

REGIONAL SCHOOL DISTRICT NO. 10

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023**

REGIONAL SCHOOL DISTRICT NO. 10
TABLE OF CONTENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis (Unaudited)	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Governmental Fund Financial Statements:	
Balance Sheet	16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Fiduciary Fund Financial Statements:	
Statement of Net Position	20
Statement of Changes in Net Position	21
Notes to the Financial Statements	22
Required Supplementary Information (Unaudited):	
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balance - Budget and Actual - Budgetary Basis - General Fund	56
Schedule of Changes in Net Pension Liability (Asset) - Pension Plan	57
Schedule of Contributions and Investment Returns - Pension Plan	58
Schedule of the District's Proportionate Share of the Collective Net Pension Liability - Connecticut State Teachers' Retirement System	59
Schedule of Changes in Total OPEB Liability - Other Post-employment Benefits Plan	60
Schedule of the District's Proportionate Share of the Collective Net OPEB Liability - Connecticut Teachers' Retirement System	61
Notes to Required Supplementary Information	62

REGIONAL SCHOOL DISTRICT NO. 10
TABLE OF CONTENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

Page

Combining and Individual Fund Statements and Schedules:

Governmental Funds:

 General Fund:

Schedule of Revenues and Other Financing Sources - Budget and Actual - Budgetary Basis	66
Schedule of Expenditures and Other Financing Uses - Budget and Actual - Budgetary Basis	67
Schedule of Debt Limitation	69

Nonmajor Governmental Funds:

Combining Balance Sheet - Nonmajor Governmental Funds	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	71

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Regional School District No. 10
Burlington, Connecticut

Report on the Audit of 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 Regional School District No. 10 (the District), as of and for the year ended June 30, 2023, 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 Regional School District No. 10, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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.

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 56 through 65 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 12, 2023, 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 12, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

REGIONAL SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

As management of Regional School District No. 10 (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, 2023.

FINANCIAL HIGHLIGHTS

- 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 \$39,403,068 (net position). Included in this amount is a deficit in unrestricted net position of \$3,443,011. 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 overall change in net position for the year ended June 30, 2023 decreased by \$472,336.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$7,059,016, a decrease of \$156,529 in comparison with the prior year.
- The District's principal balance on long-term bonded debt decreased by \$1,530,000 or 17.6%.

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 elements. 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.

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 result in cash flows in future fiscal periods.

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Government-wide Financial Statements *(Continued)*

The government-wide financial statements are intended to distinguish functions of the District that are principally supported by District towns 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 has no 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 two categories: governmental 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 outflows and inflows 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 fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Educational Grants Fund, and the Capital Projects Fund, all of which are considered to be major funds by the District.

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

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. 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 20 and 21 of this report.

REGIONAL SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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 22 through 55 of this report.

Required Supplementary Information

Required supplementary information on the District's General Fund budgetary schedules and pension and other post-employment benefit plans can be found on pages 56 through 65 of this report.

Other Information

Combining and individual fund statements and schedules can be found on pages 66 through 71 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

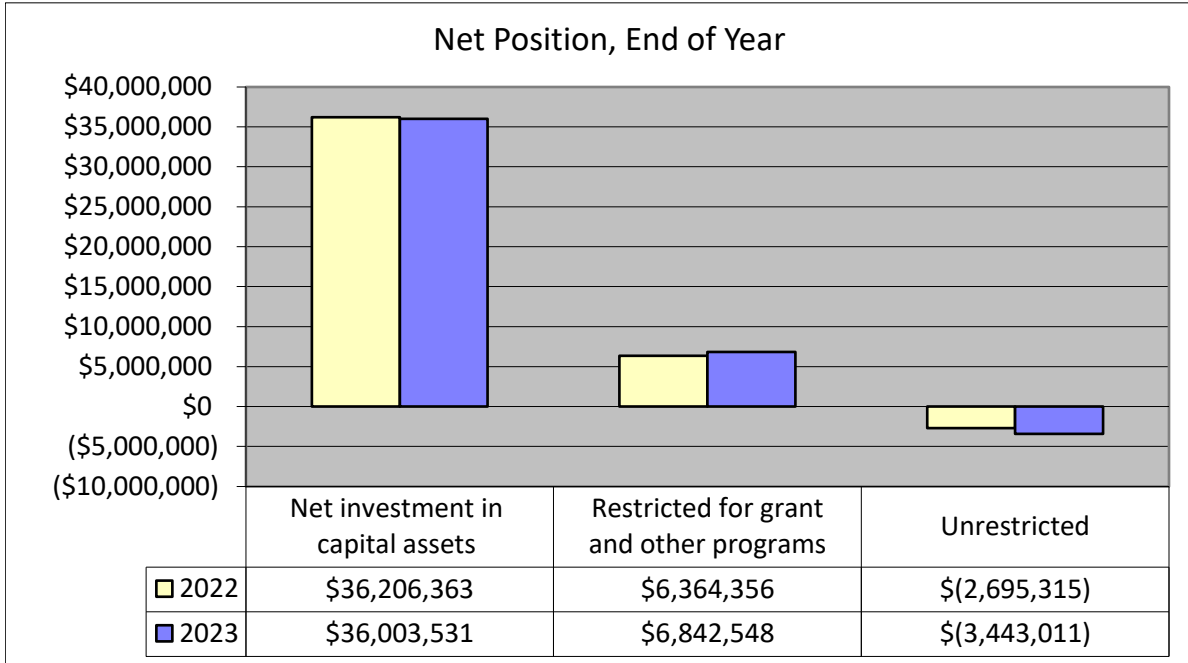
Over time, net position may serve as one measure of a government's financial position. Net position of the District totaled \$39,403,068 and \$39,875,404 as of June 30, 2023 and 2022, respectively, and are summarized as follows:

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Current and other assets	\$ 7,712,773	\$ 8,435,981	\$ (723,208)	-8.6%
Capital assets, net	43,347,650	45,157,289	(1,809,639)	-4.0%
Total assets	<u>51,060,423</u>	<u>53,593,270</u>	<u>(2,532,847)</u>	-4.7%
Deferred outflows of resources	<u>901,123</u>	<u>1,253,289</u>	<u>(352,166)</u>	-28.1%
Long-term liabilities	11,477,281	13,235,024	(1,757,743)	-13.3%
Other liabilities	769,283	1,359,295	(590,012)	-43.4%
Total liabilities	<u>12,246,564</u>	<u>14,594,319</u>	<u>(2,347,755)</u>	-16.1%
Deferred inflows of resources	<u>311,914</u>	<u>376,836</u>	<u>(64,922)</u>	-17.2%
Net position:				
Net investment in capital assets	36,003,531	36,206,363	(202,832)	-0.6%
Restricted for grant and other programs	6,842,548	6,364,356	478,192	7.5%
Unrestricted	<u>(3,443,011)</u>	<u>(2,695,315)</u>	<u>(747,696)</u>	27.7%
Total net position	<u>\$ 39,403,068</u>	<u>\$ 39,875,404</u>	<u>\$ (472,336)</u>	-1.2%

REGIONAL SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)



91.4% of the District's net position reflected its net investment in capital assets. The District uses these capital assets to provide educational services; 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.

17.4% of the District's net position is subject to external restrictions on how they may be used and are therefore presented as restricted net position.

The remainder of the District's net position represents an unrestricted deficit.

REGIONAL SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

Changes in net position for the years ended June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 789,765	\$ 640,666	\$ 149,099	23.3%
Operating grants and contributions	10,735,372	7,094,206	3,641,166	51.3%
General revenues:				
District Towns	42,488,932	41,659,812	829,120	2.0%
Unrestricted investment earnings	234,054	11,360	222,694	1960.3%
Total revenues	<u>54,248,123</u>	<u>49,406,044</u>	<u>4,842,079</u>	9.8%
Program expenses:				
General instruction	35,508,348	31,669,286	3,839,062	12.1%
Support services - students	5,151,874	4,668,614	483,260	10.4%
Improvement of instruction	1,425,467	1,077,039	348,428	32.4%
Library and media services	1,865,096	1,687,494	177,602	10.5%
Support services - administration	504,631	494,940	9,691	2.0%
School-based administration	2,210,157	1,936,991	273,166	14.1%
Plant operation and maintenance	3,866,071	3,771,613	94,458	2.5%
Transportation	3,002,694	2,666,312	336,382	12.6%
Other support services	963,066	782,095	180,971	23.1%
Interest expense	223,055	288,082	(65,027)	-22.6%
Total expenses	<u>54,720,459</u>	<u>49,042,466</u>	<u>5,677,993</u>	11.6%
Change in net position	<u>\$ (472,336)</u>	<u>\$ 363,578</u>	<u>\$ (835,914)</u>	-229.9%

The District's change in net position for the year ended June 30, 2023 was a decrease of \$472,336.

Overall revenues increased by \$4,842,079 or 9.8% over the prior year. The increase in revenues was primarily due to an increase in operating grants and contributions and an increase in assessments to member towns. The increase in operating grants and contributions consists of a \$3.7 million increase in pension and other post-employment benefit contributions recognized by the District for its participation in the 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.

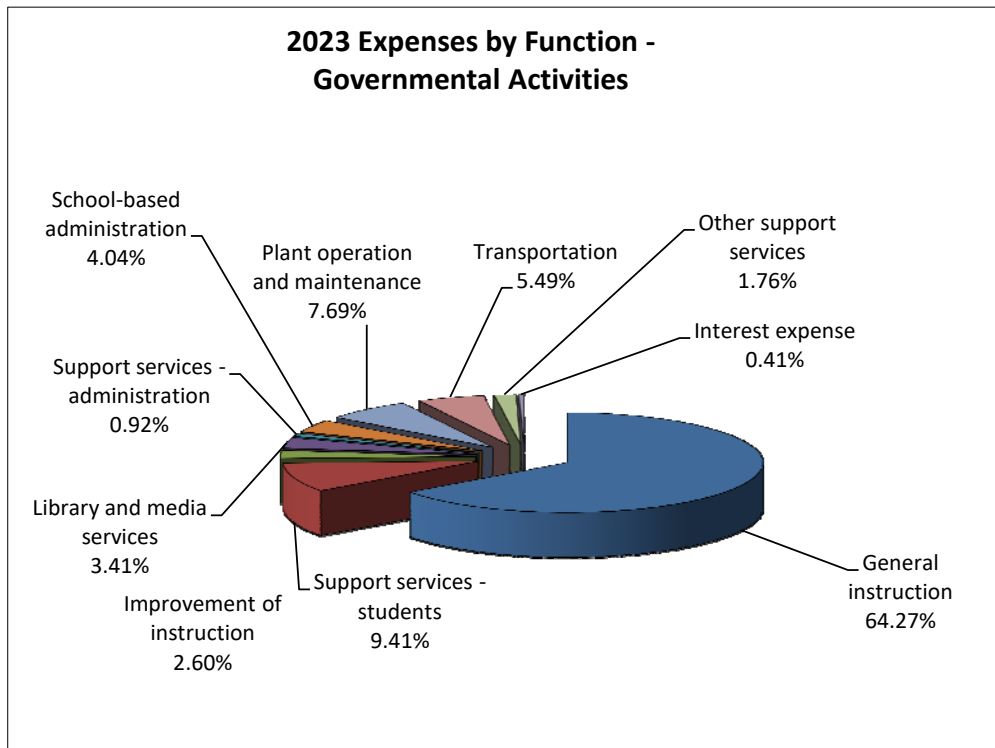
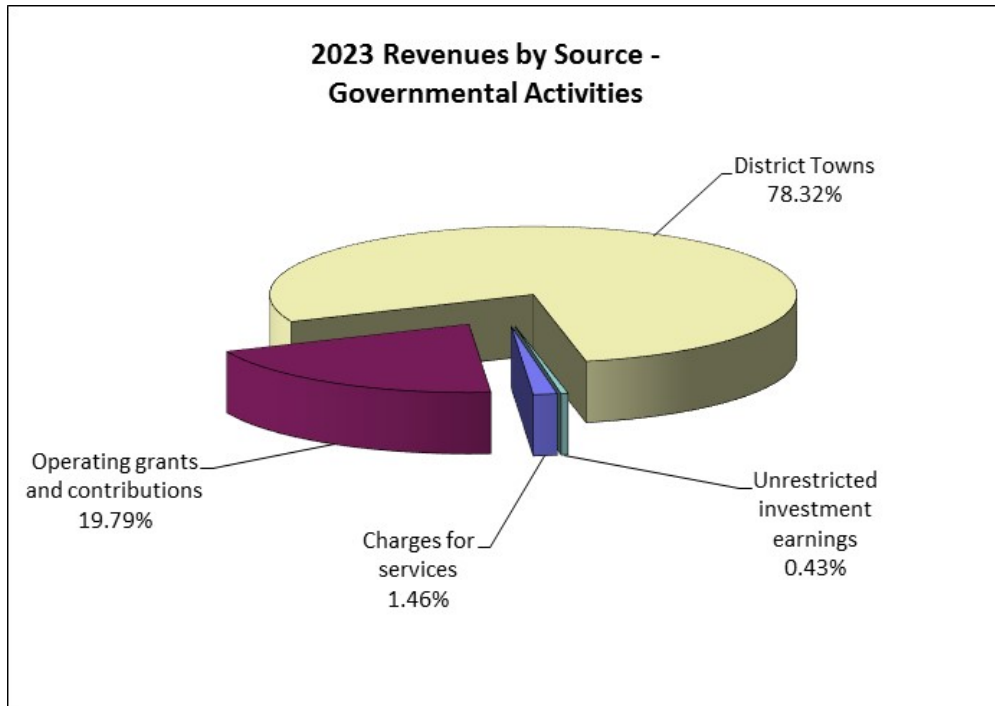
Overall expenses increased by \$5,677,993 or 11.6% over the prior year. This change is primarily due to the increase in on-behalf pension and OPEB expenses relating to the District's participation in the Connecticut Teachers' Retirement System, as previously discussed above. In addition, the District reported increases in both certified personnel for general instruction and student transportation costs.

REGIONAL SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)

The following is a summary of revenues by source and expenses by function for the year ended June 30, 2023.



REGIONAL SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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 outflows, inflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned 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 \$7,059,016, a decrease in ending fund balance of \$156,529 in comparison with the prior year.

General Fund

The General Fund is the chief operating fund of the District. The fund balance of the General Fund totaled \$3,836,193 as of June 30, 2023. Assigned fund balance consisted of \$200,164 in purchase commitments made as of June 30, 2023.

Restricted fund balance totaled \$3,636,029 and consists of current year and prior year budgetary surpluses subject to statutory restrictions. Included in this amount is the current year budgetary surplus of \$998,508, and \$730,054 of the District's 2022 fiscal year budgetary surplus that has been authorized by the Board to reduce Member Town assessments for the District's 2024 fiscal year.

The overall fund balance of the General Fund decreased by \$964,073 during the current year.

Educational Grants Fund

The Educational Grants Fund has a fund balance of \$659 as of June 30, 2023, a decrease of \$101 from the prior year fund balance. This fund is utilized to account for activities relating to expenditure reimbursement grants from Federal and State agencies. As such, revenues generally equal expenditures.

Capital Projects Fund

The fund balance of the Capital Projects Fund increased by \$533,852 during the current fiscal year to \$1,846,465. This increase was due to the transfer in of a portion of the District's 2022 fiscal year budgetary surplus in the amount of \$597,196.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's original budget included the use of fund balance from the District's 2021 fiscal year in the amount of \$730,054, the use of which reduced Member Town assessments. The current year budgetary surplus totaled \$998,508. Revenues were \$270,191 more than budgeted due to higher than anticipated interest income. Expenditures were \$728,317 less than budgeted.

In May 2023, the Board authorized the use of fund balance to transfer a portion of the budgetary surplus from the District's 2022 fiscal year to the Capital Projects Fund. As a result, the actual change in fund balance on a budgetary basis was a decrease of \$328,742.

REGIONAL SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION

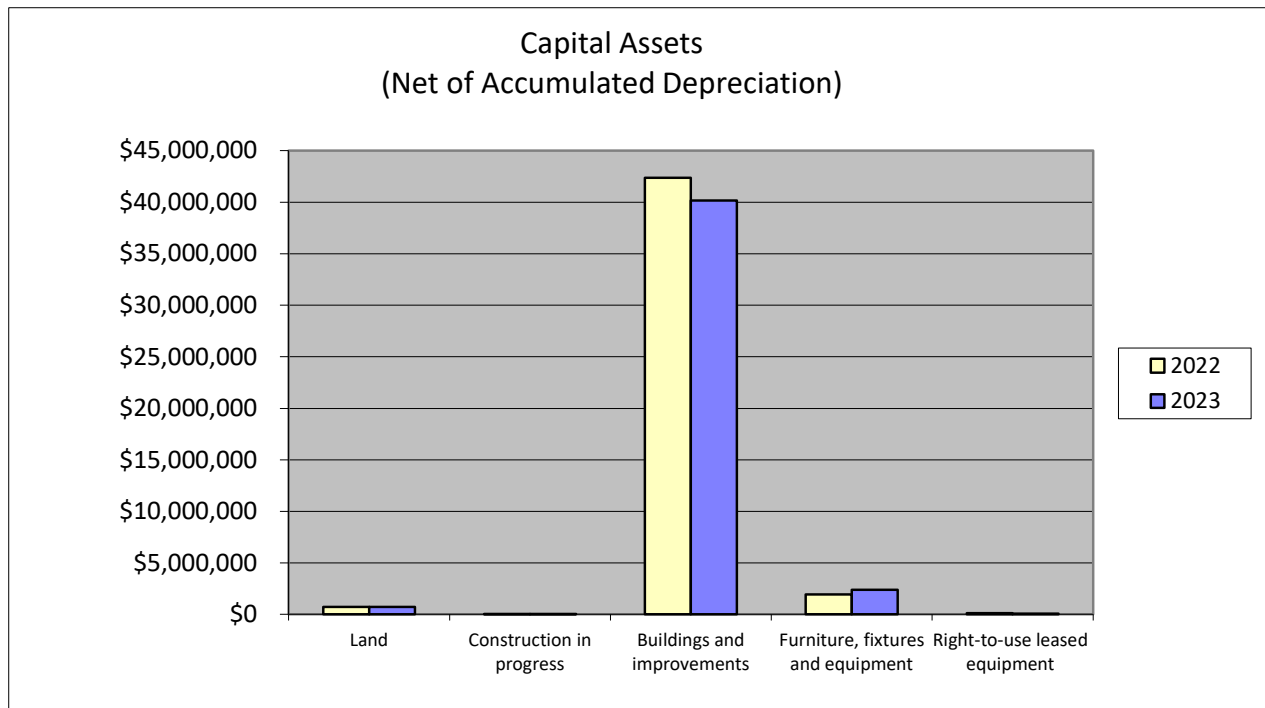
Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2023 and 2022 totaled \$43,347,650 and \$45,157,289, respectively (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, furniture, fixtures and equipment, and right-to-use leased equipment. The net decrease in the District's investment in capital assets for the current fiscal year was \$1,809,639.

This decrease consists primarily of current year depreciation in the amount of \$2,775,710, offset by capital additions of \$966,071. Significant current year capital asset additions consisted of the purchase of classroom furniture, technology equipment, and improvements made to the District's facilities and grounds.

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

	2023	2022	\$ Change	% Change
Land	\$ 719,479	\$ 719,479	\$ -	0.0%
Construction in progress	13,500	14,778	(1,278)	-8.6%
Buildings and improvements	40,160,195	42,377,717	(2,217,522)	-5.2%
Furniture, fixtures and equipment	2,391,092	1,925,772	465,320	24.2%
Right-to-use leased equipment	63,384	119,543	(56,159)	-47.0%
Totals	\$ 43,347,650	\$ 45,157,289	\$ (1,809,639)	-4.0%



Additional information on the District's capital assets can be found in Note 4 to the basic financial statements.

REGIONAL SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-term Debt

At the end of the current fiscal year, the District had total principal bonded debt outstanding of \$7,155,000, which is backed by the full faith and credit of the District.

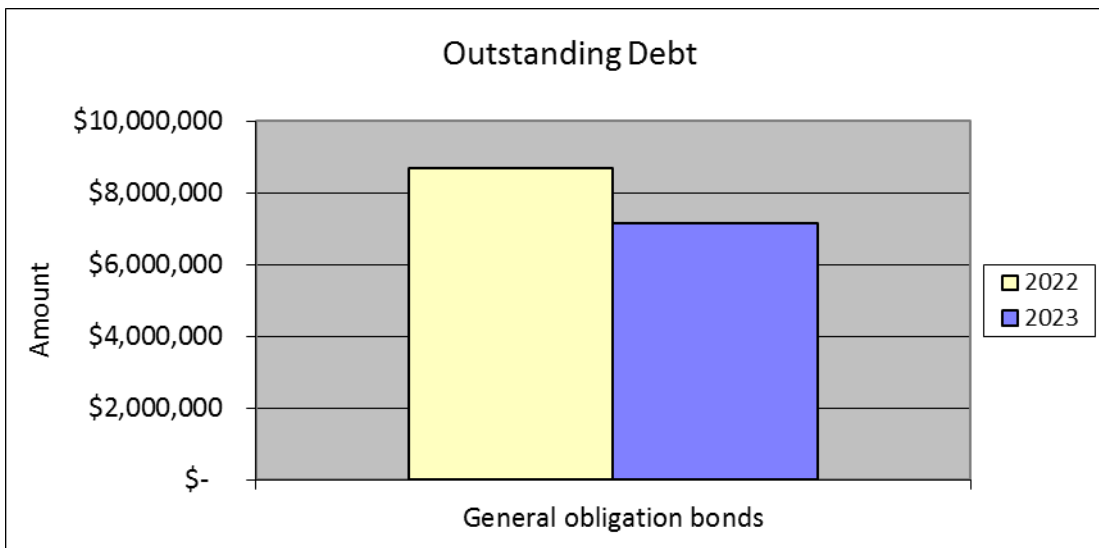
The District's total long-term bonded debt decreased by \$1,530,000 during the current year due to scheduled principal repayments.

The District maintains an "AA" and "Aa2" rating from Standard and Poor's and Moody's Investor Service, respectively, for its 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>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
General obligation bonds	<u>\$ 7,155,000</u>	<u>\$ 8,685,000</u>	\$ (1,530,000)	-17.6%



Additional information on the District's long-term debt can be found in Note 8 to the basic financial statements.

REGIONAL SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The District receives a significant amount of federal and state grants. Any loss or significant reduction in federal or state funding could have an impact on the District's budget and program services. The District operates under various negotiated union contracts that span multiple budgetary years. A significant portion of the District's budget consists of contractual wages and related employee benefits. In addition, special education costs can vary significantly from year to year based on student needs.

These factors were considered in preparing the District's budget for fiscal year 2024. In May 2023, the District's fiscal year 2024 budget was approved at referendum. The approved budgetary expenditures total \$44,644,000, a \$1,263,000 or 2.91% increase over the District's fiscal year 2023 approved budgetary expenditures. The budget contemplates the use of the District's remaining fiscal year 2022 surplus of \$730,054 to reduce the amounts assessed to its Member Towns.

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 Business Manager, 24 Lyon Road, Burlington, CT 06013.

BASIC FINANCIAL STATEMENTS

REGIONAL SCHOOL DISTRICT NO. 10
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 7,468,605
Receivables:	
Grants and contracts	231,439
Other assets	12,729
Capital assets:	
Non-depreciable	732,979
Depreciable, net	42,614,671
Total assets	51,060,423
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	148,496
OPEB related	641,307
Deferred charges on refundings	111,320
Total deferred outflows of resources	901,123
LIABILITIES	
Accounts payable	299,169
Accrued expenses	244,550
Unearned revenue	225,564
Noncurrent liabilities:	
Due within one year	1,789,919
Due in more than one year	9,687,362
Total liabilities	12,246,564
DEFERRED INFLOWS OF RESOURCES	
OPEB related	311,914
Total deferred inflows of resources	311,914
NET POSITION	
Net investment in capital assets	36,003,531
Restricted for:	
Grant and other programs	1,360,054
Statutory purposes	5,482,494
Unrestricted	(3,443,011)
Total net position	\$ 39,403,068

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

REGIONAL SCHOOL DISTRICT NO. 10
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

<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>	
General instruction	\$ 35,508,348	\$ 200,072	\$ 5,870,194	\$ (29,438,082)
Support services:				
Support services - students	5,151,874	589,693	3,826,368	(735,813)
Improvement of instruction	1,425,467	-	220,776	(1,204,691)
Library and media services	1,865,096	-	219,561	(1,645,535)
Support services - administration	504,631	-	89,826	(414,805)
School-based administration	2,210,157	-	438,142	(1,772,015)
Plant operation and maintenance	3,866,071	-	-	(3,866,071)
Transportation	3,002,694	-	-	(3,002,694)
Other support services	963,066	-	70,505	(892,561)
Total support services	<u>18,989,056</u>	<u>589,693</u>	<u>4,865,178</u>	<u>(13,534,185)</u>
Interest expense	223,055	-	-	(223,055)
	<u>\$ 54,720,459</u>	<u>\$ 789,765</u>	<u>\$ 10,735,372</u>	<u>(43,195,322)</u>
General revenues:				
District Towns				42,488,932
Unrestricted investment earnings				234,054
Total general revenues				<u>42,722,986</u>
Change in net position				(472,336)
Net position - beginning				<u>39,875,404</u>
Net position - ending				<u>\$ 39,403,068</u>

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

REGIONAL SCHOOL DISTRICT NO. 10
BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023

	<u>General Fund</u>	<u>Educational Grants Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 4,234,377	\$ 231,782	\$ 1,870,565	\$ 1,131,881	\$ 7,468,605
Grants receivable	-	71	-	231,368	231,439
Due from other funds	14,622	-	-	-	14,622
Inventories	-	-	-	12,729	12,729
Total assets	<u>\$ 4,248,999</u>	<u>\$ 231,853</u>	<u>\$ 1,870,565</u>	<u>\$ 1,375,978</u>	<u>\$ 7,727,395</u>
LIABILITIES					
Accounts payable	\$ 274,790	\$ -	\$ 24,100	\$ 279	\$ 299,169
Accrued expenses	122,327	-	-	-	122,327
Due to other funds	-	14,622	-	-	14,622
Due to others	6,697	-	-	-	6,697
Unearned revenue	8,992	216,572	-	-	225,564
Total liabilities	<u>412,806</u>	<u>231,194</u>	<u>24,100</u>	<u>279</u>	<u>668,379</u>
FUND BALANCES					
Nonspendable	-	-	-	12,729	12,729
Restricted	3,636,029	659	1,846,465	1,359,395	6,842,548
Committed	-	-	-	3,575	3,575
Assigned	200,164	-	-	-	200,164
Total fund balances	<u>3,836,193</u>	<u>659</u>	<u>1,846,465</u>	<u>1,375,699</u>	<u>7,059,016</u>
Total liabilities and fund balances	<u>\$ 4,248,999</u>	<u>\$ 231,853</u>	<u>\$ 1,870,565</u>	<u>\$ 1,375,978</u>	<u>\$ 7,727,395</u>

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

REGIONAL SCHOOL DISTRICT NO. 10
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

Total fund balances for governmental funds		\$ 7,059,016
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.		43,347,650
Deferred charges on refundings are not susceptible to accrual and are, therefore, not reported in governmental funds.		111,320
Deferred outflows and inflows of resources resulting from changes in the components of the District's net pension and total OPEB liabilities are reported in the statement of net position.		477,889
Long-term liabilities applicable to the District's 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:		
Long-term debt:		
Bonds payable	\$ (7,155,000)	
Unamortized bond premiums	(236,692)	
Leases	(63,747)	
Accrued interest payable	(115,526)	
Other long-term liabilities:		
Compensated absences	(996,436)	
Total OPEB liability	(2,972,496)	
Net pension liability	(52,910)	
Total long-term liabilities	(11,592,807)	(11,592,807)
Net position of governmental activities		\$ 39,403,068

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

REGIONAL SCHOOL DISTRICT NO. 10
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Educational Grants Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
District Towns	\$42,488,932	\$ -	\$ -	\$ -	\$42,488,932
Intergovernmental	6,970,127	978,167	-	1,151,352	9,099,646
Charges for goods and services	200,072	-	-	589,693	789,765
Interest income	232,133	-	570	1,351	234,054
Other	-	-	-	5,300	5,300
Total revenues	<u>49,891,264</u>	<u>978,167</u>	<u>570</u>	<u>1,747,696</u>	<u>52,617,697</u>
EXPENDITURES					
Current:					
General instruction	31,789,091	391,900	-	7,284	32,188,275
Support services:					
Support services - students	3,261,520	-	-	1,466,619	4,728,139
Improvement of instruction	835,478	349,814	-	-	1,185,292
Library and media services	1,574,869	236,554	-	-	1,811,423
Support services - administration	449,654	-	-	-	449,654
School-based administration	1,911,365	-	-	-	1,911,365
Plant operation and maintenance	3,793,799	-	-	-	3,793,799
Transportation	2,989,475	-	-	-	2,989,475
Other support services and central services	895,743	-	-	-	895,743
Total support services	<u>15,711,903</u>	<u>586,368</u>	<u>-</u>	<u>1,466,619</u>	<u>17,764,890</u>
Capital outlays	903,952	-	63,914	-	967,866
Debt service:					
Principal payments	56,886	-	-	1,530,000	1,586,886
Interest and fiscal charges	3,078	-	-	263,231	266,309
Total expenditures	<u>48,464,910</u>	<u>978,268</u>	<u>63,914</u>	<u>3,267,134</u>	<u>52,774,226</u>
Excess (deficiency) of revenues over expenditures	1,426,354	(101)	(63,344)	(1,519,438)	(156,529)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	597,196	1,793,231	2,390,427
Transfers out	<u>(2,390,427)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,390,427)</u>
Total other financing sources (uses)	<u>(2,390,427)</u>	<u>-</u>	<u>597,196</u>	<u>1,793,231</u>	<u>-</u>
Net changes in fund balances	(964,073)	(101)	533,852	273,793	(156,529)
Fund balances - beginning	<u>4,800,266</u>	<u>760</u>	<u>1,312,613</u>	<u>1,101,906</u>	<u>7,215,545</u>
Fund balances - ending	<u>\$ 3,836,193</u>	<u>\$ 659</u>	<u>\$ 1,846,465</u>	<u>\$ 1,375,699</u>	<u>\$ 7,059,016</u>

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

REGIONAL SCHOOL DISTRICT NO. 10
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, 2023

Net change in fund balances for governmental funds \$ (156,529)

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 depreciation and amortization exceeded capital outlays in the current period is as follows:

Expenditures for capital assets	\$ 966,071	
Depreciation and amortization expense	<u>(2,775,710)</u>	
Net adjustment		(1,809,639)

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 net effect of these differences in the treatment of long-term debt and related items is as follows:

Principal repayments:		
Bonds	1,530,000	
Leases	<u>56,886</u>	
Net adjustment		1,586,886

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:

Compensated absences	(13,981)	
Accrued interest	23,333	
Amortization of bond premiums	87,625	
Amortization of deferred charge on refundings	(67,704)	
Net pension liability	152,101	
Total OPEB liability	<u>(54,888)</u>	
		126,486

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

(219,540)

Change in net position of governmental activities

\$ (472,336)

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

REGIONAL SCHOOL DISTRICT NO. 10
STATEMENT OF NET POSITION -
FIDUCIARY FUNDS
AS OF JUNE 30, 2023

	Pension Trust Fund
ASSETS	
Cash and cash equivalents	\$ 235,218
Investments:	
Mutual funds	2,626,924
Equity securities	184,410
Other assets	173,855
Total assets	<u>3,220,407</u>
NET POSITION	
Restricted for pension benefits	<u>\$ 3,220,407</u>

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

REGIONAL SCHOOL DISTRICT NO. 10
STATEMENT OF CHANGES IN NET POSITION -
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 150,000
Employee	8,329
Total contributions	158,329
Other	4,554
Investment earnings:	
Interest and dividends	182,737
Net change in the fair value of investments, net of fees	52,882
Total investment earnings	235,619
Total additions	398,502
DEDUCTIONS	
Benefit payments	258,082
Insurance premiums	6,396
Other	9,088
Total deductions	273,566
Change in net position	124,936
Net position - beginning	3,095,471
Net position - ending	\$ 3,220,407

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

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Regional School District No. 10 (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

The District is governed by a Board of Education (the Board).

The Board is an elected group of individuals, which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of Regional School District No. 10, serving the towns of Burlington and Harwinton, Connecticut (Member Towns). The District receives funding from local, state, and federal government sources and must comply with the compliance requirements from these funding sources. The District is not included in any other governmental reporting entity since Board members are elected by the public, have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

The District's operating and debt service expenses are paid by the member towns in proportion to the number of attending pupils. The approximate current year assessment percentages was Burlington at 66.9% and Harwinton at 33.1%.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

Fiduciary Component Unit - The District has established a single-employer defined benefit pension plan to provide retirement benefits to employees and their beneficiaries. The District performs the duties of a governing board for the pension plan and makes contributions to the plan. The financial statements of the fiduciary component unit are reported as the Pension Trust Fund in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component unit.

Government-wide and Fund Financial Statements

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. Governmental activities generally are financed through payments from the Member Towns, intergovernmental revenues, and other non-exchange transactions.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Government-wide and Fund Financial Statements *(Continued)*

Government-wide Financial Statements *(Continued)*

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. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to other governments or students 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 and fiduciary - are presented. The emphasis of governmental fund financial statements is on major governmental funds, each of which is displayed in a separate column. The remaining governmental funds have been reported as nonmajor governmental funds.

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 required to be accounted for in another fund.

Educational Grants Fund - This fund is used to account for the proceeds of federal and state cost reimbursement grants controlled, not by the District's legal budgets but, by requirements specific to the grants.

Capital Projects Fund - This fund is used to account for financial resources related to various capital acquisitions and projects within the District.

In addition, the District reports the following fiduciary fund type:

Pension Trust Fund - This fund is used to account for resources held in trust for the members and beneficiaries of the Employees' Pension Plan, which is a defined benefit pension plan.

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 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.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Measurement Focus and Basis of Accounting *(Continued)*

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. 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.

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

Cash and Cash Equivalents

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

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 when consumed rather than when purchased.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Capital Assets

Capital assets are tangible and intangible assets, which include land, construction in progress, buildings and improvements, right-to-use leased equipment, and furniture, fixtures 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 one year. As the District constructs or acquires capital assets each period, they are capitalized and reported at historical cost (except for intangible right-to-use assets, the measurement of which is discussed in Note 4). 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 – 50
Furniture, fixtures and equipment	5 – 20

Unearned Revenue

This liability represents resources that have been received but not yet earned.

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 outflow or inflow of resources until that time. Deferred outflows and inflows of resources include deferred charges on the District's pension and OPEB expenses reported in the government-wide financial statements. Deferred pension and OPEB expenses result from certain changes in the components of the District's net pension and total OPEB liabilities and are being amortized as a component of the related expenses on a systematic and rational basis. Deferred outflows of resources also include deferred charges on refundings reported in the government-wide statement of net position. Deferred charges on refundings are amortized to interest expense using the effective-interest method over the life of the related bonds.

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.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Long-term Obligations (Continued)

Long-Term Debt (Continued)

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 (as Lessee)

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.

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

Employees are granted vacation and sick leave based upon length of employment. Under certain union contracts, District employees' unused vacation can be accumulated from year to year subject to certain limits. Sick days can also be accumulated up to certain limits and paid 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.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Net Position

The government-wide statement of net position presents the District's non-fiduciary assets, liabilities and deferred outflows and inflows of resources, with the difference reported as net position. Net position is reported in three categories:

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.

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 policy 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.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Fund Balance *(Continued)*

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. The Board of Education has delegated the responsibility to assign funds to management of the District, with the exception of those amounts assigned by the Board of Education during the District's annual budgeting process.

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. The District does not have a formal policy over the use of fund balance. In accordance with applicable accounting guidance, the District uses restricted resources first, then unrestricted resources as needed. Unrestricted resources are used in the following order: committed; assigned; then unassigned.

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.

REGIONAL SCHOOL DISTRICT NO. 10
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

A reconciliation of the District's cash deposits as of June 30, 2023 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 7,468,605
Less: cash equivalents considered investments for disclosure purposes	<u>3,838,329</u>
	<u>3,630,276</u>
Statement of fiduciary net position:	
Cash and cash equivalents	235,218
Less: cash equivalents considered investments for disclosure purposes	<u>81,499</u>
	<u>153,719</u>
	<u>\$ 3,783,995</u>

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 does not have a deposit policy for custodial credit risk.

As of June 30, 2023, \$3,333,967 of the District's bank balance of \$4,237,686 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,000,570
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the District's name	<u>333,397</u>
	<u>\$ 3,333,967</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.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments

A reconciliation of the District's investments as of June 30, 2023 is as follows:

Government-wide statement of net position:

Investments	\$ -
Add: cash equivalents considered investments for disclosure purposes	3,838,329
	3,838,329

Statement of fiduciary net position:

Investments	2,811,334
Add: cash equivalents considered investments for disclosure purposes	81,499
	2,892,833
	\$ 6,731,162

As of June 30, 2023, the District's investments consist of the following:

Investment type	Valuation Basis	Credit Rating	Value	Investment Maturities (In Years)		
				Less Than 1	1 to 5	6 to 10
Debt Securities:						
<i>Governmental activities:</i>						
Repurchase agreement	Amortized cost	Unrated	\$ 3,838,329	\$ 3,838,329	\$ -	\$ -
<i>Fiduciary Funds:</i>						
Money market mutual funds	Amortized cost	Unrated	81,499	81,499	-	-
			3,919,828	\$ 3,919,828	\$ -	\$ -
Other Investments:						
<i>Fiduciary Funds:</i>						
Mutual funds	Fair value		2,626,924			
Equity securities	Fair value		184,410			
			\$ 6,731,162			

Because the repurchase agreement and money market mutual funds had weighted average maturities of less than 90 days, they are 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.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Investments *(Continued)*

Credit Risk

Connecticut state statutes permit the District to invest: (1) in 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; or (4) 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.

The District's investments in debt securities, consisting of money market mutual funds, were unrated at June 30, 2023.

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 does not have a policy for custodial credit risk. The District's reverse repurchase agreement was not exposed to custodial credit risk as of June 30, 2023 because it was held by the buyer-lender. The District's other investments were not exposed to custodial credit risk as of June 30, 2023 because their existence was not evidenced by securities that exist in physical or book entry form.

Concentrations of Credit Risk

The District places no limit on the amount of investment in any one issuer. As of June 30, 2023, 100% or \$3,838,329 of the District's investments within its governmental activities were invested in an overnight repurchase agreement. The underlying securities were held for the benefit of the District at the Federal Home Loan Bank of Boston. None of the District's Fiduciary Fund investments in any one issuer that is subject to concentration of credit risk disclosures, exceeded 5.0% or more of the total investments reported as of June 30, 2023.

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.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

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, 2023, 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	\$ 2,626,924	\$ -	\$ -
Equity securities	184,410	-	-

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 719,479	\$ -	\$ -	\$ 719,479
Construction in progress	14,778	20,956	(22,234)	13,500
Total capital assets, not being depreciated	<u>734,257</u>	<u>20,956</u>	<u>(22,234)</u>	<u>732,979</u>
Capital assets, being depreciated:				
Buildings and improvements	97,204,024	192,440	-	97,396,464
Furniture and equipment	5,796,995	752,675	22,234	6,571,904
Right-to-use leased equipment	224,637	-	-	224,637
Total capital assets, being depreciated	<u>103,225,656</u>	<u>945,115</u>	<u>22,234</u>	<u>104,193,005</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	54,826,307	2,409,962	-	57,236,269
Furniture and equipment	3,871,223	309,589	-	4,180,812
Right-to-use leased equipment	105,094	56,159	-	161,253
Total accumulated depreciation and amortization	<u>58,802,624</u>	<u>2,775,710</u>	<u>-</u>	<u>61,578,334</u>
Total capital assets, being depreciated, net	<u>44,423,032</u>	<u>(1,830,595)</u>	<u>22,234</u>	<u>42,614,671</u>
Governmental activities capital assets, net	<u>\$ 45,157,289</u>	<u>\$ (1,809,639)</u>	<u>\$ -</u>	<u>\$ 43,347,650</u>

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 - CAPITAL ASSETS (Continued)

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

Governmental Activities:	
General instruction	\$ 1,923,213
Support services:	
Support services - students	205,247
Improvement of instruction	185,383
Support services - administration	33,018
School-based administration	197,057
Plant operation and maintenance	168,484
Transportation	13,219
Other support services	50,089
Total depreciation and amortization expense	<u>\$ 2,775,710</u>

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2023 are as follows:

Receivable Fund	Payable Fund	Amount
Governmental Funds		
General Fund	Educational Grants Fund	<u>\$ 14,622</u>

Amounts receivable by the General Fund from other funds are primarily due to the time lag between when goods and services are paid by the General Fund on-behalf of the other funds and when the reimbursement is paid by the other funds to the General Fund.

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2023 consisted of the following:

Transfers In	Transfers Out	Amount
Governmental Funds		
Capital Projects Fund	General Fund	\$ 597,196
Nonmajor governmental funds	General Fund	<u>1,793,231</u>
		<u>\$ 2,390,427</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - 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, 2023 are as follows:

	General Fund	Educational Grants Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventories	\$ -	\$ -	\$ -	\$ 12,729	\$ 12,729
Restricted for:					
Statutory purposes:					
Capital and nonrecurring purposes	-	-	1,846,465	-	1,846,465
Fiscal 2023 budgetary surplus	998,508	-	-	-	998,508
Fiscal 2022 budgetary surplus	730,054	-	-	-	730,054
Reduction of future net expenses	1,907,467	-	-	-	1,907,467
School lunch operations	-	-	-	931,525	931,525
Educational programs	-	659	-	-	659
Scholarships	-	-	-	116,712	116,712
Student activities	-	-	-	311,158	311,158
Total restricted	<u>3,636,029</u>	<u>659</u>	<u>1,846,465</u>	<u>1,359,395</u>	<u>6,842,548</u>
Committed to:					
Debt service	-	-	-	3,575	3,575
Assigned to:					
Encumbrances:					
General instruction	2,414	-	-	-	2,414
Library and media services	1,280	-	-	-	1,280
Central services	325	-	-	-	325
Other Support Services	2,025	-	-	-	2,025
Operation and Maintenance of Plant	194,120	-	-	-	194,120
Total assigned	<u>200,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,164</u>
Total fund balance	<u>\$ 3,836,193</u>	<u>\$ 659</u>	<u>\$ 1,846,465</u>	<u>\$ 1,375,699</u>	<u>\$ 7,059,016</u>

Encumbrances are commitments as of June 30, 2023 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.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Changes in the District's long-term liabilities for the year ended June 30, 2023, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
<i>Long-term Debt:</i>					
Bonds payable:					
General obligation bonds	\$ 8,685,000	\$ -	\$ (1,530,000)	\$ 7,155,000	\$ 1,495,000
Unamortized premiums	324,317	-	(87,625)	236,692	-
Total bonds payable	9,009,317	-	(1,617,625)	7,391,692	1,495,000
<i>Other Long-term Obligations:</i>					
Leases	120,633	-	(56,886)	63,747	58,763
Compensated absences	982,455	140,769	(126,788)	996,436	236,156
Net pension liability (see Note 9)	205,011	-	(152,101)	52,910	-
Total OPEB liability (see Note 10)	2,917,608	54,888	-	2,972,496	-
	<u>\$ 13,235,024</u>	<u>\$ 195,657</u>	<u>\$ (1,953,400)</u>	<u>\$ 11,477,281</u>	<u>\$ 1,789,919</u>

Bonds payable are liquidated in the Debt Service Fund from use of fund balance and transfers in from the General Fund. All other long-term liabilities are liquidated in the General Fund.

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, 2023, are as follows:

<u>Purpose of Bonds</u>	<u>Issuance Date</u>	<u>Original Amount</u>	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
Bonds Payable					
General Obligation Bonds:					
General obligation bonds	4/2012	\$ 8,170,000	8/2026	2.00% - 4.00%	\$ 2,060,000
General obligation refunding bonds	8/2014	7,400,000	8/2028	2.00% - 4.00%	3,450,000
General obligation refunding bonds	10/2019	2,050,000	8/2030	3.00% - 4.00%	1,645,000
					<u>\$ 7,155,000</u>

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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, 2023, \$4,725,000 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 \$111,320 as of June 30, 2023.

Legal Debt Limit

Connecticut General Statutes Chapter 164 Section 10-56 provides that the aggregate indebtedness of the District shall not exceed, 4 ½ (four and one-half 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, 2023.

Long-term Debt Service Requirements

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

Year ending	General Obligation Bonds		
June 30:	Principal	Interest	Total
2024	\$ 1,495,000	\$ 211,557	\$ 1,706,557
2025	1,545,000	159,405	1,704,405
2026	1,590,000	109,031	1,699,031
2027	915,000	71,009	986,009
2028	940,000	41,819	981,819
2029-2032	670,000	41,200	711,200
	\$ 7,155,000	\$ 634,021	\$ 7,789,021

As of June 30, 2023, the District has no authorized and unissued bonds.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Leases

The District is a lessee for noncancellable lease of copiers and related equipment. The terms of the noncancellable lease is 4 years and the District makes fixed monthly payments with an interest rate of 3.250%. The value of the right-to-use assets as of the end of June 30, 2023 was \$224,637 and had accumulated amortization of \$161,253. As of June 30, 2023, the value of the lease liability was \$63,747.

The future principal and interest lease payments as of June 30, 2023, were as follows:

Year ending	Principal	Interest	Total
June 30:			
2024	\$ 58,763	\$ 1,202	\$ 59,965
2025	4,984	14	4,998
	\$ 63,747	\$ 1,216	\$ 64,963

NOTE 9 - PENSION PLANS

The District accounts for activity relating to two defined benefit pension plans, (1) the Regional School District No. 10 Employees Pension Plan, and (2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2023, the plans had the following balances reported in the District's government-wide financial statements:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On Behalf Revenues	Pension Expense
Regional School District No. 10 Employees Pension Plan	\$ 52,910	\$ 148,496	\$ -	\$ -	\$ 53,789
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	7,171,944	7,171,944
	\$ 52,910	\$ 148,496	\$ -	\$ 7,171,944	\$ 7,225,733

Detailed disclosures for each plan follow.

Defined Benefit Pension Plan

Plan Description

Plan administration - The District maintains a single employer, defined benefit pension plan (the Plan). The Plan covers all full time employees who met the eligibility requirements of the Plan and who were fully vested prior to July 1, 2003, except certified teachers covered by the State Teachers' Retirement System. The Plan does not issue stand-alone financial statements and is part of the District's financial reporting entity. As such, the Plan is accounted for in the fiduciary fund financial statements as a pension trust fund.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS *(Continued)*

Defined Benefit Pension Plan (Continued)

Plan Description *(Continued)*

Plan membership - Membership of the Plan consisted of the following at July 1, 2023, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	23
Active plan members	<u>4</u>
Total	<u><u>27</u></u>

Benefits provided - The Plan provides for retirement benefits for all members.

Pension benefits for normal retirement under the Plan are based on the average monthly compensation during the 5 consecutive years of service which the participant's earnings were at their highest level. The participant's monthly benefit shall be equal to 1.8% of the average monthly compensation multiplied by the total number of years of employment with the District (limited to 40 years).

Benefit provisions are established and can be amended by the Board.

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

Participants are required to contribute 5.0% of their annual earnings. The contribution rate for normal costs was determined using the Entry Age Normal Actuarial Cost Method.

For the year ended June 30, 2023, employer contributions to the Plan totaled \$150,000.

Other plan provisions - The Plan does not provide disability benefits.

Summary of Significant Accounting Policies

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

Investments - Investments are reported at fair value, except for investments money market mutual funds, which are permitted to be measured at amortized cost as determined by the fund. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Investment Policy - 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. It is the practice of the District to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes.

REGIONAL SCHOOL DISTRICT NO. 10
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS *(Continued)*

Defined Benefit Pension Plan *(Continued)*

Summary of Significant Accounting Policies *(Continued)*

The following was the asset allocation as of June 30, 2023:

Asset Class	Allocation
Mutual Funds	93%
Equity securities	7%

Rate of return - For the year ended June 30, 2023 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 7.47%. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

Concentrations - Investments in certain mutual funds exceeded 5.0% of the Plan's net position. However, mutual funds are not generally considered to be exposed to concentration risks as such investments are considered diversified by nature.

Net Pension Liability

The components of the District's net pension liability of the Plan at June 30, 2023 was as follows:

Total pension liability	\$ 3,273,317
Plan fiduciary net position	3,220,407
District's net pension liability	\$ 52,910
 Plan fiduciary net position as a percentage of the total pension liability	98.4%

The components of the changes in the net pension liability (asset) for the Plan for the year ended June 30, 2023 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance as of June 30, 2022	\$ 3,300,482	\$ 3,095,471	\$ 205,011
Changes for the year:			
Service cost	17,665	-	17,665
Interest	224,635	-	224,635
Differences between expected and actual experience	(15,820)	-	(15,820)
Changes of assumptions	4,437	-	4,437
Contributions - employer	-	150,000	(150,000)
Contributions - employee	-	8,329	(8,329)
Net investment income	-	235,619	(235,619)
Benefit payments, including refunds	(258,082)	(258,082)	-
Other additions (deductions), net	-	(10,930)	10,930
Net changes	(27,165)	124,936	(152,101)
Balance as of June 30, 2023	\$ 3,273,317	\$ 3,220,407	\$ 52,910

REGIONAL SCHOOL DISTRICT NO. 10
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS *(Continued)*

Defined Benefit Pension Plan *(Continued)*

Net Pension Liability *(Continued)*

Actuarial assumptions - The total pension liability for the Plan was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases	2.50%
Investment rate of return	7.00%

Mortality rates were based on the Pub-2010 Table for Teachers Retiree Projected to 2022 with MP-2021 Scale.

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

Asset Class	Target Allocation	Long-term expected Real Rate of Return
Money Market Funds	3%	3.2%
Equities	64%	9.3%
Fixed Income	33%	4.5%

The discount rate used to measure the total pension liability was 7.0%. 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 District's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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.

Sensitivity of the net pension liability (asset) to changes in the discount rate - The following presents the net pension liability (asset) of the District, calculated using the discount rate of 7.0%, as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	Discount Rate		
	6.0%	7.0%	8.0%
Net pension liability (asset)	\$ 295,892	\$ 52,910	\$ (161,130)

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the District recognized pension expense of \$53,789.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS *(Continued)*

Defined Benefit Pension Plan *(Continued)*

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

At June 30, 2023, 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
Net difference between projected and actual earnings on pension plan investments	\$ 148,496	\$ -	\$ 148,496
Differences between expected and actual experience	-	-	-
Total	\$ 148,496	\$ -	\$ 148,496

Amounts reported as deferred outflows and inflows of resources related to the Plan will be recognized as an increase (decrease) of pension expense in future years as follows:

Year ended June 30,			
2024		\$	35,360
2025			(1,763)
2026			116,920
2027			(2,021)
Total		\$	148,496

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, 2023.

ASSETS	
Cash and cash equivalents	\$ 235,218
Investments:	
Mutual funds	2,626,924
Equity securities	184,410
Other assets	173,855
Total assets	3,220,407
 NET POSITION	
Restricted for pension benefits	\$ 3,220,407

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS *(Continued)*

Defined Benefit Pension Plan *(Continued)*

Pension Plan Financial Statements *(Continued)*

ADDITIONS

Contributions:	
Employer	\$ 150,000
Employee	8,329
Total contributions	158,329
Other	4,554
Investment earnings:	
Interest and dividends	182,737
Net change in the fair value of investments, net of fees	52,882
Total investment earnings	235,619
Total additions	398,502

DEDUCTIONS

Benefit payments	258,082
Insurance premiums	6,396
Other	9,088
Total deductions	273,566
Change in net position	124,936
Net position - beginning, as restated	3,095,471
Net position - ending	\$ 3,220,407

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 cost-sharing 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.

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, the required contribution increased to 7.0% of pensionable salary.

REGIONAL SCHOOL DISTRICT NO. 10
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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, 2022. The net pension liability 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 0.405% 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, 2023, 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>\$ 18,310,559,000</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	0.405%	<u>\$ 74,204,456</u>

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Pension Expense

The District's expected contribution effort for allocation purposes totaled \$5,850,489 or 0.405% 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, 2023.

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 \$7,171,944 or 0.405% 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, 2023.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022 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.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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%	5.4%
Developed Market Intl. Stock Fund	11.0%	6.4%
Emerging Market Intl. Stock Fund	9.0%	8.6%
Core Fixed Income Fund	13.0%	0.8%
Emerging Market Debt Fund	5.0%	3.8%
High Yield Bond Fund	3.0%	3.4%
Real Estate Fund	19.0%	5.2%
Private Equity	10.0%	9.4%
Private Credit	5.0%	6.5%
Alternative Investments	3.0%	3.1%
Liquidity Fund	2.0%	-0.4%
	100.0%	

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.

Custodial and Maintenance Employees' Deferred Compensation Plan

The District offers certain employees who are eligible for benefits a deferred compensation plan in accordance with Internal Revenue Code Section 457. Under the provisions of the Plan, all full-time custodial and maintenance employees (except those covered under a comparable employer plan) who are at least 21 years of age and have twelve months of service to the District are eligible. Participation in the Plan is optional. The District is required to contribute an amount equal to 5.5% of participants' compensation. Contribution requirements of the District are established and may be amended by the Board. Employer and employee contributions totaled \$68,389 and \$35,261 respectively, for the year ended June 30, 2023.

REGIONAL SCHOOL DISTRICT NO. 10
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS *(Continued)*

Employees' Defined Contribution Plan

The District administers a single employer defined contribution plan. Under the provisions of the Plan, all full-time employees (except those covered under a comparable employer plan), who are at least 21 years of age and have six months of service in the District, may participate. Participation in the Plan is optional. The District is required to contribute an amount equal to 50% of participants' contributions up to 3% of participants' base compensation. In addition, the District may make discretionary contributions equal to 2% of the participants' base compensation. Employees may annually contribute on a pre-tax basis up to 100% of their salary, subject to IRS limitations. Contribution requirements of the District are established and may be amended by the Board. Employer and employee contributions totaled \$79,957 and \$213,618, respectively, for the year ended June 30, 2023.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The District accounts for activity relating to two other post-employment benefits plans, (1) the Regional School District No. 10 Board of Education OPEB Plan and (2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2023, the two plans had the following balances reported in the District's government-wide financial statements:

	<u>Total Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>On Behalf Revenues</u>	<u>OPEB Expense</u>
Regional School District No. 10 Other Post-employment Benefits Plan	\$ 2,972,496	\$ 641,307	\$ 311,914	\$ -	\$ 218,539
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	391,719	391,719
	<u>\$ 2,972,496</u>	<u>\$ 641,307</u>	<u>\$ 311,914</u>	<u>\$ 391,719</u>	<u>\$ 610,258</u>

Detailed disclosures for each plan follow.

Board of Education Plan

Plan Description

Plan administration - The District provides healthcare benefits for eligible retirees and their families through the District's group medical and dental insurance plans, which cover both active and retired members. Benefit provisions are established through negotiations between the District and the union representing the employees and are renegotiated each three-year bargaining period.

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

Retiree, beneficiaries, and dependents currently receiving benefits	13
Active participants	<u>255</u>
Total	<u><u>268</u></u>

REGIONAL SCHOOL DISTRICT NO. 10
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Board of Education Plan *(Continued)*

Plan Description *(Continued)*

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 participants and the District are established by and may be amended through negotiations between the District and the union representing the employees. Currently, retirees are required to contribute 100% of their medical and dental premiums to the District, less any reimbursements received by the District from the State Retirement Board. The District pays the benefits on a pay-as-you-go basis.

Total OPEB Liability

The District's total OPEB liability reported as of June 30, 2023 totaled \$2,972,496. The total OPEB liability was measured as of June 30, 2023 using a valuation date of July 1, 2021.

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:

Valuation date	July 1, 2021
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Dollar
Remaining amortization period	30 years, closed
Asset valuation method	Market Value
Actuarial assumptions (includes inflation rate):	
Investment rate of return	Not applicable
Municipal bond rate	4.09%
Medicare Supplement Plan cost trend rate	4.50%
Non-Medicare Supplement Plan cost trend rate	4.50%

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Index as of the measurement date, which represents municipal bond trends based on a portfolio of 20 general obligation bonds that mature in 20 years. Mortality rates for post-retirement mortality were based on the PubT-2010 Mortality Table for General Healthy Annuitants projected generationally with scale MP-2020 for males and females. Mortality rates for pre-retirement mortality were based on the PubT-2010 Mortality Table for General Employees projected generationally with scale MP-2020 for males and females.

Assumptions regarding participation and coverage election relating to are as follows:

- It was assumed that 50% of employees eligible to receive retirement benefits would enroll in the retiree medical and dental plans upon retirement.
- It was assumed that 80% of male employees and 70% of female employees who elect retiree healthcare coverage for themselves would also elect coverage for a spouse upon retirement.
- It was assumed that retirees who were over age 66 on the valuation date and were enrolled in an Active plan were ineligible for Medicare and all other participants would be eligible for Medicare at age 65, absent any information to the contrary.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Board of Education Plan *(Continued)*

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2022	\$ 2,917,608
Changes for the year:	
Service cost	65,301
Interest	119,373
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	-
Benefit payments	(129,786)
Net changes	54,888
Balance as of June 30, 2023	\$ 2,972,496

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the District's total OPEB liability calculated using the discount rate disclosed above, as well as what the District's total OPEB 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:

	1% Decrease	Current Discount	1% Increase
Total OPEB liability	\$ 3,282,215	\$ 2,972,496	\$ 2,694,287

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the District's total OPEB liability calculated using the discount rate disclosed above, as well as what the District's total OPEB 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:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Total OPEB liability	\$ 2,651,699	\$ 2,972,496	\$ 3,340,422

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Board of Education Plan *(Continued)*

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized OPEB expense of \$218,539. As of June 30, 2023, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals
Difference between expected and actual experience	\$ 22,207	\$ 132,942	\$ (110,735)
Changes of assumptions	619,100	178,972	440,128
	\$ 641,307	\$ 311,914	\$ 329,393

Amounts reported as deferred outflows of resources related to OPEB will be recognized as an increase (decrease) of OPEB expense as follows:

Year ended June 30:			
2024	\$	163,651	
2025		141,444	
2026		141,448	
2027		(58,572)	
2028		(58,578)	
		\$ 329,393	

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.

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

Connecticut Teachers' Retirement System *(Continued)*

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 \$220 per month for a retired member plus an additional \$220 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. A subsidy amount of \$440 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 \$440 per month towards coverage under a local school district plan.

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.

REGIONAL SCHOOL DISTRICT NO. 10
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Connecticut Teachers' Retirement System *(Continued)*

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, 2023. 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.

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort from 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 0.405% 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, 2022, 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>\$ 1,603,585,000</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	0.405%	<u>\$ 6,499,000</u>

Collective OPEB Expense

The District's expected contribution effort for allocation purposes totaled \$82,749 or 0.405% 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, 2023.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Connecticut Teachers' Retirement System *(Continued)*

Collective OPEB Expense *(Continued)*

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 collective OPEB expense attributed to the District totaled \$391,719 or 0.405% of the total collective OPEB expense and has been recognized as an operating contribution and related education expense in the statement of activities for the year ended June 30, 2023.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 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
Discount rate	3.53%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	
Medicare	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.5% by 2031

Mortality rates were based on the PubT-2010 Healthy Retiree Table, adjusted 105% for males and 103% for females 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 evaluating 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.

REGIONAL SCHOOL DISTRICT NO. 10
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Connecticut Teachers' Retirement System *(Continued)*

Long-Term Rate of Return *(Continued)*

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Treasuries (Cash Equivalents)	100.0%	-0.98%

Discount Rate

The discount rate used to measure the total OPEB liability was 3.53%. 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, 2022. In addition to the actuarial methods and assumptions of the June 30, 2022 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 2027 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

NOTE 11 - RISK MANAGEMENT

Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God for which the District carries commercial insurance. During fiscal year 2023, deductibles paid by the District were insignificant. Neither the District nor its insurers have settled any claims which exceeded the District's insurance coverage in any of the last three fiscal years. There have been no significant reductions in any insurance coverage from amounts in the prior year.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 12 - 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.

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 reimbursements 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 \$200,164 in encumbrances as of June 30, 2023. 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

REGIONAL SCHOOL DISTRICT NO. 10
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
District Towns	\$ 42,488,946	\$ 42,488,946	\$ 42,488,932	\$ (14)
Interest income	6,000	6,000	232,133	226,133
Other	156,000	156,000	200,072	44,072
Total revenues	<u>42,650,946</u>	<u>42,650,946</u>	<u>42,921,137</u>	<u>270,191</u>
EXPENDITURES				
Current:				
Salaries	25,772,903	25,790,828	25,517,023	(273,805)
Employee benefits	6,545,793	5,842,072	5,773,352	(68,720)
Supplies	1,339,673	1,369,039	1,273,036	(96,003)
Facilities	1,241,462	1,342,078	1,272,002	(70,076)
Purchased services	602,519	500,982	447,954	(53,028)
Equipment	268,900	273,031	259,619	(13,412)
Other	5,816,519	6,469,739	6,316,466	(153,273)
Debt service	1,793,231	1,793,231	1,793,231	-
Total expenditures	<u>43,381,000</u>	<u>43,381,000</u>	<u>42,652,683</u>	<u>(728,317)</u>
Excess (deficiency) of revenues over expenditures	(730,054)	(730,054)	268,454	998,508
OTHER FINANCING SOURCES (USES)				
Use of fiscal year 2021 surplus	730,054	730,054	-	(730,054)
Use of fiscal year 2022 surplus	-	597,196	-	(597,196)
Transfer out	-	(597,196)	(597,196)	-
Total other financing sources (uses)	<u>730,054</u>	<u>730,054</u>	<u>(597,196)</u>	<u>(1,327,250)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (328,742)</u>	<u>\$ (328,742)</u>

See accompanying notes to required supplementary information.

REGIONAL SCHOOL DISTRICT NO. 10
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) -
PENSION PLAN (UNAUDITED)
LAST TEN FISCAL YEARS

	<u>2023</u>	<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	\$ 17,665	\$ 14,651	\$ 25,094	\$ 33,260	\$ 40,605	\$ 42,376	\$ 45,698	\$ 62,762	\$ 62,232	\$ 44,341
Interest	224,635	185,410	187,481	188,419	196,622	195,306	191,089	186,677	189,672	190,447
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(15,820)	116,069	10,447	20,131	(103,146)	29,580	69,657	24,427	(108,957)	25,798
Changes of assumptions	4,437	484,889	-	-	-	-	-	-	-	-
Benefit payments, including refunds	(258,082)	(269,214)	(259,654)	(244,935)	(252,940)	(257,397)	(237,696)	(183,979)	(187,373)	(178,035)
Net change in total pension liability	(27,165)	531,805	(36,632)	(3,125)	(118,859)	9,865	68,748	89,887	(44,426)	82,551
Total pension liability - beginning	3,300,482	2,768,677	2,805,309	2,808,434	2,927,293	2,917,428	2,848,680	2,758,793	2,803,219	2,720,668
Total pension liability - ending	3,273,317	3,300,482	2,768,677	2,805,309	2,808,434	2,927,293	2,917,428	2,848,680	2,758,793	2,803,219
Plan fiduciary net position										
Contributions - employer	150,000	465,500	131,219	135,000	160,000	100,000	210,855	105,000	175,000	225,000
Contributions - members	8,329	8,225	8,583	10,329	13,861	13,452	17,188	22,016	22,075	24,024
Net investment income	235,619	(372,265)	841,629	995	138,018	173,639	252,537	(29,292)	111,706	323,455
Benefit payments, including refunds	(258,082)	(269,214)	(259,654)	(244,935)	(252,940)	(257,397)	(237,471)	(183,559)	(187,373)	(178,035)
Other	(10,930)	-	(65,203)	(4,551)	33,534	(39,003)	(36,963)	(36,480)	(37,064)	(38,161)
Net change in plan fiduciary net position	124,936	(167,754)	656,574	(103,162)	92,473	(9,309)	206,146	(122,315)	84,344	356,283
Plan fiduciary net position - beginning	3,095,471	3,263,225	2,606,651	2,709,813	2,617,340	2,626,649	2,420,503	2,542,818	2,458,474	2,102,191
Plan fiduciary net position - ending	3,220,407	3,095,471	3,263,225	2,606,651	2,709,813	2,617,340	2,626,649	2,420,503	2,542,818	2,458,474
District's net pension liability (asset)	<u>\$ 52,910</u>	<u>\$ 205,011</u>	<u>\$ (494,548)</u>	<u>\$ 198,658</u>	<u>\$ 98,621</u>	<u>\$ 309,953</u>	<u>\$ 290,779</u>	<u>\$ 428,177</u>	<u>\$ 215,975</u>	<u>\$ 344,745</u>
Plan fiduciary net position as a percentage of total pension liability	98.38%	93.79%	117.86%	92.92%	96.49%	89.41%	90.03%	84.97%	92.17%	87.70%
Covered payroll	\$ 105,013	\$ 164,463	\$ 210,870	\$ 205,192	\$ 278,626	\$ 276,636	\$ 442,748	\$ 442,124	\$ 441,500	\$ 469,968
District's net pension liability (asset) as a percentage of covered payroll	50.38%	124.65%	-234.53%	96.82%	35.40%	112.04%	65.68%	96.85%	48.92%	73.35%

See accompanying notes to required supplementary information.

REGIONAL SCHOOL DISTRICT NO. 10
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -
PENSION PLAN (UNAUDITED)
LAST TEN FISCAL YEARS

	<u>2023</u>	<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	\$ 121,749	\$ -	\$ 137,763	\$ 78,062	\$ 124,790	\$ 107,961	\$ 149,939	\$ 126,038	\$ 151,312	\$ 204,948
Contributions in relation to the actuarially determined contribution	<u>150,000</u>	<u>465,500</u>	<u>131,219</u>	<u>135,000</u>	<u>160,000</u>	<u>113,452</u>	<u>228,043</u>	<u>127,016</u>	<u>197,075</u>	<u>249,024</u>
Deficiency (Excess) contribution	<u>\$ (28,251)</u>	<u>\$ (465,500)</u>	<u>\$ 6,544</u>	<u>\$ (56,938)</u>	<u>\$ (35,210)</u>	<u>\$ (5,491)</u>	<u>\$ (78,104)</u>	<u>\$ (978)</u>	<u>\$ (45,763)</u>	<u>\$ (44,076)</u>
Covered payroll	\$ 105,013	\$ 164,463	\$ 210,870	\$ 205,192	\$ 278,626	\$ 276,636	\$ 442,748	\$ 442,124	\$ 441,500	\$ 469,968
Contributions as a percentage of covered payroll	142.84%	283.04%	62.23%	65.79%	57.42%	41.01%	51.51%	28.73%	44.64%	52.99%
Annual money-weighted rate of return, net of investment expense	7.47%	-10.85%	30.32%	(0.04%)	6.38%	5.21%	8.96%	2.80%	3.14%	13.78%

See accompanying notes to required supplementary information.

REGIONAL SCHOOL DISTRICT NO. 10
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY -
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST NINE FISCAL YEARS*
(Rounded to nearest thousand)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
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%	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	74,204,000	63,324,000	79,954,000	73,911,000	56,990,000	57,506,000	60,670,000	48,951,000	45,246,000
Total	<u>\$ 74,204,000</u>	<u>\$ 63,324,000</u>	<u>\$ 79,954,000</u>	<u>\$ 73,911,000</u>	<u>\$ 56,990,000</u>	<u>\$ 57,506,000</u>	<u>\$ 60,670,000</u>	<u>\$ 48,951,000</u>	<u>\$ 45,246,000</u>
District's covered payroll	\$ 18,526,000	\$ 19,094,000	\$ 18,467,000	\$ 19,004,000	\$ 18,710,000	\$ 18,227,000	\$ 17,569,000	\$ 18,196,000	\$ 17,538,000
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%	0.00%
Plan fiduciary net position as a percentage of the total collective pension liability	54.06%	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.

REGIONAL SCHOOL DISTRICT NO. 10
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY -
OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)
LAST SIX FISCAL YEARS*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability						
Service cost	\$ 65,301	\$ 77,708	\$ 76,869	\$ 76,420	\$ 49,919	\$ 59,833
Interest	119,373	91,329	91,122	62,579	60,752	55,307
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(159,450)	-	(44,448)	-	-
Changes of assumptions	-	(250,560)	-	1,444,564	-	155,449
Benefit payments, including refunds	(129,786)	(168,379)	(154,320)	(148,616)	(76,447)	(109,614)
Other	-	-	-	31,308	-	-
Net change in total OPEB liability	<u>54,888</u>	<u>(409,352)</u>	<u>13,671</u>	<u>1,421,807</u>	<u>34,224</u>	<u>160,975</u>
Total OPEB liability - beginning	<u>2,917,608</u>	<u>3,326,960</u>	<u>3,313,289</u>	<u>1,891,482</u>	<u>1,857,258</u>	<u>1,696,283</u>
Total OPEB liability - ending	<u>\$ 2,972,496</u>	<u>\$ 2,917,608</u>	<u>\$ 3,326,960</u>	<u>\$ 3,313,289</u>	<u>\$ 1,891,482</u>	<u>\$ 1,857,258</u>

* 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.

REGIONAL SCHOOL DISTRICT NO. 10
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>2023</u>	<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%	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	<u>6,499,000</u>	<u>6,899,000</u>	<u>11,925,000</u>	<u>11,527,000</u>	<u>11,393,000</u>	<u>14,802,000</u>
Total	<u>\$ 6,499,000</u>	<u>\$ 6,899,000</u>	<u>\$ 11,925,000</u>	<u>\$ 11,527,000</u>	<u>\$ 11,393,000</u>	<u>\$ 14,802,000</u>
District's covered payroll	\$ 19,030,000	\$ 18,830,000	\$ 18,830,000	\$ 19,004,000	\$ 19,004,000	\$ 18,227,000
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%	0.00%
Plan fiduciary net position as a percentage of the total collective OPEB liability	9.46%	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.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND

The General Fund is the only fund for which an annual budget is legally adopted. The District adheres to the following procedures in establishing the budgetary data for the General Fund:

- Not less than two weeks before the annual meeting, which must be held on the first Monday of May, the Board holds a public District meeting to present a proposed budget for the next fiscal year. Any person may recommend the addition or deletion of expenditures at such time.
- After the public District meeting, the Board shall prepare an annual budget for the next fiscal year, make available on request copies thereof, and deliver a reasonable number of copies to the Town Clerk of each Member Town at least five days before the annual meeting. At the annual meeting, the Board shall present a budget which includes statements of (1) estimated receipts and expenditures for the next fiscal year, (2) estimated receipts and expenditures for the current fiscal year, (3) estimated surplus or deficit in operating funds at the end of the current fiscal year, (4) bonded or other debt, (5) estimated per pupil expenditures for the current and for the next fiscal year and (6) such other information as is necessary in the opinion of the Board.
- Persons present and eligible to vote at the annual meeting may accept or reject the proposed budget. If a majority of such persons voting reject the budget, the Board shall, within two weeks thereafter and upon notice of not less than one week, call a District meeting to consider the same or an amended budget. Such meetings shall be convened at such intervals until a budget is approved.
- Formal budgetary integration is employed as a management control device during the year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the fund level. The Superintendent is authorized to make budget transfers, provided that such transfers do not exceed one percent of the District's annual adopted budget.
- Except for the use of encumbrances, the budget is prepared on the modified accrual basis of accounting. Intergovernmental and other reimbursements for certain special education costs are recorded as reductions to expenditures for budgetary purposes and on-behalf payments made by the State of Connecticut into the State Teachers' Retirement System are not recorded for budgetary purposes.
- 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 of the current year.
- All unexpended and unencumbered appropriations lapse at year-end.

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 and of encumbrances, which are recorded as expenditures for budgetary purposes.

REGIONAL SCHOOL DISTRICT NO. 10
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND *(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, 2023:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Change in Fund Balance</u>
Budgetary basis	\$ 42,921,137	\$ 42,652,683	\$ (597,196)	\$ (328,742)
"On-behalf" payments - State Teachers' Retirement Fund	5,933,238	5,933,238	-	-
Reimbursement for certain special education and other costs recorded as a reduction to expenditures for budgetary purposes	1,036,889	1,036,889	-	-
Transfers out recorded as expenditures for budgetary purposes	-	(1,793,231)	(1,793,231)	-
Encumbrances outstanding:				
June 30, 2023	-	(200,164)	-	200,164
June 30, 2022	-	835,495	-	(835,495)
GAAP basis	<u>\$ 49,891,264</u>	<u>\$ 48,464,910</u>	<u>\$ (2,390,427)</u>	<u>\$ (964,073)</u>

NOTE 2 - SCHEDULE OF THE CHANGES IN NET PENSION LIABILITY - 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.

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2023. The July 1, 2023 valuation was utilized to calculate the total pension liability as June 30, 2023.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the District's net pension liability reported as of June 30, 2023.

Assumption Changes - There have been no assumption changes that have had a significant effect on the measurement of the District's net pension liability reported as of June 30, 2023.

REGIONAL SCHOOL DISTRICT NO. 10
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - 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.

Actuarially determined contributions rates are calculated as of July 1, one year 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, 2023.

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Not applicable
Remaining amortization period	Not applicable
Asset valuation method	Market Value
Actuarial assumptions (includes inflation rate):	
Long-term expected rate of return	7.00% per annum
Salary scale	2.50% per annum
Retirement age	Normal retirement age

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 with the most recent available actuarial valuation performed as of June 30, 2022. The liabilities were estimated based on a measurement date of June 30, 2022. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. This information is utilized by the District for reporting as of June 30, 2023.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the District's collective net pension liability reported as of June 30, 2023.

Assumption Changes - There have been no changes in assumptions that have had a significant effect on the measurement of the District's collective net pension liability reported as of June 30, 2023.

REGIONAL SCHOOL DISTRICT NO. 10
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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.

The total OPEB liability was measured as of June 30, 2023 for the reporting period and fiscal year ended June 30, 2023, using an actuarial valuation performed as of July 1, 2021.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the District's total OPEB liability reported as of June 30, 2023.

Assumption Changes - There have been no changes in assumptions that have had a significant effect on the measurement of the District's total OPEB liability reported as of June 30, 2023.

NOTE 6 - 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 with the most recent available actuarial valuation performed as of June 30, 2022. This information is utilized by the District for reporting as of June 30, 2023. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. This information is utilized by the District for reporting as of June 30, 2023.

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, 2023.

Assumption Changes - The following assumption changes had a significant effect on the measurement of the District's collective net OPEB liability reported as of June 30, 2023.

- The discount rate was increased from 2.17% to 3.53% to reflect the change in the Municipal Bond Index rate.
- The expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019.
- The expected rate of inflation was decreased and the Real Wage Growth assumption was increased.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

REGIONAL SCHOOL DISTRICT NO. 10
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES:				
District Towns:				
Burlington	\$ 28,412,358	\$ 28,412,358	\$ 28,412,350	\$ (8)
Harwinton	14,076,588	14,076,588	14,076,582	(6)
Total District Towns	<u>42,488,946</u>	<u>42,488,946</u>	<u>42,488,932</u>	<u>(14)</u>
Interest income	<u>6,000</u>	<u>6,000</u>	<u>232,133</u>	<u>226,133</u>
Other revenues:				
User fees and tuition	156,000	156,000	192,019	36,019
Other	-	-	8,053	8,053
Total other revenues	<u>156,000</u>	<u>156,000</u>	<u>200,072</u>	<u>44,072</u>
Total revenues	<u>42,650,946</u>	<u>42,650,946</u>	<u>42,921,137</u>	<u>270,191</u>
OTHER FINANCING SOURCES:				
Use of fiscal year 2022 surplus	-	597,196	-	(597,196)
Use of fiscal year 2021 surplus	730,054	730,054	-	(730,054)
Total other financing sources	<u>730,054</u>	<u>1,327,250</u>	<u>-</u>	<u>(1,327,250)</u>
Total revenues and other financing sources	<u>\$ 43,381,000</u>	<u>\$ 43,978,196</u>	<u>\$ 42,921,137</u>	<u>\$ (1,057,059)</u>

REGIONAL SCHOOL DISTRICT NO. 10
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
EXPENDITURES:				
Personnel:				
Certified Personnel	\$ 19,937,958	\$ 19,848,192	\$ 19,773,251	\$ (74,941)
Noncertified Personnel	5,492,045	5,599,736	5,485,238	(114,498)
Temporary Wages	342,900	342,900	258,534	(84,366)
Total personnel	<u>25,772,903</u>	<u>25,790,828</u>	<u>25,517,023</u>	<u>(273,805)</u>
Benefits:				
Health/Life Benefits	5,100,297	4,468,720	4,468,720	-
Social Security	785,000	750,448	739,819	(10,629)
Retirement Contributions	300,000	308,639	308,639	-
Workers Compensation	274,356	228,125	198,735	(29,390)
Group Disability Insurance	37,500	37,500	26,448	(11,052)
Tuition Reimbursement	36,000	36,000	24,191	(11,809)
Unemployment Compensation	12,640	12,640	6,800	(5,840)
Total Benefits	<u>6,545,793</u>	<u>5,842,072</u>	<u>5,773,352</u>	<u>(68,720)</u>
Supplies:				
Supplies	454,481	478,972	438,521	(40,451)
Fuel Oil	352,600	352,600	329,749	(22,851)
Library/Audio Supplies	349,330	351,719	336,793	(14,926)
Textbooks	85,865	81,796	71,307	(10,489)
Propane and Natural Gas	50,000	53,960	50,749	(3,211)
Library Books	24,800	24,924	21,169	(3,755)
Periodicals	17,597	18,320	18,000	(320)
Gasoline	5,000	6,748	6,748	-
Total supplies	<u>1,339,673</u>	<u>1,369,039</u>	<u>1,273,036</u>	<u>(96,003)</u>
Facilities:				
Repairs and Maintenance Services	503,912	540,678	514,759	(25,919)
Utility Services	430,600	480,300	480,300	-
Grounds Upkeep	46,700	30,465	25,376	(5,089)
Snowplowing Services	70,000	70,000	70,000	-
Security	33,800	34,155	34,155	-
Disposal Services	47,200	75,436	66,606	(8,830)
Septic/Water Systems	42,500	42,500	20,300	(22,200)
LGS Sewer Annual Fee	28,500	33,294	33,294	-
Facility Rentals	26,400	23,400	22,093	(1,307)
Cleaning Services	8,450	8,450	2,039	(6,411)
Pest Control	3,400	3,400	3,080	(320)
Total Facilities	<u>1,241,462</u>	<u>1,342,078</u>	<u>1,272,002</u>	<u>(70,076)</u>

(Continued)

REGIONAL SCHOOL DISTRICT NO. 10
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
EXPENDITURES: (Continued)				
Purchased Services:				
Other Professional Services	\$ 511,019	\$ 408,367	\$ 376,517	\$ (31,850)
Administrative Services	20,000	20,000	11,923	(8,077)
Professional Education Services	48,500	48,015	35,147	(12,868)
Technical Services	23,000	24,600	24,367	(233)
Total Purchased Services	<u>602,519</u>	<u>500,982</u>	<u>447,954</u>	<u>(53,028)</u>
Equipment:				
Replace Non-Instructional Equipment	231,100	212,563	206,581	(5,982)
Replace Instructional Equipment	9,500	31,896	31,507	(389)
New Instructional Equipment	15,300	15,035	7,994	(7,041)
New Non-Instructional Equipment	13,000	13,537	13,537	-
Total equipment	<u>268,900</u>	<u>273,031</u>	<u>259,619</u>	<u>(13,412)</u>
Other:				
Student Transportation	2,746,007	2,707,332	2,666,773	(40,559)
Insurance	248,110	276,640	274,876	(1,764)
Communication/Telephone	59,500	61,463	54,688	(6,775)
Postage	22,050	25,058	20,634	(4,424)
Advertising	6,150	6,150	2,881	(3,269)
Printing & Binding	17,050	17,065	7,661	(9,404)
Tuition to LEAs	337,759	348,258	346,783	(1,475)
Tuition to Private Sources	1,740,556	2,372,908	2,339,065	(33,843)
Professional Development/Travel	61,040	60,856	32,902	(27,954)
Other Purchased Services	204,179	318,800	306,160	(12,640)
Student Activities	11,500	10,380	7,896	(2,484)
Dues and Fees	51,118	52,065	43,524	(8,541)
Capital improvements	211,500	212,764	212,623	(141)
Total other	<u>5,716,519</u>	<u>6,469,739</u>	<u>6,316,466</u>	<u>(153,273)</u>
Debt service:				
Principal	1,530,000	1,530,000	1,530,000	-
Interest	263,231	263,231	263,231	-
Total debt service	<u>1,793,231</u>	<u>1,793,231</u>	<u>1,793,231</u>	<u>-</u>
Contingency	100,000	-	-	-
Total expenditures	<u>43,381,000</u>	<u>43,381,000</u>	<u>42,652,683</u>	<u>(728,317)</u>
OTHER FINANCING USES:				
Transfer out	-	597,196	597,196	-
Total expenditures and other financing uses	<u>\$ 43,381,000</u>	<u>\$ 43,978,196</u>	<u>\$ 43,249,879</u>	<u>\$ (728,317)</u> <i>(Concluded)</i>

REGIONAL SCHOOL DISTRICT NO. 10
SCHEDULE OF DEBT LIMITATION -
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
AS OF JUNE 30, 2023

	Burlington	Harwinton	Total
Total cash collections for the year ended June 30, 2023:	\$ 28,412,350	\$ 14,076,582	\$ 42,488,932
			District
Debt limitation: 4-1/2 times base			\$ 191,200,194
Indebtedness:			
Bonds payable			7,155,000
Total indebtedness			7,155,000
Debt limitation in excess of outstanding and authorized debt			\$ 184,045,194
Total capacity of borrowing (4-1/2 times base)			\$ 191,200,194
Total present indebtedness			7,155,000
Margin for additional borrowing			\$ 184,045,194

REGIONAL SCHOOL DISTRICT NO. 10
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023

	Nonmajor Special Revenue Funds			Total Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
	School Lunch Fund	Student Activity Fund	Student Scholarship Fund		Debt Service Fund	
ASSETS						
Cash and cash equivalents	\$ 700,436	\$ 311,158	\$ 116,712	\$ 1,128,306	\$ 3,575	\$ 1,131,881
Grants receivable	231,368	-	-	231,368	-	231,368
Inventories	12,729	-	-	12,729	-	12,729
Total assets	<u>\$ 944,533</u>	<u>\$ 311,158</u>	<u>\$ 116,712</u>	<u>\$ 1,372,403</u>	<u>\$ 3,575</u>	<u>\$ 1,375,978</u>
LIABILITIES						
Accounts payable	\$ 279	\$ -	\$ -	\$ 279	\$ -	\$ 279
Total liabilities	<u>279</u>	<u>-</u>	<u>-</u>	<u>279</u>	<u>-</u>	<u>279</u>
FUND BALANCES						
Nonspendable:						
Inventories	12,729	-	-	12,729	-	12,729
Restricted for:						
School lunch operations	931,525	-	-	931,525	-	931,525
Student activities	-	311,158	-	311,158	-	311,158
Scholarships	-	-	116,712	116,712	-	116,712
Committed for:						
Debt service	-	-	-	-	3,575	3,575
Total fund balances	<u>944,254</u>	<u>311,158</u>	<u>116,712</u>	<u>1,372,124</u>	<u>3,575</u>	<u>1,375,699</u>
Total liabilities and fund balances	<u>\$ 944,533</u>	<u>\$ 311,158</u>	<u>\$ 116,712</u>	<u>\$ 1,372,403</u>	<u>\$ 3,575</u>	<u>\$ 1,375,978</u>

REGIONAL SCHOOL DISTRICT NO. 10
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Nonmajor Special Revenue Funds			Total Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
	School Lunch Fund	Student Activity Fund	Student Scholarship Fund		Debt Service Fund	
REVENUES						
Intergovernmental	\$ 1,151,352	\$ -	\$ -	\$ 1,151,352	\$ -	\$ 1,151,352
Charges for goods and services	210,558	379,135	-	589,693	-	589,693
Interest income	309	784	232	1,325	26	1,351
Other	-	-	5,300	5,300	-	5,300
Total revenues	<u>1,362,219</u>	<u>379,919</u>	<u>5,532</u>	<u>1,747,670</u>	<u>26</u>	<u>1,747,696</u>
EXPENDITURES						
Current:						
General instruction	-	-	7,284	7,284	-	7,284
Support services - students	1,104,321	362,298	-	1,466,619	-	1,466,619
Debt service:						
Principal payments	-	-	-	-	1,530,000	1,530,000
Interest and fiscal charges	-	-	-	-	263,231	263,231
Total expenditures	<u>1,104,321</u>	<u>362,298</u>	<u>7,284</u>	<u>1,473,903</u>	<u>1,793,231</u>	<u>3,267,134</u>
Excess (deficiency) of revenues over expenditures	257,898	17,621	(1,752)	273,767	(1,793,205)	(1,519,438)
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	1,793,231	1,793,231
Net changes in fund balances	257,898	17,621	(1,752)	273,767	26	273,793
Fund balances - beginning	<u>686,356</u>	<u>293,537</u>	<u>118,464</u>	<u>1,098,357</u>	<u>3,549</u>	<u>1,101,906</u>
Fund balances - ending	<u>\$ 944,254</u>	<u>\$ 311,158</u>	<u>\$ 116,712</u>	<u>\$ 1,372,124</u>	<u>\$ 3,575</u>	<u>\$ 1,375,699</u>