

AMITY REGIONAL SCHOOL DISTRICT NO. 5

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2022**

AMITY REGIONAL SCHOOL DISTRICT NO. 5
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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Amity Regional School District No. 5
Woodbridge, Connecticut

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Amity Regional School District No. 5 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Amity Regional School District No. 5 as of June 30, 2022, 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 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, the District adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, during the year ended June 30, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 and the information on pages 65 through 76 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 District's basic financial statements. The accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are 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 combining and individual fund financial statements and schedules 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 December 23, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 District'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 District's internal control over financial reporting and compliance.



Certified Public Accountants
Glastonbury, Connecticut
December 23, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

AMITY REGIONAL SCHOOL DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

As management of Amity Regional School District No. 5 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$81,268,622 (net position). Included in this amount is a deficit in unrestricted net position of \$5,105,247. This deficit is caused by long-term liabilities for pension and other post-employment benefits, which are being funded on an annual basis by the District based on actuarially determined contributions.
- The District's total net position for the year ended June 30, 2022 increased by \$3,830,771.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$5,435,100, a decrease of \$1,438,233 in comparison with the prior year.
- The principal balance outstanding on the District's long-term bonded debt decreased by \$4,195,000 or 18.3% from \$22,930,000 as of June 30, 2021 to \$18,735,000 as of June 30, 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets, deferred outflows and inflows of resources, and liabilities, with net position as the residual of these other amounts. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Government-wide Financial Statements *(Continued)*

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements are intended to distinguish functions of the District that are principally supported by District and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include instruction and support services. The District does not have any business-type activities.

The government-wide financial statements can be found on pages 14 and 15 of this report.

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 District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the 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 District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains a number of individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Reserve Fund for Capital and Nonrecurring, and the Education Grants Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for these nonmajor governmental funds is provided in the form of a combining statement elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16 through 19 of this report.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Fund Financial Statements *(Continued)*

Proprietary Funds

The District maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for its risk management activities. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 20 through 22 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to the District's own programs. The accounting used for fiduciary funds is much like that used for the government-wide financial statements.

The basic fiduciary fund financial statements can be found on pages 23 and 24 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 64 of this report.

Required Supplementary Information

The General Fund budgetary schedules and the schedules on the District's pension and other post-employment benefit plans can be found on pages 65 through 76 of this report.

Other Information

Combining and individual fund statements and schedules can be found on pages 77 through 82 of this report.

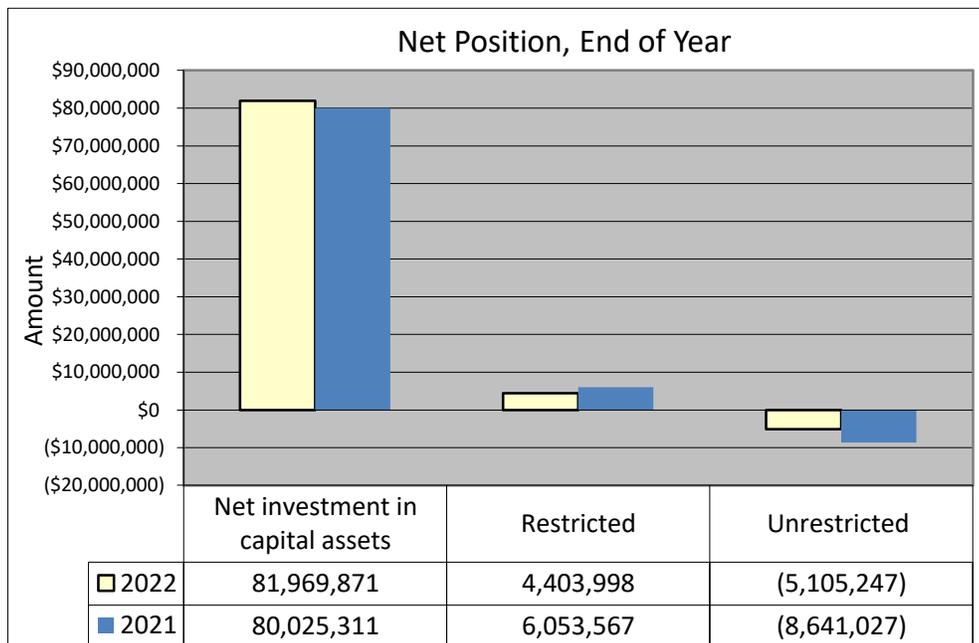
AMITY REGIONAL SCHOOL DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Over time, net position may serve as one measure of a government's financial position. Certain reclassifications have been made to the District's statement of net position as of June 30, 2021 to conform to the current year presentation. In addition, the District has restated its statement of net position as of June 30, 2021 for the implementation of GASB Statement No. 87, *Leases*. The District's net position totaled \$81,268,622 as of June 30, 2022 and \$77,437,851 as of June 30, 2021 and are summarized as follows:

	2022	2021 <i>(As Restated)</i>	\$ Variance	% Variance
Current and other assets	\$ 8,967,150	\$ 13,080,022	\$ (4,112,872)	-31%
Capital assets, net	102,772,262	102,111,218	661,044	1%
Total assets	<u>111,739,412</u>	<u>115,191,240</u>	<u>(3,451,828)</u>	-3%
Deferred outflows of resources	<u>2,519,505</u>	<u>892,910</u>	<u>1,626,595</u>	182%
Long-term liabilities	28,082,179	28,277,629	(195,450)	-1%
Other liabilities	<u>2,927,672</u>	<u>5,849,920</u>	<u>(2,922,248)</u>	-50%
Total liabilities	<u>31,009,851</u>	<u>34,127,549</u>	<u>(3,117,698)</u>	-9%
Deferred inflows of resources	<u>1,980,444</u>	<u>4,518,750</u>	<u>(2,538,306)</u>	-56%
Net position:				
Net investment in capital assets	81,969,871	80,025,311	1,944,560	2%
Restricted	4,403,998	6,053,567	(1,649,569)	-27%
Unrestricted	<u>(5,105,247)</u>	<u>(8,641,027)</u>	<u>3,535,780</u>	-41%
Total net position	<u>\$ 81,268,622</u>	<u>\$ 77,437,851</u>	<u>\$ 3,830,771</u>	5%



AMITY REGIONAL SCHOOL DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Net Position *(Continued)*

The District's net position primarily reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Change in Net Position

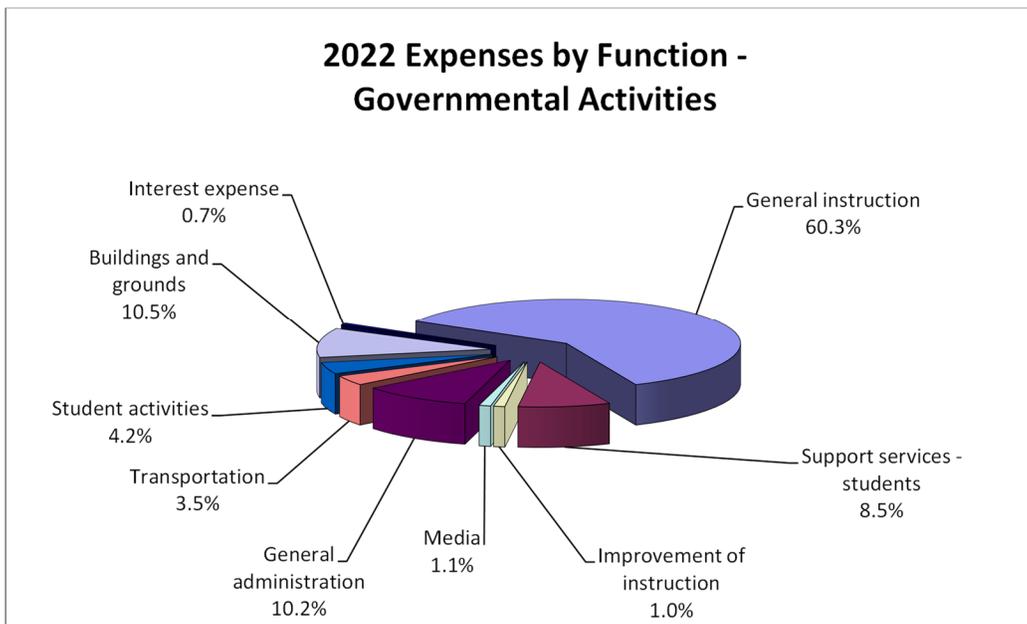
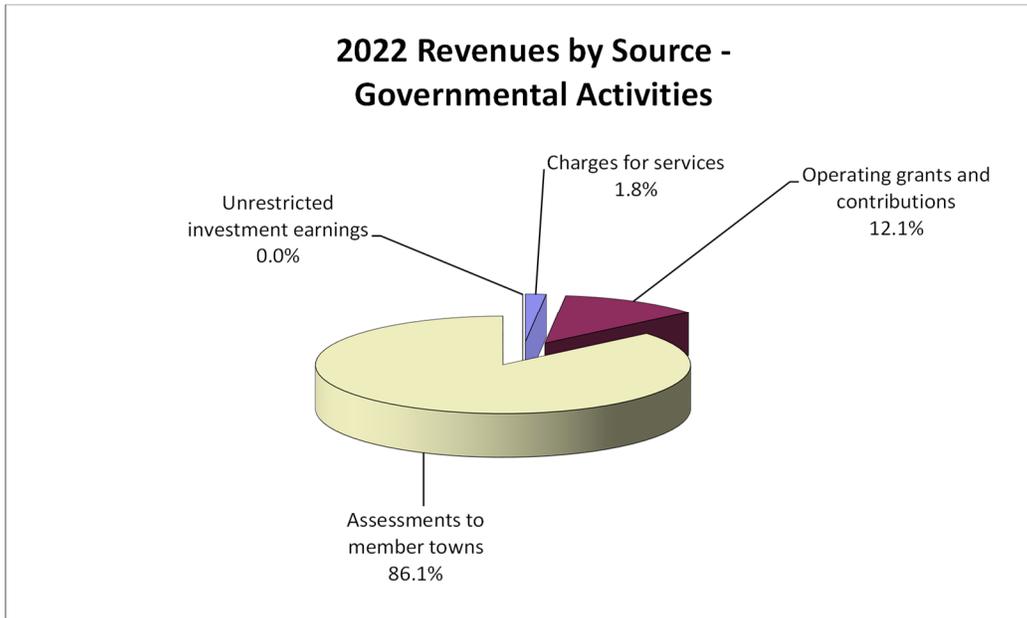
Changes in net position for the years ended June 30, 2022 and 2021 are as follows.

	<u>2022</u>	<u>2021</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenues:				
Program revenues:				
Charges for services	\$ 1,039,824	\$ 521,276	\$ 518,548	99.5%
Operating grants and contributions	7,102,743	16,075,809	(8,973,066)	-55.8%
General revenues:				
Assessments to member towns	50,495,238	46,924,677	3,570,561	7.6%
Unrestricted investment earnings	5,430	3,493	1,937	55.5%
Total revenues	<u>58,643,235</u>	<u>63,525,255</u>	<u>(4,882,020)</u>	-7.7%
Program expenses:				
General instruction	32,976,060	39,062,514	(6,086,454)	-15.6%
Support services - students	4,677,955	3,585,944	1,092,011	30.5%
Improvement of instruction	573,839	455,897	117,942	25.9%
Media	591,908	643,561	(51,653)	-8.0%
General administration	5,598,133	5,515,843	82,290	1.5%
Transportation	1,941,732	1,954,571	(12,839)	-0.7%
Student activities	2,275,322	1,645,695	629,627	38.3%
Buildings and grounds	5,780,247	6,647,457	(867,210)	-13.0%
Interest expense	397,268	697,880	(300,612)	-43.1%
Total expenses	<u>54,812,464</u>	<u>60,209,362</u>	<u>(5,396,898)</u>	-9.0%
Change in net position	<u>\$ 3,830,771</u>	<u>\$ 3,315,893</u>	<u>\$ 514,878</u>	15.5%

AMITY REGIONAL SCHOOL DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Change in Net Position (Continued)



AMITY REGIONAL SCHOOL DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Change in Net Position *(Continued)*

The change in net position for the current fiscal year was an increase of \$3,830,771 over the prior year. Revenues decreased by \$4,882,020 or 7.7% and expenses decreased by \$5,396,898 or 9.0%.

Operating grants and general instruction expenses decreased by \$9,135,982 from the prior year due to a decrease in the amount of on-behalf pension and OPEB expenses recognized by District in connection with its participation in the State of Connecticut Teachers' Retirement System. Although the District is not liable for pension and other post-employment benefits provided by the Connecticut Teachers' Retirement System, the District recognizes both revenues and expenses for the full pension and other post-employment benefit expenses that have been attributed to employees of the District.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, committed and assigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$5,435,100, a decrease in fund balance of \$1,438,233 over the prior year.

General Fund

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, fund balance of the General Fund totaled \$1,433,103, which consists of \$721,172 in encumbrances for specific purposes and \$711,931 restricted for the reduction of future expenses.

The overall fund balance of the General Fund increased by \$877,288 during the current year.

Reserve for Capital and Nonrecurring Fund

The Reserve for Capital and Nonrecurring Fund has a fund balance of \$2,792,791 as of June 30, 2022. This represents a decrease in fund balance of \$2,578,066 compared to the prior year. This decrease was driven by the use of prior year bond proceeds to fund current year capital outlays.

Education Grants Fund

This fund primarily accounts for cost reimbursement grants and revenues are typically recognized to the extent of expenditures incurred.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's original budget did not contemplate the use of fund balance and there were no additional appropriations authorized during the fiscal year. Transfers between budget line items occurred throughout the year with the Board of Education's approval. The actual change in the District's General Fund on a budgetary basis was an increase of \$711,931.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2022 totaled \$102,772,262 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, improvements other than buildings, right-to-use leased equipment, and furniture and equipment. The net increase in the District's investment in capital assets for the current fiscal year was \$661,044 or 0.6%. This was primarily due to depreciation expense of \$2,347,386, offset by capital additions of \$3,008,430.

The following table is a two-year comparison of the District's investment in capital assets, net of accumulated depreciation and amortization:

	2022	2021 <i>(As Restated)</i>	\$ Variance	% Variance
Land	\$ 4,186,566	\$ 4,186,566	\$ -	0.0%
Construction in progress	6,360,791	3,434,033	2,926,758	85.2%
Buildings and improvements	87,873,336	89,436,996	(1,563,660)	-1.7%
Improvements other than buildings	2,637,175	2,768,840	(131,665)	-4.8%
Right-to-use leased equipment	892,391	1,313,767	(421,376)	-32.1%
Furniture and equipment	822,003	971,016	(149,013)	-15.3%
Totals	<u>\$ 102,772,262</u>	<u>\$ 102,111,218</u>	<u>\$ 661,044</u>	0.6%

AMITY REGIONAL SCHOOL DISTRICT NO. 5
 MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (Continued)
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

Additional information on the District's capital assets can be found in Note 4 of this report.

Long-term Debt

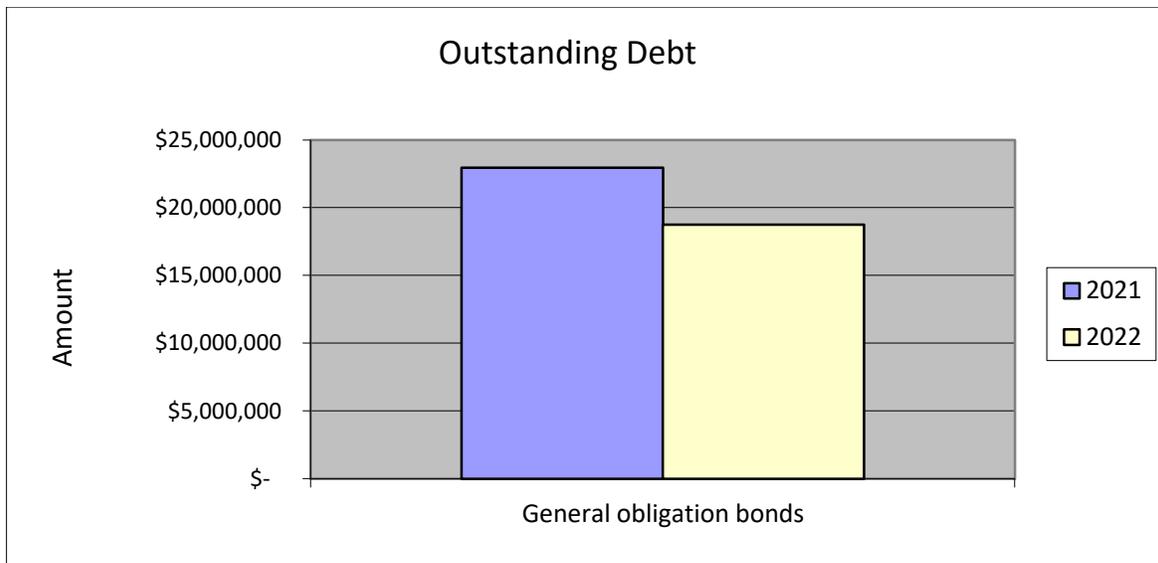
At the end of the current fiscal year, the District had total bonded debt outstanding of \$18,735,000, all of which is backed by the full faith and credit of the District and its member towns of Bethany, Orange and Woodbridge. Total long-term debt decreased by \$4,195,000 or 18.3% due to regularly scheduled debt service repayments.

The District maintains an Aa+ from S&P Global Ratings for general obligation debt.

State statutes limit the amount of general obligation debt the District may issue to four and a half times its annual receipts from member towns, as defined by the statutes. The current debt limitation for the District is significantly in excess of the District's outstanding general obligation debt.

The following table is a two-year comparison of long-term bonded debt:

	<u>2022</u>	<u>2021</u>	<u>\$ Variance</u>	<u>% Variance</u>
General obligation bonds	<u>\$ 18,735,000</u>	<u>\$ 22,930,000</u>	<u>\$ (4,195,000)</u>	-18.3%



Additional information on the District's long-term debt can be found in Note 8 of this report.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

A summary of key economic factors affecting the District are as follows:

- The District receives a significant amount of revenue from federal and state grants. Any loss or significant reduction in these grants could have an impact on the District's budget and program services.
- The District's healthcare plan is self-insured. Budgeted contributions from the General Fund into the Internal Service Fund are based on historical claims experience, but actual contributions may fluctuate significantly based on actual claims incurred. The District experienced a favorable claims year during fiscal year 2022.

All of these factors were considered in preparing the District's budget for fiscal year 2023. The District's fiscal year 2023 General Fund budget was approved on June 14, 2022. The fiscal year 2023 budget contemplates expenditures of \$53,349,805, an increase of \$1,651,598 or 3.2% over the fiscal year 2022 budgeted expenditures.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Superintendent, 25 Newtown Road, Woodbridge, CT 06525.

BASIC FINANCIAL STATEMENTS

AMITY REGIONAL SCHOOL DISTRICT NO. 5

STATEMENT OF NET POSITION

AS OF JUNE 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 8,482,298
Receivables:	
Grants and contracts	137,422
Other	21,941
Inventories	25,659
Net sick and severance asset	299,830
Capital assets:	
Non-depreciable	10,547,357
Depreciable, net	92,224,905
Total assets	<u>111,739,412</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refundings	163,444
Pension related	1,641,170
OPEB related	714,891
Total deferred outflows of resources	<u>2,519,505</u>
LIABILITIES	
Accounts payable	1,632,761
Accrued liabilities	165,480
Accrued interest	278,400
Unearned revenue	520,590
Claims payable	330,441
Noncurrent liabilities:	
Due within one year	4,682,361
Due in more than one year	23,399,818
Total liabilities	<u>31,009,851</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	121,108
OPEB related	1,859,336
Total deferred inflows of resources	<u>1,980,444</u>
NET POSITION	
Net investment in capital assets	81,969,871
Restricted	4,403,998
Unrestricted	(5,105,247)
Total net position	<u>\$ 81,268,622</u>

The accompanying notes are an integral part of these financial statements.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position- Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Instruction:					
General instruction	\$ 32,976,060	\$ 77,542	\$ 5,635,689	\$ -	\$(27,262,829)
Total instruction	<u>32,976,060</u>	<u>77,542</u>	<u>5,635,689</u>	<u>-</u>	<u>(27,262,829)</u>
Support services:					
Support services - students	4,677,955	189,139	1,245,037	-	(3,243,779)
Improvement of instruction	573,839	-	91,685	-	(482,154)
Media	591,908	-	-	-	(591,908)
General administration	5,598,133	128,347	-	-	(5,469,786)
Transportation	1,941,732	-	32,058	-	(1,909,674)
Student activities	2,275,322	590,492	59,813	-	(1,625,017)
Buildings and grounds	5,780,247	54,304	38,461	-	(5,687,482)
Total support services	<u>21,439,136</u>	<u>962,282</u>	<u>1,467,054</u>	<u>-</u>	<u>(19,009,800)</u>
Interest expense	397,268	-	-	-	(397,268)
	<u>\$ 54,812,464</u>	<u>\$ 1,039,824</u>	<u>\$ 7,102,743</u>	<u>\$ -</u>	<u>(46,669,897)</u>
General revenues:					
					50,495,238
					<u>5,430</u>
					<u>50,500,668</u>
					3,830,771
					<u>77,437,851</u>
					<u>\$ 81,268,622</u>

The accompanying notes are an integral part of these financial statements.

AMITY REGIONAL SCHOOL DISTRICT NO. 5

BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022

	General Fund	Reserve Fund for Capital and Nonrecurring	Education Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,555,847	\$ 2,209,104	\$ 415,770	\$ 1,327,421	\$ 7,508,142
Receivables:					
Grants and contracts	-	-	1,961	135,461	137,422
Other	21,941	-	-	-	21,941
Due from other funds	-	929,175	-	-	929,175
Inventories	-	-	-	25,659	25,659
Total assets	<u>\$ 3,577,788</u>	<u>\$ 3,138,279</u>	<u>\$ 417,731</u>	<u>\$ 1,488,541</u>	<u>\$ 8,622,339</u>
LIABILITIES					
Accounts payable	\$ 1,050,030	\$ 345,488	\$ 44,494	\$ 192,749	\$ 1,632,761
Accrued liabilities	165,480	-	-	-	165,480
Due to other funds	929,175	-	-	-	929,175
Unearned revenue	-	-	373,129	86,694	459,823
Total liabilities	<u>2,144,685</u>	<u>345,488</u>	<u>417,623</u>	<u>279,443</u>	<u>3,187,239</u>
FUND BALANCES					
Nonspendable	-	-	-	25,659	25,659
Restricted	711,931	2,792,791	108	899,168	4,403,998
Committed	-	-	-	284,271	284,271
Assigned	721,172	-	-	-	721,172
Total fund balances	<u>1,433,103</u>	<u>2,792,791</u>	<u>108</u>	<u>1,209,098</u>	<u>5,435,100</u>
Total liabilities and fund balances	<u>\$ 3,577,788</u>	<u>\$ 3,138,279</u>	<u>\$ 417,731</u>	<u>\$ 1,488,541</u>	<u>\$ 8,622,339</u>

The accompanying notes are an integral part of these financial statements.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

Total fund balances for governmental funds \$ 5,435,100

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Those assets consist of:

Land	\$ 4,186,566	
Construction in progress	6,360,791	
Buildings and improvements	114,672,345	
Improvements other than buildings	3,253,463	
Right-to-use leased equipment	1,577,391	
Furniture and equipment	1,836,266	
Less: accumulated depreciation and amortization	<u>(29,114,560)</u>	
Total capital assets, net		102,772,262

The net sick and severance asset is not recognized in the governmental funds. The net sick and severance asset results from the difference between the plan's fiduciary net position and the portion of the present value of projected benefit payments to be provided through the sick and severance plan. 299,830

Deferred inflows and outflows of resources resulting from changes in the components of the net pension and OPEB liabilities are reported in the statement of net position. 375,617

Long-term liabilities applicable to the governmental activities are not due and payable in the current period and, accordingly, are not reported as governmental fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Those liabilities consist of:

Accrued interest payable	(278,400)	
Long-term debt:		
Bonds payable	(18,735,000)	
Unamortized bond premiums	(1,417,975)	
Deferred charges on refundings	163,444	
Financed purchases	(243,768)	
Leases	(783,975)	
Other long-term liabilities:		
Net pension liability	(5,173,376)	
Net OPEB liability	(1,673,964)	
Vacation accrual payable	<u>(54,121)</u>	
Total long-term liabilities		(28,197,135)

An internal service fund is used to charge the cost of risk management activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. 582,948

Net position of governmental activities \$ 81,268,622

The accompanying notes are an integral part of these financial statements.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Reserve Fund for Capital and Nonrecurring	Education Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Assessments to member towns	\$ 50,495,238	\$ -	\$ -	\$ -	\$ 50,495,238
Intergovernmental	6,935,125	-	967,272	923,024	8,825,421
Charges for services	106,589	-	-	892,319	998,908
Interest income	4,975	-	-	455	5,430
Other	40,916	-	-	59,813	100,729
Total revenues	<u>57,582,843</u>	<u>-</u>	<u>967,272</u>	<u>1,875,611</u>	<u>60,425,726</u>
EXPENDITURES					
Current:					
General instruction	29,555,091	-	498,515	46,182	30,099,788
Support services:					
Support services - student	2,805,118	-	322,013	940,482	4,067,613
Improvement of instruction	413,897	-	91,685	-	505,582
Media	492,772	-	-	-	492,772
General administration	4,756,784	-	-	12,701	4,769,485
Transportation	1,929,174	-	12,558	-	1,941,732
Employee benefits	5,576,314	-	4,040	-	5,580,354
Student activities	1,516,565	-	-	554,993	2,071,558
Buildings and grounds	3,493,414	-	23,460	3,490	3,520,364
Capital outlays	235,760	2,926,758	14,998	55,221	3,232,737
Debt service:					
Principal payments	4,173,391	530,000	-	-	4,703,391
Interest and fiscal charges	828,100	50,483	-	-	878,583
Total expenditures	<u>55,776,380</u>	<u>3,507,241</u>	<u>967,269</u>	<u>1,613,069</u>	<u>61,863,959</u>
Excess (deficiency) of revenues over expenditures	1,806,463	(3,507,241)	3	262,542	(1,438,233)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	929,175	-	-	929,175
Transfers out	(929,175)	-	-	-	(929,175)
Total other financing sources (uses)	<u>(929,175)</u>	<u>929,175</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	877,288	(2,578,066)	3	262,542	(1,438,233)
Fund balances - beginning	<u>555,815</u>	<u>5,370,857</u>	<u>105</u>	<u>946,556</u>	<u>6,873,333</u>
Fund balances - ending	<u>\$ 1,433,103</u>	<u>\$ 2,792,791</u>	<u>\$ 108</u>	<u>\$ 1,209,098</u>	<u>\$ 5,435,100</u>

The accompanying notes are an integral part of these financial statements.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
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, 2022

Net change in fund balances for governmental funds \$ (1,438,233)

Total change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. The amount by which capital outlays exceeded depreciation and amortization in the current period is as follows:

Expenditures for capital assets	\$ 3,008,430	
Depreciation and amortization expense	<u>(2,347,386)</u>	
Net adjustment		661,044

Deferred outflows and inflows of resources resulting from changes in the components of the net pension and OPEB liabilities are amortized as a component of expense in the statement of activities. 4,262,730

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. However, neither transaction has any effect on net position. The effect of these differences in the treatment of long-term debt and related items is as follows:

Principal repayments:		
Bonds	4,195,000	
Financed purchases	72,864	
Leases	<u>435,527</u>	
Net adjustment		4,703,391

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the statement of activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds recognize the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of such items is as follows:

Accrued interest	72,903	
Amortization of deferred charges on refundings	(97,829)	
Amortization of bond premiums	506,241	
Net pension liability	(3,794,371)	
Net OPEB liability	(576,965)	
Net sick and severance asset	(150,648)	
Vacation accrual payable	<u>343</u>	
Net adjustment		(4,040,326)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of a certain internal service fund is reported with governmental activities. (317,835)

Change in net position of governmental activities \$ 3,830,771

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF NET POSITION -
PROPRIETARY FUND
AS OF JUNE 30, 2022

	Governmental Activities
	Internal Service Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 974,156
Total assets	974,156
LIABILITIES	
Current liabilities:	
Claims payable	330,441
Unearned revenue	60,767
Total liabilities	391,208
NET POSITION	
Unrestricted	582,948
Total net position	\$ 582,948

The accompanying notes are an integral part of these financial statements.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
 PROPRIETARY FUND
 FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES	
Charges for services	\$ 4,698,817
Total operating revenues	4,698,817
OPERATING EXPENSES	
Claims incurred	4,409,666
Administrative and other	606,986
Total operating expenses	5,016,652
Change in net position	(317,835)
Net position - beginning	900,783
Net position - ending	\$ 582,948

The accompanying notes are an integral part of these financial statements.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF CASH FLOWS -
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities
	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from employer and plan participants	\$ 4,709,913
Cash payments for claims incurred	(4,294,951)
Cash payments to contractors for administration	(606,986)
Net cash used in operating activities	(192,024)
Net decrease in cash and cash equivalents	(192,024)
Cash and cash equivalents, beginning of year	1,166,180
Cash and cash equivalents, end of year	\$ 974,156
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (317,835)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Increase in accounts payable	114,715
Increase in unearned revenue	11,096
Net cash used in operating activities	\$ (192,024)

The accompanying notes are an integral part of these financial statements.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
AS OF JUNE 30, 2022

	Pension, Other Post-Employment Benefit and Sick & Severance Trust Funds
ASSETS	
Cash and cash equivalents	\$ 364,778
Investments - mutual funds	<u>18,192,595</u>
Total assets	<u>18,557,373</u>
NET POSITION	
Restricted for pension benefits, other post-employment benefits and other purposes	<u>\$ 18,557,373</u>

The accompanying notes are an integral part of these financial statements .

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Pension, Other Post-Employment Benefit and Sick & Severance Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 764,395
Employee	87,689
Total contributions	852,084
Investment earnings:	
Interest and dividends	404,570
Net change in the fair value of investments	(2,883,798)
	(2,479,228)
Less investment fees	(16,976)
Total investment earnings	(2,496,204)
Total additions	(1,644,120)
DEDUCTIONS	
Benefit payments	1,362,757
Total deductions	1,362,757
Change in net position	(3,006,877)
Net position - beginning	21,564,250
Net position - ending	\$ 18,557,373

The accompanying notes are an integral part of these financial statements .

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Amity Regional School District No. 5 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

Financial Reporting Entity

History and Organization

The District was formed in 1953 for the purpose of providing secondary school education to the residents of the towns of Orange, Woodbridge and Bethany, Connecticut. It consists of one senior high school and two middle schools.

The District is governed by a Regional Board of Education consisting of thirteen members selected by the three towns it serves. The members of the Board serve for four-year terms. In addition, the District has a Superintendent of Schools and a Director of Finance and Administration, hired by the Board of Education, who manage the day-to-day affairs of the District.

The District's operating and debt service expenses are paid by the member towns in proportion to the number of attending pupils. The approximate assessment percentages for the year ended June 30, 2022 were: Bethany 17.8%, Orange 50.0%, and Woodbridge 32.2%.

The basic financial statements of the reporting entity include only the funds of the District as no component units exist based on operational or financial relationships with the District.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the District and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through payments from the member towns, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to other governments or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Payments from member towns and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Fund Financial Statements *(Continued)*

The District reports the following major governmental funds:

General Fund - This fund is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for and reported in another fund.

Reserve Fund for Capital and Nonrecurring - This fund accounts for financial resources used for the financing of the planning, construction, reconstruction or acquisition of any specific capital improvement or the acquisition of specific equipment.

Education Grants Fund - This fund accounts for revenues from and expenditures charged to federal awards and state financial assistance.

In addition, the District reports the following fund types:

Internal Service Fund - This fund accounts for self-insurance activities that provide goods or services to other funds or departments of the District on a cost-reimbursement basis. The District utilizes this fund to account for risk management activities relating to health insurance provided to qualified participants.

Pension Trust Fund - This fund is used to account for the activities of the Amity Regional School District No. 5 Pension Plan, which accumulates resources for pension benefit payments to qualified employees.

Other Post-Employment Benefits Trust Fund - This fund is used to account for the accumulation of resources to pay qualified retiree medical benefits.

Sick and Severance Trust Fund - This fund is used to account for the accumulation of resources to pay sick and severance benefits to qualified employees.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from the member towns are recognized as revenues in the year for which they are assessed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, and post-employment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Revenues from member towns, grants and contracts, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is either received or available to be received during the period or within the availability period for this revenue source (within 60 days of yearend). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is either received or available to be received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when the cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund consist of charges for insurance premiums. Operating expenses of the District's internal service fund consist of claims incurred and administrative expenses. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Implementation of Accounting Standards

Effective July 1, 2021, the District implemented the provisions of GASB Statement No. 87, *Leases* (Statement No. 87). This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The District has reported the following adjustments in connection with the implementation of Statement No. 87:

	<u>Assets</u>	<u>Deferred Outflows of Resources</u>	<u>Liabilities</u>	<u>Deferred Inflows of Resources</u>	<u>Net Position</u>
Beginning balances, as originally reported	\$ 114,548,051	\$ 892,910	\$ 33,484,360	\$ 4,518,750	\$ 77,437,851
Reclassification of amounts previously reported as capital assets and capital leases payable	(576,313)	-	(576,313)	-	-
Recognition of lease assets and liabilities	1,219,502	-	1,219,502	-	-
	<u>643,189</u>	<u>-</u>	<u>643,189</u>	<u>-</u>	<u>-</u>
Beginning balances, as adjusted	<u>\$ 115,191,240</u>	<u>\$ 892,910</u>	<u>\$ 34,127,549</u>	<u>\$ 4,518,750</u>	<u>\$ 77,437,851</u>

The implementation of Statement No. 87 had no cumulative effect on the beginning net position of the District.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position/Fund Balances

Cash and Cash Equivalents

The District's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the District's proprietary fund consider its demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are reported at cost or amortized cost. Investments in certain external investment pools that meet specific criteria for measuring its investments at amortized cost are reported at amortized cost. All other investments in external investment pools and investments with maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Inventories

Inventories are reported at cost using the first-in first-out (FIFO) method, except for USDA donated commodities, which are recorded at market value. Inventories are recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets are tangible and intangible assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years.

As the District constructs or acquires capital assets each period, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in note X). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property and equipment and the right to use leased equipment are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 - 75
Improvements other than building	10 - 20
Right-to-use leased equipment	3 - 5
Furniture and equipment	5 - 40

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position/Fund Balances (Continued)

Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources represent an acquisition or consumption of net assets that applies to a future period(s) and so will not be recognized as an inflow or outflow of resources until that time. Deferred outflows of resources include deferred charges on refundings, which are amortized to interest expense using the effective-interest method over the shorter of the life of the refunded or refunding debt. Deferred outflows and inflows of resources also include deferred charges on the District's pension and OPEB expenses, which are amortized as a component of pension and OPEB expense on a systematic and rational basis.

Unearned Revenue

Unearned revenue represents resources that have been received but not yet earned.

Long-term Obligations

Long-term Debt

The applicable accounting standards define debt as a liability that arises from a contractual obligation to pay cash, or other assets that may be used in lieu of cash, in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For disclosure purposes, debt does not include accounts payable or leases, except for contracts reported as financed purchase of the underlying assets.

In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net position. Premiums and discounts on long-term debt are deferred and amortized over the life of the related debt using the effective interest rate method and the debt is reported net of any unamortized premium or discount. In the governmental fund financial statements, premiums and discounts are recognized in the current period.

In the governmental fund financial statements, debt premiums and discounts are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Leases

The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) for a noncancellable lease in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$20,000 or more. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position/Fund Balances *(Continued)*

Long-term Obligations *(Continued)*

Leases (Continued)

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District reasonably certain to exercise. The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt and other long-term obligations on the statement of net position.

Compensated Absences

Certain employees are granted vacation and sick leave based upon length of employment. A maximum of five days vacation may be carried over only with the approval of the Superintendent. Sick days can also be accumulated up to certain limits and are payable upon death, retirement or termination using a prescribed formula. All compensated absences are recorded when incurred in the government-wide financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources.

Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of the following three components:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets. Deferred outflows and inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related are also included in this component of net position.

Restricted net position - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on the use of those assets either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position - This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position/Fund Balances *(Continued)*

Net Position *(Continued)*

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's practice to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called fund balance. The District's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

Nonspendable - Amounts that are either not in spendable form or are legally or contractually required to remain intact.

Restricted - Amounts that can be spent only for specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

Committed - Amounts that can be used only for the specific purposes determined by the approval of a resolution by the Board of Education committing fund balance for the specified purpose. Once approved, the limitation imposed by the resolution remains in place until the resources have been spent for the specified purpose or the Board approves another resolution removing or revising the limitation.

Assigned - Amounts that are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts by Connecticut General Statutes and include the Superintendent and Director of Finance and Administration. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

Unassigned - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. In accordance with the District's practice, the District uses restricted resources first, then unrestricted resources as needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position/Fund Balance *(Continued)*

Internal Activities

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds or advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits - Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District will not be able to recover its cash deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District limits its exposure to custodial credit risk through a formal written policy that requires, among other things, that the District monitor the financial condition of its financial institutions on a quarterly basis.

As of June 30, 2022, \$6,438,494 of the District's bank balance of \$6,688,494 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 5,794,645
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the District's name	<u>643,849</u>
	<u>\$ 6,438,494</u>

All of the District's cash deposits were in qualified public institutions as defined by Connecticut state statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)

Cash Deposits - Custodial Credit Risk (Continued)

A reconciliation of the District's cash deposits as of June 30, 2022 is as follows:

Government-wide statement of net position:		
Cash and cash equivalents	\$	8,482,298
Less: cash equivalents considered investments for disclosure purposes		<u>(2,065,172)</u>
		6,417,126
Statement of fiduciary net position:		
Cash and cash equivalents		364,778
Less: cash equivalents considered investments for disclosure purposes		<u>(364,778)</u>
		-
	\$	<u><u>6,417,126</u></u>

Investments

A reconciliation of the District's investments as of June 30, 2022 is as follows:

Government-wide statement of net position:		
Investments	\$	-
Add: cash equivalents considered investments for disclosure purposes		<u>2,065,172</u>
		2,065,172
Statement of fiduciary net position:		
Investments		18,192,595
Add: cash equivalents considered investments for disclosure purposes		<u>364,778</u>
		<u>18,557,373</u>
	\$	<u><u>20,622,545</u></u>

As of June 30, 2022, the District's investments consisted of the following:

Investment type	Valuation Basis	Credit Rating	Value	Investment Maturities (In Years) Less Than 1
Debt Securities:				
<i>Government-wide statement of net position:</i>				
Short-term Investment Fund (STIF)	Amortized cost	AAA	\$ 2,065,172	\$ 2,065,172
<i>Statement of fiduciary net position:</i>				
Money market mutual funds	Amortized cost	Unrated	<u>364,778</u>	<u>364,778</u>
			2,429,950	<u><u>\$ 2,429,950</u></u>
Other investments:				
<i>Statement of fiduciary net position:</i>				
Mutual funds	Fair value		<u>18,192,595</u>	
			<u><u>\$ 20,622,545</u></u>	

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments *(Continued)*

Because investments in the Short-term Investment Fund and the money market mutual funds have weighted average maturities of less than 90 days, they have been presented as investments with maturities of less than one year.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Connecticut state statutes permit the District to invest in: (1) obligations of the United States, including its instrumentalities and agencies; (2) in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; (3) in shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations; (4) or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of pension funds do not specify permitted investments. Therefore, the investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investments are not exposed to custodial credit risk because they are either not evidenced by securities that exist in physical or book entry form or they are held by a reputable custodian in the name of the District.

Concentrations of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit risk disclosures. As of June 30, 2022, none of the District's investments, in any one issuer that is subject to concentration of credit risk disclosures, exceeded 5% or more of the total investments reported for the District's governmental activities or fiduciary funds.

The District's Pension Trust Fund investments may be invested in fixed income, equities and cash. The target asset allocation is 35% fixed income and 65% equities. There are also minimum and maximum target levels defined. Investment managers are employed to manage the assets allocated to them. The Board of Education, as trustee of the pension plan, is responsible for overall investment policy. Any change in investment manager or individual security purchase must have their approval.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Concentrations of Credit Risk (Continued)

The District's Other Post-Employment Benefits Trust Fund (OPEB) investments may be invested in fixed income, equities and cash. The target asset allocation is 40% fixed income and 60% equities. There are also minimum and maximum target levels defined. Professional money managers are employed to manage the assets allocated to them. The Board of Education, as trustee of the OPEB trust, is responsible for overall investment policy. Any change in investment manager or individual security purchase must have their approval.

The District's Sick and Severance Benefits Trust Fund may be invested in fixed income, equities and cash. The target asset allocation is 50% fixed income and 50% equities. There are also minimum and maximum target levels defined. Professional money managers are employed to manage the assets allocated to them. The Board of Education, as trustee of the sick and severance trust, is responsible for overall investment policy. Any change in investment manager or individual security purchase must have their approval.

NOTE 3 - FAIR VALUE MEASUREMENTS

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The District's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2022, by level within the fair value hierarchy are presented in the table below.

Financial Assets Measured at Fair Value	Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 18,192,595	\$ -	\$ -

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 consisted of the following:

	Beginning Balance (As Restated)	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 4,186,566	\$ -	\$ -	\$ 4,186,566
Construction in progress	3,434,033	2,926,758	-	6,360,791
Total capital assets, not being depreciated	<u>7,620,599</u>	<u>2,926,758</u>	<u>-</u>	<u>10,547,357</u>
Capital assets, being depreciated:				
Buildings and improvements	114,672,345	-	-	114,672,345
Improvements other than buildings	3,253,463	-	-	3,253,463
Right-to-use leased equipment	1,577,391	-	-	1,577,391
Furniture and equipment	1,791,684	81,672	37,090	1,836,266
Total capital assets, being depreciated	<u>121,294,883</u>	<u>81,672</u>	<u>37,090</u>	<u>121,339,465</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	25,235,349	1,563,660	-	26,799,009
Improvements other than buildings	484,623	131,665	-	616,288
Right-to-use leased equipment	263,624	421,376	-	685,000
Furniture and equipment	820,668	230,685	37,090	1,014,263
Total accumulated depreciation and amortization	<u>26,804,264</u>	<u>2,347,386</u>	<u>37,090</u>	<u>29,114,560</u>
Total capital assets, being depreciated, net	<u>94,490,619</u>	<u>(2,265,714)</u>	<u>-</u>	<u>92,224,905</u>
Governmental activities capital assets, net	<u>\$ 102,111,218</u>	<u>\$ 661,044</u>	<u>\$ -</u>	<u>\$ 102,772,262</u>

Depreciation and amortization was charged to functions of the District as follows:

Governmental Activities:	
General instruction	\$ 404,555
Support services:	
Support services - students	30,457
Buildings and grounds	1,912,374
Total depreciation and amortization expense	<u>\$ 2,347,386</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2022 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
Reserve for Capital and Nonrecurring Fund	General Fund	<u>\$ 929,175</u>

The above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2022 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
Reserve for Capital and Nonrecurring Fund	General Fund	<u>\$ 929,175</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 7 - FUND BALANCE

Fund Balance

Connecticut General Statutes limits the District's ability to maintain an unrestricted fund balance. Pursuant to Connecticut General Statutes, any budget appropriation that has not been expended must be used by the District to reduce the net expenses of the District in future years. In addition, any resources accumulated for capital and nonrecurring purposes must be used to fund all or part of the planning, construction, reconstruction or acquisition of any specific capital improvement or the acquisition of any specific item of equipment.

The various components of the District's fund balance as of June 30, 2022 are as follows:

	<u>General Fund</u>	<u>Reserve Fund for Capital and Nonrecurring</u>	<u>Education Grants Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:					
Inventories	\$ -	\$ -	\$ -	\$ 25,659	\$ 25,659
Restricted for:					
Capital purposes (unspent debt proceeds)	-	560,371	-	-	560,371
Capital and nonrecurring purposes (statutory)	-	2,232,420	-	-	2,232,420
Reduction of future net expenses (statutory)	711,931	-	-	-	711,931
Cafeteria operations	-	-	-	228,638	228,638
Educational programs	-	-	108	-	108
Scholarships	-	-	-	207,497	207,497
Student activities	-	-	-	463,033	463,033
Total restricted	<u>711,931</u>	<u>2,792,791</u>	<u>108</u>	<u>899,168</u>	<u>4,403,998</u>

Continued

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 7 - FUND BALANCE (Continued)

Fund Balance (Continued)

	<u>General Fund</u>	<u>Reserve Fund for Capital and Nonrecurring</u>	<u>Education Grants Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Committed to:					
Educational programs	\$ -	\$ -	\$ -	\$ 284,271	\$ 284,271
Assigned to:					
Encumbrances:					
General instruction	71,445	-	-	-	71,445
Support services - student	15,912	-	-	-	15,912
Improvement of instruction	1,505	-	-	-	1,505
General administration	15,613	-	-	-	15,613
Transportation	95,365	-	-	-	95,365
Employee benefits	6,352	-	-	-	6,352
Student activities	16,604	-	-	-	16,604
Buildings and grounds	276,608	-	-	-	276,608
Capital outlays	221,768	-	-	-	221,768
Total assigned	<u>721,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>721,172</u>
Total fund balance	<u>\$ 1,433,103</u>	<u>\$ 2,792,791</u>	<u>\$ 108</u>	<u>\$ 1,209,098</u>	<u>\$ 5,435,100</u>

Concluded

Encumbrances are commitments as of June 30, 2022 related to unperformed (executory) contracts for goods or services. Such amounts have been included in assigned fund balance within the balance sheet of the General Fund.

NOTE 8 - LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Changes in the District's long-term liabilities for the year ended June 30, 2022, are as follows:

	<u>Beginning Balance (As Restated)</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 22,930,000	\$ -	\$ 4,195,000	\$ 18,735,000	\$ 4,190,000
Unamortized premiums	1,924,216	-	506,241	1,417,975	-
Total bonds payable	24,854,216	-	4,701,241	20,152,975	4,190,000
Financed purchases	316,632	-	72,864	243,768	76,908
Leases	1,219,502	-	435,527	783,975	388,453
Compensated absences	54,464	18,196	18,539	54,121	27,000
Net pension liability (see Note 9)	1,379,005	3,794,371	-	5,173,376	-
Net OPEB liability (see Note 10)	1,096,999	576,965	-	1,673,964	-
Total governmental activities	<u>\$ 28,920,818</u>	<u>\$ 4,389,532</u>	<u>\$ 5,228,171</u>	<u>\$ 28,082,179</u>	<u>\$ 4,682,361</u>

Long-term liabilities are typically liquidated in the General Fund.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - LONG-TERM LIABILITIES (Continued)

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District and its member towns. General obligation bonds outstanding at June 30, 2022, are as follows:

<u>Purpose of Bonds</u>	<u>Issuance Date</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
Governmental Activities					
Bonds Payable:					
General obligation bonds	8/2012	\$ 4,010,000	7/2023	2.00% - 4.00%	\$ 905,000
General obligation bonds	1/2017	1,960,000	1/2027	4.00%	1,080,000
General obligation refunding bonds	1/2017	12,130,000	7/2024	1.37% - 2.95%	3,935,000
General obligation refunding bonds	5/2018	10,300,000	7/2026	3.00% - 5.00%	6,795,000
General obligation bonds	7/2020	6,570,000	7/2035	2.00% - 5.00%	6,020,000
					<u>\$ 18,735,000</u>

Financed Purchases

The District has entered into a financed purchase contract for the acquisition of technology and related equipment. The contract includes a non-appropriation clause and provides the obligor with a security interest in the underlying equipment in the event of default. Ownership of the underlying equipment is transferred to the District at the end of the contract. The District makes equal annual payments of principal and interest at an interest rate of 5.4% each year through July 15, 2024, the maturity date.

Advance Refundings

The District has defeased general obligation bonds in prior years by placing the proceeds of the new bonds into irrevocable trust accounts to provide for all future debt service payments on the old bonds. Accordingly, those trust account assets and the liability for those defeased bonds are not included in the District's financial statements. As of June 30, 2022, \$12,170,000 of defeased bonds remain outstanding. The District has recognized deferred charges on those refundings, which are being amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The carrying value of the deferred charges on refundings totaled \$163,444 as of June 30, 2022.

Legal Debt Limit

Connecticut General Statutes Chapter 164 Section 10-56 provides that the aggregate indebtedness of the District shall not exceed, 2 ¼ (two and one-quarter times) the annual receipts from taxation of its member towns. In computing the aggregate indebtedness, the District excludes each bond, note or other evidence of indebtedness issued in anticipation of the receipt of (a) payments by a member town or the state for the operation of the District's schools and (b) proceeds from any state or federal grant for which the District has received a written commitment or for which an allocation has been approved by the State Bond Commission or from a contract with the state, a state agency or another municipality providing for the reimbursement of capital costs, but only to the extent such indebtedness can be paid from such proceeds. The District did not exceed this statutory debt limitation as of June 30, 2022.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - LONG-TERM LIABILITIES *(Continued)*

Long-term Debt Service Requirements

The debt service requirements for the District's long-term debt are as follows:

Year ending June 30:	General Obligation Bonds		Financed Purchases	
	Principal	Interest	Principal	Interest
2023	\$ 4,190,000	\$ 682,549	\$ 76,908	\$ 13,529
2024	3,990,000	523,987	81,177	9,261
2025	3,615,000	368,978	85,683	4,755
2026	2,325,000	235,850	-	-
2027	1,345,000	146,250	-	-
2028-2032	2,415,000	253,350	-	-
2033-2036	855,000	34,050	-	-
	<u>\$ 18,735,000</u>	<u>\$ 2,245,014</u>	<u>\$ 243,768</u>	<u>\$ 27,545</u>

Leases

The District is a lessee for noncancellable leases of technology and related equipment. The terms of the noncancellable leases range from 3 to 5 years. The District makes fixed monthly or annual payments with interest rates ranging from 0.0% and 3.69%. The value of the right-to-use assets as of the end of June 30, 2022 was \$1,595,137 and had accumulated amortization of \$820,251. As of June 30, 2022, the value of the lease liability was \$783,975.

The future principal and interest lease payments as of June 30, 2022, were as follows:

Year ending June 30:	Principal	Interest
2023	\$ 388,453	\$ 17,129
2024	130,848	12,396
2025	135,758	7,486
2026	128,916	2,391
	<u>\$ 783,975</u>	<u>\$ 39,402</u>

Compensated Absences

Vacation

The District's permits certain employees to accumulate earned but unused vacation benefits. The liability for such benefits totaled \$54,121 as of June 30, 2022 and is reported in the government-wide financial statements. A liability for such amounts is only recorded in the governmental funds if the liability has matured as a result of employee resignations or retirements.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - LONG-TERM LIABILITIES (Continued)

Compensated Absences (Continued)

Sick and Severance

The District provides sick and severance benefits to teachers and department coordinators upon retirement, death or severe illness and to administrators upon retirement or the elimination of a position. To qualify for benefits, the employee must achieve normal retirement with 15 consecutive years of service. Benefits are also provided to those who qualify for early retirement. All benefit amounts were frozen as of June 30, 1994. The District created a trust fund to accumulate resources for future projected benefit payments and recognizes a net asset or liability for the difference between the total sick severance liability and the market value of assets held in trust. The components of the District's net sick and severance asset as of June 30, 2022, were as follows:

Total sick and severance liability	\$	236,339
Assets held in Trust		536,169
District's net sick and severance asset		<u><u>\$ (299,830)</u></u>
Plan fiduciary net position as a percentage of the total sick and severance liability		226.86%

The total sick and severance benefits liability for the District was determined by an actuarial valuation as of July 1, 2022. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits include the types of benefits in force at the valuation date. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Valuation date	July 1, 2022
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Level Dollar
Remaining amortization period	
Teachers and Administrators	5 years, closed
Other participants	10 years, closed
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	5.50%
Mortality	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees and Teachers), projected to the valuation date with Scale MP-2021.
Sick time accrual	Maximum number of sick days per year
Salary increases	Varies from 2.4% to 7.4%
Retirement age	Ranges from 55 to 70

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - LONG-TERM LIABILITIES (Continued)

Compensated Absences (Continued)

Sick and Severance (Continued)

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for the District's sick and severance plan as of and for the year ended June 30, 2022.

	Sick & Severance Trust Fund
ASSETS	
Cash and cash equivalents	\$ 5,765
Investments	<u>530,404</u>
Total assets	<u><u>536,169</u></u>
 NET POSITION	
Restricted for sick and severance benefits	<u><u>\$ 536,169</u></u>
 ADDITIONS	
Contributions:	
Employer contributions	<u>\$ -</u>
Total contributions	<u>-</u>
Investment earnings:	
Interest and dividends	12,520
Net changes in the fair value of investments	<u>(86,978)</u>
	(74,458)
Less investment fees	<u>(2,079)</u>
Total investment earnings	<u>(76,537)</u>
Total additions	<u><u>(76,537)</u></u>
 DEDUCTIONS	
Benefit payments	<u>193,411</u>
Total deductions	<u>193,411</u>
Change in net position	(269,948)
Net position - beginning	<u>806,117</u>
Net position - ending	<u><u>\$ 536,169</u></u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 - PENSION PLANS

The District accounts for activity relating to two defined benefit pension plans, (1) the Amity Regional School District No. 5 Pension Plan and (2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2022, the two plans had the following balances reported in the District's government-wide financial statements:

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>On Behalf Revenues</u>	<u>Pension Expense</u>
Amity Regional School District No. 5 Pension Plan	\$ 5,173,376	\$ 1,641,170	\$ 121,108	\$ -	\$ 812,177
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	4,570,529	4,570,529
	<u>\$ 5,173,376</u>	<u>\$ 1,641,170</u>	<u>\$ 121,108</u>	<u>\$ 4,570,529</u>	<u>\$ 5,382,706</u>

Detailed disclosures for each plan follow.

Amity Regional School District No. 5 Pension Plan

Plan Description

Plan administration - The Amity Regional School District No. 5 Pension Plan (the Retirement Plan) is a single-employer, defined benefit pension plan. The Retirement Plan covers substantially all District employees other than teachers. The Retirement Plan is administered by the District's Board of Education.

Plan membership - Membership of the Retirement Plan consisted of the following at July 1, 2021, the date of the most recent actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	53
Inactive plan members entitled to but not yet receiving benefits	5
Active employees	<u>42</u>
	<u>100</u>

Benefits provided - The Retirement Plan provides for retirement, death and disability benefits for all eligible employees. The Retirement Plan covers substantially all noncertified District employees. The monthly retirement benefit is calculated at 2.5% of the average of the annual salaries during the highest five consecutive calendar years of employment multiplied by years of service. Plan members are eligible to retire at age 65 with 10 years of service or are eligible for early retirement at age 55 with 10 years of service. Participants are 100% vested after 10 years of continuous service if their contributions remain in the fund. Death benefits include the accrued benefit earned for participants who were eligible for normal retirement on or prior to the date of death, or participant contributions multiplied by the actuarial conversion factor for those participants who were not eligible for normal retirement benefits on or prior to the date of death. Disability retirement benefits, which include the accrued benefit as of the date of disability, are available for participants who are 40 years in age and have completed 5 years of service.

Contributions - The contribution requirements of plan members and the District are established and may be amended by the Board of Education. The District's funding policy provides for periodic employer contributions at rates that, when expressed as a percentage of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The contribution rates for normal costs for all plans were actuarially determined.

For the year ended June 30, 2022, employer contributions to the Retirement Plan were \$764,395 and represented approximately 28.47% of covered payroll. District employees are required to contribute 2.25% of their earnings to the Retirement Plan.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 - PENSION PLANS

Amity Regional School District No. 5 Pension Plan (Continued)

Summary of Significant Accounting Policies

Investments - Investments are measured by the District at fair value (generally based on quoted market prices), except for investments in certain external investments pools, which are measured at net asset value.

Fair value of other securities is determined by the most recent bid and asked prices as obtained from dealers that make markets in such securities. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the District, with the assistance of a valuation service. Securities traded on national exchanges are valued at the last reported sales price. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date. Administrative costs are funded through investment earnings of the Retirement Plan.

Investment policy - The Retirement Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Education. The Retirement Plan's trust fund investments may be invested in fixed income, equities and cash. The target asset allocation is 35% fixed income and 65% equities. There are also minimum and maximum target levels defined.

Concentrations - The Retirement Plan's investments consist solely of investment in various mutual funds and are therefore not exposed to concentrations of credit risk, as these investments are considered to be diversified by nature.

Rate of return - For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -11.78%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the District's Plan at June 30, 2022, were as follows:

Total pension liability	\$ 20,260,901
Plan fiduciary net position	<u>15,087,525</u>
District's net pension liability	<u>\$ 5,173,376</u>
Plan fiduciary net position as a percentage of the total pension liability	 74.47%

AMITY REGIONAL SCHOOL DISTRICT NO. 5
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 - PENSION PLANS

Amity Regional School District No. 5 Pension Plan (Continued)

Net Pension Liability (Continued)

The components of the change in the net pension liability of the District's Plan for the year ended June 30, 2022, were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of June 30, 2021	\$ 18,835,836	\$ 17,456,831	\$ 1,379,005
Changes for the year:			
Service cost	482,823	-	482,823
Interest	1,288,630	-	1,288,630
Difference between expected and actual experience	507,841	-	507,841
Change of assumptions	315,117	-	315,117
Contributions - employer	-	764,395	(764,395)
Contributions - member	-	87,689	(87,689)
Net investment income	-	(2,052,044)	2,052,044
Benefit payments, including refunds	(1,169,346)	(1,169,346)	-
Net changes	1,425,065	(2,369,306)	3,794,371
Balance as of June 30, 2022	\$ 20,260,901	\$ 15,087,525	\$ 5,173,376

Actuarial assumptions - The total pension liability for the District was determined by an actuarial valuation as of July 1, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	2.40% - 7.40%
Investment rate of return	6.875%
Discount rate	6.875%

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 - PENSION PLANS (Continued)

Amity Regional School District No. 5 Pension Plan (Continued)

Net Pension Liability (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Weighting</u>
US Large Cap	37.50%	5.25%	1.97%
US Mid/Small Cap	12.50%	5.75%	0.72%
Developed International Equities	15.00%	5.75%	0.86%
Intermediate Corporate Bonds	17.50%	1.75%	0.31%
Intermediate Government Bonds	17.50%	0.75%	0.13%

Discount rate - The discount rate used to measure the total District pension liability was 6.875%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the District contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the District's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability of the District, calculated using the discount rate of 6.875% as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1- percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability	\$ 7,219,144	\$ 5,173,376	\$ 3,416,158

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 - PENSION PLANS *(Continued)*

Amity Regional School District No. 5 Pension Plan *(Continued)*

Pension Plan Financial Statements

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for the District's defined benefit plan as of and for the year ended June 30, 2022.

	Pension Trust Fund
ASSETS	
Cash and cash equivalents	\$ 319,486
Investments	14,768,039
Total assets	15,087,525
 NET POSITION	
Restricted for pension benefits	\$ 15,087,525
 ADDITIONS	
Contributions:	
Employer contributions	\$ 764,395
Employee contributions	87,689
Total contributions	852,084
Investment earnings:	
Interest and dividends	316,975
Net changes in the fair value of investments	(2,357,053)
	(2,040,078)
Less investment fees	(11,966)
Total investment earnings	(2,052,044)
Total additions	(1,199,960)
 DEDUCTIONS	
Benefit payments	1,169,346
Total deductions	1,169,346
Change in net position	(2,369,306)
Net position - beginning	17,456,831
Net position - ending	\$ 15,087,525

AMITY REGIONAL SCHOOL DISTRICT NO. 5
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 - PENSION PLANS *(Continued)*

Amity Regional School District No. 5 Pension Plan *(Continued)*

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2022, the District recognized pension expense of \$812,177. At June 30, 2022, the District reported deferred outflows and inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferrals
Differences between expected and actual experience	\$ 330,905	\$ (109,218)	\$ 221,687
Changes of assumptions	326,902	(11,890)	315,012
Net difference between projected and actual earnings on pension plan investments	983,363	-	983,363
Total	<u>\$ 1,641,170</u>	<u>\$ (121,108)</u>	<u>\$ 1,520,062</u>

Amounts reported as deferred outflows and inflows of resources related to the Plan will be recognized as a component of pension expense in future years as follows:

Year ended June 30,	
2023	\$ 401,780
2024	395,309
2025	74,676
2026	648,297
	<u>\$ 1,520,062</u>

Connecticut Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System (TRS or the Plan) is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board (TRB). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

Teachers, principals, superintendents or supervisors engaged in the service of public schools are provided with pensions through the Connecticut Teachers' Retirement System - a cost sharing multi-employer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Benefit Provisions

The Plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement: Retirement benefits for the employees are calculated as 2.0% of the average annual salary times the years of credited service (maximum benefit is 75.0% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6.0% contributions made prior to July 1, 1989 and voluntary contributions are payable.

Early Retirement: Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first 5 years preceding normal retirement age and 4.0% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2.0% per year of service times the average of the highest three years of pensionable salary, but not less than 15.0%, nor more than 50.0%. In addition, disability benefits under this Plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75.0% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100.0% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

Pre-Retirement Death Benefit: The plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

Contributions

State of Connecticut - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State are amended and certified by the TRB and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amounts to finance any unfunded accrued liability.

Employers - School District employers are not required to make contributions to the Plan, as contributions are required only from employees and the State.

Employees - Effective January 1, 2018, each teacher is required to contribute 7.0% of pensionable salary for the pension benefit.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Administrative Expenses

Administrative costs of the plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Basis of Presentation

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2021. The net pension liability at June 30, 2021 has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net pension liability, deferred outflows and inflows of resources and pension expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to District totaled 4.474% as of the most recent measurement date.

Collective Net Pension Liability

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2021, the measurement date, in addition to the District's and State's proportionate shares of the collective net pension liability that is attributed to the District:

Collective Net Pension Liability of the State for the TRS		<u>\$ 14,926,263,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
District's proportionate share of the Collective Net Pension Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net Pension Liability attributed to the District	0.474%	<u>\$ 70,803,000</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Pension Expense

The District's expected contribution effort for allocation purposes totaled \$5,928,657 or 4.474% of the total expected contribution effort. The District has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2022.

The collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective pension expense attributed to the District totaled \$4,570,529 or 4.474% of the total collective pension expense and has been recognized as an operating contribution and related education expense in the statement of activities for the year ended June 30, 2022.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

Mortality rates were based on the PubT-2010 Healthy Retiree Table, adjusted 105% for males and 103% for females as ages 82 and above, projected generationally with MP-2019 for the period after service retirement.

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3.0% and a maximum of 5.0% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6.0% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5.0% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3.0%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Long-Term Rate of Return

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 - PENSION PLANS (Continued)

Connecticut Teachers' Retirement System (Continued)

Long-Term Rate of Return (Continued)

The current capital market assumptions and the target asset allocation as provided by the Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.0%	5.6%
Developed Market Intl. Stock Fund	11.0%	6.0%
Emerging Market Intl. Stock Fund	9.0%	7.9%
Core Fixed Income Fund	16.0%	2.1%
Inflation Linked Bond Fund	5.0%	1.1%
Emerging Market Debt Fund	5.0%	2.7%
High Yield Bond Fund	6.0%	4.0%
Real Estate Fund	10.0%	4.5%
Private Equity	10.0%	7.3%
Alternative Investments	7.0%	2.9%
Liquidity Fund	1.0%	0.4%
	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The District accounts for activity relating to two other post-employment benefits plans, (1) the Amity Regional School District No. 5 Pension Plan and (2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2022, the two plans had the following balances reported in the District's government-wide financial statements:

	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>On Behalf Revenues</u>	<u>OPEB Expense</u>
Amity Regional School District No. 5 Other Post-employment Benefits Plan	\$ 1,673,964	\$ 714,891	\$ 1,859,336	\$ -	\$ 55,415
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	(284,850)	(284,850)
	<u>\$ 1,673,964</u>	<u>\$ 714,891</u>	<u>\$ 1,859,336</u>	<u>\$ (284,850)</u>	<u>\$ (229,435)</u>

Detailed disclosures for each plan follow.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Amity Regional School District No. 5 Other Post-Employment Benefits (OPEB) Plan

Plan Description

Plan administration - The District administers a single-employer post-retirement healthcare plan, the Amity Regional School District No. 5 Other Post-Employment Benefits (OPEB) Plan (the Plan), to provide health benefits for eligible retirees and their spouses. The Plan is considered to be part of the District's financial reporting entity and is included in the District's financial reports as an Other Post-Employment Benefits Trust Fund. The Plan does not issue stand-alone financial reports.

Plan membership - As of July 1, 2021, the date of the most recent actuarial valuation, membership data was as follows:

Active plan members	359
Retirees and beneficiaries receiving benefits	<u>23</u>
	<u><u>382</u></u>

Benefits provided - Health benefits for retired teachers are determined by State law. Retired or disabled teachers receiving benefits from TRS can receive health insurance coverage from the Teachers' Retirement Board if they are eligible for Medicare Part A hospital insurance. Those who are not eligible for Medicare Part A are allowed to participate by law in the same plan offer by the District to active teachers if they were last employed by the District. Benefits are established by contract and may be amended by union negotiations.

Contributions - Contribution requirements of the District are established in the Plan document and may be amended by the District. State law requires that the premium charged to retirees may not be greater than that charged for the same form of coverage for active teachers. In addition, State law requires that the TRS provide a subsidy to the District to offset the cost to retirees. In 2000, the subsidy amount was statutorily frozen at \$110 per person per month. For the year ended June 30, 2022, the District made no contributions into the OPEB Trust.

Summary of Significant Accounting Policies

The Plan is accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. District contributions are recognized when due and when the District has made a formal commitment to provide the contributions. Benefits and refunds are recognized when they are due and payable in accordance with terms of the Plan.

Investments - Investments are recorded at fair value. Short-term investments are reported at cost, which approximates fair value. Fair value of other securities is determined by the most recent bid and asked prices as obtained from dealers that make markets in such securities. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the District, with the assistance of a valuation service. Securities traded on national exchanges are valued at the last reported sales price. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

Investment policy - The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Education. The Plan's trust fund investments may be invested in fixed income, equities and cash. The target asset allocation is 40% fixed income and 60% equities. There are also minimum and maximum target levels defined.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Amity Regional School District No. 5 Other Post-Employment Benefits (OPEB) Plan

Summary of Significant Accounting Policies *(Continued)*

Concentrations - The Plan's investments consist solely of investment in various mutual funds and are therefore not exposed to concentrations of credit risk, as these investments are considered to be diversified by nature.

Rate of return - For the year ended June 30, 2022, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was -11.14%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021. The components of the net OPEB liability of the District's Plan at June 30, 2022, were as follows:

Total OPEB liability	\$ 4,607,643
Plan fiduciary net position	<u>2,933,679</u>
District's net OPEB liability	<u><u>\$ 1,673,964</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 63.67%

The components of the change in the net OPEB liability of the District's Plan for the year ended June 30, 2022, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance as of June 30, 2021	<u>\$ 4,398,302</u>	<u>\$ 3,301,303</u>	<u>\$ 1,096,999</u>
Changes for the year:			
Service cost	80,818	-	80,818
Interest	289,464	-	289,464
Differences between expected and actual experience	86,185	-	86,185
Changes of assumptions	(194,633)	-	(194,633)
Net investment income (loss)	-	(367,624)	367,624
Benefit payments, including refunds of member contributions	<u>(52,493)</u>	<u>-</u>	<u>(52,493)</u>
Net changes	<u>209,341</u>	<u>(367,624)</u>	<u>576,965</u>
Balances as of June 30, 2022	<u><u>\$ 4,607,643</u></u>	<u><u>\$ 2,933,679</u></u>	<u><u>\$ 1,673,964</u></u>

Benefit payments are reported net of retiree cost shares.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Amity Regional School District No. 5 Other Post-Employment Benefits (OPEB) Plan

Net OPEB Liability *(Continued)*

Actuarial Assumptions - The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	6.50%
Discount rate	6.50%
Salary increases	2.40%
Inflation rate	2.40%
Healthcare cost trend rate:	
Initial	6.30%
Ultimate	4.40%

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables (with separate tables for General employees and Teachers) and for non-annuitants and annuitants, projected to the valuation date with Scale MP-2020.

The long-term expected rate of returns on OPEB Plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>	<u>Weighting</u>
Core Fixed Income	40.00%	1.25%	0.50%
U.S. Large Cap Equities	30.00%	5.25%	1.58%
U.S. Small Cap Equities	10.00%	5.75%	0.58%
Developed Foreign Equities	20.00%	5.75%	1.15%

* Long-term returns are provided by Fiduciary Investment Advisors. The returns are geometric means.

Discount rate - The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the District's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on the OPEB Plan's investments were applied to all periods of projected benefit payments to determine the OPEB Plan's total OPEB liability.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Amity Regional School District No. 5 Other Post-Employment Benefits (OPEB) Plan *(Continued)*

Net OPEB Liability *(Continued)*

Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the District's net OPEB liability for the OPEB Plan, calculated using the discount rate disclosed above, as well as what the District's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Discount Rates		
	1% Decrease	Current	1% Increase
	(5.50%)	(6.50%)	(7.50%)
Net OPEB liability	\$ 2,111,041	\$ 1,673,964	\$ 1,289,447

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following presents the District's net OPEB liability for the OPEB Plan, calculated using the discount rate disclosed above, as well as what the District's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Healthcare Cost Trend Rates		
	1% Decrease	Current	1% Increase
	1,216,376	1,673,964	2,204,170
Net OPEB liability	\$ 1,216,376	\$ 1,673,964	\$ 2,204,170

OPEB Plan Financial Statements

The following presents the statement of fiduciary net position for the District's OPEB Plan as of and for the year ended June 30, 2022.

	Other Post-Employment Benefits Trust Fund
ASSETS	
Cash and cash equivalents	\$ 39,527
Investments	2,894,152
Total assets	2,933,679
NET POSITION	
Restricted for other post-employment benefits	\$ 2,933,679

AMITY REGIONAL SCHOOL DISTRICT NO. 5
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Amity Regional School District No. 5 Other Post-Employment Benefits (OPEB) Plan *(Continued)*

OPEB Plan Financial Statements *(Continued)*

The following presents the statement of changes in fiduciary net position for the District's OPEB Plan as of and for the year ended June 30, 2022.

	Other Post-Employment Benefits Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ -
Other	-
Total contributions	-
Investment earnings:	
Interest and dividends	75,075
Net changes in the fair value of investments	(439,767)
	(364,692)
Less investment fees	(2,931)
Total investment earnings	(367,623)
Total additions	(367,623)
DEDUCTIONS	
Benefit payments	-
Total deductions	-
Change in net position	(367,623)
Net position - beginning	3,301,302
Net position - ending	\$ 2,933,679

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2022, the District recognized OPEB expense of \$55,415. As of June 30, 2022, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferrals
Differences between expected and actual experience	\$ 80,477	\$ (1,568,112)	\$ (1,487,635)
Changes of assumptions	353,704	(291,224)	62,480
Net difference between projected and actual earnings on OPEB plan investments	280,710	-	280,710
Total	\$ 714,891	\$ (1,859,336)	\$ (1,144,445)

AMITY REGIONAL SCHOOL DISTRICT NO. 5
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Amity Regional School District No. 5 Other Post-Employment Benefits (OPEB) Plan *(Continued)*

OPEB Expense and Deferred Outflows and Inflows of Resources *(Continued)*

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as a component of OPEB expense as follows:

Year Ended June 30:			
2023	\$	(40,839)	
2024		(62,974)	
2025		(95,752)	
2026		(4,837)	
2027		(121,278)	
Thereafter		(818,765)	
		<u>\$ (1,144,445)</u>	

Connecticut Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System (TRS or the Plan) is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board (TRB). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System - a cost sharing multi employer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions

The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Benefit Provisions *(Continued)*

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage. If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Contributions

State of Connecticut - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Employers - School District employers are not required to make contributions to the Plan.

Employees/Retirees - The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

Administrative Expenses

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Basis of Presentation

The components associated with the other postemployment benefits (OPEB) expense and deferred inflows and outflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2021. The net OPEB liability at June 30, 2021 has been calculated using the audited amounts. The OPEB trust fund is included in the TRS, and the TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net OPEB liability, deferred outflows and inflows of resources and OPEB expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort of the date of the latest biennial valuation. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to District totaled 4.474% as of the most recent measurement date.

Collective Net OPEB Liability

The following summarizes the collective net OPEB liability of the State for the TRS as of June 30, 2021, the measurement date, in addition to the District's and State's proportionate shares of the collective net OPEB liability that is attributed to the District:

Collective Net OPEB Liability of the State for the TRS		<u>\$ 1,626,189,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
District's proportionate share of the Collective Net OPEB Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net OPEB Liability attributed to the District	0.474%	<u>\$ 7,714,000</u>

Collective OPEB Expense

The District's expected contribution effort for allocation purposes totaled \$139,513 or 4.474% of the total expected contribution effort. The District has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2022.

The collective OPEB expense includes certain current period changes in the collective net OPEB liability, projected earnings on OPEB plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the negative collective OPEB expense attributed to the District totaled \$(284,850) or 4.474% of the total collective OPEB expense and has been recognized as reductions of operating contributions and related education expense in the statement of activities for the year ended June 30, 2022.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	
Medicare	5.125% for 2020 decreasing to an ultimate rate of 4.50% by 2023

Mortality rates were based on the PubT-2010 Healthy Retiree Table, adjusted 105% for males and 103% for females as ages 82 and above, projected generationally with MP-2019 for the period after service retirement.

Long-Term Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the actuarial valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected 10-Year Geometric Real Rate of Return</u>	<u>Standard Deviation</u>
U.S. Treasuries (Cash Equivalents)	100.0%	-0.42%	1.78%

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Discount Rate

The discount rate used to measure the total OPEB liability was 2.17%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2021.

In addition to the actuarial methods and assumptions of the June 30, 2021 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annual at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The District participates in a risk sharing pool for workers' compensation and liability-automobile-property insurance, and is self-insured for employee and retiree medical benefits. The District purchases commercial insurance for all other types of coverages. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years and there have been no significant reductions in pooled or insured liability coverage from the prior year.

Risk Sharing Pools

The District is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program.

Workers' Compensation Pool

The District is a member of CIRMA's Workers' Compensation Pool, a risk-sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 - RISK MANAGEMENT

Risk Sharing Pools (Continued)

Liability-Automobile-Property Pool

The District is a member of CIRMA’s Liability-Automobile-Property Pool, a risk-sharing pool. The Liability-Automobile-Property Pool provides general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages, and claims and expense payments falling within the deductible amounts are the responsibility of the District. CIRMA’s Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

Self-Insured Medical Benefits

The District established an internal service fund to account for and finance the risk of loss for the District’s employee and retiree medical benefits claims. The internal service fund provides coverage for all eligible full-time employees and certain eligible retirees. The District retains the risk of loss under the plan. A third party processes the claims filed under the self-insured health plan, for which the District is charged an administrative fee. The District has purchased a stop-loss policy for total claims in any one year exceeding an aggregate of 120% of expected claims and for individual claims exceeding \$150,000 for combined hospital and major medical.

The District establishes claims liabilities based on estimates of claims that have been incurred but not reported at year end. Claims liabilities are recorded if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of possible loss can be reasonably estimated. The amount of the claims accrual is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claims accrual does not include other allocated or unallocated claims adjustment expenses.

A summary of claims activity for the years ended June 30, 2022 and 2021 are as follows:

<u>Year Ended June 30</u>	<u>Claims Payable, Beginning of Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable, End of Year</u>
2021	\$ 220,351	\$ 3,566,503	\$ 3,571,128	\$ 215,726
2022	215,726	4,409,666	4,294,951	330,441

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Litigation, Claims and Assessments

The District, in the normal course of operations, is named as defendants in lawsuits, administrative proceedings and other miscellaneous claims. The outcome and eventual liability to the District, if any, for such matters are not known at this time. The District’s management, based upon consultation with legal counsel, estimates that potential claims against the District, not covered by insurance, resulting from such matters would not materially affect the financial position of the District.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Federal Awards and State Financial Assistance

The District has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, District management believes such disallowances, if any, will not be material.

Encumbrances

As disclosed in Note 7, the District has recorded \$721,172 in encumbrances as of June 30, 2022. Encumbrances represent commitments for the purchase of goods or services and have been included in assigned fund balance within the balance sheet of the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL -BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Assessments to member towns	\$ 50,495,237	\$ 50,495,237	\$ 50,495,238	\$ 1
Intergovernmental	1,054,343	1,054,343	866,955	(187,388)
Charges for services	105,127	105,127	106,589	1,462
Interest income	7,500	7,500	4,975	(2,525)
Other	36,000	36,000	40,916	4,916
Total revenues	<u>51,698,207</u>	<u>51,698,207</u>	<u>51,514,673</u>	<u>(183,534)</u>
EXPENDITURES				
Current:				
Salaries	28,036,821	27,791,858	27,429,917	(361,941)
Employee benefits	5,597,784	5,537,066	5,464,945	(72,121)
Instruction	660,600	652,283	615,766	(36,517)
Pupil transport	3,777,452	3,589,131	3,543,741	(45,390)
Tuition	3,638,655	2,879,072	2,867,711	(11,361)
Purchased services	2,065,774	2,292,529	2,154,251	(138,278)
Rental and other services	754,556	737,274	716,614	(20,660)
Buildings and grounds	994,449	1,166,630	1,132,636	(33,994)
Utilities	835,736	752,156	702,578	(49,578)
Property and liability insurance	249,650	282,790	282,790	-
Travel and memberships	174,047	162,406	121,969	(40,437)
Contingency	150,000	-	-	-
Capital outlays	308,848	472,002	470,285	(1,717)
Debt service:				
Principal	3,665,000	3,665,000	3,665,000	-
Interest	788,835	788,835	788,835	-
Total expenditures	<u>51,698,207</u>	<u>50,769,032</u>	<u>49,957,038</u>	<u>(811,994)</u>
Excess of revenues over expenditures	-	929,175	1,557,635	628,460
OTHER FINANCING SOURCES (USES)				
Cancellation of prior year encumbrances	-	-	83,471	83,471
Transfers out	-	(929,175)	(929,175)	-
Total other financing sources (uses)	<u>-</u>	<u>(929,175)</u>	<u>(845,704)</u>	<u>83,471</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 711,931</u>	<u>\$ 711,931</u>

See accompanying notes to required supplementary information.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF CHANGES IN NET PENSION LIABILITY -
AMITY REGIONAL SCHOOL DISTRICT NO. 5 PENSION PLAN (UNAUDITED)
LAST NINE FISCAL YEARS *

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability									
Service cost	\$ 482,823	\$ 510,895	\$ 544,055	\$ 546,532	\$ 539,815	\$ 542,547	\$ 493,768	\$ 479,386	\$ 408,199
Interest	1,288,630	1,240,598	1,202,276	1,165,984	1,095,440	1,096,406	988,845	930,362	882,103
Differences between expected and actual experience	507,841	11,260	(271,511)	(454,769)	138,984	(143,763)	19,949	(247,484)	-
Changes of assumptions	315,117	315,597	(47,566)	-	(99,030)	210,599	529,757	962,070	-
Benefit payments, including refunds	(1,169,346)	(893,770)	(801,082)	(674,698)	(673,617)	(670,971)	(623,779)	(677,103)	(703,532)
Net change in total pension liability	1,425,065	1,184,580	626,172	583,049	1,001,592	1,034,818	1,408,540	1,447,231	586,770
Total pension liability - beginning	18,835,836	17,651,256	17,025,084	16,442,035	15,440,443	14,405,625	12,997,085	11,549,854	10,963,084
Total pension liability - ending	<u>20,260,901</u>	<u>18,835,836</u>	<u>17,651,256</u>	<u>17,025,084</u>	<u>16,442,035</u>	<u>15,440,443</u>	<u>14,405,625</u>	<u>12,997,085</u>	<u>11,549,854</u>
Plan fiduciary net position									
Contributions - employer	764,395	790,234	851,987	892,845	886,831	862,404	772,191	738,934	707,554
Contributions - members	87,689	88,848	72,237	77,728	77,655	81,533	80,951	77,564	75,449
Net investment income	(2,052,044)	3,822,979	628,125	836,401	886,762	1,099,641	176,783	281,561	1,271,801
Benefit payments, including refunds	(1,169,346)	(893,770)	(801,082)	(674,698)	(673,617)	(670,971)	(623,779)	(677,103)	(703,532)
Administrative expense	-	-	-	-	-	(8,216)	-	-	(6,644)
Other	-	-	-	-	-	-	196	129	94
Net change in plan fiduciary net position	(2,369,306)	3,808,291	751,267	1,132,276	1,177,631	1,364,391	406,342	421,085	1,344,722
Plan fiduciary net position - beginning	17,456,831	13,648,540	12,897,273	11,764,997	10,587,366	9,222,975	8,816,633	8,395,548	7,050,826
Plan fiduciary net position - ending	<u>15,087,525</u>	<u>17,456,831</u>	<u>13,648,540</u>	<u>12,897,273</u>	<u>11,764,997</u>	<u>10,587,366</u>	<u>9,222,975</u>	<u>8,816,633</u>	<u>8,395,548</u>
District's net pension liability	<u>\$ 5,173,376</u>	<u>\$ 1,379,005</u>	<u>\$ 4,002,716</u>	<u>\$ 4,127,811</u>	<u>\$ 4,677,038</u>	<u>\$ 4,853,077</u>	<u>\$ 5,182,650</u>	<u>\$ 4,180,452</u>	<u>\$ 3,154,306</u>
Plan fiduciary net position as a percentage of total pension liability	74.47%	92.68%	77.32%	75.75%	71.55%	68.57%	64.02%	67.84%	72.69%
Covered payroll	\$ 2,684,485	\$ 3,040,958	\$ 3,312,394	\$ 3,484,925	\$ 3,423,413	\$ 3,368,174	\$ 3,473,851	\$ 3,264,904	\$ 3,183,014
District's net pension liability as a percentage of covered payroll	192.71%	45.35%	120.84%	118.45%	136.62%	144.09%	149.19%	128.04%	99.10%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -
AMITY REGIONAL SCHOOL DISTRICT NO. 5 PENSION PLAN (UNAUDITED)
LAST NINE FISCAL YEARS*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 764,395	\$ 790,234	\$ 851,987	\$ 892,845	\$ 886,831	\$ 862,402	\$ 772,191	\$ 738,934	\$ 707,554
Contributions in relation to the actuarially determined contribution	764,395	790,234	851,987	892,845	886,831	862,404	772,191	738,934	707,554
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
Covered payroll	\$ 2,684,485	\$ 3,040,958	\$ 3,312,394	\$ 3,484,925	\$ 3,423,413	\$ 3,368,174	\$ 3,473,851	\$ 3,264,904	\$ 3,183,014
Contributions as a percentage of covered payroll	28.47%	25.99%	25.72%	25.62%	25.90%	25.60%	22.23%	22.63%	22.23%
Annual money-weighted rate of return, net of investment expense	-11.78%	27.74%	4.81%	6.92%	8.16%	11.46%	1.96%	3.27%	17.61%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY -
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST EIGHT FISCAL YEARS*
(Rounded to nearest thousand)

	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the District	70,803,000	89,397,000	81,597,000	62,916,000	63,998,000	67,518,000	51,711,000	47,796,000
Total	<u>\$ 70,803,000</u>	<u>\$ 89,397,000</u>	<u>\$ 81,597,000</u>	<u>\$ 62,916,000</u>	<u>\$ 63,998,000</u>	<u>\$ 67,518,000</u>	<u>\$ 51,711,000</u>	<u>\$ 47,796,000</u>
District's covered payroll	\$ 21,349,000	\$ 20,648,000	\$ 20,980,000	\$ 20,654,000	\$ 20,286,000	\$ 19,553,000	\$ 19,209,000	\$ 18,515,000
District's proportionate share of the collective 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%
Plan fiduciary net position as a percentage of the total collective pension liability	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY -
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST FIVE FISCAL YEARS*
(Rounded to Nearest Thousand)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability attributed to the District	7,714,000	13,334,000	12,725,000	12,557,000	16,472,000
Total	<u>\$ 7,714,000</u>	<u>\$ 13,334,000</u>	<u>\$ 12,725,000</u>	<u>\$ 12,557,000</u>	<u>\$ 16,472,000</u>
District's covered payroll	\$ 21,054,000	\$ 21,054,000	\$ 20,980,000	\$ 20,654,000	\$ 20,286,000
District's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective OPEB liability	6.11%	2.50%	2.08%	1.49%	1.79%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF CHANGES IN NET OPEB LIABILITY -
OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)
LAST SIX SIX YEARS*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability						
Service cost	\$ 80,818	\$ 97,152	\$ 94,104	\$ 94,804	\$ 108,167	\$ 105,426
Interest	289,465	342,209	334,998	321,315	315,156	293,998
Differences between expected and actual experience	86,185	(766,551)	(735,952)	(213,246)	(266,055)	(1,788)
Changes of assumptions	(194,633)	(124,088)	377,326	77,972	(3,351)	-
Benefit payments, including refunds	(52,493)	(57,416)	(52,322)	(116,010)	8,789	(203,200)
Other	-	171,562	-	-	-	-
Net change in total OPEB liability	<u>209,342</u>	<u>(337,132)</u>	<u>18,154</u>	<u>164,835</u>	<u>162,706</u>	<u>194,436</u>
Total OPEB liability - beginning	<u>4,398,301</u>	<u>4,735,433</u>	<u>4,717,279</u>	<u>4,552,444</u>	<u>4,389,738</u>	<u>4,195,302</u>
Total OPEB liability - ending	<u>4,607,643</u>	<u>4,398,301</u>	<u>4,735,433</u>	<u>4,717,279</u>	<u>4,552,444</u>	<u>4,389,738</u>
Plan fiduciary net position						
Contributions - employer	-	31,678	93,272	178,920	45,377	282,793
Contributions - retirees' subsidies	-	57,416	64,709	70,408	51,371	77,679
Net investment income	(367,623)	695,258	11,748	52,854	152,252	169,538
Benefit payments, including refunds	-	(57,416)	(52,322)	(116,010)	8,789	(203,200)
Administrative expense	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>(367,623)</u>	<u>726,936</u>	<u>117,407</u>	<u>186,172</u>	<u>257,789</u>	<u>326,810</u>
Plan fiduciary net position - beginning	<u>3,301,302</u>	<u>2,574,366</u>	<u>2,456,959</u>	<u>2,270,787</u>	<u>2,012,998</u>	<u>1,686,188</u>
Plan fiduciary net position - ending	<u>2,933,679</u>	<u>3,301,302</u>	<u>2,574,366</u>	<u>2,456,959</u>	<u>2,270,787</u>	<u>2,012,998</u>
District's net OPEB liability	<u>\$ 1,673,964</u>	<u>\$ 1,096,999</u>	<u>\$ 2,161,067</u>	<u>\$ 2,260,320</u>	<u>\$ 2,281,657</u>	<u>\$ 2,376,740</u>
Plan fiduciary net position as a percentage of total OPEB liability	63.67%	75.06%	54.36%	52.08%	49.88%	45.86%
Covered employee payroll	\$ 28,332,286	\$ 27,487,263	\$ 26,530,584	\$ 25,670,057	\$ 25,121,818	\$ 24,809,512
District's net OPEB liability as a percentage of covered employee payroll	5.91%	3.99%	8.15%	8.81%	9.08%	9.58%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -
OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)
LAST SIX FISCAL YEARS*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 260,943	\$ 318,874	\$ 341,547	\$ 343,728	\$ 323,526	\$ 442,313
Contributions in relation to the actuarially determined contribution	-	31,678	93,272	178,920	45,377	282,793
Contribution deficiency (excess)	<u>\$ 260,943</u>	<u>\$ 287,196</u>	<u>\$ 248,275</u>	<u>\$ 164,808</u>	<u>\$ 278,149</u>	<u>\$ 159,520</u>
Covered employee payroll	\$ 28,332,286	\$ 27,487,263	\$ 26,530,584	\$ 25,670,057	\$ 25,121,818	\$ 24,809,512
Contributions as a percentage of covered employee payroll	0.00%	0.12%	0.35%	0.70%	0.18%	1.14%
Annual money-weighted rate of return, net of investment expense	-11.14%	27.01%	3.11%	5.43%	7.56%	10.05%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND

Budgetary Information

The District adheres to the following procedures in establishing the budgetary data reported in the financial statements:

- The District legally adopts an annual budget for the General Fund pursuant to Connecticut General Statutes Section 10-51. Formal budgetary integration is employed by the District as a management control device during the year for the General Fund.
- Prior to January, each department head or other agency as designated by the Superintendent submits budget requests accompanied by detailed estimates of expenditures to be made and, where appropriate, revenues to be collected during the ensuing fiscal year.
- Annually, prior to the annual meeting of the Board, a public budget meeting is held for the purpose of presenting and voting upon a regional school budget.
- After the budget is approved, the Board estimates the share of the net expenditures to be paid by each member District in accordance with Connecticut General Statutes Section 10-51, and notifies the respective member District's treasurer thereof.
- The level of control for a legally adopted budget (the level at which expenditures may not legally exceed appropriations without Board approval) is at the program level. Transfers from one budget line to another may be made by the Director of Finance and Administration with the approval of the Superintendent, Finance Committee and Board of Education.
- The Board does not have the authority to expend beyond the total budget appropriation without Board of Education and member District approval.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Project Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.
- No additional appropriations were authorized during the year ended June 30, 2022.

Accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP basis). The differences consist primarily of payments made by the State of Connecticut on-behalf of the District into the State Teachers' Retirement System, which are not recorded for budgetary purposes.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND *(Continued)*

Budgetary Information (Continued)

A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2022:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Change in Fund Balance</u>
Budgetary basis	\$ 51,514,673	\$ 49,957,038	\$ (845,704)	\$ 711,931
"On-behalf" payments - State Teachers' Retirement Fund	6,068,170	6,068,170	-	-
Changes in encumbrances	-	(248,828)	(83,471)	165,357
GAAP basis	<u>\$ 57,582,843</u>	<u>\$ 55,776,380</u>	<u>\$ (929,175)</u>	<u>\$ 877,288</u>

NOTE 2 - SCHEDULE OF THE CHANGES IN NET PENSION LIABILITY - AMITY REGIONAL SCHOOL DISTRICT NO. 5 PENSION PLAN

The District began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years. Information prior to fiscal year 2014 is not available.

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2021. The July 1, 2021 valuation was utilized to calculate the total pension liability as of July 1, 2021, which was rolled forward to the most recent measurement date of June 30, 2022.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the District's total pension liability.

Assumption Changes - There have been no assumption changes that have had a significant effect on the measurement of the total pension liability as of June 30, 2022. The District lowered the discount rate utilized to measure its total pension liability from 8.0% as of the June 30, 2015 to 7.5% as of the June 30, 2016, and then again to 7.0% as of the June 30, 2017 measurement date. As of June 30, 2021 the District lowered the discount rate from 7.0% to 6.875%.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 3 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - AMITY REGIONAL SCHOOL DISTRICT NO. 5 PENSION PLAN

The District began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years. Information prior to fiscal year 2014 is not available.

Actuarially determined contributions rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2022.

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of salary, closed
Remaining amortization period	20 years
Asset valuation method	5 year smoothed market
Inflation rate	2.40%
Salary increases	Varies from 2.40% to 7.40%, including inflation
Investment rate of return	6.875%, net of pension plan investment expense, including inflation
Retirement age	Ranges from 55 to 70
Mortality	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for General Employees, for nonannuitants and annuitants, projected to the valuation date with Scale MP-2020

NOTE 4 - SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM

The District began to report this schedule when it implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, in fiscal year 2015. GASB Statement No. 68 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the collective net pension liability as of June 30, 2022.

Assumption Changes - The following assumption changes had a significant effect on the measurement of the collective net pension liability as of June 30, 2022.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN

The District began to report this schedule when it implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, in fiscal year 2018. GASB Statement No. 74 requires the information within this schedule to be presented for the ten most recent fiscal years. Information prior to fiscal year 2018 is not available.

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2021. The July 1, 2021 actuarial valuation was utilized to calculate the total OPEB liability as of July 1, 2021, which was rolled forward to the most recent measurement date of June 30, 2022.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the total OPEB liability as of June 30, 2022.

Assumption Changes - There have been no assumption changes that have had a significant effect on the measurement of the total OPEB liability as of June 30, 2022.

NOTE 6 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - OTHER POST-EMPLOYMENT BENEFITS PLAN

The District began to report this schedule when it implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, in fiscal year 2017. GASB Statement No. 74 requires the information within this schedule to be presented for the ten most recent fiscal years. Information prior to fiscal year 2017 is not available.

Actuarially determined contributions rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2022.

Actuarial cost method:	Entry Age Normal
Amortization method:	Level Percentage of Salary
Remaining amortization period	20 years, closed (15 years remaining as of July 1, 2020)
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	6.50%
Discount rate	6.50%
Salary increases	2.40% - 7.40%
Inflation rate	2.40%
Healthcare cost trend rate:	
Initial	6.50%
Ultimate	4.40%

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 7 - SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM

The District began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the District's collective net OPEB liability reported as of June 30, 2022.

Assumption Changes - There were no assumption changes that had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2022.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
ASSESSMENTS TO MEMBER TOWNS				
Bethany	\$ 8,983,608	\$ 8,983,608	\$ 8,983,609	\$ 1
Orange	25,236,005	25,236,005	25,236,005	-
Woodbridge	16,275,624	16,275,624	16,275,624	-
Total assessment to member towns	<u>50,495,237</u>	<u>50,495,237</u>	<u>50,495,238</u>	<u>1</u>
INTERGOVERNMENTAL				
Adult education	3,042	3,042	4,341	1,299
Transportation income	26,000	26,000	19,500	(6,500)
Special education	1,025,022	1,025,022	842,838	(182,184)
Health services	279.00	279.00	276	(3)
Total intergovernmental	<u>1,054,343</u>	<u>1,054,343</u>	<u>866,955</u>	<u>(187,388)</u>
CHARGES FOR SERVICES				
Parking income	32,000	32,000	31,146	(854)
Athletics	25,000	25,000	26,516.00	1,516
Tuition revenue	43,329	43,329	44,034	705
Shared services	4,798	4,798	4,893	95
Total charges for services	<u>105,127</u>	<u>105,127</u>	<u>106,589</u>	<u>1,462</u>
INTEREST INCOME	<u>7,500</u>	<u>7,500</u>	<u>4,975</u>	<u>(2,525)</u>
OTHER REVENUES				
Rental income	18,000	18,000	23,158	5,158
Miscellaneous	18,000	18,000	17,758	(242)
Total other revenues	<u>36,000</u>	<u>36,000</u>	<u>40,916</u>	<u>4,916</u>
Total revenues	51,698,207	51,698,207	51,514,673	(183,534)
OTHER FINANCING SOURCES				
Cancellation of prior year encumbrances	-	-	83,471	83,471
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 51,698,207</u>	<u>\$ 51,698,207</u>	<u>\$ 51,598,144</u>	<u>\$ (100,063)</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
SALARIES				
Certified	\$ 22,915,344	\$ 22,709,955	\$ 22,456,125	\$ (253,830)
Classified	5,121,477	5,081,903	4,973,792	(108,111)
Total salaries	<u>28,036,821</u>	<u>27,791,858</u>	<u>27,429,917</u>	<u>(361,941)</u>
EMPLOYEE BENEFITS				
Medicare	407,811	407,811	381,832	(25,979)
FICA	311,405	311,405	301,888	(9,517)
Workers' compensation	214,297	153,579	152,365	(1,214)
Medical and dental insurance	3,675,704	3,675,704	3,647,858	(27,846)
Life insurance	49,918	49,918	46,418	(3,500)
Disability insurance	11,136	11,136	10,736	(400)
Pension plan - classified	764,395	764,395	764,395	-
Defined contribution retirement plan	148,418	148,418	145,496	(2,922)
Unemployment compensation	12,500	12,500	12,498	(2)
Clothing allowance	2,200	2,200	1,459	(741)
Total employee benefits	<u>5,597,784</u>	<u>5,537,066</u>	<u>5,464,945</u>	<u>(72,121)</u>
INSTRUCTION				
Instructional program improvement	26,600	29,609	28,159	(1,450)
Instructional supplies	369,883	355,356	328,840	(26,516)
Text and digital resources	243,902	245,618	237,915	(7,703)
Library books & periodicals	20,215	21,700	20,852	(848)
Total instruction	<u>660,600</u>	<u>652,283</u>	<u>615,766</u>	<u>(36,517)</u>
PUPIL TRANSPORT				
Pupil transportation	3,655,436	3,467,115	3,441,389	(25,726)
Transportation supplies	122,016	122,016	102,352	(19,664)
Total pupil transport	<u>3,777,452</u>	<u>3,589,131</u>	<u>3,543,741</u>	<u>(45,390)</u>
TUITION				
	<u>3,638,655</u>	<u>2,879,072</u>	<u>2,867,711</u>	<u>(11,361)</u>
PURCHASED SERVICES				
Data processing	114,785	114,785	105,023	(9,762)
Other professional & technical services	1,749,530	1,966,507	1,853,092	(113,415)
Communications	114,356	120,126	117,699	(2,427)
Other purchased services	87,103	91,111	78,437	(12,674)
Total purchased services	<u>2,065,774</u>	<u>2,292,529</u>	<u>2,154,251</u>	<u>(138,278)</u>
RENTAL AND OTHER SERVICES				
Rentals - land, building, equipment	122,685	90,872	82,148	(8,724)
Other supplies	631,871	646,402	634,466	(11,936)
Total rental and other services	<u>754,556</u>	<u>737,274</u>	<u>716,614</u>	<u>(20,660)</u>

(Continued)

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (UNAUDITED) (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
BUILDINGS AND GROUNDS				
Repairs, maintenance and cleaning	\$ 747,751	\$ 958,673	\$ 943,020	\$ (15,653)
Maintenance and custodial supplies	246,698	207,957	189,616	(18,341)
Total buildings and grounds	<u>994,449</u>	<u>1,166,630</u>	<u>1,132,636</u>	<u>(33,994)</u>
UTILITIES				
Utilities, excluding heat	725,065	635,207	588,882	(46,325)
Oil and natural gas used for heating	42,500	42,500	40,302	(2,198)
Natural gas	68,171	74,449	73,394	(1,055)
Total utilities	<u>835,736</u>	<u>752,156</u>	<u>702,578</u>	<u>(49,578)</u>
PROPERTY AND LIABILITY INSURANCE	<u>249,650</u>	<u>282,790</u>	<u>282,790</u>	<u>-</u>
TRAVEL AND MEMBERSHIPS				
Staff travel	23,850	20,163	8,203	(11,960)
Travel - conferences	44,800	42,951	32,992	(9,959)
Dues and fees	105,397	99,292	80,774	(18,518)
Total travel and memberships	<u>174,047</u>	<u>162,406</u>	<u>121,969</u>	<u>(40,437)</u>
CONTINGENCY	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
CAPITAL OUTLAYS				
Equipment - new	49,348	92,952	92,453	(499)
Equipment - replacement	5,000	37,692	37,689	(3)
Improvements to sites	89,500	273,583	272,368	(1,215)
Improvements to buildings	165,000	67,775	67,775	-
Total capital outlays	<u>308,848</u>	<u>472,002</u>	<u>470,285</u>	<u>(1,717)</u>
DEBT SERVICE				
Principal	3,665,000	3,665,000	3,665,000	-
Interest	788,835	788,835	788,835	-
Total debt service	<u>4,453,835</u>	<u>4,453,835</u>	<u>4,453,835</u>	<u>-</u>
TOTAL EXPENDITURES	<u>51,698,207</u>	<u>50,769,032</u>	<u>49,957,038</u>	<u>(811,994)</u>
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>929,175</u>	<u>929,175</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 51,698,207</u>	<u>\$ 51,698,207</u>	<u>\$ 50,886,213</u>	<u>\$ (811,994)</u> <i>(Concluded)</i>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF DEBT LIMITATION -
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2022

	Orange	Woodbridge	Bethany	Total
Total cash collections for the year ended June 30, 2022:	<u>\$ 25,236,005</u>	<u>\$ 16,275,624</u>	<u>\$ 8,983,609</u>	<u>\$ 50,495,238</u>
				District
Debt limitation: 2-1/4 times base				<u>\$ 113,614,286</u>
Indebtedness:				
Bonds payable				<u>18,735,000</u>
Net indebtedness				<u>18,735,000</u>
Debt limitation in excess of outstanding and authorized debt				<u>\$ 94,879,286</u>
Total capacity of borrowing (2-1/4 times base)				\$ 113,614,286
Total present indebtedness				<u>18,735,000</u>
Margin for additional borrowing				<u>\$ 94,879,286</u>

NONMAJOR GOVERNMENTAL FUNDS

AMITY REGIONAL SCHOOL DISTRICT NO. 5
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022

	Continuing Education Fund	School Operating Fund	Cafeteria Fund	School Activity Fund	Scholarship Fund	Total Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 49,474	\$ 284,293	\$ 244,311	\$ 472,596	\$ 276,747	\$ 1,327,421
Grants and contracts receivables	-	-	135,461	-	-	135,461
Inventories	-	-	25,659	-	-	25,659
Total assets	<u>\$ 49,474</u>	<u>\$ 284,293</u>	<u>\$ 405,431</u>	<u>\$ 472,596</u>	<u>\$ 276,747</u>	<u>\$ 1,488,541</u>
LIABILITIES						
Accounts payable	\$ -	\$ 10,160	\$ 103,776	\$ 9,563	\$ 69,250	\$ 192,749
Unearned revenue	39,336	-	47,358	-	-	86,694
Total liabilities	<u>39,336</u>	<u>10,160</u>	<u>151,134</u>	<u>9,563</u>	<u>69,250</u>	<u>279,443</u>
FUND BALANCES						
Nonspendable	-	-	25,659	-	-	25,659
Restricted	-	-	228,638	463,033	207,497	899,168
Committed	10,138	274,133	-	-	-	284,271
Total fund balances	<u>10,138</u>	<u>274,133</u>	<u>254,297</u>	<u>463,033</u>	<u>207,497</u>	<u>1,209,098</u>
Total liabilities and fund balances	<u>\$ 49,474</u>	<u>\$ 284,293</u>	<u>\$ 405,431</u>	<u>\$ 472,596</u>	<u>\$ 276,747</u>	<u>\$ 1,488,541</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	<u>Continuing Education Fund</u>	<u>School Operating Fund</u>	<u>Cafeteria Fund</u>	<u>School Activity Fund</u>	<u>Scholarship Fund</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES						
Intergovernmental	\$ -	\$ -	\$ 923,024	\$ -	\$ -	\$ 923,024
Charges for services	10,857	128,347	189,139	563,976	-	892,319
Interest Income	-	-	-	-	455	455
Other	-	-	-	-	59,813	59,813
Total revenues	<u>10,857</u>	<u>128,347</u>	<u>1,112,163</u>	<u>563,976</u>	<u>60,268</u>	<u>1,875,611</u>
EXPENDITURES						
Current:						
General instruction	37,373	8,809	-	-	-	46,182
Support services:						
Support services - student	-	14,916	925,566	-	-	940,482
General administration	-	12,701	-	-	-	12,701
Student activities	-	-	-	484,743	70,250	554,993
Buildings and grounds	-	3,490	-	-	-	3,490
Capital outlays	-	-	55,221	-	-	55,221
Total expenditures	<u>37,373</u>	<u>39,916</u>	<u>980,787</u>	<u>484,743</u>	<u>70,250</u>	<u>1,613,069</u>
Excess (deficiency) of revenues over expenditures	(26,516)	88,431	131,376	79,233	(9,982)	262,542
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(26,516)	88,431	131,376	79,233	(9,982)	262,542
Fund balances - beginning	<u>36,654</u>	<u>185,702</u>	<u>122,921</u>	<u>383,800</u>	<u>217,479</u>	<u>946,556</u>
Fund balances - ending	<u>\$ 10,138</u>	<u>\$ 274,133</u>	<u>\$ 254,297</u>	<u>\$ 463,033</u>	<u>\$ 207,497</u>	<u>\$ 1,209,098</u>