Program expenses	3,570,310	42,133	2,733,380	-	(794,797)	-	(794,797)
Capital outlay	35,571	-	-	-	(35,571)	-	(35,571)
Total governmental activities	9,556,213	1,186,634	5,476,421	-	(2,893,158)	-	(2,893,158)
Business-type activities:							
VT virtual learning cooperative	402,401	646,828	-	-	-	244,427	244,427
All other activities	92,716	87,843	-	-	-	(4,873)	(4,873)
Total business-type activities	495,117	734,671	-	-	-	239,554	239,554
Total government	\$ 10,051,330	\$ 1,921,305	\$ 5,476,421	\$ -	(2,893,158)	239,554	(2,653,604)

STATEMENT B (CONTINUED)
RIVER VALLEY TECHNICAL CENTER

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense) revenue	(2,893,158)	239,554	(2,653,604)
General revenues:			
Grants and contributions not restricted to specific programs	2,605,461	-	2,605,461
Miscellaneous	129,799	5,224	135,023
Total general revenues	2,735,260	5,224	2,740,484
Change in net position	(157,898)	244,778	86,880
NET POSITION - JULY 1	472,092	962,905	1,434,997
NET POSITION - JUNE 30	\$ 314,194	\$ 1,207,683	\$ 1,521,877

See accompanying independent auditor's report and notes to financial statements.

RIVER VALLEY TECHNICAL CENTER

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Adult Education Fund	ESSER II Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,715,043	\$ -	\$ -	\$ 14,622	\$ 1,729,665
Accounts receivable (net of allowance for uncollectibles)	289,540	-	-	-	289,540
Due from other funds	-	36,466	49,098	280,706	366,270
Prepaid items	1,495	-	-	-	1,495
TOTAL ASSETS	\$ 2,006,078	\$ 36,466	\$ 49,098	\$ 295,328	\$ 2,386,970
LIABILITIES					
Accounts payable	\$ 293,211	\$ -	\$ -	\$ 7,200	\$ 300,411
Accrued expenses	65,962	-	-	-	65,962
Other liabilities	-	116	49,098	49,659	98,873
Due to other funds	1,645,705	-	-	-	1,645,705
TOTAL LIABILITIES	2,004,878	116	49,098	56,859	2,110,951
FUND BALANCES					
Nonspendable	1,495	-	-	-	1,495
Restricted	-	36,350	-	238,469	274,819
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	(295)	-	-	-	(295)
TOTAL FUND BALANCES	1,200	36,350	-	238,469	276,019
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,006,078	\$ 36,466	\$ 49,098	\$ 295,328	\$ 2,386,970

See accompanying independent auditor's report and notes to financial statements.

RIVER VALLEY TECHNICAL CENTER

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 276,019
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	418,089
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	270,774
Long-term obligations shown below are not due and payable in the current period and therefore are not reported in the funds shown above:	
Accrued compensated absences	(61,320)
Net pension liability	<u>(589,368)</u>
Net position of governmental activities	<u>\$ 314,194</u>

See accompanying independent auditor's report and notes to financial statements.

RIVER VALLEY TECHNICAL CENTER

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Adult Education Fund	ESSER II Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Intergovernmental revenues	\$ 2,472,117	\$ 43,999	\$ 840,075	\$ 2,733,380	\$ 6,089,571
Tuition	1,144,501	42,133	-	-	1,186,634
Rental income	17,585	-	-	-	17,585
Interest income	38,277	-	-	-	38,277
Miscellaneous revenues	73,937	-	-	-	73,937
TOTAL REVENUES	3,746,417	86,132	840,075	2,733,380	7,406,004
EXPENDITURES					
Direct services	1,422,598	75,440	-	-	1,498,038
Support services:					
Students	358,266	-	-	-	358,266
Instructional staff	139,357	-	-	-	139,357
General administration	60,314	10,692	-	-	71,006
Area administration	435,984	-	-	-	435,984
Fiscal services	54,085	-	-	-	54,085
Operations and maintenance	618,483	-	-	-	618,483
Transportation	10,750	-	-	-	10,750
On-behalf payments	750,730	-	-	-	750,730
Program expenses	-	-	840,075	2,730,235	3,570,310
Capital outlay	35,571	-	-	-	35,571
TOTAL EXPENDITURES	3,886,138	86,132	840,075	2,730,235	7,542,580
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(139,721)	-	-	3,145	(136,576)
OTHER FINANCING SOURCES (USES)					
Transfers in	21,572	-	-	-	21,572
Transfers (out)	-	-	-	(21,572)	(21,572)
TOTAL OTHER FINANCING SOURCES (USES)	21,572	-	-	(21,572)	-
NET CHANGE IN FUND BALANCES	(118,149)	-	-	(18,427)	(136,576)
FUND BALANCES - JULY 1	119,349	36,350	-	256,896	412,595
FUND BALANCES - JUNE 30	\$ 1,200	\$ 36,350	\$ -	\$ 238,469	\$ 276,019

See accompanying independent auditor's report and notes to financial statements.

RIVER VALLEY TECHNICAL CENTER

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (136,576)</u>
<p>Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:</p>	
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:</p>	
Capital asset acquisitions	159,545
Capital asset disposals	(1,609)
Depreciation expense	<u>(56,067)</u>
	<u>101,869</u>
<p>Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds</p>	
	<u>(10,567)</u>
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:</p>	
Accrued compensated absences	(27,157)
Net pension liability	<u>(85,467)</u>
	<u>(112,624)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ (157,898)</u></u>

See accompanying independent auditor's report and notes to financial statements.

RIVER VALLEY TECHNICAL CENTER

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2024

	Enterprise Funds		
	VT Virtual Learning Cooperative	Nonmajor Funds	Total
ASSETS			
Current assets:			
uncollectibles)	\$ 19,464	\$ -	\$ 19,464
Due from other funds	1,102,418	177,017	1,279,435
Total current assets	<u>1,121,882</u>	<u>177,017</u>	<u>1,298,899</u>
TOTAL ASSETS	<u>\$ 1,121,882</u>	<u>\$ 177,017</u>	<u>\$ 1,298,899</u>
LIABILITIES			
Current liabilities:			
Other liabilities	\$ 91,216	\$ -	\$ 91,216
Total current liabilities	<u>91,216</u>	<u>-</u>	<u>91,216</u>
TOTAL LIABILITIES	<u>91,216</u>	<u>-</u>	<u>91,216</u>
NET POSITION			
Restricted	1,030,666	177,017	1,207,683
TOTAL NET POSITION	<u>1,030,666</u>	<u>177,017</u>	<u>1,207,683</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,121,882</u>	<u>\$ 177,017</u>	<u>\$ 1,298,899</u>

See accompanying independent auditor's report and notes to financial statements.

RIVER VALLEY TECHNICAL CENTER

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Enterprise Funds		
	VT Virtual Learning Cooperative	Nonmajor Funds	Total
OPERATING REVENUES			
Charges for services	\$ 646,828	\$ 87,843	\$ 734,671
Miscellaneous	5,224	-	5,224
TOTAL OPERATING REVENUES	<u>652,052</u>	<u>87,843</u>	<u>739,895</u>
OPERATING EXPENSES			
Salaries and benefits	354,824	2,746	357,570
Professional services	41,600	3,235	44,835
Supplies and materials	2,529	82,464	84,993
Other	3,448	4,271	7,719
TOTAL OPERATING EXPENSES	<u>402,401</u>	<u>92,716</u>	<u>495,117</u>
CHANGES IN NET POSITION	249,651	(4,873)	244,778
NET POSITION - JULY 1	<u>781,015</u>	<u>181,890</u>	<u>962,905</u>
NET POSITION - JUNE 30	<u>\$ 1,030,666</u>	<u>\$ 177,017</u>	<u>\$ 1,207,683</u>

See accompanying independent auditor's report and notes to financial statements.

RIVER VALLEY TECHNICAL CENTER

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Enterprise Funds		
	VT Virtual Learning Cooperative	Nonmajor Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 624,308	\$ 87,843	\$ 712,151
Miscellaneous receipts	5,224	-	5,224
Internal activity - receipts (payments) from/to other funds	(227,131)	4,873	(222,258)
Payments to suppliers	(402,401)	(92,716)	(495,117)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-	-
CASH AND CASH EQUIVALENTS - JULY 1	-	-	-
CASH AND CASH EQUIVALENTS - JUNE 30	\$ -	\$ -	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 249,651	\$ (4,873)	\$ 244,778
Changes in operating assets, liabilities and deferred inflows of resources:			
(Increase) decrease in accounts receivable	4,611	-	4,611
(Increase) decrease in due from other funds	(227,131)	4,873	(222,258)
(Decrease) increase in other liabilities	(27,131)	-	(27,131)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ -	\$ -	\$ -

See accompanying independent auditor's report and notes to financial statements.

RIVER VALLEY TECHNICAL CENTER

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2024

	<u>Custodial Fund</u> <u>Campus</u> <u>Connection</u>
ASSETS	
Cash and cash equivalents	<u>\$ 6,658</u>
TOTAL ASSETS	<u>\$ 6,658</u>
NET POSITION	
Restricted	<u>\$ 6,658</u>
NET POSITION	<u>\$ 6,658</u>

See accompanying independent auditor's report and notes to financial statements.

RIVER VALLEY TECHNICAL CENTER

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Custodial Fund</u> <u>Campus</u> <u>Connection</u>
ADDITIONS	
Other	\$ 20,838
Total additions	<u>20,838</u>
DEDUCTIONS	
Distributions	<u>19,444</u>
Total deductions	<u>19,444</u>
Change in net position	1,394
NET POSITION - JULY 1	<u>5,264</u>
NET POSITION - JUNE 30	<u>\$ 6,658</u>

See accompanying independent auditor's report and notes to financial statements.

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

River Valley Technical Center was incorporated under the laws in the State of Vermont. The Technical Center operates under the Board of Directors - superintendent form of government and provides the following services: direct services, support services, fiscal services, operations and maintenance, transportation, central support services and program expenses.

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

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

Implementation of New Accounting Standards

During the year ended June 30, 2024, the following statement of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 100 "Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62". The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

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

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Technical Center's Vermont Virtual Learning Cooperative fund and fifteen nonmajor enterprise funds are categorized as business-type activities. All other activities of the Technical Center are categorized as governmental.

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The Technical Center does not allocate indirect costs. All costs are charged directly to the corresponding departments.

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

Measurement Focus - Basic Financial Statements and Fund Financial Statements

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

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Governmental Funds:

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

Major Funds:

- a. The General Fund is the general operating fund of the Technical Center. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Adult Education Fund is used to account for the proceeds of adult education revenue sources that are legally restricted to expenditures for that same specified purpose. Major revenue sources are from intergovernmental revenues and tuition.
- c. The ESSER II Fund is used to account for the proceeds and expenditures relating to the Education Stabilization Fund under the Coronavirus Aid, Relief and Economic Security Act grant. The primary revenue source for this fund is grant funding.

Nonmajor Funds:

- d. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- e. Permanent Funds are used to account for assets held by the Technical Center that are legally restricted and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Technical Center or its citizenry. The Technical Center's policy for authorizing and spending investment income follows State statutes.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Technical Center:

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

3. Fiduciary Funds:

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

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

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

Basis of Accounting

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

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Accrual

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

2. Modified Accrual

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

Budget

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

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

Revenues per budgetary basis	\$ 3,017,259
Add: On-behalf payments	750,730
Total GAAP basis	<u>\$ 3,767,989</u>
Expenditures per budgetary basis	\$ 3,135,408
Add: On-behalf payments	750,730
Total GAAP basis	<u>\$ 3,886,138</u>

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

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. The annual school budget is the planning management tool, which delineates the Technical Center's educational priorities and programs and forms the basis for voter review and approval of the budget according to applicable State of Vermont education finance laws.
2. The Board budget process includes input from school district administration and staff, educational priorities for the next school year, along with public hearings, which include the School Board and the general public.
3. The budget document itself is based upon the most current funding information available along with the projection of current revenues and expenditures for the next year. At the conclusion of the budget process, a final budget is approved by the School Board.

Deposits and Investments

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

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

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

The River Valley Technical Center has no formal investment policy but instead follows the State of Vermont Statutes.

Receivables

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible.

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2024. Accounts receivable netted with allowances for uncollectible accounts were \$309,004 for the year ended June 30, 2024.

Interfund Receivables and Payables

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

Transactions Between Funds

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

Prepaid Items

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more for land, \$20,000 or more for buildings and improvements, \$2,500 for furniture and equipment and \$5,000 for vehicles are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

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

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	5 - 20 years

Long-term Obligations

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

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

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

Pensions

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

OPEB

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

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

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

Fund Balance

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

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

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

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

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

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Deferred Outflows and Inflows of Resources

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

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Technical Center currently does not have any deferred inflows of resources.

Program Revenues

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

Operating/Nonoperating Proprietary Fund Revenues

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

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

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

Use of Estimates

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits:

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

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

As of June 30, 2024, the Technical Center's cash balance of \$1,736,323 was comprised of bank deposits of \$1,814,351. The variance between the bank balances presented and the cash balances are reconciling items (i.e. deposits in transit, uncleared checks, etc.). Of these bank deposits, \$250,000 was fully insured by federal depository insurance and \$21,281 by the National Credit Union Administration and consequently was not exposed to custodial credit risk. The remaining balance of \$1,543,070 was collateralized with securities held by the financial institution in the Technical Center's name.

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 1,813,625
Savings accounts	726
	<u>\$ 1,814,351</u>

Investments:

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

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

As of June 30, 2024, the Technical Center had \$0 in investments.

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

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances as of June 30, 2024 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
General Fund	\$ -	\$ 1,645,705
Adult Education Fund	36,466	-
ESSER II Fund	49,098	-
Enterprise Fund	1,102,418	-
Nonmajor Special Revenue Funds	199,864	-
Nonmajor Permanent Funds	80,842	-
Nonmajor Enterprise Funds	177,017	-
	<u>\$ 1,645,705</u>	<u>\$ 1,645,705</u>

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

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2024 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 21,572	\$ -
Nonmajor Special Revenue Funds	-	21,572
	<u>\$ 21,572</u>	<u>\$ 21,572</u>

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

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2024:

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Balance, 7/1/23	Additions	Disposals	Balance, 6/30/24
<u>Governmental activities:</u>				
Depreciated assets:				
Building improvements	\$ 37,598	\$ -	\$ -	\$ 37,598
Machinery and equipment	781,044	159,545	(62,222)	878,367
Vehicles	69,855	-	-	69,855
	<u>888,497</u>	<u>159,545</u>	<u>(62,222)</u>	<u>985,820</u>
Less: accumulated depreciation	<u>(572,277)</u>	<u>(56,067)</u>	<u>60,613</u>	<u>(567,731)</u>
	<u>316,220</u>	<u>103,478</u>	<u>(1,609)</u>	<u>418,089</u>
Net governmental capital assets	<u>\$ 316,220</u>	<u>\$ 103,478</u>	<u>\$ (1,609)</u>	<u>\$ 418,089</u>
<u>Current year depreciation:</u>				
Direct services				\$ 45,723
S.S. - staff				1,373
S.S. - students				790
Operations and maintenance				8,181
Total governmental activities depreciation				<u>\$ 56,067</u>

NOTE 6 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in the other long-term obligations for the year ended June 30, 2024:

	Balance, 7/1/23	Additions	Deletions	Balance, 6/30/24	Current Year Portion
Accrued compensated absences	\$ 34,163	\$ 27,157	\$ -	\$ 61,320	\$ 15,330
Net pension liability	503,901	155,946	(70,479)	589,368	-
Total	<u>\$ 538,064</u>	<u>\$ 183,103</u>	<u>\$ (70,479)</u>	<u>\$ 650,688</u>	<u>\$ 15,330</u>

Refer to Notes 7 and 14 for more detailed information regarding long-term obligations.

NOTE 7 - ACCRUED COMPENSATED ABSENCES

The Technical Center's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2024, the Technical Center's liability for compensated absences is \$61,320.

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Technical Center at June 30, 2024:

Invested in capital assets	\$ 985,820
Accumulated depreciation	(567,731)
	<u>\$ 418,089</u>

NOTE 9 - RESTRICTED NET POSITION

As of June 30, 2024, the Technical Center had the following restricted net position:

Adult education fund	\$ 36,350
Nonmajor special revenue funds:	
Town fair	3,546
HDEC	6,817
Career blast	2,456
CNC grant	4,123
Student activities	14,622
HAAS foundation	8,806
WCC	4,446
Facilities reserve	49,525
Technology reserve	8,428
Capital equipment reserve	40,000
VSBIT safety	2,240
Robotics club	1,919
Founders school	427
Robotics grant	7,794
Keep driving grant	974
NCSW donation	386
Robotics concessions	1,118
Nonmajor permanent funds:	
Dutton school	4,535
Dechen scholarship	1,935
LaBonte scholarship	2,175
McNamara scholarship	500
Forrest scholarship	1,435
Leever foundation	68,384
Lawlor scholarship	1,878
Vermont Virtual Learning Cooperative	1,030,666
Nonmajor enterprise funds	177,017
	<u>\$ 1,482,502</u>

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 - NONSPENDABLE FUND BALANCE

As of June 30, 2024, the Technical Center had the following nonspendable fund balance:

General fund:	
Prepaid items	<u>\$ 1,495</u>

NOTE 11 - RESTRICTED FUND BALANCES

As of June 30, 2024, the Technical Center had the following restricted fund balances:

Adult education fund	\$ 36,350
Nonmajor special revenue funds	157,627
Nonmajor permanent funds	<u>80,842</u>
	<u>\$ 274,819</u>

NOTE 12 - OVERSPENT APPROPRIATIONS

The Technical Center was non-compliance with the legally adopted budget, overspending the entire allowed appropriation of \$3,100,986 by \$34,422 at June 30, 2024.

NOTE 13 - COMMITMENTS

A summary of the outstanding lease liabilities is as follows:

The Technical Center leases a copier from New England Office Solutions under a cancellable lease agreement dated October 24, 2019. The term of the lease is for 5 years ending in October of 2024. Monthly payments are \$92.

Future minimum lease payments as of June 30, 2024, are as follows:

Year Ending	
<u>June 30:</u>	
2025	<u>\$ 276</u>
Total lease payments	<u>\$ 276</u>

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLANS

VERMONT STATE TEACHERS' RETIREMENT SYSTEM

Plan Description

All of the teachers employed by the Technical Center participate in the Vermont State Teachers' Retirement System ("VSTRS"), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, covering nearly all public day school and nonsectarian private Technical Center teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State of Vermont that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2022 (the most recent period available), the retirement system consisted of 24,552 participating members.

The plan was established effective July 1, 1947 and is governed by *Title 16, V.S.A. Chapter 55*. Subsequent Vermont state legislation, *Act 74*, which became effective on July 1, 2010 and updated to reflect Act 114 and Act 173, effective on July 1, 2022 and contained numerous changes to the plan benefits available to current and future members, as well as a change in access to health care coverage after retirement, resulting from a multi-party agreement to provide sustainability of quality pension and retiree health benefits for Vermont teachers.

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

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service. The Vermont State Agency of Administration issues a publicly available Annual Comprehensive Financial Report that includes financial statements and required supplementary information for the VSTRS. That report may be viewed on the State's Department of Finance and Management website at: [Annual Comprehensive Financial Report | Department of Finance and Management \(41ermont.gov\)](https://www41ermont.gov/Annual-Comprehensive-Financial-Report-Department-of-Finance-and-Management).

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Benefits Provided

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

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

VSTRS	Group A	Group C – Group # 1	Group C – Group # 2
Normal service retirement eligibility (no reduction)	Age 60 or 30 years of service	Grandfathered: Age 62 or with 30 years of service	Non-grandfathered: Age 65 or when the sum of age and service equals 90
Average Final Compensation (AFC)	Highest 3 consecutive years, including unused annual leave, sick leave and bonus/incentives	Highest 3 consecutive years, excluding all payments for anything other than service actually performed	Highest 3 consecutive years, excluding all payments for anything other than service actually performed
Benefit formula – normal service retirement	1.67% x creditable service x AFC	1.25% x service prior to 7/1/90 x AFC + 1.67% x service after 7/1/90 x AFC	1.25% x service prior to 7/1/90 x AFC + 1.67% x service after 7/1/90 x AFC, 2.0% after attaining 20 years
Maximum Benefit Payable	100% of AFC	53.34% of AFC	60% of AFC
Post-Retirement COLA	Full CPI, up to a maximum of 5% after 12 months of retirement; minimum of 1%	50% CPI, up to a maximum of 5% after 12 months of retirement or with 30 years; minimum of 1%	50% CPI, up to a maximum of 5%, minimum of 1% after 12 months of normal retirement or age 65

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

VSTRS	Group A	Group C – Group # 1	Group C – Group # 2
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Early Retirement Reduction	Actuarial reduction	6% per year from age 62	Actuarial reduction

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

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

Contributions

VSTRS is a cost-sharing public employee retirement system with one exception: all risks and costs are not shared by the Technical Center but are the liability of the State of Vermont. VSTRS is funded through State and employee contributions and trust fund investment earnings and the Technical Center has no legal obligation for paying benefits. Required contributions to the System are made by the State of Vermont based upon a valuation report prepared by the System's actuary, which varies by plan group. The Vermont State Teachers Retirement System estimates the contributions on behalf of the Technical Center's employees included in the teacher's retirement plan which approximates \$750,730 or 25.64% of total payroll for employees covered under the plan.

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Employee contribution rates by plan group follow:

VSTRS	Group A	Group C – Group # 1	Group C – Group # 2
Employee Contributions	5.5% of earnable compensation; contributions stop after 25 years of creditable service	5.0% of gross salary	Based on earnable compensation \$0-\$40K is 6.10%, \$40K-\$50K is 6.15%, \$50K-\$60K is 6.25%, \$60K-\$70K is 6.35%, \$70K-\$80K is 6.50%, \$80K-\$90K is 6.75%, \$90K-\$100K is 7.00%, \$100K+ is 7.25%

Employee contributions totaled \$193,414 during the year and were paid by the Technical Center to the State of Vermont. The Technical Center has no other liability under the plan. The Technical Center’s total payroll for all employees covered under this plan was \$2,927,966 for the year ended June 30, 2024.

VERMONT MUNICIPAL EMPLOYEES’ RETIREMENT SYSTEM

Plan Description

The Vermont Municipal Employees’ Retirement System (VMERS) is a cost sharing, multi-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. The plan was established effective July 1, 1975 and is governed by Title 24, V.S.A. Chapter 125. It is designed for persons employed on a regular basis by a school district or by a supervisory union for no fewer than 1,040 hours in a year and for no fewer than 30 hours a week for the school year, as defined in 16 V.S.A. § 1071, or for no fewer than 1,040 hours in a year and for no fewer than 24 hours a week year-round; provided, however, that if a person who was employed on a regular basis by a school district as either a special education or transportation employee and who was transferred to and is working in a supervisory union in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8) and if that person is also employed on a regular basis by a school district within the supervisory union, then the person is an “employee” if these criteria are met by the combined hours worked for the supervisory union and school district. The term shall also mean persons employed on a regular basis by a municipality other than a school district for no fewer than 1,040 hours in a year and for no fewer than 24 hours per week, including persons employed in a library

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

at least one-half of whose operating expenses are met by municipal funding. For the year ended June 30, 2022 (the most recent data available), the retirement system consisted of 17,253 participating members.

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

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

Benefits Provided

The pension plan is divided into four membership groups:

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

The Technical Center participates in Group B. Benefits available to each group are based on average final compensation (AFC) and years of creditable service and are summarized below:

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

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

Contributions

Title 24 VSA Chapter 125 of Vermont Statutes grants the authority to the Retirement Board to annually review the amount of municipalities' contributions as

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

recommended by the actuary of the retirement system in order to achieve and preserve the financial integrity of the fund and to certify the rates of contributions payable by employers. The Board of Trustees also certifies the rates of contribution payable by employees. Contribution rates for each group as of July 1, 2022 are as follows:

VMERS	Group A	Group B	Group C	Group D
Employee Contributions	3.750% of gross salary	6.125% of gross salary	11.250% of gross salary	12.600% of gross salary
Employer Contributions	5.250% of gross salary	6.750% of gross salary	8.500% of gross salary	11.100% of gross salary

Employee contributions are withheld pre-income tax by the Technical Center and are remitted to the State of Vermont. Such withholdings for the year ended June 30, 2024 totaled \$54,365. The Technical Center contributed \$59,912 for the year ended June 30, 2024. The Technical Center's total payroll for the year ended June 30, 2024 for all employees covered under this plan was \$887,588.

Pension Liabilities

VSTRS Plan

The State is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of member employers. Therefore, these employers are considered to be in a special funding situation as defined in GASB No. 68 and the State is treated as a nonemployer to VSTRS. Since the Supervisory Union does not contribute directly to VSTRS, no net pension liability was recorded at June 30, 2024. The State's portion of the collective net pension liability that was associated with the Technical Center was as follows:

Technical Center's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Technical Center	<u>6,815,713</u>
Total	<u><u>\$ 6,815,713</u></u>

The State of Vermont's proportionate share of the net pension liability associated with the Technical Center is equal to the collective net pension liability, actuarially measured as of June 30, 2023, multiplied by the Technical Center's proportionate share

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

percentage. The Technical Center's proportionate share percentage was based on its reported salaries to the total reported salaries for all participating employers. At June 30, 2023, the Technical Center's proportion was 0.36447%, which was an increase of 0.07348% from its proportion measured as of June 30, 2022.

VMERS Plan

At June 30, 2024, the Technical Center reported a liability of \$589,368 for its proportionate share of the net pension liabilities for each plan. The net pension liabilities were measured as of June 30, 2023 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of June 30, 2022. The Technical Center's proportion of the net pension liabilities were based on a projection of the Technical Center's long-term share of contributions to each pension plan relative to the projected contributions of all participating towns, actuarially determined.

At June 30, 2023, the Technical Center's proportion was 0.18401% for VMERS, which was an increase of 0.01791% from its proportion measured as of June 30, 2022 for VMERS.

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

For the year ended June 30, 2023, the Technical Center recognized pension expense of \$1,421,043 and revenue of \$1,421,043 for support provided by the State of Vermont for the VSTRS plan. In the same period, the Technical Center recognized net pension expense of \$96,034 for the VMERS plan. At June 30, 2024, the Technical Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	VSTRS		VMERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ 36,962	\$ -
Changes of assumptions	-	-	19,210	-
Net difference between projected and actual earnings on pension plan investments	-	-	67,053	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	87,637	-
Contributions subsequent to the measurement date	-	-	59,912	-
Total	\$ -	\$ -	\$ 270,774	\$ -

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

\$59,912 reported as deferred outflows of resources related to pensions resulting from Technical Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	VSTRS	VMERS
Plan year ended June 30:		
2024	\$ -	\$ 78,717
2025	-	50,647
2026	-	82,885
2027	-	(1,388)
2028	-	-
Thereafter	-	-

Significant Actuarial Assumptions and Methods

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using the actuarial assumptions outlined below.

Investment Rate of Return: For both plans, 7.00%, net of pension plan investment expenses, including inflation.

Inflation: For both plans, 2.30%.

Salary Increases: For the VSTRS plan, increases ranging from 3.19% to 8.50%. For the VMERS plan, varying, service-based rates from 0-10 years of service, then a single rate of 4.50% (includes assumed inflation rate of 2.30%) for all subsequent years.

Deaths After Retirement:

The VSTRS plan's mortality rates were based on historical and current demographic data, adjusted to reflect health characteristics of the underlying groups and estimated future experience and professional judgment. The mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

- *Pre-Retirement:* PubT-2010 Teacher Employee Amount-Weighted Table with generational projection using scale MP-2021.

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

- *Retiree Healthy Post-Retirement:* PubT-2010 Teacher Healthy Retiree Amount-Weighted Table with generational projection using scale MP- 2021.
- *Disabled Post-Retirement:* PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with generational projection using scale MP-2021.

The VMERS plan's mortality rates for pre-retirement, healthy retirees and disabled retirees for Groups A, B, C and D were based on historical and current demographic data, adjusted to reflect health characteristics of the underlying groups and estimated future experience and professional judgment. The mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Pre-Retirement:

- Groups A/B/C - 40% PubG-2010 General Employee Amount-Weighted below-median and 60% of PubG-2010 General Employee Amount-Weighted, with generational projection using Scale MP-2021.
- Group D - PubG-2010 General Employee Amount-Weighted above-median, with generational projection using scale MP-2021.

Healthy Post-Retirement - Retirees:

- Groups A/B/C - 104% of 40% PubG-2010 General Healthy Retiree Amount-Weighted below-median and 60% of PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2021.
- Group D - PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2021.

Healthy Post-Retirement - Beneficiaries:

- Groups A/B/C - 70% Pub-2010 Contingent Survivor Amount-Weighted below-median and 30% of Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2021.
- Group D - Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2021.

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Disabled Post-Retirement:

- All Groups - PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with generational projection using Scale MP-2021.

Inactive Members: For both plans, valuation liability equals 100% of accumulated contributions. Inactive who are vested immediately become Deferred Members and the liabilities for all Deferred Members are based on the accrued benefit.

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

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

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

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

Cost-of-Living Adjustments VSTRS:

For active Group C members who are first eligible for normal retirement before July 1, 2022:

- Assumed to occur on January 1 following two years of retirement at the rate of 1.20% per annum (beginning two years after the attainment of age 62 for members who elect reduced early retirement). The January 1, 2023, COLA was 2.00%*.

*This amount was required to be calculated in 2023 as a result of Act 114 and Act 173; however, it will not be applied to any members in 2023.

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

For all other members:

- Group A - Assumed to occur on January 1 following one year of retirement at the rate of 2.30% per annum. The January 1, 2022, COLA was 4.60%. The January 1, 2023, COLA was 5.00%.
- Group B/C – Assumed to occur on January 1 following one year of retirement at the rate of 1.35% per annum (beginning one year after the attainment of age 62 or Group C members who elect reduced early retirement). The January 1, 2022, COLA was 2.30%. The January 1, 2023, COLA was 2.50%.

Cost-of-Living Adjustments VMERS:

Assumed to occur on January 1 following one year of retirement at the rate of 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Group A, B and D who receive a disability retirement benefit and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2024, COLA is expected to be 1.10% for Groups A, B, C and D. The January 1, 2023 COLA is 2.00% for Group A members and 3.00% for Group B, C and D members.

Amortization Method: Amortization payments calculated to fully fund unfunded actuarial accrued liability with annual increases of 3% over a closed period. The amortization of unfunded actuarial accrued liability (UAAL) within the actuarially determined contribution rate calculation is based on the level percentage of pay required to amortize the UAAL over the 30-year closed period that began on July 1, 2008. As of July 1, 2022, the remaining amortization period is 16 years.

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

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

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equities	44.00%	5.35%
Private Equity	10.00%	7.50%
Emerging Markets Debt	2.00%	5.00%
Private and Alternative Credit	10.00%	5.50%
Non-Core Real Estate	4.00%	5.50%
Core Fixed Income	19.00%	1.50%
Core Real Estate	4.00%	3.25%
US TIPS	2.00%	1.50%
Infrastructure/Farmland	5.00%	4.25%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for the VSTRS plan and the VMERS plan. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Sensitivity of the Technical Center’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Technical Center’s proportionate share of the net pension liability calculated using the discount rate of 7.00% for the VSTRS plan and the VMERS plan, as well as what the Technical Center’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
<u>VSTRS:</u>			
Discount rate	6.00%	7.00%	8.00%
Technical Center's proportionate share of the net pension liability	\$ -	\$ -	\$ -
<u>VMERS:</u>			
Discount rate	6.00%	7.00%	8.00%
Technical Center's proportionate share of the net pension liability	\$ 887,089	\$ 589,368	\$ 344,652

Pension Plan Fiduciary Net Position

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

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

VERMONT STATE TEACHERS’ RETIREMENT SYSTEM

Plan Description

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

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

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, 2022, the Plan consisted of 7,313 retired members or beneficiaries currently receiving benefits and 10,387 active members.

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

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

Benefits Provided

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

Contributions

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

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

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

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

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

Retirees pay full cost of dental benefits.

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

OPEB Liabilities

The State is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of member employers. Therefore, these employers are considered to be in a special funding situation as defined in GASB No. 75 and the State is treated as a nonemployer to VSTRS. Since the Technical Center does not contribute directly to VSTRS, no net OPEB liability was recorded at June 30, 2024. The State's portion of the collective net OPEB liability that was associated with the Technical Center was as follows:

Technical Center's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Technical Center		<u>3,369,452</u>
Total	\$	<u><u>3,369,452</u></u>

The State of Vermont's proportionate share of the net OPEB liability associated with the Technical Center is equal to the collective net OPEB liability, actuarially measured as of June 30, 2023, multiplied by the Technical Center's proportionate share percentage. The Technical Center's proportionate share percentage was based on its reported salaries to the total reported salaries for all participating employers. At June 30, 2023, the Technical Center's proportion was 0.43224% which was an increase of 0.03680% from its proportion measured as of June 30, 2022.

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

For the year ended June 30, 2024, the Technical Center recognized total OPEB expense of \$571,268 and revenue of \$571,268 for support provided by the State of Vermont for the Plan. At June 30, 2024, the Technical Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

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

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

	<u>VSTRS OPEB Plan</u>	
Plan year ended June 30:		
2024	\$	-
2025		-
2026		-
2027		-
2028		-
Thereafter		-

Discount Rate

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

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

	1% Decrease	Discount Rate	1% Increase
VSTRS OPEB Plan: Discount rate	6.00%	7.00%	8.00%
Technical Center's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -

Healthcare Trend Rate

Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The trend rate assumptions were developed using Segal's internal guidelines, which are established each year using data sources such as the 2023 Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the S&P Dow Jones Indices, consulting firms and brokers and CPI statistics published by the Bureau of Labor Statistics. The sensitivity of net OPEB liability to changes in healthcare trend rates are as follows:

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

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2023, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

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

Amortization

The total OPEB liability of this Plan is amortized on a closed 30-year period. The amortization method is a level percent of payroll method. As of July 1, 2023, there are 25 years remaining on the amortization period.

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

Asset Valuation Method

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

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

The target allocation, long-term expected rates of return for each major asset class and expected inflation, as of June 30, 2023, are summarized below:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equities	43.00%	5.35%
US Aggregate Fixed Income	19.00%	1.50%
Emerging Markets Debt (Hard)	4.00%	5.00%
TIPS	3.00%	1.50%
Private Credit	10.00%	5.50%
Real Estate	11.00%	3.25%
Private Equity	10.00%	7.50%
	100.00%	

Assumptions

The actuarial assumptions used to calculate the actuarially determined contribution rates can be found in the Report on the Actuarial Valuation of Post-Retirement Benefits of the Vermont State Teachers' Retirement System Prepared as of June 30, 2016 completed by Buck Consulting. As of June 30, 2022, they are as follows:

Discount Rate	7.00%
Salary Increase Rate	Varies by age
Non-Medicare	7.39% graded to 4.50% over 12 years
Medicare \$300 Comprehensive and JY Plan	6.90% graded to 4.50% over 12 years
Medicare VSTRS 65	4.50%
Retiree Contributions	Equal to health trend

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

Pre-retirement Mortality	PubT-2010 Teacher Employee Headcount-Weighted Table with generational projection using scale MP-2021
Post-retirement Mortality	Retirees: PubT-2010 Teacher Healthy Retiree Headcount-Weighted Table Spouses: 109% of the Pub-2010 Contingent Survivor Headcount-Weighted Table, both Retirees and Spouses with generational projection using scale MP-2021

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2023 with the following exceptions:

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period remaining was twenty-five years as of July 1, 2023.

OPEB Plan Fiduciary Net Position

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

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - DEFINED CONTRIBUTION PLAN

The River Valley Technical Center 403(b) Plan is a defined contribution pension plan established by the Board to provide benefits at retirement to administrators. At June 30, 2024, there were four plan members. Plan members are not required to contribute. The Technical Center is required to contribute 3% of annual covered payroll. Plan provisions and contribution requirements are established and may be amended by the Board.

Employee contributions are withheld by the Technical Center and remitted to the funding agent (Empower Funding Group). Such withholdings totaled \$46,688 during the year. The Technical Center contributed \$34,342 during the year. The Technical Center's total payroll for all employees was \$3,958,768 with \$735,705 of such amount being related to employees covered by the Plan.

There were no forfeitures for the year. The amount of liability under this plan at June 30, 2024 is \$0.

NOTE 17 - RISK MANAGEMENT

The Technical Center is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees, students and guests; as well as natural disasters for which the Technical Center either carries commercial insurance, participates in a public entity risk pool or is effectively self-insured. There have been no significant reductions in coverage from the prior year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Technical Center.

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

To provide insurance coverage, VEHI has established a self-funded fully insured program in conjunction with Blue Cross and Blue Shield (BCBS). A portion of member contributions is used to purchase reinsurance and to fund a reserve required by the reinsurance. Contributions in excess of claims requirements, reserve fund

RIVER VALLEY TECHNICAL CENTER

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 17 - RISK MANAGEMENT (CONTINUED)

requirements, reinsurance and administrative costs are returned to participants. The pooling agreement does not permit the pool to make additional assessments to its members.

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

NOTE 18 - CONTINGENCIES

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

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

Required Supplementary Information

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

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

See accompanying independent auditor's report and notes to financial statements.

RIVER VALLEY TECHNICAL CENTER

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 119,349	\$ 119,349	\$ 119,349	\$ -
Resources (Inflows):				
Intergovernmental:				
General support grant	1,118,277	1,118,277	1,117,183	(1,094)
Tuition reduction	449,873	449,873	449,400	(473)
Other	159,883	159,883	154,804	(5,079)
Tuition	1,164,704	1,164,704	1,144,501	(20,203)
Interest income	600	600	38,277	37,677
Rental income	22,605	22,605	17,585	(5,020)
Miscellaneous	185,044	185,044	73,937	(111,107)
Transfers from other funds	-	-	21,572	21,572
Amounts Available for Appropriation	<u>3,220,335</u>	<u>3,220,335</u>	<u>3,136,608</u>	<u>(83,727)</u>
Charges to Appropriations (Outflows):				
Direct services	1,585,257	1,585,257	1,422,598	162,659
Support services:				
Students	360,397	360,397	358,266	2,131
Instructional staff	122,384	122,384	139,357	(16,973)
General administration	51,500	51,500	60,314	(8,814)
Area administration	401,157	401,157	435,984	(34,827)
Fiscal services	60,279	60,279	54,085	6,194
Operations and maintenance	479,091	479,091	618,483	(139,392)
Transportation	5,350	5,350	10,750	(5,400)
Capital outlay	35,571	35,571	35,571	-
Total Charges to Appropriations	<u>3,100,986</u>	<u>3,100,986</u>	<u>3,135,408</u>	<u>(34,422)</u>
Budgetary Fund Balance, June 30	<u>\$ 119,349</u>	<u>\$ 119,349</u>	<u>\$ 1,200</u>	<u>\$ (118,149)</u>

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE 2

RIVER VALLEY TECHNICAL CENTER

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>VSTRS:</u>										
Proportion of the net pension liability	0.36%	0.29%	0.22%	0.22%	0.21%	0.21%	0.22%	0.21%	0.20%	0.22%
Proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Technical Center	6,815,713	5,611,923	3,666,752	4,279,733	3,325,956	3,106,027	3,205,763	2,745,957	2,401,529	2,117,285
Total	<u>\$ 6,815,713</u>	<u>\$ 5,611,923</u>	<u>\$ 3,666,752</u>	<u>\$ 4,279,733</u>	<u>\$ 3,325,956</u>	<u>\$ 3,106,027</u>	<u>\$ 3,205,763</u>	<u>\$ 2,745,957</u>	<u>\$ 2,401,529</u>	<u>\$ 2,117,285</u>
Covered payroll	\$ 2,884,722	\$ 2,196,346	\$ 1,565,664	\$ 1,494,902	\$ 1,464,398	\$ 1,389,935	\$ 1,429,020	\$ 1,358,376	\$ 1,128,822	\$ 1,252,244
Proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	57.48%	54.81%	58.83%	50.00%	54.96%	54.81%	53.98%	55.31%	58.22%	64.02%
<u>VMERS:</u>										
Proportion of the net pension liability	0.18%	0.17%	0.13%	0.10%	0.10%	0.09%	0.10%	0.10%	0.12%	0.12%
Proportionate share of the net pension liability	\$ 589,368	\$ 503,901	\$ 197,639	\$ 259,936	\$ 166,303	\$ 131,909	\$ 117,676	\$ 132,604	\$ 94,867	\$ 64,849
Covered payroll	\$ 806,907	\$ 664,923	\$ 506,457	\$ 370,360	\$ 327,411	\$ 289,619	\$ 288,395	\$ 285,902	\$ 320,014	\$ 314,667
Proportionate share of the net pension liability as a percentage of its covered payroll	73.04%	75.78%	39.02%	70.18%	50.79%	45.55%	40.80%	46.38%	29.64%	20.61%
Plan fiduciary net position as a percentage of the total pension liability	74.01%	73.60%	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

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

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE 3

RIVER VALLEY TECHNICAL CENTER

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>VSTRS:</u>										
Contractually required contribution Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll Contributions as a percentage of covered payroll	\$ 2,927,966 0.00%	\$ 2,884,722 0.00%	\$ 2,196,346 0.00%	\$ 1,565,664 0.00%	\$ 1,494,902 0.00%	\$ 1,464,398 0.00%	\$ 1,389,935 0.00%	\$ 1,429,020 0.00%	\$ 1,358,376 0.00%	\$ 1,128,822 0.00%
<u>VMERS:</u>										
Contractually required contribution Contributions in relation to the contractually required contribution	\$ 59,912 (59,912)	\$ 52,449 (52,449)	\$ 41,558 (41,558)	\$ 30,388 (30,388)	\$ 21,296 (21,296)	\$ 18,417 (18,417)	\$ 16,424 (16,424)	\$ 15,862 (15,862)	\$ 15,660 (15,660)	\$ 17,201 (17,201)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll Contributions as a percentage of covered payroll	\$ 887,588 6.75%	\$ 806,907 6.50%	\$ 664,923 6.25%	\$ 506,457 6.00%	\$ 370,360 5.75%	\$ 327,411 5.63%	\$ 298,619 5.50%	\$ 288,395 5.50%	\$ 285,902 5.48%	\$ 320,014 5.38%

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

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE 4

RIVER VALLEY TECHNICAL CENTER

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

	2018	2019	2020	2021	2022	2023	2024
<u>VSTRS OPEB Plan:</u>							
Proportion of the net OPEB liability Technical Center's proportionate share of the net OPEB liability	0.22%	0.20%	0.21%	0.21%	0.19%	0.40%	0.43%
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Technical Center Total	<u>2,019,032</u>	<u>1,888,826</u>	<u>2,167,254</u>	<u>2,262,122</u>	<u>2,402,666</u>	<u>2,838,677</u>	<u>3,369,452</u>
	\$ 2,019,032	\$ 1,888,826	\$ 2,167,254	\$ 2,262,122	\$ 2,402,666	\$ 2,838,677	\$ 3,369,452
Covered payroll	\$ 1,429,020	\$ 1,389,935	\$ 1,464,398	\$ 1,494,902	\$ 1,565,664	\$ 2,196,349	\$ 2,884,722
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	-2.94%	-2.85%	0.03%	0.69%	1.13%	5.34%	8.48%

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

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE 5

RIVER VALLEY TECHNICAL CENTER

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018
<u>VSTRS OPEB Plan:</u>							
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,927,966	\$ 2,884,722	\$ 2,196,349	\$ 1,565,664	\$ 1,494,902	\$ 1,464,398	\$ 1,389,935
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

See accompanying independent auditor's report and notes to financial statements.

RIVER VALLEY TECHNICAL CENTER

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2024

Changes of Assumptions

VSTRS Pension Plan:

- Assumed rates of salary increase were adjusted, generally increased, based on plan experience.
- COLA assumptions were decreased
- Mortality assumptions changed
- Assumed active retirement rates for Group C Grandfathered (GF) and Group C Non-Grandfathered (NGF) were adjusted based on plan experience.
- Assumed inactive vested retirement rates for Group C-NGF for pre-Normal Retirement Ages were increased based on plan experience.
- Assumed termination rates were adjusted based on plan experience.
- Assumed disability rates uniformly decreased by 15% for females and uniformly increased by 20% for males.

VMERS Pension Plan:

- Assumed rates of salary increase were adjusted, generally increased, based on plan experience.
- Assumed active retirement rates for all groups were adjusted based on plan experience.
- Assumed termination rates were adjusted based on plan experience. Rates are now split between Groups A and B and C and D.
- Assumed disability rates were adjusted based on plan experience. Rates are now split between Groups A and B and C and D.

VSTRS OPEB Plan:

- The per capita valuation year claims and retiree contribution rates were updated.
- The assumed health trend rates were modified.

See accompanying independent auditor's report and notes to financial statements.

RIVER VALLEY TECHNICAL CENTER

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

VSTRS OPEB Plan (Continued):

- The assumed scale, mortality rates, disability rates, withdrawal rates and retirement rates were modified.
- The percentage of future retirees at retirement assumed to have an eligible spouse who also opts for health coverage was increased from 75% to 85% for those eligible for a subsidy and decreased from 15% to 20% for those not eligible for a subsidy.

See accompanying independent auditor's report and notes to financial statements.

Other Supplementary Information

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

- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Combining Schedule of Net Position - Nonmajor Enterprise Funds
- Combining Schedule of Revenues, Expenses and Changes in Net Position - Nonmajor Enterprise Funds
- Combining Schedule of Cash Flows - Nonmajor Enterprise Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

RIVER VALLEY TECHNICAL CENTER

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Direct services -				
Special education	\$ 123,395	\$ 123,395	\$ 102,883	\$ 20,512
General instruction	81,302	81,302	31,773	49,529
Health academy	103,161	103,161	99,405	3,756
Pre-tech	103,488	103,488	87,593	15,895
Forestry	129,461	129,461	127,663	1,798
Business management	116,190	116,190	116,589	(399)
Information technology	106,900	106,900	108,037	(1,137)
Human services	111,714	111,714	109,778	1,936
Culinary arts	133,750	133,750	128,444	5,306
Construction trades	86,584	86,584	86,777	(193)
Industrial trades	143,232	143,232	66,183	77,049
Electronics technology	90,439	90,439	88,696	1,743
Engineering design	136,043	136,043	146,016	(9,973)
Law enforcement	105,168	105,168	106,604	(1,436)
Co-curricular	14,430	14,430	16,157	(1,727)
	<u>1,585,257</u>	<u>1,585,257</u>	<u>1,422,598</u>	<u>162,659</u>
Support services -				
Students -				
Guidance	230,076	230,076	223,209	6,867
Co-op	130,321	130,321	135,057	(4,736)
Instructional staff -				
System administration	122,384	122,384	139,357	(16,973)
General administration -				
Superintendent	50,500	50,500	59,449	(8,949)
Board of education	1,000	1,000	865	135
Area administration -				
Director's office	401,157	401,157	435,984	(34,827)
	<u>935,438</u>	<u>935,438</u>	<u>993,921</u>	<u>(58,483)</u>

SCHEDULE A (CONTINUED)
RIVER VALLEY TECHNICAL CENTER

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Fiscal services	60,279	60,279	54,085	6,194
Operations and maintenance	479,091	479,091	618,483	(139,392)
Transportation	5,350	5,350	10,750	(5,400)
Capital outlay -				
Facility improvement fund	35,571	35,571	35,571	-
	35,571	35,571	35,571	-
TOTAL DEPARTMENTAL OPERATIONS	\$ 3,100,986	\$ 3,100,986	\$ 3,135,408	\$ (34,422)

See accompanying independent auditor's report and notes to financial statements.

RIVER VALLEY TECHNICAL CENTER

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 14,622	\$ -	\$ 14,622
Due from other funds	199,864	80,842	280,706
TOTAL ASSETS	<u>\$ 214,486</u>	<u>\$ 80,842</u>	<u>\$ 295,328</u>
LIABILITIES			
Accounts payable	\$ 7,200	\$ -	\$ 7,200
Other	49,659	-	49,659
TOTAL LIABILITIES	<u>56,859</u>	<u>-</u>	<u>56,859</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	157,627	80,842	238,469
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>157,627</u>	<u>80,842</u>	<u>238,469</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 214,486</u>	<u>\$ 80,842</u>	<u>\$ 295,328</u>

See accompanying independent auditor's report and notes to financial statements.

RIVER VALLEY TECHNICAL CENTER

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 2,733,380	\$ -	\$ 2,733,380
TOTAL REVENUES	<u>2,733,380</u>	<u>-</u>	<u>2,733,380</u>
EXPENDITURES			
Other	2,720,379	9,856	2,730,235
TOTAL EXPENDITURES	<u>2,720,379</u>	<u>9,856</u>	<u>2,730,235</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>13,001</u>	<u>(9,856)</u>	<u>3,145</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	(21,572)	-	(21,572)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(21,572)</u>	<u>-</u>	<u>(21,572)</u>
NET CHANGE IN FUND BALANCES	(8,571)	(9,856)	(18,427)
FUND BALANCES - JULY 1	<u>166,198</u>	<u>90,698</u>	<u>256,896</u>
FUND BALANCES - JUNE 30	<u>\$ 157,627</u>	<u>\$ 80,842</u>	<u>\$ 238,469</u>

See accompanying independent auditor's report and notes to financial statements.

Special Revenue Funds

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

SCHEDULE D

RIVER VALLEY TECHNICAL CENTER

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2024

	Tools of the Trade	Town Fair	HDEC	Flex Pathways	Perkins Grant	McFlure Grant	Career Blast	CNC Grant	Student Activities
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,622
Due from other funds	-	3,546	6,817	29,930	18,832	-	2,456	4,123	-
TOTAL ASSETS	\$ -	\$ 3,546	\$ 6,817	\$ 29,930	\$ 18,832	\$ -	\$ 2,456	\$ 4,123	\$ 14,622
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	29,930	18,832	-	-	-	-
TOTAL LIABILITIES	-	-	-	29,930	18,832	-	-	-	-
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	3,546	6,817	-	-	-	2,456	4,123	14,622
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	-	3,546	6,817	-	-	-	2,456	4,123	14,622
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 3,546	\$ 6,817	\$ 29,930	\$ 18,832	\$ -	\$ 2,456	\$ 4,123	\$ 14,622

SCHEDULE D (CONTINUED)

RIVER VALLEY TECHNICAL CENTER

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2024

	ESSER Grant	ATE Grant	HAAS Foundation	WCC	Facilities Reserve	Technology Reserve	Capital Equipment Reserve	VSBIT Safety	Robotics Club	Adult Education
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	16,006	4,446	49,525	8,428	40,000	2,240	1,919	-
TOTAL ASSETS	\$ -	\$ -	\$ 16,006	\$ 4,446	\$ 49,525	\$ 8,428	\$ 40,000	\$ 2,240	\$ 1,919	\$ -
LIABILITIES										
Accounts payable	\$ -	\$ -	\$ 7,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	\$ -	\$ -	\$ 7,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	8,806	4,446	49,525	8,428	40,000	2,240	1,919	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	\$ -	\$ -	\$ 8,806	\$ 4,446	\$ 49,525	\$ 8,428	\$ 40,000	\$ 2,240	\$ 1,919	\$ -
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ 16,006	\$ 4,446	\$ 49,525	\$ 8,428	\$ 40,000	\$ 2,240	\$ 1,919	\$ -

SCHEDULE D (CONTINUED)

RIVER VALLEY TECHNICAL CENTER

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Founders School	Robotics Grant	Durovich Fund	DOL Grant	Perkins Portfolio Grant	Perkins Reserve Grant	Vo-Ed Equipment Grant	Keep Driving Grant	NCSW Donation	Robotics Concessions	OBLC Conference	Total
ASSETS												
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,622
Due from other funds	427	7,794	-	-	897	-	-	974	386	1,118	-	199,864
TOTAL ASSETS	\$ 427	\$ 7,794	\$ -	\$ -	\$ 897	\$ -	\$ -	\$ 974	\$ 386	\$ 1,118	\$ -	\$ 214,486
LIABILITIES												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,200
Other	-	-	-	-	897	-	-	-	-	-	-	49,659
TOTAL LIABILITIES	-	-	-	-	897	-	-	-	-	-	-	56,859
FUND BALANCES												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	427	7,794	-	-	-	-	-	974	386	1,118	-	157,627
Committed	-	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	427	7,794	-	-	-	-	-	974	386	1,118	-	157,627
TOTAL LIABILITIES AND FUND BALANCES	\$ 427	\$ 7,794	\$ -	\$ -	\$ 897	\$ -	\$ -	\$ 974	\$ 386	\$ 1,118	\$ -	\$ 214,486

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE E

RIVER VALLEY TECHNICAL CENTER

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Tools of the Trade	Town Fair	HDEC	Flex Pathways	Perkins Grant	McFlure Grant	Career Blast	CNC Grant	Student Activities
REVENUES									
Intergovernmental	\$ 9,959	\$ 4,000	\$ -	\$ 2,106,298	\$ 169,504	\$ -	\$ -	\$ -	\$ 46,498
TOTAL REVENUES	9,959	4,000	-	2,106,298	169,504	-	-	-	46,498
EXPENDITURES									
Other	9,959	2,474	-	2,106,298	169,504	1,500	-	-	36,186
TOTAL EXPENDITURES	9,959	2,474	-	2,106,298	169,504	1,500	-	-	36,186
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	1,526	-	-	-	(1,500)	-	-	10,312
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	1,526	-	-	-	(1,500)	-	-	10,312
FUND BALANCES - JULY 1	-	2,020	6,817	-	-	1,500	2,456	4,123	4,310
FUND BALANCES - JUNE 30	\$ -	\$ 3,546	\$ 6,817	\$ -	\$ -	\$ -	\$ 2,456	\$ 4,123	\$ 14,622

SCHEDULE E (CONTINUED)

RIVER VALLEY TECHNICAL CENTER

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	ESSER Grant	ATE Grant	HAAS Foundation	WCC	Facilities Reserve	Technology Reserve	Capital Equipment Reserve	VSBIT Safety	Robotics Club	Adult Education
REVENUES										
Intergovernmental	\$ 82,413	-	\$ 10,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 12,066	\$ 1,162	\$ 13,000
TOTAL REVENUES	82,413	-	10,000	100,000	-	-	-	12,066	1,162	13,000
EXPENDITURES										
Other	82,413	-	6,397	110,676	-	-	-	12,036	1,578	13,000
TOTAL EXPENDITURES	82,413	-	6,397	110,676	-	-	-	12,036	1,578	13,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	3,603	(10,676)	-	-	-	30	(416)	-
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	(21,572)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	(21,572)	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	3,603	(10,676)	-	(21,572)	-	30	(416)	-
FUND BALANCES - JULY 1	-	-	5,203	15,122	49,525	30,000	40,000	2,210	2,335	-
FUND BALANCES - JUNE 30	\$ -	\$ -	\$ 8,806	\$ 4,446	\$ 49,525	\$ 8,428	\$ 40,000	\$ 2,240	\$ 1,919	\$ -

SCHEDULE E (CONTINUED)

RIVER VALLEY TECHNICAL CENTER

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Founders School	Robotics Grant	Durovich Fund	DOL Grant	Perkins Portfolio Grant	Perkins Reserve Grant	Vo-Ed Equipment Grant	Keep Driving Grant	NCSW Donation	Robotics Concessions	OBLC Conference	Total
REVENUES												
Intergovernmental	673	\$ 10,830	\$ -	\$ -	\$ 4,906	\$ -	\$ 140,000	\$ 1,500	\$ 5,000	\$ 1,534	\$ 14,037	\$ 2,733,380
TOTAL REVENUES	673	10,830	-	-	4,906	-	140,000	1,500	5,000	1,534	14,037	2,733,380
EXPENDITURES												
Other	265	3,594	-	-	4,906	-	140,000	526	4,614	416	14,037	2,720,379
TOTAL EXPENDITURES	265	3,594	-	-	4,906	-	140,000	526	4,614	416	14,037	2,720,379
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	408	7,236	-	-	-	-	-	974	386	1,118	-	13,001
OTHER FINANCING SOURCES (USES)												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-	-	-	(21,572)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-	-	-	(21,572)
CHANGE IN FUND BALANCES	408	7,236	-	-	-	-	-	974	386	1,118	-	(8,571)
FUND BALANCES - JULY 1	19	558	-	-	-	-	-	-	-	-	-	166,198
FUND BALANCES - JUNE 30	\$ 427	\$ 7,794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 974	\$ 386	\$ 1,118	\$ -	\$ 157,627

See accompanying independent auditor's report and notes to financial statements.

Permanent Funds

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

SCHEDULE F

RIVER VALLEY TECHNICAL CENTER

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2024

	Dutton School	Dechen Scholarship	LaBonte Scholarship	Coca-Cola Scholarship	McNamara Scholarship	Forrest Scholarship	Bixby Scholarship	Leever Foundation	Lawlor Scholarship	Total
ASSETS										
Due from other funds	\$ 4,535	\$ 1,935	\$ 2,175	\$ -	\$ 500	\$ 1,435	\$ -	\$ 68,384	\$ 1,878	\$ 80,842
TOTAL ASSETS	\$ 4,535	\$ 1,935	\$ 2,175	\$ -	\$ 500	\$ 1,435	\$ -	\$ 68,384	\$ 1,878	\$ 80,842
LIABILITIES										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	4,535	1,935	2,175	-	500	1,435	-	68,384	1,878	80,842
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	4,535	1,935	2,175	-	500	1,435	-	68,384	1,878	80,842
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,535	\$ 1,935	\$ 2,175	\$ -	\$ 500	\$ 1,435	\$ -	\$ 68,384	\$ 1,878	\$ 80,842

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE G

RIVER VALLEY TECHNICAL CENTER

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Dutton School	Dechen Scholarship	LaBonte Scholarship	Coca-Cola Scholarship	McNamara Scholarship	Forrest Scholarship	Bixby Scholarship	Leever Foundation	Lawlor Scholarship	Total
REVENUES										
Other	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES										
Other	-	1,000	-	-	-	-	-	8,856	-	9,856
TOTAL EXPENDITURES	-	1,000	-	-	-	-	-	8,856	-	9,856
NET CHANGE IN FUND BALANCES	-	(1,000)	-	-	-	-	-	(8,856)	-	(9,856)
FUND BALANCES - JULY 1	4,535	2,935	2,175	-	500	1,435	-	77,240	1,878	90,698
FUND BALANCES - JUNE 30	\$ 4,535	\$ 1,935	\$ 2,175	\$ -	\$ 500	\$ 1,435	\$ -	\$ 68,384	\$ 1,878	\$ 80,842

See accompanying independent auditor's report and notes to financial statements.

Enterprise Funds

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

SCHEDULE H

RIVER VALLEY TECHNICAL CENTER

COMBINING SCHEDULE OF NET POSITION - NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2024

	Co-op Job Fair	Project Adventure	Equipment Sales	Event Manager	Horticulture	Technology Essentials	Culinary Arts
ASSETS							
Due from other funds	\$ 12,875	\$ 170	\$ -	\$ 375	\$ 8,714	\$ 64	\$ 67,552
TOTAL ASSETS	\$ 12,875	\$ 170	\$ -	\$ 375	\$ 8,714	\$ 64	\$ 67,552
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET POSITION							
Unrestricted	12,875	170	-	375	8,714	64	67,552
TOTAL NET POSITION	12,875	170	-	375	8,714	64	67,552
TOTAL LIABILITIES AND NET POSITION	\$ 12,875	\$ 170	\$ -	\$ 375	\$ 8,714	\$ 64	\$ 67,552

SCHEDULE H (CONTINUED)

RIVER VALLEY TECHNICAL CENTER

COMBINING SCHEDULE OF NET POSITION - NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2024

	Building Trades	AVP	Graphics	Manufacturing Engineer	Law Enforcement	Wellness Program	Tech Camp	Industrial Trades	Total
ASSETS									
Due from other funds	\$ 64,814	\$ 4,843	\$ 10	\$ 62	\$ 623	\$ -	\$ 16,564	\$ 351	\$ 177,017
TOTAL ASSETS	\$ 64,814	\$ 4,843	\$ 10	\$ 62	\$ 623	\$ -	\$ 16,564	\$ 351	\$ 177,017
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET POSITION									
Unrestricted	64,814	4,843	10	62	623	-	16,564	351	177,017
TOTAL NET POSITION	64,814	4,843	10	62	623	-	16,564	351	177,017
TOTAL LIABILITIES AND NET POSITION	\$ 64,814	\$ 4,843	\$ 10	\$ 62	\$ 623	\$ -	\$ 16,564	\$ 351	\$ 177,017

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE I

RIVER VALLEY TECHNICAL CENTER

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Co-op Job Fair	Project Adventure	Equipment Sales	Event Manager	Horticulture	Technology Essentials	Culinary Arts
OPERATING REVENUES							
Charges for services	\$ 4,437	\$ -	\$ 13,906	\$ -	\$ 6,731	\$ -	\$ 4,235
TOTAL OPERATING REVENUES	<u>4,437</u>	<u>-</u>	<u>13,906</u>	<u>-</u>	<u>6,731</u>	<u>-</u>	<u>4,235</u>
OPERATING EXPENSES							
Salaries and benefits	-	-	-	-	-	-	1,346
Professional services	1,349	-	-	-	-	-	-
Supplies and materials	1,427	-	14,068	-	4,279	-	9,094
Other	1,827	-	-	-	-	-	2,224
TOTAL OPERATING EXPENSES	<u>4,603</u>	<u>-</u>	<u>14,068</u>	<u>-</u>	<u>4,279</u>	<u>-</u>	<u>12,664</u>
CHANGES IN NET POSITION	(166)	-	(162)	-	2,452	-	(8,429)
NET POSITION - JULY 1	13,041	170	162	375	6,262	64	75,981
NET POSITION - JUNE 30	<u>\$ 12,875</u>	<u>\$ 170</u>	<u>\$ -</u>	<u>\$ 375</u>	<u>\$ 8,714</u>	<u>\$ 64</u>	<u>\$ 67,552</u>

SCHEDULE I (CONTINUED)

RIVER VALLEY TECHNICAL CENTER

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Building Trades	AVP	Graphics	Manufacturing Engineering	Law Enforcement	Wellness Program	Tech Camp	Industrial Trades	Total
OPERATING REVENUES									
Charges for services	\$ 51,946	\$ -	\$ -	\$ -	\$ -	\$ 1,750	\$ 4,838	\$ -	\$ 87,843
TOTAL OPERATING REVENUES	<u>51,946</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,750</u>	<u>4,838</u>	<u>-</u>	<u>87,843</u>
OPERATING EXPENSES									
Salaries and benefits	-	-	-	-	-	1,400	-	-	2,746
Professional services	-	-	-	-	-	350	1,536	-	3,235
Supplies and materials	52,384	-	-	-	-	-	1,212	-	82,464
Other	220	-	-	-	-	-	-	-	4,271
TOTAL OPERATING EXPENSES	<u>52,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,750</u>	<u>2,748</u>	<u>-</u>	<u>92,716</u>
CHANGES IN NET POSITION	(658)	-	-	-	-	-	2,090	-	(4,873)
NET POSITION - JULY 1	65,472	4,843	10	62	623	-	14,474	351	181,890
NET POSITION - JUNE 30	<u>\$ 64,814</u>	<u>\$ 4,843</u>	<u>\$ 10</u>	<u>\$ 62</u>	<u>\$ 623</u>	<u>\$ -</u>	<u>\$ 16,564</u>	<u>\$ 351</u>	<u>\$ 177,017</u>

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE J

RIVER VALLEY TECHNICAL CENTER

COMBINING SCHEDULE OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Co-Op Job Fair	Project Adventure	Equipment Sales	Event Manager	Horticulture	Technology Essentials	Culinary Arts
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 4,437	\$ -	\$ 13,906	\$ -	\$ 6,731	\$ -	\$ 4,235
Internal activity - receipts (payments) from/to other funds	166	-	162	-	(2,452)	-	8,429
Payments to suppliers	(4,603)	-	(14,068)	-	(4,279)	-	(12,664)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	-	-	-	-	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-	-	-	-	-	-
CASH AND CASH EQUIVALENTS - JULY 1	-	-	-	-	-	-	-
CASH AND CASH EQUIVALENTS - JUNE 30	-	-	-	-	-	-	-
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
Operating income (loss)	\$ (166)	\$ -	\$ (162)	\$ -	\$ 2,452	\$ -	\$ (8,429)
Changes in operating assets, liabilities and deferred inflows of resources:							
(Increase) decrease in prepaid items	-	-	-	-	-	-	-
(Increase) decrease in due from other funds	166	-	162	-	(2,452)	-	8,429
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE J (CONTINUED)

RIVER VALLEY TECHNICAL CENTER

COMBINING SCHEDULE OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Building Trades	AVP	Graphics	Manufacturing Engineering	Law Enforcement	Wellness Program	Tech Camp	Industrial Trades	Total
CASH FLOWS FROM OPERATING ACTIVITIES									
Receipts from customers	\$ 51,946	\$ -	\$ -	\$ -	\$ -	\$ 1,750	\$ 4,838	\$ -	\$ 87,843
Internal activity - receipts (payments) from/to other funds	658	-	-	-	-	-	(2,090)	-	4,873
Payments to suppliers	(52,604)	-	-	-	-	(1,750)	(2,748)	-	(92,716)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	-	-	-	-	-	-	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-	-	-	-	-	-	-	-
CASH AND CASH EQUIVALENTS - JULY 1	-	-	-	-	-	-	-	-	-
CASH AND CASH EQUIVALENTS - JUNE 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:									
Operating income (loss)	\$ (658)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,090	\$ -	\$ (4,873)
Changes in operating assets, liabilities and deferred inflows of resources:									
(Increase) decrease in prepaid items	-	-	-	-	-	-	-	-	-
(Increase) decrease in due from other funds	658	-	-	-	-	-	(2,090)	-	4,873
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report and notes to financial statements.

General Capital Assets

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

SCHEDULE K

RIVER VALLEY TECHNICAL CENTER

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2024

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Machinery, Equipment and Vehicles	Infrastructure	Total
Direct Services	\$ -	\$ 13,988	\$ 801,043	\$ -	\$ 815,031
S.S. - Staff	-	-	10,980	-	10,980
S.S. - Students	-	-	12,935	-	12,935
Transportation	-	-	43,765	-	43,765
Operations and Maintenance	-	23,610	79,499	-	103,109
Total General Capital Assets	-	37,598	948,222	-	985,820
Less: Accumulated Depreciation	-	(10,090)	(557,641)	-	(567,731)
Net General Capital Assets	\$ -	\$ 27,508	\$ 390,581	\$ -	\$ 418,089

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE L

RIVER VALLEY TECHNICAL CENTER

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2024

	General Capital Assets 7/1/23	Additions	Deletions	General Capital Assets 6/30/24
Direct Services	\$ 706,988	\$ 159,545	\$ (51,502)	\$ 815,031
S.S. - Staff	10,980	-	-	10,980
S.S. - Students	23,655	-	(10,720)	12,935
Transportation	43,765	-	-	43,765
Operations and Maintenance	103,109	-	-	103,109
Total General Capital Assets	888,497	159,545	(62,222)	985,820
Less: Accumulated Depreciation	(572,277)	(56,067)	60,613	(567,731)
Net General Capital Assets	\$ 316,220	\$ 103,478	\$ (1,609)	\$ 418,089

See accompanying independent auditor's report and notes to financial statements.

Federal Compliance Description

Federal compliance includes financial information and reports that are required in accordance with Government Auditing Standards and/or the Uniform Guidance in accordance with 2 CFR § 515. Such financial information and reports include:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- 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
- Independent Auditor's Report on Compliance or Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

RIVER VALLEY TECHNICAL CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor Pass-through Grantor Program or Cluster Title	Assistance Listing Number	Pass-through Grantor Number	Expenditures to Subrecipients	Federal Expenditures
U.S. Department of Education Passed through the State of Vermont - Agency of Education Career and Technical Education - Basic Grants to States	84.048	4318V0162401	\$ -	\$ 169,504
Career and Technical Education - Basic Grants to States	84.048	4320V0162401	-	4,906
			-	<u>174,410</u>
Education Stabilization Fund under the Coronavirus Aid, Relief and Economic Security Act	84.425D	4618V0182201	-	82,412
Education Stabilization Fund under the Coronavirus Aid, Relief and Economic Security Act	84.425D	4618V0182301	-	840,075
			-	<u>922,487</u>
Total U.S. Department of Education			-	<u>1,096,897</u>
Total Expenditures of Federal Awards			\$ -	<u>\$ 1,096,897</u>

RIVER VALLEY TECHNICAL CENTER

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the River Valley Technical Center under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the River Valley Technical Center, it is not intended to and does not present the financial position, changes in net position or cash flows of the River Valley Technical Center.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

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



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

School Board
River Valley Technical Center
Springfield, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the River Valley Technical Center as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the River Valley Technical Center's basic financial statements and have issued our report thereon dated November 26, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of River Valley Technical Center in a separate letter dated November 15, 2024.

Purpose of this Report

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

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
November 26, 2024



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

School Board
River Valley Technical Center
Springfield, Vermont

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the River Valley Technical Center's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the River Valley Technical Center's major federal programs for the year ended June 30, 2024. The River Valley Technical Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the River Valley Technical Center 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibility for the Audit of Compliance section of our report.

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We are required to be independent of the River Valley Technical Center and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the River Valley Technical Center's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the River Valley Technical Center's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error and express an opinion on the River Valley Technical Center's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the River Valley Technical Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding

the River Valley Technical Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the River Valley Technical Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the River Valley Technical Center's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibility for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

RHR Smith & Company

Buxton, Maine

Vermont Registration No. 092.0000697

November 26, 2024

RIVER VALLEY TECHNICAL CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

<u>AL Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.425D	Education Stabilization Fund under the Coronavirus Aid, Relief and Economic Security Act

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

Auditee qualified as low risk auditee? yes no

Section II - Financial Statement Findings

None

Section III - Findings and Questioned Costs for Federal Awards

None