

Harwood Unified Union School District  
340 Mad River Park, Suite 7, Waitsfield, VT 05673

To: The HUUSD Board and Brigid Nease, Superintendent  
From: Michelle Baker, Director of Finance & Operations  
Date: June 8, 2017  
RE: June 14' 2017 Report from the Director of Finance & Operations

The following is background information related to a number of action items on the June 14<sup>th</sup> Board agenda.

Heating Fuel Bid

It is estimated that all schools in total will use approximately 74,000 gallons of heating oil for the 2017-2018 heating season. The estimated gallons per school, based on historical usage, are as follows:

Moretown Elementary	8,500
Waitsfield Elementary	6,000
Warren Elementary	7,000
Crossett Brook Middle	22,500
Thatcher Brook Primary	22,500
Harwood Union	7,500

A bid was issued per our usual practice as prices are generally favorable at this time of year and three fuel oil vendors responded. The total bids received, based on a fixed prepaid price are:

Gillespie - \$153,550

Suburban Propane - \$156,510

SB Collins - \$133,511

All schools currently purchase fuel oil from Gillespie based on last year's bid. The FY2018 HUUSD budget for fuel oil was \$271,250, therefore the bid represents a significant savings from the budget

My recommendation is to purchase 74,000 gallons of heating fuel oil from SB Collins at \$1.939/gallon for schools with no bulk delivery and \$1.749/gallon for schools who can accept the 7,500 gallon bulk delivery (CBMS, TBPS and HUHS) for pre-payment by September 14, 2017 of \$133,511.

A key benefit of joining together as HUUSD, besides the competitive bid price based on volume, is that an overage of fuel usage by one school will likely be offset by an under use of fuel at another school, all under the same contract at the same rate. Currently, if a school exceeds the gallons purchased under a pre-pay agreement, they have to purchase additional fuel needed at the market rate at the time of the fuel purchase, which is generally at a higher rate.

## June 14, 2017 HUUSD Director of Finance & Operations Report

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A propane bid for Fayston Elementary for heating, will be presented at the June 28<sup>th</sup> meeting. Wood chip bids for Harwood Union are received in the July-August timeframe. HUHS primarily heats with wood chips and utilizes oil as backup.

### Tax Anticipation Note/Line of Credit

It is necessary for the School District to borrow money in order to pay expenditures due before the receipt of property taxes. Based on estimated FY2018 cash flow projections, HUUSD needs to borrow \$3,660,000.

Bids for credit were provided by People's United Bank and Community Bank. Based on evaluation of the bids and the existing bank accounts, my recommendation is to accept the bid for a Tax Anticipation Note at a 1.65% annual rate in the amount of \$3,660,000 for an annual interest cost of \$59,719 from People's United. People's United offers a guaranteed annualized investment yield of 1.91% (actual rate 1.90%) for one year up to the borrowed amount. Therefore, the district is able to net a .26% (1.91% less interest cost of 1.65%) return on available funds once taxes are received and there is sufficient cash flow to pay expenses. In addition, funds in excess of the borrowed amount will earn a rate equal to the Federal Funds Target rate less 25 basis points, currently that rate is .75%.

In return for offering a guaranteed rate, the District must agree to invest operating funds with the People's at the rate indicated above, up to the maximum limit, whenever funds are available to do so. The rates also include collateralizing the District's funds for amounts in excess of the \$250,000 FDIC maximum coverage amount.

There is no pre-payment penalty associated with paying the note off before June 30, 2018 if more favorable investment options become available.

The estimated interest earnings are \$80,000 against an interest expense of \$59,719 for a profit of \$20,281. The net interest budgeted for FY2018 was \$5,300 (\$99,500 interest earnings less \$94,200 interest expense), so the projected profit exceeds budget by \$15,000.

### Waitsfield Champlain Telecom Lease

Ray Daigle, along with building administrators, evaluated a number of options for replacement of the telephone systems at the four valley elementary schools. As presented during FY2018 budget discussions, the current systems are not e-911 compliant and in Moretown they can no longer replace broken telephone handsets. After considering multiple options, the recommendation is to enter into a 60 month lease agreement with Waitsfield Champlain Valley Telecom (WCVT) for equipment and service at all four valley elementary schools and central office. The equipment will be leased and WCVT will be responsible for maintenance, repair and replacement of all equipment during the lease term.

## June 14, 2017 HUUSD Director of Finance & Operations Report

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All phone systems will have battery backup. One time wiring costs associated with installation are:

Fayston	\$ 1,117.95
Moretown	\$ 2,411.56
Waitsfield	\$ 2,248.83
Warren	<u>\$ 2,373.08</u>
Total	\$8,151.42

The lease provides all four valley elementary schools and the central office with the necessary landlines, auto attendant and fiber internet at 1 Gbps (significantly increased speed over present levels) along with hosted IP extensions and equipment.

With the lease, the cost of telephone and internet service decreases from the present level and there is a new cost for the equipment lease. The current annual cost for telephone and internet service at the valley schools and central office is \$34,000. The service and equipment lease from WCVT is \$41,670 annually, an increase of \$7,670 annually for new equipment, 1 Gbps internet speed in all locations and e-911 compliance.

The recommendation is to approve a 60 month lease agreement with WCVT for equipment and service at a monthly rate of \$3,472.46, authorizing Michelle Baker, to sign the WCVT Hosted IP Phone Service Agreement.

The proposed WCVT lease is included as an appendix to this report for your information.

### Copier/Printer Equipment Lease and Service Agreement

For a number of years we have been holding on any new copier purchases or leases, and extending existing agreements that expired before June 30, 2017 in order to be able to look at a bulk purchase/lease and service contract for all copiers in all schools and central office for purchasing efficiency. After some research we chose to utilize the services of Specialized Purchasing Consultants (SPC) to assist us in the development and issuance of a copier bid for new copiers in all schools to be installed in July 2017.

After receiving the bids we are recommending a lease agreement for copiers with Office Services of Vermont as the vendor and service provider for 5,675,798 copies per year.

As with the fuel purchase, the benefit of all schools sharing under one copier contract is that while one school might go over and incur overage charges previously, we now have the benefit of all being under one combined limit which is higher than the current individual limits added together.

SPC also offers a print management service, where they install and manage all printers and maintain and provide all printer supplies. SPC's references from every SU we checked with were excellent. Entering

## June 14, 2017 HUUSD Director of Finance & Operations Report

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into a printer management agreement means school tech staffs no longer need to handle printer maintenance and school staff no longer need to order and track inventory for the multiple types of print cartridges used.

In addition, SPC requires one annual payment under the lease agreement and two annual payments for service, significantly reducing the administration associated with paying monthly lease agreements for each copier and multiple service contracts at each school. An online dashboard providing the ability for tech staff to monitor the status of all copiers and printers and their volumes at all locations is also provided and will allow us to more accurately evaluate yearly printer costs and to make adjustments for cost saving measures. We currently do not have the ability to accurately track current printer costs.

The FY2018 budget for copier leases and supplies is \$91,664. The first year proposed cost from SPC is for a lease payment of \$52,939.21 and supplies costs of 43,090.98 for a total annual cost of \$96,030.16.

The recommendation is to enter into a lease/purchase agreement with an annual payment of \$52,939.21 for 5 years for printer and copiers from M.S.T . Government Leasing, LLC. with an aggregate purchase price not exceeding \$264,696.05. As this is a five year municipal lease, the board is required to adopt the language provided by bond counsel attached.

The documents from SPC are included as an appendix to this report for your information.

### Warren Elementary School Renovation Project

A contract for construction and hazardous material abatement is in place and construction is scheduled to start in June. To date there have been two change orders approved with Stewart Construction. A current working project budget, indicating spending to date, is attached.

Given the scope and pace of the project a discussion regarding the project committee's authority to enter into change orders, and the dollar level of change order requiring a meeting of the HUUSD board, should be discussed and determined prior to the commencement of construction.

### HUUSD

There has been much behind the scenes administrative work associated with the establishment of HUUSD which will pick up pace between now and June 30th. A new accounting /payroll system for HUUSD is in the process of being established, along with new banking arrangements and vendor agreements. Lots of small tasks like unenrolling teachers in their existing retirement plans and re-enrolling them in HUUSD have had to be accomplished along with all new plan documents for all employee benefits.

To date much of this work has been accomplished by central office staff. Approximately \$41,000 of the \$130,000 transition grant has been expended to date, primarily on the new accounting system.

## June 14, 2017 HUUSD Director of Finance & Operations Report

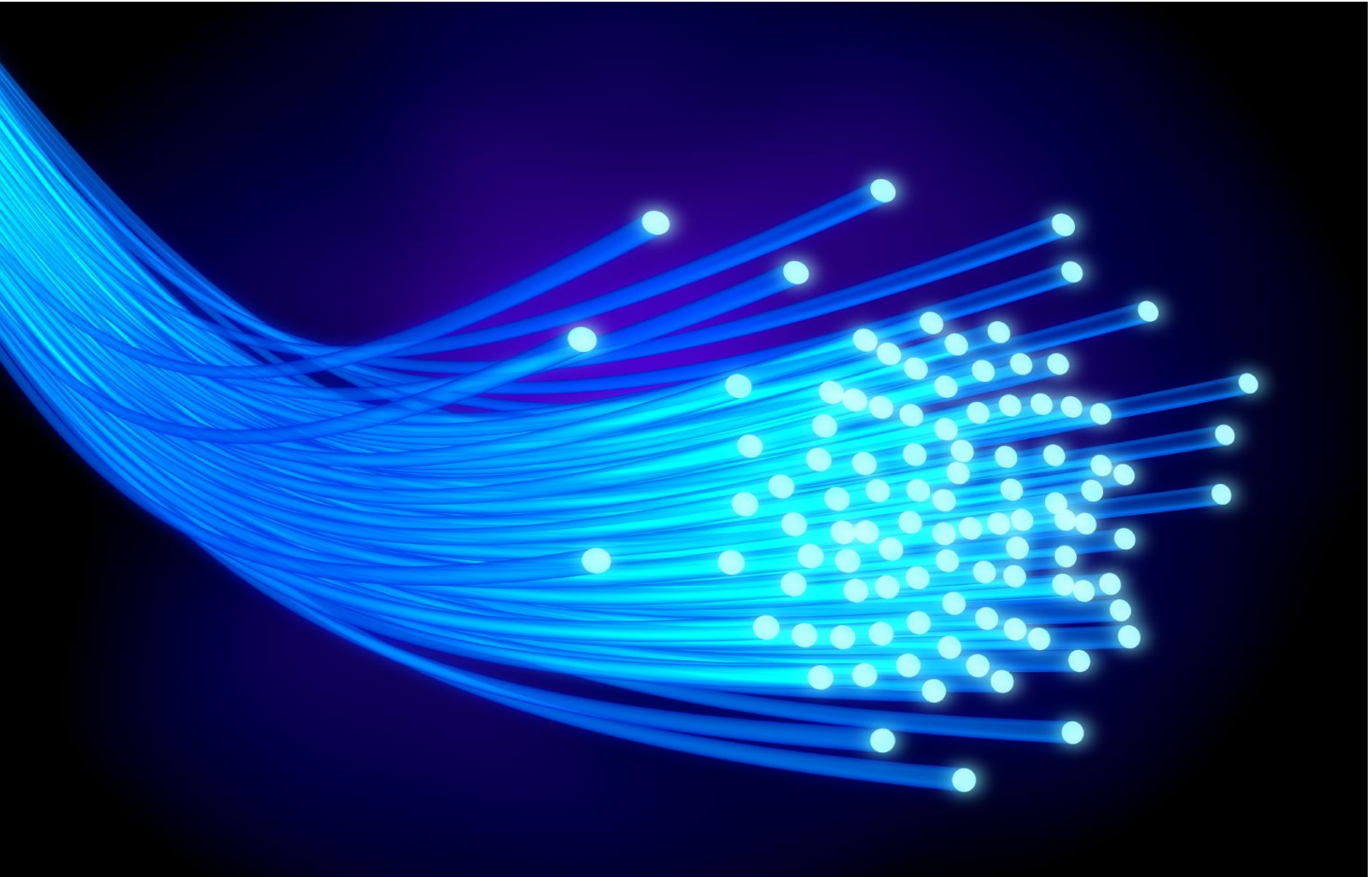
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I acknowledge that the additional work associated with establishing HUUSD, along with a recent federal monitoring of the food service programs, has meant that I am behind on some of the usual financial reporting. Although all audited financial statements for the year ended June 30, 2016 were presented to boards in the fall, the accompanying management letter was not issued until the spring and is attached here for your information. I and the fiscal services staff are working to address all areas of improvement identified by the audit firm in the management letter. In addition, the annual internal control questionnaire required by the Vermont Auditor of Accounts is also included here for your information.

Please contact me if you have any questions and I look forward to seeing you on the 14<sup>th</sup>.

### Appendix

- Waitsfield Champlain Valley Telecom Lease
- SPC Comparative Document and Municipal Lease Vote
- Warren Elementary School Renovation project Budget
- RHR Smith and Company Management Letter associated with June 8, 2017
- Financial Management Questionnaire for School Districts, SU's and Supervisory Districts



## **Waitsfield and Champlain Valley Telecom**

3898 Main Street, Waitsfield, VT 05673  
[www.wcvt.com](http://www.wcvt.com) • 800.496.3391



## **Terms and Conditions**

This Equipment Lease Agreement (the "Agreement") is by and between **WAITSFIELD AND CHAMPLAIN VALLEY TELECOM, INC. (WCVT)**, a Vermont corporation with offices in Waitsfield, Vermont ("WCVT"), and **Harwood Unified Union School District**, (the "Customer").

Section 1. **Lease**. WCVT hereby leases to the Customer, and the Customer hereby leases from WCVT, the telecommunications equipment listed on Schedule 1 attached hereto (the "Equipment") and WCVT hereby sublicenses the associated software for the Equipment, as applicable (together with the Equipment, the "System").

Section 2. **System Configuration & Changes**

WCVT will make any adds, moves or changes to the current Equipment free of charge for the first fifteen (15) business days from the date of cutover, after that point there may be a charge for any additional training. After the 15 business days any adds, moves or changes to the System shall be made by means of a job change order and will be invoiced to the Customer when complete. The terms of this Agreement will apply to any such change in the System. A job change order must be signed by an authorized representative of each party before WCVT will schedule any additional work or order additional equipment and/or software. The basic lease for the System shall be subject to adjustment in the event of any mutually agreeable addition or deletion in components.

**Required Equipment**

As part of your system configuration a UPS (battery backup) is required at the time of installation. The UPS may be supplied by the Customer or Customer may purchase one from WCVT for \$100.00 plus any applicable taxes. Please note, the UPS will be the sole property of the Customer and will not be maintained, supported or warrantied by WCVT.

Section 3. **Terms and Training**

**30-Day Money Back Guarantee**

WCVT will provide a 30-day grace period from the date of cutover to the new equipment. If at any point within these 30 days the customer does not find the system satisfactory, we will retrieve all equipment, in working condition, and the contract is null and void.

**Termination Liability and Tier Charges**

This service has a 12-month minimum term, which begins the date of cutover. If you cancel service before the end of the 12-month term, you will pay 100% of the fixed remaining monthly commitment for the number of months left on the term. If you choose a 36 or 60 month term and cancel service early, the cancellation charge will be the difference between the contracted rate and the 12-month term, for the number of months remaining.



Prices are based on the number of seats leased, if at any time during the contract period the seats drop below the contract level early termination fees and lower tier pricing will take effect. For any phones returned there will be a restocking charge of \$100.00 per phone. The tier levels are listed below:

Tiers

- 1-10 seats
- 11-20 seats
- 21-40 seats
- 40 seats and above





At the end of the lease term the Customer will have the following options:

- 1) **Return of Equipment** Upon the expiration of the Term or any renewal term of this Agreement, the Customer agrees, at its expense, to uninstall and return the System, freight prepaid, to WCVT in the same condition it was delivered, except for ordinary wear and tear. The Customer agrees to pay all costs and expenses of WCVT (including reasonable legal fees and expenses) in the event Customer fails to return the system.
- 2) **Renewal** The Customer will have the option to renew the lease for another 12, 36 or 60 month term.
- 3) **Automatic Renewal** This Agreement will be automatically renewed on a month-to-month basis at the end of the original Term, at the rates listed on the signed lease agreement, unless the System has been returned to WCVT or the Customer has exercised the renewal option.

### **Training**

Waitsfield and Champlain Valley Telecom will provide the necessary training. This includes operation of the features, web interface for moves, adds, changes, etc. The first 4 hours of training at \$90.00 per hour (\$360.00) are waived.

Section 4. **Ownership.** The Leased Equipment is, and shall at all times be and remain, the sole and exclusive property of WCVT; and the Customer shall have no property rights, title or interest therein or thereto, but only the rights to use the same as provided in this Agreement. The Customer, at its own cost and expense, shall protect and defend the title of WCVT in and to the Equipment. The Customer will not mortgage, assign, encumber or part with possession of the Equipment or attempt in any manner to dispose of the Equipment without the prior written consent of WCVT. The Customer will at all times keep the Equipment free and clear from all levies, attachments, liens, security interests and charges of any nature whatsoever, and shall indemnify and hold harmless WCVT from any loss or damage caused thereby.

Section 5. **Risk of Loss.** The System, until returned to WCVT in accordance with this Agreement, shall be held at all times at the sole risk of the Customer. No loss, theft, damage or destruction of all or any part of the System shall relieve the Customer of the obligation to pay rent or reduce the amount of such rental payments, nor relieve the Customer from any other obligation of this Agreement, and this Agreement shall remain in full force and effect. To the extent all or any part of the System shall be destroyed or damaged by any cause whatsoever, the Customer shall pay to WCVT the fair market value therefore, and the Customer shall immediately return to WCVT whatever then remains of the System.

Section 6. **Maintenance Services.** During the Term, WCVT shall repair or replace, or cause to be repaired and replaced by an independent contractor selected by WCVT, at WCVTs' option (the "Service"), any component part of the Equipment listed on Schedule 1 when it malfunctions, except as provided in Section 8. Replacement Equipment may be new or refurbished like new at WCVTs' option.



Section 7. **Charges for Additional Services.** The charge for additional services shall be at WCVT's current business and non-business hourly rates, whichever may apply, plus any applicable material charges. WCVT shall invoice the Customer upon the completion of each order for additional services.

**Labor Rates**

1. \$90.00/hour during normal business hours (Monday-Friday 8:00 a.m. – 4:30 p.m.)  
\$135.00/hour outside our normal business hours
2. Programming Changes (during normal business hours)
  - a. \$12.50 per 15 minutes, if the changes can be made remotely
  - b. \$90.00/hour if a site visit is required to make the changes

Section 8. **Conditions for Service**

(a) WCVT shall not be obligated to perform Service if the Customer: (i) fails to follow applicable operation manuals, including, without limitation, manufacturer's product bulletins, (ii) makes additions to, alters, modifies, enhances, repairs or disassembles the Equipment (itself or using a third party) without WCVT's consent, (iii) mishandles, abuses, misuses or damages the Equipment (either itself or by others doing so); or (iv) relocates the Equipment without WCVT's consent (see Section 9, E911 Disclaimer ). Service does not cover damage to the Equipment due to fire, explosion, power irregularities, power surges, acts of God (including without limitation, earthquakes, rains, floods or lightning), or any other cause not attributable to Selectronics' performance; or battery failures or consumable supplies.

(b) If the Customer requests WCVT to perform Service and (a) it was required as a result of any cause set forth in Section 8(a), or (b) it is determined that a defect or failure of the Equipment did not exist (*e.g.*, the problem was caused by facilities provided by the Customer's local or long distance carriers or service providers or equipment interfacing with the Equipment), WCVT reserves the right to charge Customer at WCVT's business or non-business hour rates, whichever may apply, and material charges for any work performed and materials supplied as an additional charge.

Section 9. **E911 Disclaimer**

You may not be able to reach the correct emergency services location if you move your phone to a location different from the physical address you initially registered. It is important that you register accurate physical location information every time you move the Equipment associated with your Hosted PBX service. If you move your Equipment to another location without notifying Waitsfield and Champlain Valley Telecom's Customer Service Department, when you dial 911 you may not be able to reach the correct emergency services location or any emergency personnel at all. Even if you do reach emergency personnel, if you have not provided accurate physical location information you will not be calling the emergency personnel near your actual current location and this emergency personnel may not be able to transfer your call or respond to your emergency.

It is important that you register an accurate physical location when you initiate your service and every time you move the Equipment associated with your Waitsfield and Champlain Valley Telecom Hosted PBX phone service. When you change your location, it may take up to 48 hours for your location change to be reflected in our records. During that time, you may not be able to reach the correct emergency services center or any emergency service provider by dialing 911.

**Schedule 1 – Lease Terms and Payments**

## Fayston School Hosted Phone System

**Fayston Wiring: \$1,117.95**

Fayston Elementary			
20 Phone			
Description	Quantity	Unit Cost	Total
24 Port Patch Panel	1	\$ 98.67	\$ 98.67
Labor	6	\$ 90.00	\$ 540.00
CAT 6 Modules	24	\$ 9.62	\$ 230.88
Algo Paging Unit	1	\$ 248.40	\$ 248.40
			\$1,117.95

**Equipment Costs: \$100.00**

IP Phone Data Switches purchased already

Item #	Item Description	QTY	Unit Cost	Total Cost
	Battery Backup	1	\$ 100.00	\$ 100.00
				\$ 100.00



Fayston School Lease

<b>Description</b>		<b>60-Month</b>
Seat Cost	20	\$9.95
<b>Subtotal</b>		\$199.00
<b>A La Carte Features</b>		
Auto Attendant	1	\$ 24.95
Music on Hold	1	\$ 22.50
Hunt Group / Find Me / Incoming Call Manager	1	\$ 6.95
Fiber Internet - 1Gbps	1	\$ 199.95
Landline	3	\$ 26.95
<b>Subtotal</b>		\$ 335.20
<b>Phone Lease</b>		
Polycom VVX 410 12-line Desktop Phone Gigabit Ethernet with HD Voice - PoE without Power Supply	4	\$ 7.36
Polycom VVX 310 6-line Desktop Phone Gigabit Ethernet	16	\$ 4.31
<b>Subtotal</b>		\$ 115.68
<b>Monthly Service + Phone Lease</b>		\$ 649.88

Note: Hosted IP Extensions (seat cost) listed above are for a 5-year agreement. 3-year per seat monthly pricing is \$13.25 per Hosted IP Extension. A compatible SIP phone is required for each Hosted IP Extension (phone options and prices can be found below). Above-listed fees do not include all mandated taxes, fees and surcharges. Direct dialed long distance calls within continental United States billed at \$.08/minute. Local Measured Service included in monthly service rate. Listed rates also reflect full retail pricing and do not contemplate E-rate or Distance Learning discounts that may be realized.

## Moretown School Hosted Phone System

**Moretown Wiring: \$2,411.56**

Moretown School			
28 Phones			
Description	Quantity	Unit Cost	Total
16 Port patch panel	2	\$ 92.22	\$ 184.44
Labor	16	\$ 90.00	\$1,440.00
CAT 6 Modules	56	\$ 9.62	\$ 538.72
Algo Paging Unit	1	\$ 248.40	\$ 248.40
			\$2,411.56

**Equipment Costs: \$100.00**

IP Phone Data Switches purchased already

Item #	Item Description	QTY	Unit Cost	Total Cost
	Battery Backup	1	\$ 100.00	\$ 100.00
				\$ 100.00



Moretown Elementary Lease

Description		60-Month
Seat Cost	28	\$9.95
<b>Subtotal</b>		\$278.60
<b>A La Carte Features</b>		
Auto Attendant	1	\$ 24.95
Music on Hold	1	\$ 22.50
Hunt Group / Find Me / Incoming Call Manager	1	\$ 6.95
Fiber Internet - 1Gbps	1	\$ 199.95
Landline	3	\$ 26.95
<b>Subtotal</b>		\$ 335.20
<b>Phone Lease</b>		
Polycom VVX 410 12-line Desktop Phone Gigabit Ethernet with HD Voice - PoE without Power Supply	4	\$ 7.36
Polycom VVX 310 6-line Desktop Phone Gigabit Ethernet	24	\$ 4.31
<b>Subtotal</b>		\$ 158.80
<b>Monthly Service + Phone Lease</b>		\$ 772.60

Note: Hosted IP Extensions (seat cost) listed above are for a 5-year agreement. 3-year per seat monthly pricing is \$13.25 per Hosted IP Extension. A compatible SIP phone is required for each Hosted IP Extension (phone options and prices can be found below). Above-listed fees do not include all mandated taxes, fees and surcharges. Direct dialed long distance calls within continental United States billed at \$.08/minute. Local Measured Service included in monthly service rate. Listed rates also reflect full retail pricing and do not contemplate E-rate or Distance Learning discounts that may be realized.

## Waitfield Elementary Hosted Phone System

**Waitfield Elementary Wiring: \$2,248.83**

Waitfield Elementary			
23 Phones			
<b>Description</b>	<b>Quantity</b>	<b>Unit Cost</b>	<b>Total</b>
24 Port Patch Panel	1	\$ 98.67	\$ 98.67
Labor	16	\$ 90.00	\$1,440.00
CAT 6 Modules	48	\$ 9.62	\$ 461.76
Algo Paging Unit	1	\$ 248.40	\$ 248.40
			\$2,248.83

**Equipment Costs: \$100.00**

IP Phone Data Switches purchased already

Item #	Item Description	QTY	Unit Cost	Total Cost
	Battery Backup	1	\$ 100.00	\$ 100.00
				\$ 100.00



Waitfield Elementary Lease

Description		60-Month
Seat Cost	23	\$9.95
<b>Subtotal</b>		\$228.85
<b>A La Carte Features</b>		
Auto Attendant	1	\$ 24.95
Music on Hold	1	\$ 22.50
Hunt Group / Find Me / Incoming Call Manager	1	\$ 6.95
Fiber Internet - 1Gbps	1	\$ 199.95
Landline	3	\$ 26.95
<b>Subtotal</b>		\$ 335.20
<b>Phone Lease</b>		
Polycom VVX 410 12-line Desktop Phone Gigabit Ethernet with HD Voice - PoE without Power Supply	4	\$ 7.36
Polycom VVX 310 6-line Desktop Phone Gigabit Ethernet	19	\$ 4.31
<b>Subtotal</b>		\$ 131.85
<b>Monthly Service + Phone Lease</b>		\$ 695.90

Note: Hosted IP Extensions (seat cost) listed above are for a 5-year agreement. 3-year per seat monthly pricing is \$13.25 per Hosted IP Extension. A compatible SIP phone is required for each Hosted IP Extension (phone options and prices can be found below). Above-listed fees do not include all mandated taxes, fees and surcharges. Direct dialed long distance calls within continental United States billed at \$.08/minute. Local Measured Service included in monthly service rate. Listed rates also reflect full retail pricing and do not contemplate E-rate or Distance Learning discounts that may be realized.



## Warren School Hosted Phone System

**Warren School Wiring: \$2,373.08**

Warren School			
26 Phones			
<b>Description</b>	<b>Quantity</b>	<b>Unit Cost</b>	<b>Total</b>
16 Port Patch Panels	2	\$ 92.22	\$ 184.44
Labor	16	\$ 90.00	\$1,440.00
CAT 6 Modules	52	\$ 9.62	\$ 500.24
Algo Paging Unit	1	\$ 248.40	\$ 248.40
			\$2,373.08

**Equipment Costs: \$100.00**

IP Phone Data Switches purchased already

Item #	Item Description	QTY	Unit Cost	Total Cost
	Battery Backup	1	\$ 100.00	\$ 100.00
				\$ 100.00



Warren School Lease

<b>Description</b>		<b>60-Month</b>
Seat Cost	26	\$9.95
<b>Subtotal</b>		\$258.70
<b>A La Carte Features</b>		
Auto Attendant	1	\$ 24.95
Music on Hold	1	\$ 22.50
Hunt Group / Find Me / Incoming Call Manager	1	\$ 6.95
Fiber Internet - 1Gbps	1	\$ 199.95
Landline	3	\$ 26.95
<b>Subtotal</b>		\$ 335.20
<b>Phone Lease</b>		
Polycom VVX 410 12-line Desktop Phone Gigabit Ethernet with HD Voice - PoE without Power Supply	4	\$ 7.36
Polycom VVX 310 6-line Desktop Phone Gigabit Ethernet	22	\$ 4.31
<b>Subtotal</b>		\$ 148.02
<b>Monthly Service + Phone Lease</b>		\$ 741.92

Note: Hosted IP Extensions (seat cost) listed above are for a 5-year agreement. 3-year per seat monthly pricing is \$13.25 per Hosted IP Extension. A compatible SIP phone is required for each Hosted IP Extension (phone options and prices can be found below). Above-listed fees do not include all mandated taxes, fees and surcharges. Direct dialed long distance calls within continental United States billed at \$.08/minute. Local Measured Service included in monthly service rate. Listed rates also reflect full retail pricing and do not contemplate E-rate or Distance Learning discounts that may be realized.



## Harwood Unified Union School District Admin Offices Hosted Phone System

No wiring needed here

**Equipment Costs:** \$100.00

IP Phone Data Switches purchased already

Item #	Item Description	QTY	Unit Cost	Total Cost
	Battery Backup	1	\$ 100.00	\$ 100.00
				\$ 100.00



Harwood Unified Union School Central Office Lease

<b>Description</b>		<b>60-Month</b>
Seat Cost	16	\$9.95
<b>Subtotal</b>		\$159.20
<b>A La Carte Features</b>		
Auto Attendant	1	\$ 24.95
Music on Hold	1	\$ 22.50
Hunt Group / Find Me / Incoming Call Manager	1	\$ 6.95
Fiber Internet - 1Gbps	1	\$ 199.95
Landline	3	\$ 26.95
<b>Subtotal</b>		\$ 335.20
<b>Phone Lease</b>		
Polycom VVX 410 12-line Desktop Phone Gigabit Ethernet with HD Voice - PoE without Power Supply	16	\$ 7.36
<b>Subtotal</b>		\$ 117.76
<b>Monthly Service + Phone Lease</b>		\$ 612.16

Note: Hosted IP Extensions (seat cost) listed above are for a 5-year agreement. 3-year per seat monthly pricing is \$13.25 per Hosted IP Extension. A compatible SIP phone is required for each Hosted IP Extension (phone options and prices can be found below). Above-listed fees do not include all mandated taxes, fees and surcharges. Direct dialed long distance calls within continental United States billed at \$.08/minute. Local Measured Service included in monthly service rate. Listed rates also reflect full retail pricing and do not contemplate E-rate or Distance Learning discounts that may be realized.



**Customer Supplied Equipment**

Item Description	Qty

The above was supplied by the Customer and will not be maintained, supported or warrantied by WCVT. The equipment will be the sole property of the customer.

**Project Contact Information**

**Kris Merchant**, Sales Manager  
802-496-8554  
[kmerchant@wcvt.com](mailto:kmerchant@wcvt.com)

**Trouble Calls**

Please contact Customer Service at 1-800-496-3391



# Waitsfield and Champlain Valley Telecom

## Hosted IP Phone Service Agreement

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**SELLER:**

Waitsfield and Champlain Valley Telecom  
P.O. Box 9, 3898 Main Street  
Waitsfield, VT 05673  
800.496.3391

**CUSTOMER:**

Harwood Unified Union School District  
340 MAD RIVER PARK  
Waitsfield, VT 05673  
802.496.2272

**Monthly Service Term**

### Harwood Unified Union School Central Office

Phone **Lease** Agreement Monthly Service Total  
*(excluding taxes and other governmentally sanctioned fees and charges)*

☐ **60-Month Term**  
**\$612.16**

### Warren School

Phone **Lease** Agreement Monthly Service Total  
*(excluding taxes and other governmentally sanctioned fees and charges)*

☐ **60-Month Term**  
**\$741.92**

### Waitsfield Elementary

Phone **Lease** Agreement Monthly Service Total  
*(excluding taxes and other governmentally sanctioned fees and charges)*

☐ **60-Month Term**  
**\$695.90**



## Moretown School

Phone **Lease** Agreement Monthly Service Total  
*(excluding taxes and other governmentally sanctioned fees and charges)*

☐ **60-Month Term**  
**\$772.60**

## Fayston School

Phone **Lease** Agreement Monthly Service Total  
*(excluding taxes and other governmentally sanctioned fees and charges)*

☐ **60-Month Term**  
**\$649.88**



Customer Authorized Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Contact Number(s): \_\_\_\_\_

Date: \_\_\_\_\_

WCVT Authorized Signature:

*Kris D. Merchant*

Date:

May 11, 2017

*Please note you are signing for HPBX charges only, not your total telephone bill.*



**Harwood Unified Union School District**  
**Michelle Baker**  
**340 Mad River Park Suite 7**  
**Waitsfield, VT 05673**  
**Five-Year Basis beginning with the 2017/2018 Fiscal Year**  
**Copies-per-Year: 5,675,798**

**Present vs. Proposed Recommendations as of 6/1/2017**

**PRESENT SITUATION**

- 1) Guarantees on Photocopiers...**One Year**
- 2) Annual Price Ceilings Left... **One Year**
- 3) High Volume Console Units...**12**
- 4) Units to be Traded...**84**
- 5) Photocopiers...**20**
- 6) Color Photocopiers...**4**
- 7) MFP's... **16 w/3 Color laser MFPs, 3 Ink Jets**
- 8) Network Printers....**84 w/ 24 Color**

Total number of Units...**119**

- 9) Duplex's...**66**
- 10) Finisher's...**17**

**PROPOSED SITUATION**

- 1) Guarantees for both New, Recons & Used Photo's...**Five+ Years**
- 2) 5% or CPI Annual Ceilings, whichever is less...**Five+ Years**
- 3) High Volume Console Units with 3 Million plus...**11**
- 4) Replaced **76 New**
- 5) Photocopiers...**22 with Secure Print/Confidential Mailbox**
- 6) Low Cost Color Photocopiers Networked...**9**
- 7) MFP's... **9 w/6 Color**
- 8) Network Printers...**78 w/ 21 Color**

Total number of Units...**109 closing out & combining 13 units**

- 9) Duplex's... **109**
- 10) Finisher's... **22**

**Overall Description of Equipment Fleet:**

Presently, you have **Nine different Manufacturers (Two different vendors) & over 50 different Models**. Also, you both laser and inkjet printers with color cost as high as 25 cents on inkjet and 15 cents on laser. The new arrangement will shift to one vendor servicing everything with as few models as possible that are all laser printers under a blanket cost per print plan with no minimums or maximums. This will greatly reduce cost and improve reliability.

**Capital:**

Presently, you have **Multiple** municipal leases & Commercial Leases that will be paid off & or eliminated by June 30<sup>th</sup>, 2017. With the new arrangement, you will again have **one** 'municipal' master lease at 3.09% interest. Your first of five annual lease payments will be due on **August 1<sup>st</sup> 2017**. A legal opinion from SPC's bond counsel (John Larouche in Augusta ME) will be done on this lease transaction. This will assure that all documents are prepared correctly and signed by the appropriate City and bank officials, and that the lease purchase is a tax-exempt obligation with no premium payable by the school district. At your own expense, you can have your own bond counsel also review the documents which would simply duplicate this service.

**Service & Supplies:**

Considering all of your consumable cost centers including service you are averaging **\$0.017129 for black and \$0.118508 for Color**. Some of this cost includes the copier equipment. The new contract will come in at a CPC of **\$0.004706 for Black and \$0.060834 for Color**.

**Vendor Packages:**

SPC has brought to you multiple different vendor combinations, matching up the best technology available to meet your needs. We would like to highlight the most qualified bid combination for your School District.

<u>Cost Center</u>	<u>Present (Entire)</u>	<u>OSV Toshiba (Entire)</u>
1. Service & Supplies Color Photo only	\$35,264.54	\$17,819.70
2. Service & Supplies Black Photo only	\$92,126.14	\$25,271.28
3. Annual Muni Lease	\$Incl. in Black S&S	\$52,939.21
4. Forced Upgrade (#78 Owned Units)	\$43,540.00	\$00.00
Totals	\$170,930.67	\$96,030.19

**The successful bidders** will have a blanket servicing contract that includes all consumables excluding only staples and paper for all of the equipment that is under their factory authorized ability to service. They will provide one easy 'Cost per Copy' billing plan done twice a year in July & January with a reconciliation invoice in June. Your service contract will be fixed through **June 30th 2018**. A contract extension has been negotiated for four more years, which will have an annual price ceiling of five percent or CPI, whichever is less. You however, only commit funds for one-year at a time to the servicing vendor. And even this scenario allows you to upgrade, lowering the service costs, if it is to your advantage to go out to bid at any time. SPC will set up both the service- supply contracts and the warranty cards with the successful bidding vendors.

Security package: Wiping out old data on trade out units has been included in the package.

**VOTE TO BE ADOPTED**  
**Board of Directors**  
**Harwood Unified Union School District**

**Voted:** That under and pursuant to the provisions of the law of the State of Vermont, the Superintendent of Schools be and hereby is authorized to execute and deliver a tax-exempt lease purchase agreement with M.S.T. Government Leasing, LLC in the name and on behalf of the **Harwood Unified Union School District (the “Issuer”)**, for the purpose of refunding and refinancing existing lease purchases of photocopier equipment and lease purchasing additional new and reconditioned photocopier equipment, any service agreements specifically financed in connection with certain equipment, consulting fees and related costs of issuance with an aggregate purchase price not exceeding **Two Hundred Forty-Eight Thousand Three Hundred Eight Dollars and Sixty Seven (\$248,308.67)**, at a rate of interest of not more than **3.090%** per year through **August 1, 2021**, and otherwise in such form as the Superintendent may approve; and that the appropriate officials of the Issuer be and hereby are authorized to execute and deliver on behalf of the Issuer such other documents and certificates as may be required in connection with such tax-exempt lease purchase agreement; and that no part of the proceeds of said tax-exempt lease purchase agreement shall be used, directly or indirectly, to acquire any securities or obligations, the acquisition of which would cause the tax-exempt lease purchase agreement to be a “private activity bond” or an “arbitrage bond” within the meaning of Sections 141 and 148, respectively, of the Internal Revenue Code of 1986, as amended (the “Code”); and that the tax-exempt lease purchase agreement issued pursuant hereto be designated as a qualified tax-exempt obligation within the meaning of Section 265(b)(3)(B) of said Code; and that the Superintendent be and hereby is authorized to covenant on behalf of the Issuer to file any information report and pay any rebate due to the United States in connection with the issuance of said tax-exempt lease purchase agreement, and to take all other lawful actions necessary to insure that the interest portion of the rental payments under and pursuant to the tax-exempt lease purchase agreement will be excluded from the gross income of the owners thereof for purposes of federal income taxation and to refrain from taking any action which would cause such interest portion of the rental payments to become includable in the gross income of the owners thereof. The Board of Directors of the Issuer also authorizes the Business Manager of the Issuer to sign the attached Contract with Specialized Purchasing Consultants, Inc. relating to acquisition of photocopying equipment for the Issuer and authorizes such person to make any elections under the Contract not exceeding the aggregate purchase price of this authorizing Vote.

**Proposed Project Budget - V1**

Warren Elementary School

TruexCullins EDUCATION

Updated: 6/5/2017

0 Key				
O		Owner	Warren Town School District/Harwood Unified Union School District	
CM		Contractor	TBD	
A/E		Architect	TruexCullins (TxC)	
N/A		Not Applicable - no monies carried for same		

Items in yellow to be confirmed by Owner

		Category	Category Cost	Budget	Actual	Variance	Notes
<b>1 Property (Land and/or Building(s) Acquisition)</b>			<b>\$70,000</b>				
N/A	A	Feasibility Studies					
N/A	B	Environmental Clearance					
N/A		1. Contaminated Soils/Tanks					
N/A		2. Radon					
O		3. Asbestos Abatement		\$35,000	\$0	\$35,000	Contact is for \$29,086
O		4. Lead Abatement				\$0	
O		5. PCBs/Other		\$35,000	\$0	\$35,000	Contact is for \$29,086
N/A	C	Purchase					
<b>2 Legal/Administrative</b>			<b>\$51,300</b>				
O	A	Attorney		\$10,000		\$10,000	
O	B	Accounting				\$0	
O	C	Owner/Representative/Clerk of the Works		\$36,300	\$825	\$35,475	
O	D	Insurances				\$0	
O		1. Property Insurance				\$0	
O		2. Builder's Risk (Max. 2,500 Deduct)		\$5,000		\$5,000	
O		3. Owner's Protective Liability				\$0	
O		4. Other				\$0	
O	<b>3 Project Financing</b>		<b>\$0</b>				
O	<b>4 Project Clerk of the Works</b>		<b>\$36,300</b>	\$36,300			

		Category	Category Cost	Budget	Actual	Variance	Notes
A/E	5	Architectural and Engineering (A/E) Fees	\$169,480				
A/E		A Master Planning				\$0	
N/A		B Models/Renderings				\$0	
A/E		C1 Architecture		\$ 149,480	\$ 137,858	\$11,622	
A/E		C2 Interiors				\$0	
N/A		D Civil Engineering				\$0	
N/A		E Landscape Design				\$0	
N/A		F Structural Engineering				\$0	
CM		G Mechanical, Plumbing, HVAC Design				\$0	
CM		H Fire Protection (Sprinkler)Design				\$0	
CM		I Electrical Design				\$0	
A/E		J A/E Additional Services		\$20,000		\$20,000	
	6	A/E Reimbursables	\$5,932				
A/E		A Printing and Travel - estimate		\$5,932		\$5,932	3.5%
	7	Special Consultants	\$20,000				
O		A Permit Work				\$0	
N/A		B Survey/Traffic Studies				\$0	
N/A		C Geotechnical Engineer				\$0	
FM		D Energy				\$0	included in fee
O		E Environmental		\$20,000	\$12,100	\$7,900	ATC
O		F Not Used				\$0	
N/A		G Energy Studies				\$0	
N/A		H Acoustical				\$0	
N/A		I Equipment Planning				\$0	
N/A		J Food Service				\$0	
N/A		K Interior Design				\$0	
O		L Signage				\$0	
N/A		M Lighting				\$0	
N/A		N Voice/Data				\$0	
N/A		O Telecommunications				\$0	
N/A		P Security				\$0	
N/A		Q Pool				\$0	

		Category	Category Cost	Budget	Actual	Variance	Notes
N/A		R Industrial Hygiene/Safety				\$0	
N/A		S Manufacturing Processes				\$0	
O		T Expediting and Code Review				\$0	
O		U Audio/Visual				\$0	
CM		<b>8 Soil Borings/Test Pits</b>	<b>\$0</b>	<b>\$0</b>			
		<b>9 Testing</b>	<b>\$20,000</b>				
A/E		A Soils				\$0	
CM		B Concrete				\$0	
CM		C Steel				\$0	
N/A		D Fireproofing				\$0	
N/A		E Air Infiltration		\$10,000		\$10,000	
N/A		F Infrared Inspection		\$10,000		\$10,000	
N/A		G Mold				\$0	
N/A		H Thermal Envelope				\$0	
		<b>10 Utility Company Charges</b>	<b>\$0</b>				
CM		A Electrical				\$0	
CM		B Gas				\$0	
CM		C Water				\$0	
CM		D Sewer				\$0	
CM		E Storm				\$0	
		<b>11 Typical Owner Furnished Equipment</b>	<b>\$0</b>				
N/A		A Fixed Equipment				\$0	
N/A		B Loose Equipment				\$0	
A/E		C Kitchen Equipment				\$0	
N/A		D Installation				\$0	
		<b>12 Typical Items Furnished By Owner</b>	<b>\$0</b>				
O		A Furniture				\$0	
N/A		B Drapes/Blinds		\$0		\$0	
O		C Signage				\$0	
O		D Art Work				\$0	
O		E Art Work - Framing				\$0	
O		F Office System Furniture				\$0	

		Category		Category Cost	Budget	Actual	Variance	Notes
O		G	Installation				\$0	
13 Construction Costs				\$1,965,060				
CM		A	Site Development				\$0	
CM		B	New Construction				\$0	
CM		C	Renovations		\$1,965,060	\$22,226	\$1,942,834	
CM		D	HVAC/Electrical/Fire Protection				\$0	
CM		E	Alternates				\$0	
CM		F	Allowances				\$0	
		G	Hazardous Abatement				\$0	
CM		H	Cost Escalation/Inflation Contingency				\$0	5.0%
O	14 Decommission			\$0				
15 Preconstruction Services				\$2,013				
CM		A	Design Fees				\$0	
CM		B	Site Visits				\$0	
CM		C	Estimating Services		\$0		\$0	included in fee
CM		D	Miscellaneous Expenses		\$2,013	\$2,013	\$0	Advertising for QC and Clerk of Works, Turtle C
16 Permits				\$16,958				
N/A		A	State Building Permit		\$16,958	\$16,958	\$0	
N/A		B	Act 250 (VT)				\$0	
A/E		C	Local Zoning		\$0		\$0	\$5 per 1000
A/E		D	Local Zoning				\$0	
A/E		E	Local Zoning				\$0	
N/A		F	Buried Tanks				\$0	
O		G	Special Emission				\$0	
A/E		H	Driveway				\$0	
A/E		I	Highway/Street				\$0	
A/E		J	Wetlands/Natural Resources				\$0	
A/E		K	Local Building Permit				\$0	
A/E		L	Stormwater				\$0	
A/E		M	Local Building Permit		\$0.00		\$0	0.55%
17 Impact Fees				\$0				
CM		A	Water				\$0	

		Category	Category Cost	Budget	Actual	Variance	Notes
CM		B Sewer				\$0	
CM		C Storm				\$0	
CM		D Street				\$0	
N/A	18	Commissioning Agent	\$15,000	\$15,000		\$15,000	
N/A	19	Telecommunications/AV	\$0				
N/A		A Telephone Raceway				\$0	
N/A		B Telephone Wire				\$0	
O		C Telephone Equipment				\$0	
N/A		D Cable TV - wiring only				\$0	
O		E Data/Networking				\$0	
N/A		F Clock System				\$0	
N/A		G Sound System				\$0	
O		H Owner Security				\$0	
O		I Audio/Visual				\$0	
	20	Moving Costs	\$10,000				
O		A Movers		\$10,000	\$247	\$9,753	dumpster
O		B Temporary Classrooms				\$0	
N/A		C Permanent				\$0	
N/A		D Storage				\$0	
N/A		E Rigging				\$0	
	21	Relocate User Parking	\$0				
N/A		A Temporary Lot				\$0	
N/A		B Shuttle Service				\$0	
	22	Subtotal	\$2,382,042	\$2,382,042	\$192,227	\$2,189,816	
						\$0	
	23	Contingency Costs	\$167,958				
						\$0	
A/E		A Owner Project Contingency		\$167,958		\$167,958	7.1%
	24	Total Project Costs	\$2,550,000		\$192,227		
						\$0	
	25	Alternates	\$0				
		1				\$0	

		Category	Category Cost	Budget	Actual	Variance	Notes
		2				\$0	
		3				\$0	
		4				\$0	
		5				\$0	
<b>26 Cost Analysis</b>							
		A	Total Project Cost		\$2,550,000	\$2,550,000	Line 24
		B	Hard Costs (Construction)		\$1,965,060	\$1,965,060	Line 12
		C	Abatement		\$70,000	\$70,000	Line 1
		E	Contingency Costs		\$167,958	\$167,958	Line 23
		D	Soft Costs (Non-construction Related)		\$346,982	\$346,982	Line A - B - C - D
		F	Soft Cost Percentage		17.7%	\$0	B/D





*Proven Expertise and Integrity*

February 21, 2017

School Board  
Washington West Supervisory Union  
340 Mad River Park, Suite 7  
Waitsfield, VT 05673

MANAGEMENT LETTER

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington West Supervisory Union and its member Districts as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Supervisory Union's and its member Districts' internal control. We did so to determine our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for expressing our opinion on the effectiveness of the Washington West Supervisory Union's and its member Districts' internal control over financial reporting or compliance.

During our audit we became aware of matters referred to as "management letter comments" that offer opportunities for strengthening internal control and improving operating efficiencies of the Washington West Supervisory Union and its member Districts. The following pages summarize our comments and suggestions on those matters.

This report is intended solely for the information and use of the School Board, management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

These matters do not modify our opinion on the financial statements for the year ended June 30, 2016, where we expressed an unmodified opinion on our independent auditors' report dated November 8, 2016.

**Procurement/Purchasing Procedures:**

While performing the audit for the above referenced year end, it was noted the Supervisory Union has purchasing policies and procedures. We recommend the Supervisory Union review its current procedures and consider updating them to include definitions and wording from the new Uniform Administrative Guidance, which is now effective. May we also recommend utilizing similar procedures for purchases made with local funds. As a result of our review in this area performed during the audit we also recommend that the Supervisory Union consider utilizing different thresholds, depending on the type of purchase, in determining the process on how services and goods are procured in the future.

**Bank Reconciliations:**

While performing the audit for the above referenced year end, it was noted that bank reconciliations for the Supervisory Union and all School Districts were not noted by an initial and date that they were reviewed until year end. Bank accounts should be reconciled and reviewed monthly to ensure any discrepancies are identified and resolved in a timely manner. Additionally, the preparer and reviewer should initial and date each reconciliation as evidence to support the date each task was completed.

**Timeliness of deposits:**

While performing our test work for the above referenced year end, it was noted that some deposits at the Supervisory Union and member Districts, which were posted internally to the Districts financial records, were not deposited at the bank until in some cases 14 days later. We recommend all monies collected be deposited within a reasonable time frame, usually daily, but if not practical, not less than weekly.

**Grant Sub Agreements:**

While performing the audit for the above referenced year end, it was noted that some of the Grant sub agreements were not in place between the Supervisory Union and each School District. In order to ensure that grant funding received by the Supervisory Union is appropriately distributed, accurate, complete and accounted for, it is recommended that grant sub agreements be created and executed between the Supervisory Union and each School District.

**Purchase Orders:**

While performing the audit for the fiscal year referenced above, we found that several purchases orders were dated after the invoices and products had already been received. Management should review its current purchase order system and make adjustments where necessary. If this practice continues, we may recommend to management that these purchase orders be labeled “accounts payable approval vouchers”.

**Contractual Signing Authority:**

While performing the audit for the above referenced year end, it was noted that management was in the process of reviewing all contracts with third parties for services provided to the Supervisory Union. We may also recommend that management review its existing procurement policies and procedures and review who has signing authority and the ability to bind the Supervisory Union and its member Districts for these agreements.

### **Fayston School District**

While performing the audit for the above referenced year end, it was noted that the Principal approved his own expenditure, reimbursing himself. In order to ensure that proper internal control exists and to mitigate the risk of incurring unbudgeted expenditures it is recommended that a segregation of controls be implemented where a second employee approves expenditures for the first employee who initiates the expenditure. Furthermore, the approval should take place prior to the invoice date through the use of a purchase order.

#### **Purchase Orders:**

While performing the audit for the fiscal year referenced above, we noted that several purchases orders were dated after the invoices and products had already been received. Management should review its current purchase order system and make adjustments where necessary. If this practice continues, we may recommend to management that these purchase orders be labeled “accounts payable approval vouchers”.

#### **I-9s:**

While performing the audit for the fiscal year noted above, we noted that several Form I-9s were not filled out completely. Federal law requires I-9s be kept on file for all employees. All employees should fill out an I-9 form, certified by the Supervisory Union, prior to being hired. Form I-9s are not considered confidential and may be subject to regulatory inspection. In addition, we recommend that periodic reviews of individual personnel files are completed and updated by management.

### **Harwood Union High School**

#### **Manual Funds:**

While performing the audit for the fiscal year referenced above, it was noted that currently the debt service, permanent, student activity and scholarship funds are maintained manually. In order to ensure that all permanent, student activity and scholarship funds are completely and accurately recorded it is recommended that these accounts be set up as part of the Unified Union School District during the consolidation process and maintained on the accounting software going forward.

#### **Scholarship Funds:**

While performing the audit for the fiscal year referenced above, it was noted that little documentation exists to direct how the permanent and scholarship funds should have been set up initially, their purpose, and the distribution requirements for each fund. It is recommended that proper documentation directing set up, purpose and distribution requirements be maintained for all future permanent and fiduciary fund private purpose scholarship funds provided to the High School. It is also recommended that documentation for all permanent and fiduciary fund private purpose scholarship funds be available for public inspection upon request.

#### **Purchase Orders:**

While performing the audit for the fiscal year noted above, we noted that several purchases orders were dated after the invoices and products had already been received. Management should review its current purchase order system and make adjustments where necessary. If this practice continues, we may recommend to management that these purchase orders be labeled “accounts payable approval vouchers”.

**Moretown School District**

**Purchase Orders:**

While performing the audit for the fiscal year referenced above, we noted that several purchase orders were dated after the invoices and products had already been received. Management should review its current purchase order system and make adjustments where necessary. If this practice continues, we may recommend to management that these purchase orders be labeled “accounts payable approval vouchers”.

**I-9s:**

While performing the audit for the fiscal year referenced above, we found that several Form I-9s were not filled out completely. Federal law requires I-9s be kept on file for all employees. All employees should fill out an I-9 form, certified by the Supervisory Union, prior to being hired. Form I-9s are not considered confidential and may be subject to regulatory inspection. In addition, we recommend that periodic reviews of individual personnel files are completed and updated by management.

**General Fund – Deficit:**

We noted during the above mentioned year that the General Fund of the District was in a deficit approximating \$21,000 at June 30, 2016. The District should reconcile this deficit in a future budget and follow best practices and adhere to approved budgets.

**Waitsfield School District**

**Purchase Orders:**

While performing the audit for the fiscal year noted above, we noted that several purchases orders were dated after the invoices and products had already been received. Management should review its current purchase order system and make adjustments where necessary. If this practice continues, we may recommend to management to that these purchase orders be labeled “accounts payable approval vouchers”.

**I-9s:**

While performing the audit for the fiscal year noted above, we noted that several Form I-9s were not filled out completely. Federal law requires I-9s be kept on file for all employees. All employees should fill out an I-9 form, certified by the Supervisory Union, prior to being hired. Form I-9s are not considered confidential and may be subject to regulatory inspection. In addition, we recommend that periodic reviews of individual personnel files are completed and updated by management.

**Warren School District**

**Purchase Orders:**

While performing the audit for the fiscal year referenced above, we noted that several purchases orders were dated after the invoices and products had already been received. Management should review its current purchase order system and make adjustments where necessary. If this practice continues, we may recommend to management to call these purchase orders be labeled “accounts payable approval vouchers”.

**Warren School District (continued)**

**I-9s:**

While performing the audit for the fiscal year referenced above, we noted that several Form I-9s were not filled out completely. Federal law requires I-9s be kept on file for all employees. All employees should fill out an I-9 form, certified by the Supervisory Union, prior to being hired. Form I-9s are not considered confidential and may be subject to regulatory inspection. In addition, we recommend that periodic reviews of individual personnel files are completed and updated by management.

**General Fund – Deficit:**

We noted during the above mentioned year that the General Fund of the District was in a deficit approximating \$172,000 at June 30, 2016. The District should reconcile this deficit in a future budget and follow best practices and adhere to approved budgets.

**Waterbury-Duxbury Union School District**

**General Ledger Accounting:**

While performing the audit for the fiscal year noted above, we noted the employee summer pay account, the Crossett Brook Middle School activities fund, the Thatcher Brook Primary School activity fund (2 accounts) were not presented on the trial balance. In order to ensure that all payroll and student activity funds are completely and accurately recorded it is recommended that these accounts be set up as part of the Unified Union School District during the consolidation process and maintained on the accounting software going forward.

**Old Outstanding Checks:**

While performing the audit for the above mentioned year end, it was noticed that the Union was still carrying outstanding checks that dated well beyond the current fiscal period being audited. We recommend that management review the outstanding check list and address outstanding checks extending beyond the current fiscal period.

**Purchase Orders:**

While performing the audit for the fiscal year referenced above, we noted that several purchases orders were dated after the invoices and products had already been received. Management should review its current purchase order system and make adjustments where necessary. If this practice continues, we may recommend to management that these purchase orders be labeled “accounts payable approval vouchers”.

This letter is intended solely for the information and use of management, those charged with governance, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

We would like to thank Brigid, Michelle, Angela and all of the staff at the Supervisory Union for their cooperation throughout this audit process.

If there are any questions regarding this letter, please do not hesitate to call.

Very Best,

A handwritten signature in black ink that reads "RHR Smith & Company". The script is cursive and fluid, with the initials "RHR" being particularly prominent.

RHR Smith & Company, CPAs

WWSU / HUU SD

Financial Management Questionnaire - School Districts, Supervisory Unions, Supervisory Districts

June 8, 2017

	Yes	No	Don't know	By whom
Do you know by whom the following is maintained?				
School District Checkbook	✓			Fiscal Services
School District receipts	✓			Fiscal Services
Student Activity Cash/Check receipts	✓			At the School
School District payments:	✓			Fiscal Services
Payroll	✓			Fiscal Services
Accounts Payable	✓			Fiscal Services
Bank Deposit slips	✓			Fiscal Services
Bank reconciliations	✓			Fiscal Services
Are the all bank statement and ledger balances reconciled monthly, by whom?	✓			Fiscal Services
Does someone other than the treasurer review bank reconciliations?	✓			
Are checks always written to specified payees and not to cash?	✓			
Are financial records maintained in a computerized system?	✓			Tyler InfiniteVisions
Are all payees registered in accounting software?	✓			
Are all invoices, original, on vendor letterhead or format, with individual invoice number?		✓		not always
Are all payments recorded and mailed with notation to the associated invoice number?		✓		not always mailed/hand del. and del. card
Does the School District hold current W9 forms for all vendors?	✓			
Does the same individual open the mail and deposit checks?		✓		
Are pre-numbered checks used for all bank accounts?	✓			
Are unopened bank statements delivered directly to the treasurer as received?		✓		Treasurer has online access
Have you borrowed money from the School District?		✓		
Do you know of anyone who has borrowed money from the School District?		✓		
Have School Board members attended financial trainings?			✓	
Do the financial accounting personnel take regular vacations?	✓			
Have you deposited School District monies anywhere other than a School District account?		✓		
Have you deposited any non-School District monies into a School District account?		✓		
Is it common practice for staff members to rotate responsibilities or cross train periodically?	✓			
Are student activity receipts deposited within 48 hours of the event?			✓	working on this
Have you experienced a theft or embezzlement during the last five years?		✓		
Does the School District have written policies and procedures for financial operations?	✓			

	Yes	No	Don't know	By whom
Does each Town and School District official have copies of these policies and procedures?	✓			Online
Is there a standard procedure to ensure that gate receipts reflect the event's attendance?	✓			
Is interest in School District accounts apportioned to each account?		✓		all to General Fund
Have there been any changes in authorized signatures during the fiscal year?	✓			
Has a signature stamp ever been used for any School District account?		✓		
Do you have pre-numbered receipt books for cash payments?		✓		
Have you attended trainings on recordkeeping?	✓			
Are any School District financial records maintained in manual form?	✓			A/P Records
Do you maintain separate pages, columns or running balances for each fund?	✓			
Are checks written by the same individual who approves payments?		✓		
Do you participate in any business which does business with the School District?		✓		
Does any employee that you know of participate in any organization as a vendor?	✓			
Have you questioned if the lifestyle of any associate reflects their normal income?		✓		
Are bank accounts and fund balances reconciled on a monthly basis?	✓			
Does the School District loan money to town employees?		✓		

**As a signer below, I certify to the best of my knowledge that the answers provided in this self-assessment questionnaire are an accurate representation of the operation of the supervisory union, supervisory district, or school district of**

Waitsfield, Vermont

Preparer: Michelle Baker Printed Name: Michelle Baker

Title: Director of Finance Date submitted: 6.14.2017

**As an official of the supervisory union board, I certify that the board has reviewed this questionnaire within two months of receiving it from the superintendent.**

Name: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_